WAL-MART EXPANSION
CITY OF TRACY
3010 W. GRANT LINE ROAD, TRACY
REVISED DRAFT ENVIRONMENTAL IMPACT REPORT
SCH NO. 2004012040

PREPARED FOR:

CITY OF TRACY
PLANNING DIVISION
333 CIVIC CENTER PLAZA
TRACY, CA 95376

PREPARED BY:

PMC

1440 BROADWAY, SUITE 1008
OAKLAND, CA 94612
(510) 272-4491
WWW.PMCWORLD.COM

JULY 2007

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FOREWARD

FOREWORD

This Revised Draft EIR for the proposed Wal-Mart Expansion Project, in combination with the previous Draft EIR issued on October 3, 2005 constitutes the entire Draft EIR required by CEQA for the proposed Wal-Mart Expansion Project.

PURPOSE OF THIS DOCUMENT

The purpose of this document, entitled" Revised Draft Environmental Impact Report" (RDEIR), is to identify specified portions of the Draft Environmental Impact Report (DEIR) for the Tracy Wal-Mart Expansion project ("Project") that have been revised by the City and re-circulated in accordance with CEQA Guidelines Section 15088.5(f)(2). This RDEIR also summarizes the process by which comments may be submitted to and considered by the City prior to the City's final action on the certification of the EIR and the proposed Project application. Pursuant to CEQA Guidelines Section 15088.5(f) (2), the City requests that reviewers of this RDEIR limit the scope of their comments to the revised portions identified in this RDEIR.

ENVIRONMENTAL REVIEW PROCESS

The Draft EIR issued in 2005 from October 3 to November 17 and was circulated for a 45-day public review period as required by CEQA. During this review period, the City accepted written comments on the adequacy of the document. Comments on the DEIR were submitted in writing during the review period by: Kimberly-Horn & Associates Inc, California Department of Transportation, Dave's Bass Shack, Retail Strategies, Big O Tires, The Fifth Season, Miss Millie's Learning Loft, Taylor Salon, Tracy Grocery Outlet, Ybara BROS Jewelers, Regional Water Quality Control Board-Central Valley Region, and the San Joaquin County-Public Works Department.

The City prepared responses to all comments submitted on the DEIR in preparation for the Final Environmental Impact Report (FEIR). However, prior to publication of the responses in the FEIR, a City Council hearing was held on June 20, 2006 for the WinCo Foods Project, during which several comments were made regarding the proposed Wal-Mart Expansion Project. Since the additional comments submitted at the City Council hearing were not directly related to Wal-Mart DEIR and the public review comment period had lapsed on November 17, 2005, additional information was not required to be generated to respond to the these comments as they related to the Project. Nonetheless, in order to thoroughly document the City's efforts to analyze the potential environmental impacts of the Project, the City decided to request that the EIR consultant review the comments submitted on the WinCo project as they related to Wal-Mart, and prepare responses.

In the course of reviewing comments that were submitted on the DEIR for the WinCo Project and addressed in the Wal-Mart Project, located in the same geographic vicinity, it was determined new information regarding land use and economics, traffic and circulation, and air quality should be analyzed for both projects. In addition, it was determined that a new energy analysis should be prepared. It should be noted that CEQA does not require an in-depth energy analysis, since neither Project would have significant energy impacts; however, a separate Energy section was prepared to document the City's efforts to analyze the potential environmental impacts of the project to energy resources.

Land Use and Economics

The Land Use and Economics section was updated to analyze cumulative impacts resulting from the proposed project in combination with other projects including the WinCo project, and other

projects in the trade area. Additionally, the environmental impacts resulting from urban decay were analyzed in this RDEIR. This section was re-analyzed due to additional information received from the noted comments regarding the Project's Market Area to the Area of Impact, which involved extending the impact analysis to surrounding communities. These comments discussed the necessity to include analysis of impacts to retail merchants and potential urban decay resulting from the proposed project on surrounding communities.

Air Quality

The Air Quality section of the DEIR was peer reviewed by Illingworth & Rodkin, Inc. and revisions were made in response to updated air quality standards and the recently adopted SJVAPCD Rule 9510 that applies to land use developments. The analysis was also updated using the latest version of the URBEMIS2002 model (Version 8.7) and included the latest model template developed by the SJVAPCD. The SJVAPCD recently adopted the Indirect Source Review (ISR) Rule that would apply to the project, which requires that a project mitigate emissions of ozone precursor pollutants and particulate matter during both construction and long-term operation. Effects of this rule were taken into account in the revised analysis. Health effects caused by exposure to ozone and particulate matter air pollutants were further described in response to comments on the DEIR. This section was reviewed due to additional information that was received in reference to the relationship between air pollutants and adverse health affects per CEQA Guidelines 15126.2(a), which requires an EIR to discuss "health and safety problems caused by the physical changes" a Project may cause.

Traffic and Circulation

The updated traffic section now includes an analysis of Saturday Traffic Counts for the proposed project and cumulative impacts on Level of Service (LOS) for adjacent streets. This Section was analyzed after comments were made regarding the high traffic volumes of the trade area during Saturday midday peak hours.

Energy Resources and Conservation

The Energy section of this RDEIR was prepared to analyze energy consumed directly and indirectly during the construction, operation and maintenance of projects. This new section of the EIR includes an assessment of energy consumption and addresses the potential for wasteful, inefficient, or unnecessary use of energy resulting from the proposed project. The Energy section was added to this RDEIR after information was received on June 20, 2006 from comments regarding the project's potential energy impacts, including the potential for inefficient consumption of energy.

It is important to note that the responses and analysis of new information did not generate significant information resulting in any new significant impacts. The information merely clarified and amplified the analysis in the original DEIR in order to respond to the comments submitted on the WinCo Project that related to the Tracy Wal-Mart Expansion Project. Because the analyses leading to these conclusions were not included in the original DEIR, the City decided to identify and re-circulate in this RDEIR only those portions of the original DEIR that were revised, in an effort to avoid disputes over procedural questions related to allegations of inadequate opportunity to comment on the specified information.

Since the revisions to the DEIR are not "significant" and the revisions are limited to a few portions of the EIR, the City is re-circulating only those portions of the EIR specifically identified in this RDEIR (CEQA Guidelines Section 15088.5(c)). Thus, the City is not re-circulating the entire DEIR.

ORGANIZATION OF THIS DOCUMENT

The original Draft EIR for the project was organized into eight sections. Section 4 (Environmental Setting, Impacts, and Mitigation Measures) consisted of 12 sections, numbered Sections 4.1 through 4.12, evaluating the environmental impacts of the proposed Wal-Mart Expansion Project. This Revised Draft EIR contains an additional section titled Section 4.13, Energy Resources and Conservation.

Revisions to the Draft EIR are referenced by the "section" or "subsection" to which they correspond. Each revised section is reprinted in its entirety with new text shown as underlined and deleted text shown as ~~strikethrough~~. Additionally, each section that appears in this RDEIR was reprinted in its entirety for ease of reading. The Energy Resources and Conservation is a new section that was not included in the previous Draft EIR; therefore, for the ease of reading, this section was prepared without underline and ~~strikethrough~~ text.

SUMMARY OF REVISIONS

The following is a summary of the changes included in this Revised Draft EIR for the proposed Wal-Mart Expansion Project:

- **Section 1.0, Introduction.** Subsection 1.4 of this section has been revised to include the new Section 4.13, Energy Resources and Conservation; Section 5.0, Cumulative Impacts was added; and minor revisions were made to Section 6.0, Alternatives to the Project, as well as to Section 8.0, Report Preparers.

- **Section 2.0, Executive Summary**. Subsections 2.4 of this section have been revised to include the new Section 4.13, Energy Resources and Conservation. Subsection 2.5 and Table 2.0-1 of this section has been revised to include changes to the previously stated project impacts related to economic, transportation and circulation, and air quality. The table has also been revised to include the impacts discussed in the new Section 4.13 Energy Resources and Conservation.

- **Section 4.1, Land Use/Agricultural Resources/Economics**. Subsection 4.1.3 and Impact 4.1.6, Economics have been modified to include a revised economic market analysis, including a discussion on urban decay and the cumulative impacts that the proposed project would have with such projects as the proposed. In addition, a discussion of the 2006 Tracy General Plan amendment policies addressing community character was added in Section 4.1.2.

- **Section 4.4, Transportation and Circulation.** This section has been revised to include Saturday traffic counts for the proposed project and the effects of Level of Service (LOS) for adjacent streets.

- **Section 4.13, Energy Resources and Conservation.** This is a new section that was not included in the original DEIR. The section analyzes the proposed project's impacts to energy resources. Energy consumption related to construction, operation, and maintenance of the proposed project is analyzed. Indirect energy consumption resulting from increased automobile trips to the Wal-Mart after the proposed expansion is also analyzed.

- **Subsection 5.3, Cumulative Impact Analysis.** Subsection 5.3 has been modified to include the cumulative impacts related to economics as discussed in Section 4.1.

- **Subsection 7.3, ~~Growth Inducing Effects of the Proposed Project~~ CEQA Required Assessment Conclusions.** Subsection 7.3 has been modified to include the Saturday cumulative impact related to traffic in Section 4.4, Traffic and Circulation.

- **Section 8.0, Report Preparers.** This section has been revised to include the most recent personnel that have worked on the revised document.

- **Appendix A.** A revised Market Impact Analysis by BAE dated December 2006 is included with the updated market information.

- **Appendix B.** A memorandum for the Saturday Traffic Analysis by Fehr & Peers dated October 2006 is included.

SECTIONS THAT HAVE NOT BEEN REVISED

The following sections and sections have not been changed from the Draft EIR published on October 3, 2005:

- Section 3.0, Project Description
- Section 4.2, Aesthetic/Visual Resources/Light and Glare
- Section 4.3, Human Health and Hazards
- Section 4.5, Noise
- Section 4.7, Hydrology, Groundwater and Water Quality
- Section 4.8, Geology and Soils
- Section 4.9, Biological Resources
- Section 4.10, Cultural Resources
- Section 4.11, Utilities and Service Systems
- Section 6.0, Project Alternatives

REVIEW PROCESS

The review process for the RDEIR will involve the following general procedural steps:

Public Notice/Public Review

CEQA Guidelines 15088.5 describes procedures for recirculation of a portion of an EIR, which requires the provision of a public notice of availability of the RDEIR at the same time as the Notice of Completion is submitted to the State Clearinghouse. In addition, CEQA Guidelines Section 15088.5(f) acknowledges that comments on a recirculated EIR can result in the lead agency receiving more than one set of comments from reviewers and recommends ways in which the lead agency may identify the set of comments to which it will respond. For this RDEIR, the City will request that commentors limit comments to the recirculated revisions provided in this document. Comments received on the original Draft EIR during the previous comment period

will be responded to in the Final EIR and need not be re-submitted on this RDEIR. Public comment on the Revised DEIR will be accepted in written form. All comments or questions regarding the RDEIR should be addressed to:

Victoria Lombardo, Senior Planner
City of Tracy
Planning Division
333 Civic Center Plaza
Tracy, CA 95376
E-mail: Victoria.lombardo@ci.tracy.ca.us

Response to Comments/Final EIR

Following the public review period on the RDEIR, a Final EIR will be prepared. The Final EIR will respond to written comments received during the public review period on the original Draft EIR and the RDEIR.

Certification of the EIR/Project Consideration

The City will review and consider the Final EIR. If the City finds that the Final EIR is "adequate and complete", the City will certify the Final EIR. Upon review and consideration of the Final EIR, the City of Tracy may take action to approve, revise, or reject the project. A decision to approve the project would be accompanied by written findings in accordance with CEQA Guidelines Section 15091 and, if applicable, Section 15093. A Mitigation Monitoring Program, as described below, would also be adopted for mitigation measures that have been incorporated into or imposed upon the project to reduce or avoid significant effects on the environment. This Mitigation Monitoring Program will be designed to ensure that these measures are carried out during project implementation.

Mitigation Monitoring Program

Public Resources Code Section 21081.6 requires lead agencies to adopt a reporting and mitigation monitoring program to describe measures that have been adopted or made a condition of project approval in order to mitigate or avoid significant effects on the environment.

1.0 INTRODUCTION

The following subsection of Section 1.0 is revised as follows. Changes in text are shown in underline.

1.4 ORGANIZATION AND SCOPE

Sections 15122 through 15132 of the CEQA Guidelines identify the content requirements for Draft and Final EIRs. An EIR must include:

- A description of the environmental setting,
- An environmental impact analysis,
- Mitigation measures,
- Alternatives,
- Growth-inducing impacts,
- Significant non-avoidable impacts, and
- Cumulative impacts

The environmental issues addressed in the Draft EIR were established through review of environmental documentation developed for the project, environmental documentation for nearby projects.

This Draft EIR is organized as follows:

FOREWORD

This new section provides a discussion on the rationale for re-circulation of the Draft EIR and a description of the sections included in this RDEIR.

SECTION 1.0 - INTRODUCTION

Section 1.0 provides an introduction and overview describing the intended use of this EIR and the review and certification process.

SECTION 2.0 - EXECUTIVE SUMMARY

This section summarizes the proposed project and provides a concise summary matrix of the project's environmental impacts and associated mitigation measures.

SECTION 3.0 - PROJECT DESCRIPTION

This section provides a detailed description of the proposed project, including intended objectives, background information, and physical and technical characteristics.

SECTION 4.0 - ENVIRONMENTAL SETTING, IMPACTS AND MITIGATION MEASURES

Section 4.0 contains an analysis of environmental topic areas as identified below. Each subsection contains a description of the existing setting of the project area, identifies project-related impacts, and recommends Mitigation measures.

The following major environmental topics are addressed in this section:

Land Use Planning/ Agriculture/ Economics: This section addresses the land use impacts associated with implementation of the project, including consistency with City land use goals and policies, agricultural lands and consistency with applicable land use regulations contained in the I-205 Specific Plan and the Tracy Zoning Ordinance and Municipal Code. The section also addresses the potential physical effects and possible urban decay related to the proposed Wal-Mart expansion and the cumulative impacts if both the Wal-Mart expansion and the WinCo Foods project are completed.

Aesthetics: This section assesses the overall increase in nighttime illumination produced by the project and the light spill-over into adjoining uses, as well as overall aesthetic impacts of the development and operation of the proposed project.

Hazards and Hazardous Materials: Addresses the presence of hazardous conditions or materials on the site, or associated with the project, and the manner in which such hazards can be mitigated. This section concludes that the project would have a less-than-significant effect with regard to this issue.

Transportation/Traffic: Addresses the impacts on the local and regional road system. In addition, the section assesses impacts on transit, bicycle, and pedestrian facilities.

Noise: Examines noise impacts during construction and at project buildout, as related to potential noise generation from mobile and stationary sources. This section also addresses the impact of noise generation on nearby residential uses.

Air Quality: Discusses the local and regional air quality impact associated with the proposed project.

Hydrology and Water Quality: Examines the impacts of the project on local hydrological conditions, including drainage areas, groundwater, and changes in drainage flow rates. This section also addresses the potential impacts the project may have on soils, soil suitability for development, and seismic hazards.

Geology and Soils: Discusses potential seismic hazards and soil conditions that may be affected by the proposed project.

Biological Resources: The project's impacts biological resources on the site are addressed. This section includes a summary of a study of the project site conducted for this project.

Cultural Resources: Addresses the potential impacts on archeological resources at the project site.

Public Services: Addresses the project's impact on public services such as police and fire. This section concludes that the project would have a less-than-significant effect on public services.

Utilities and Service Systems: Addresses the impact of the project on the utilities, including the ability of the existing utility systems to provide service to the project. This section concludes that the project would have a less-than-significant effect on public utilities and service systems.

Energy Resources and Conservation: Addresses the proposed project's impacts to energy resources. Energy consumption related to construction, operation, and maintenance of the proposed project is analyzed. Indirect energy consumption resulting from increased automobile trips to the Wal-Mart after the proposed expansion is also analyzed.

EFFECTS FOUND NOT TO BE SIGNIFICANT

The following resource topics were not discussed in this EIR as they were found as the result of this report's analysis to be less than significant. These sections include:

Mineral Resources: *There are no mineral resources that would be affected by the Wal-Mart Expansion project area. According to the City of Tracy General Plan FEIR, the project area is in an area where adequate information indicates that no significant mineral deposits are present or where it is judged that little likelihood exist for their presence.*

Population and Housing: *The proposed project would not have an effect on Population and Housing, as it is an expansion of a commercial enterprise. Persons already residing in the Tracy area would most likely fill any jobs created by the project.*

SECTION 5.0 – CUMULATIVE IMPACTS

Section 5.0 discusses the cumulative impact associated with the proposed project when combined with other past, present and future projects that are reasonably foreseeable.

SECTION 6.0 - ALTERNATIVES TO THE PROJECT

CEQA Guidelines Section 15126.6 requires that an EIR describe a range of reasonable alternatives to the project, which could feasibly attain the basic objectives of the project and avoid and/or lessen the environmental effects of the project. This alternatives analysis provides a comparative analysis between the project and the selected alternatives, which include:

No Project: ~~Expansion of the existing Wal-Mart would not occur under the "No Project" alternative.~~ Under the "No Project" alternative, expansion of the existing Wal-Mart would not occur; however, commercial development could occur per the General Plan land use and zoning designations.

~~The alternatives analysis also included an examination of a variety of other alternatives, which were dismissed from detailed analysis. See the Alternatives section for a detailed discussion of these dismissed alternatives and the reasons why they were not examined in detail.~~

Grocery Only Expansion Alternative: ~~This~~ The Grocery Only alternative assumes expansion of the existing Wal-Mart with only the components related to the proposed grocery expansion. No other proposed project components would be constructed. **Figures 6.0-1** and **6.0-2** display the lay out of the proposed grocery only alternative.

Chrisman Road Relocation Alternative: ~~This~~ The Chrisman Road alternative assumes relocation and replacement of the existing Wal-Mart as a Wal-Mart Supercenter store with all components of the existing store and the proposed project at an approximately 112-acre City-owned site located north of Eleventh Street on Chrisman Road. **Figure 6.0-3** illustrates the location of the Chrisman Road alternative.

The alternatives analysis also included an examination of a variety of other alternatives, which were dismissed from detailed analysis. See the Alternatives section for a detailed discussion of these dismissed alternatives and the reasons why they were not examined in detail.

SECTION 7.0 - ~~OTHER SECTIONS REQUIRED BY CEQA~~ CEQA REQUIRED ASSESSMENT CONCLUSIONS

This section examines a variety of topics which are required by state law, including:

Growth Inducement And Secondary Effects Of Growth: The ability of the proposed project to cause other growth or to cause other projects to be constructed.

Significant Irreversible Environmental Changes: Any significant irreversible environmental changes which would be involved in the proposed action should it be implemented.

Significant Unavoidable Environmental Effects: Any impacts that cannot be avoided or reduced to a less-than-significant level.

SECTION 8.0 - REPORT PREPARERS AND REFERENCES

This section lists the authors and agencies that assisted in the preparation of the RDEIR by name, title, and company or agency affiliation.

APPENDICES

This section includes all notices and other procedural documents pertinent to the EIR, as well as all technical material prepared to support the analysis. Technical reports are included in a separate bound appendices volume.

2.0 EXECUTIVE SUMMARY

The following subsection of Section 2.0 is revised as follows. Changes in text are shown in underline and ~~strikethrough~~.

2.4 ISSUES EXAMINED IN THIS REPORT

Based on an initial review of the proposed project by City staff, the following issues were identified by the City of Tracy Planning Division as having potentially significant impacts and are examined in this EIR:

Land Use Planning: This section addresses the land use impacts associated with implementation of the project, including consistency with City land use goals and policies, and consistency with applicable land use regulations contained in the I-205 Specific Plan and the Tracy Zoning Ordinance and Municipal Code.

Economics: This section addresses the potential physical effects and possible urban decay related to the proposed Wal-Mart expansion and the cumulative impacts if both the Wal-Mart expansion and the WinCo Foods project are completed.

Visual/Aesthetics: This section assesses the overall increase in nighttime illumination produced by the project and the light spill-over into adjoining uses, as well as overall aesthetic impacts of the development and operation of the proposed project.

Transportation/Traffic: Addresses the impacts on the local and regional road system. In addition, the section assesses impacts on transit, bicycle, and pedestrian facilities.

Noise: Examines noise impacts during construction and at project buildout, as related to potential noise generation from mobile and stationary sources. This section also addresses the impact of noise generation on nearby residential uses.

Air Quality: Discusses the local and regional air quality impact associated with the proposed project.

Hydrology and Water Quality: Examines the impacts of the project on local hydrological conditions, including drainage areas, groundwater, and changes in drainage flow rates. This section also addresses the potential impacts the project may have on soils, soil suitability for development, and seismic hazards.

Geology and Soils: Discusses potential seismic hazards and soil conditions that may be affected by the proposed project.

Biological Resources: The project's impacts on biological resources on the site are addressed. This section includes a summary of a study of the project site conducted for this project.

Hazards and Hazardous Materials: Addresses the presence of hazardous conditions or materials on the site, or associated with the project, and the manner in which such hazards can be mitigated. This section concludes that the project would have a less-than-significant effect with regard to this issue.

Cultural Resources: Addresses the potential impacts on archeological resources at the project site.

Public Services: Addresses the project's impact on public services such as police and fire. This section concludes that the project would have a less-than-significant effect on public services.

Energy Resources and Conservation: *Addresses the proposed project's impacts to energy resources. Energy consumption related to construction, operation, and maintenance of the proposed project is analyzed. Indirect energy consumption resulting from increased automobile trips to the Wal-Mart after the proposed expansion is also analyzed.*

The following issues are also examined, but were found to have impacts that are considered to be less than significant:

Utilities and Service Systems: Addresses the impact of the project on the utilities, including the ability of the existing utility systems to provide service to the project. This section concludes that the project would have a less-than-significant effect on public utilities and service systems.

The following issues were not examined further in this EIR as there was no impact to these resources based upon review of the project expansion:

Agricultural Resources

Mineral Resources

Population and Housing

2.5 SUMMARY OF ENVIRONMENTAL IMPACTS

Table 2-1 presents a summary of project impacts and proposed mitigation measures that would avoid or minimize potential impacts. In the table, the level of significance of each environmental impact is indicated after the application of the recommended mitigation measure(s).

For detailed discussions of all project impacts and mitigation measures, the reader is referred to topical environmental analysis sections in Section 4.0, Environmental Setting, Impacts, and Mitigation Measures.

TABLE 2.0-1
PROJECT IMPACTS AND PROPOSED MITIGATION MEASURES

Impact		Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
Land Use				
Impact 4.1.1	Implementation of the proposed project would be consistent with the City of Tracy General Plan land use designations (a general plan update is in process and the project would be consistent with the land use designation in the proposed general plan update)	LTS	None required.	LTS
Impact 4.1.2	Implementation of the proposed project would be consistent with the City of Tracy Zoning Ordinance.	LTS	None required.	LTS
Impact 4.1.3	Implementation of the proposed project would be consistent with the City of Tracy I-205 Corridor Specific Plan and Specific Plan Amendment.	LTS	None required.	LTS
Impact 4.1.4	Construction of the proposed project and associated infrastructure could produce short-term adverse effects on adjacent uses due to dust, noise, and construction-related activities.	PS	**MM 4.1.4a** Prior to commencement of any construction activities requiring complete or partial closure of existing public roadways surrounding the project site, the project applicant shall perform the following tasks to the satisfaction of the City of Tracy Development and Engineering Services: • Obtain written approval from the Director of Public Works and/or City Engineer for the proposed temporary road closure or detour route; • Ensure access for any users onto the I-205 Interstate and Grant Line Road; • Provide written notice to property owners along affected roadways one week prior to roadway closures (if closures are required); • Post notice of planned closure on affected	LTS

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
		roadways two weeks prior to roadway closures; • To ensure public safety, clearly marked and secure roadway construction areas; and • Steel plates or other appropriate measures shall be placed over open trenches at the end of each workday to restore vehicle access to all residents and nearby commercial properties. *Timing/Implementation: Prior to commencement of any construction activities requiring complete or partial closure of existing roadways surrounding the project site.* *Enforcement/Monitoring: City of Tracy Public Works and Development and Engineering Services Departments.* **MM 4.1.4b** During construction activities, the project applicant shall limit the amount of daily construction equipment traffic by staging construction equipment and vehicles on the project site at the end of each workday rather than removing them. Construction staging areas shall be included on improvement and grading plans in a location acceptable to the City. *Timing/Implementation: Prior to improvement plan approval.* *Enforcement/Monitoring: City of Tracy Development and Engineering Services Department.*	
Impact 4.1.5 The proposed expansion will be compatible with the existing and future development of the parcels near and adjacent to the Wal-Mart expansion project site.	LTS	None required	LTS
Impact 4.1.6 The proposed Wal-Mart expansion may conflict with some businesses and stores within the I-205 Corridor. The proposed project would not lead to physical degradation such as store vacancies or urban decay by causing a significant impact due to economic change.	LTS	None required	LTS

Impact		Level of Significance Without Mitigation	Mitigation Measure		Resulting Level of Significance
Visual Resources					
Impact 4.2.1	Implementation of the proposed project would not substantially alter the existing landscape characteristics of the project site from commercial/retail and vacant to a larger commercial/retail warehouse type building.	LTS	None required		LTS
Impact 4.2.2	Implementation of the proposed project would result in the introduction of glare sources in a previously undeveloped area.	LTS	None required		LTS
Impact 4.2.3	Development of the Wal-Mart expansion project would add to existing sources of nighttime lighting and glare, resulting in a minor increase to ambient nighttime lighting levels due to the expanded store hours (operating 24 hours per day, 7 days a week).	LTS	None required		LTS
Impact 4.2.4	The proposed project would not impact any existing scenic resources, as none are located on or near the project site.	LTS	None required.		LTS
Human Health and Hazards					
Impact 4.3.1	The proposed project would include the limited transportation, handling, and use of hazardous materials that may result in adverse environmental impacts.	LTS	None required.		LTS
Impact 4.3.2	Due to historical agricultural activities, the Wal-Mart expansion project site and surrounding vicinity is located in an area that may contain hazardous materials. Site reconnaissance indicated no environmental concerns; however, it is possible that agricultural chemicals were used on site.	PS	**MM 4.3.2**	Prior to issuance of grading permits, the project area shall be surveyed to accurately identify areas where hazardous materials may be present. The applicant shall perform soil sampling if necessary to determine the potential of soil and groundwater contamination present on and adjacent to the project site. Any remediation or exporting of soils from the project site shall be undertaken in accordance with the requirements of the California Department of Toxic Substances Control (DTSC),	LTS

Impact		Level of Significance Without Mitigation	Mitigation Measure		Resulting Level of Significance
			the Regional Water Quality Control Board, and San Joaquin County Environmental Health Department (SJCEHD). *Timing/Implementation:* *Prior to issuance of grading permits.* *Enforcement/Monitoring:* *City of Tracy Development and Engineering Services Department.*		
Impact 4.3.3	Implementation of the proposed project could result in exposure to existing hazardous materials substances or waste within one-quarter mile of an existing or proposed school.	LTS	None required.		LTS
Transportation					
Impact 4.4.1	The addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing plus Project scenario will add traffic to an intersection that is already operating at a deficient level of service.	SI	**MM 4.4.1**	By signalizing the intersection the average delay would be reduced to 30 seconds, an acceptable LOS C. In addition to the installation of a signal, signal preemption and coordination with the rail road crossing and detection system is also required. This mitigation measure is within the jurisdiction of San Joaquin County, which can and should complete such improvements. The City does, however, work with the County in addressing regional traffic problems through its participation in the Regional Traffic Impact Fee (RTIF) program. For each applicable project, fees are collected by the City, and forwarded to San Joaquin County and The San Joaquin County Council of Governments for their application to various regional traffic improvement projects. Until the improvements are made, the impact is **significant** and	SU

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
		unavoidable.	
Impact 4.4.2 The addition of project traffic to the Grant Line Road/Corral Hollow Road intersection would add traffic to the intersection that is already operating at a deficient level of service.	PS		LTS
Impact 4.4.3 The addition of project traffic would increase the volume on I-205.	PS	None required.	LTS
Impact 4.4.4 The addition of Project traffic, along with other cumulative development traffic, would result in unacceptable operations at seven of the ten study intersections with existing intersection geometries.	PS	**MM 4.4.4** To mitigate its contribution to Cumulative traffic impacts, the proposed project would be responsible for participating in and funding a Roadway Finance and Implementation Plan to determine its fair share of required improvements. *Timing/Implementation:* *Prior to issuance of any building permit for the Wal-Mart project, an update to the "Finance and Implementation Plans" FIPs for the I-205 Corridor Specific Plan Area shall be completed in order to update the list of impacted intersections and estimates of the costs to make necessary roadway improvements as identified in* ***Table 4.4-8****. Wal-Mart shall be subject to its fair share of the increase in costs to roadway improvements that will result from the update of the FIPs. Wal-Mart shall pay its fair share of the increase in costs that result from the FIP update prior to issuance of any building permit or certificate of occupancy for the proposed project.*	LTS

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
		However, if such fees are not fully paid prior to issuance of a building permit, Wal-Mart shall enter into an agreement with the City to pay the fees prior to issuance of a certificate of occupancy. The agreement shall contain a legal description of the property and shall be recorded in the Office of the County Recorder. The agreement shall be secured by a lien against the property and/or other security in a form acceptable to the City Attorney. *Enforcement/Monitoring:* *City of Tracy Development and Engineering Services Department.*	
Impact 4.4.4a The addition of Saturday Project traffic, along with other Saturday cumulative development traffic, could result in unacceptable operations at three of the ten study intersections with existing intersection geometries.	PS	None required.	LTS
Impact 4.4.5 The addition of project traffic, along with other cumulative development traffic, to Grant Line Road/Corral Hollow Road intersection in the Cumulative plus Project scenario will add delay to an intersection that is already operating at a deficient level of service.	SI	**MM 4.4.5** Construction of a single-point urban interchange (SPUI) is recommended, along with the through traffic being grade separated allowing for free-flow along Grant Line Road. By grade separation of Grant Line Road, the average intersection delay would be reduced to an acceptable 22 seconds. The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be significant and unavoidable.	SU
Impact 4.4.6 The proposed Project, along with other Cumulative development traffic, would add traffic to the Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project	SI	**MM 4.4.6** Construction of a single-point urban interchange (SPUI) is recommended along with the through traffic being grade separated allowing for free-flow along Eleventh Street. By	SU

Impact		Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
	scenario, contributing to an already deficient level of service at this intersection.		grade separation of Corral Hollow Road, the average intersection delay would be reduced to an acceptable 27 seconds (LOS C). The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be significant and unavoidable.	
Impact 4.4.7	Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks.	LTS	None required.	LTS
Impact 4.4.8	The proposed project would not result in inadequate emergency access.	LTS	None required.	LTS
Impact 4.4.9	The proposed project would not result in insufficient parking capacity.	LTS	None required.	LTS
Impact 4.4.10	The proposed project would not conflict with adopted policies plans or supporting alternative transportation.	LTS	None required.	LTS
Noise				
Impact 4.5-1	Project-related traffic is expected to result in no appreciable traffic noise level increase over no-project levels, as indicated by **Table 4.5-5**.	LTS	None Required.	LTS
Impact 4.5-2	During the construction phases of the project, noise from construction activities would generate noise, but that noise would be partially to completely masked by existing Highway 205 traffic noise.	LTS	None Required.	LTS
Impact 4.5-3	Noise generated by new loading dock activities and additional mechanical equipment is predicted to be well within compliance with City of Tracy noise standards, and well below existing background noise levels at the nearest residences to the project site.	LTS	None Required.	LTS

Impact		Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
Impact 4.5-4	Cumulative plus project traffic is expected to result in traffic noise level increases over cumulative no-project levels of 0 to 1 dB Ldn (**Table 4.5-6**) on the roadways in the immediate project vicinity.	LTS	None required.	LTS
Air Quality				
Impact 4.6-1	Implementation of the proposed project would result in temporarily increased PM_{10} levels in the immediate vicinity during construction.	PS	**MM 4.6.1** The following measures are appropriate dust control strategies to be implemented that go beyond the requirements of SJVAPCD Regulation VIII: • Limit traffic speeds on unpaved roads to 15 mph. • Install wheel washers for all exiting trucks, or wash off all trucks and equipment leaving the site. • Suspend excavation and grading activities when winds exceed 20 mph. • Limit size of area subject to excavation, grading or other construction activity at any one time to avoid excessive dust. • Install sandbags or other erosion control measures to prevent silt runoff to public roadways from sites with a slope greater than one percent. • Expeditiously remove the accumulation of mud or dirt from adjacent public streets at least once every 24 hours when operations are occurring *Timing/Implementation:* *During construction activities.* *Enforcement/Monitoring:* *City of Tracy Development and Engineering Services Department.*	LTS
Impact 4.6.2	Traffic from the proposed project would result in an increase in carbon monoxide concentrations.	LTS	None required.	LTS
Impact 4.6.3	The proposed project would result in a small increase in diesel truck trips to the loading dock area.	LTS	None required.	LTS
Impact 4.6.4	Development of the project would result in increases in emission of both ozone precursors	LTS	None required.	LTS

Impact		Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
	and PM_{10}.			
Impact 4.6.5	This project in combination with other reasonably foreseeable projects would increase regional air emissions well beyond the SJVAPCD significance threshold.	SU	**MM 4.6.5** The project is subject to SJVAPCD Rule 9510 that would require the project to mitigate air quality impacts through onsite and/or offsite mitigation measures. In addition, ~~To mitigate for cumulative impacts~~ the following design features are recommended to mitigate for cumulative impacts: • Use energy efficient design including automated control system for heating/air conditioning and energy efficiency, utilize lighting controls and energy-efficient lighting in buildings and use light colored roof materials to reflect heat. • Plant deciduous trees on the south and westerly facing sides of buildings.	SU
Impact 4.6.6	The project, in addition to existing, approved, proposed and reasonably foreseeable development in the San Joaquin Valley Unified Air Pollution Control District, may contribute to an increase in Greenhouse Gas (GHG) emissions in the earth's atmosphere. Higher concentrations of GHGs have been linked to the phenomenon of climate change. This would be a **potentially cumulatively considerable** impact on the State's GHG reduction efforts.	PS	None required.	LTS
Hydrology				
Impact 4.7.1	Construction of the proposed project has the potential to introduce constituents associated with construction activities into storm water runoff. When a site is disturbed for construction activity, there is a potential for pollutants to discharge from the site into downstream receiving waters; with the implementation of	LTS	None required	LTS

Impact		Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
	BMPs in compliance with the Clean Water Act.			
Impact 4.7.2	The proposed project has the potential to introduce constituents associated with post-construction activities into storm water runoff. When a project includes new impervious surfaces, there is a potential for pollutants to discharge from the site into downstream receiving waters; compliance with the City's Storm Water Management Plan	LTS	None required	LTS
Impact 4.7.3	According to Flood Insurance Rate Map (FIRM) Panel 060299 0705, effective April 2, 2002, published by the Federal Emergency Management Agency (FEMA) for San Joaquin County, California (Unincorporated Areas), the project site in its entirety is located outside the 100 –year flood zone.	LTS	None required.	LTS
Impact 4.7.4	The proposed development must comply with applicable local, state, and/or federal policies and standards associated with hydrology and water quality.	LTS	None required.	LTS
Geology and Soils				
Impact 4.8.1	Development of the project may expose the proposed building to seismic ground shaking.	PS	**MM 4.8.1** **Construction and Design Recommendations:** The latest edition of the California Building Code (CBC), and the grading and building ordinances of the City of Tracy and San Joaquin County shall be used as a minimum guideline for all development occurring within the planning area. The applicant shall design project utilities and infrastructure to withstand expected seismic forces. *Timing/Implementation:* *Prior to the Applicant submittal of final site design and engineering plans to the City of Tracy.* *Enforcement:* *City of Tracy Development and*	LTS

Impact		Level of Significance Without Mitigation	Mitigation Measure		Resulting Level of Significance
				Engineering Services Department.	
Impact 4.8.2	Surface soils on the site have a high shrink/swell potential and could result in differential settlement.	PS	**MM 4.8.2**	Highly expansive soils shall be removed or covered with non-expansive soils. Surface water control and specialized foundation systems shall be used as necessary. *Timing/Implementation* *Prior to the issuance of building permits.* *Enforcement:* *City of Tracy Development and Engineering Services Department.*	LTS
Impact 4.8.3	Project development could result in increased erosion and/or loss of topsoil. The inclusion of erosion control Best Management practices (BMPs) in the project construction plans and implementation of these BMPs during project construction.	LTS	**MM 4.8.3**	Applicable erosion control BMPs for the construction phase of the project shall be implemented, including, but not limited to soil stabilization techniques, inlet protection at downstream storm drain outlets, and post-construction inspection and clearing of all drainage structures of debris and sediment. *Timing/Implementation:* *During construction activities.* *Enforcement:* *City of Tracy Development and Engineering Services and Public Works Departments.*	LTS
Biology					
Impact 4.9.1	Construction may cause disturbance to Swainson's hawk and raptor nests within ½ mile of the construction site. The Swainson's hawk is a species covered by the SJMSCP.	LTS	None Required.		LTS
Cultural Resources					
Impact 4.10.1	Implementation of the proposed project could result in the potential disturbance of undiscovered cultural resources.	PS	**MM 4.10.1a**	If any prehistoric or historic artifacts, or other indications or archaeological resources are discovered during construction, all work in the immediate vicinity must stop and the City of Tracy shall be immediately notified. An archaeologist meeting the Secretary of Interior's Professional	LTS

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
		Qualifications Standards in prehistoric or historical archaeology, as appropriate, shall be retained to evaluate the finds and recommend appropriate mitigation measures. *Timing/Implementation:* *As a condition of project approval, and implemented during construction activities.* *Enforcement/Monitoring:* *City of Tracy Planning Division.* **MM 4.10.1b** If human remains are discovered, all work must stop in the immediate vicinity of the find, and the County Coroner must be notified, according to Section 7050.5 of California's Health and Safety Code. If the remains are determined to be Native American, the coroner will notify the Native American Heritage Commission, and the procedures outlined in CEQA Section 15064.5(d) and (e) shall be followed. *Timing/Implementation:* *As a condition of project approval, and implemented during construction activities.* *Enforcement/Monitoring:* *City of Tracy Planning Division.*	
Public Services			
Impact 4.11.1 The proposed project would increase the demands on existing police services, impairing their ability to respond to calls and ensure public safety.	PS	**MM 4.11.1** Wal-Mart shall increase their in-house loss prevention and on-security presence to the appropriate levels for the proposed project expansion to ensure adequate coverage. Wal-Mart shall coordinate with the Tracy Police Department on their security plans, including but not limited to adequate security procedures and personnel, and parking lot lighting. *Timing/Implementation:* *Prior to approval of development plans.*	LTS

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
		Enforcement/Monitoring: City of Tracy Police Department.	
Impact 4.11.2 The construction of the proposed project would not increase the demand for construction of additional police facilities.	LTS	None Required.	LTS
Impact 4.11.3 The proposed project would not increase the demand for fire protection staff, services, and infrastructure.	LTS	None Required.	LTS
Impact 4.11.4 The proposed project would result in an increased generation of solid waste and demand for municipal waste service.	PS	**MM 4.11.4** The Tracy Delta Solid Waste Management Inc., shall be provided the opportunity to review development plans for the project site to ensure that the following items are addressed: • There is a sufficient plan for collecting, storing, and transporting recyclable and non-recyclable materials; • There are a sufficient number of receptacles placed throughout Wal-Mart that would encourage proper disposal of recyclable materials; • Acceptable means and method for pickup and transportation of solid waste shall be coordinated between Wal-Mart and TDSWM. *Timing/Implementation: Prior to issuance of a building permit.* *Enforcement/Monitoring: City of Tracy Planning Division.* **MM 4.11.5** Wal-Mart project planners shall consult with the Tracy Delta Solid Waste Management Inc., regarding the timing of project development. A formal agreement between the Tracy Delta Solid Waste Management Inc., and Wal-Mart shall be developed that will specify how adequate solid waste disposal services, consistent with the TDSWM performance standards, would be provided. In addition Wal-Mart shall take all steps to ensure the	LTS

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
		store is equipped with a recycling program and moves toward reducing the amount of solid waste generated and disposed of. *Timing/Implementation:* *Prior to issuance of a building permit.* *Enforcement/Monitoring:* *City of Tracy Planning Division.*	
Impact 4.11.5 The construction of the proposed Wal-Mart expansion would increase the demand for the construction of additional school facilities.	LTS	None Required	LTS
Impact 4.11.6 The proposed project would result in a slightly increased demand for parks and recreational facilities.	LTS	None Required	LTS
Utilities			
Impact 4.12.1 The proposed project would result in increased demand for treated water. Adequate infrastructure has been planned by the City of Tracy to accommodate the uses identified for the Wal-Mart expansion project.	LTS	None required.	LTS
Impact 4.12.2 The proposed project would increase demand for water to irrigate landscaped areas and planters. Adequate infrastructure has been planned by the City of Tracy to accommodate the uses identified for the Wal-Mart expansion project.	LTS	None required.	LTS
Impact 4.12.3 The project would not result in increased demand for wastewater treatment services.	LTS	None Required.	LTS
Impact 4.12.4 The proposed project would result in increased demand for electrical service.	LTS	None required.	LTS
Impact 4.12.5 The proposed project would result in increased demand for natural gas service.	LTS	None required.	LTS
Impact 4.12.6 The proposed project would result in increased demand for telephone service.	LTS	None required.	LTS

Impact	Level of Significance Without Mitigation	Mitigation Measure	Resulting Level of Significance
Impact 4.12.7 The proposed project would result in increased demand for cable television service.	LTS	None required.	LTS
Energy Conservation			
Impact 4.13.1 Construction of the proposed project could result in wasteful, inefficient consumption of energy resources.	PS	**MM ENE-1** The following measures shall be implemented during the construction of the proposed project. • Limit idling of construction equipment and delivery vehicles. • Limit the vehicle trips of construction deliveries by consolidating material loads to the extent feasible. • Delivery of materials should take place during non-rush hours to the extent feasible, in order increase vehicle fuel efficiency. • Provide opportunities for construction workers to carpool. • Gasoline and diesel-run equipment and machinery should be well maintained and in good working condition.	LTS
Impact 4.13.2 Operation and maintenance of the proposed project could result in wasteful, inefficient consumption of energy resources. This would be a less than significant impact.	LTS	None required.	LTS
Impact 4.13.3 Operation of the proposed project would increase vehicle trips to the project location resulting in increased consumption of energy resources by motor vehicles.	LTS	None required.	LTS

4.1 LAND USE/AGRICULTURAL RESOURCES/ECONOMICS

The following subsection of Section 4.1 is revised as follows. Changes in text are shown in underline and ~~strikethrough~~.

This section provides an overview of existing and planned land uses in the project area and identifies potential environmental impacts resulting from a change in use. It also summarizes existing plans and policies that guide land use decisions in the Tracy area. Although CEQA does not consider economic or social change as a result of a project a significant effect on the environment, if either change results in a physical impact such as urban decay[1], it should be addressed. Therefore, the second part of this section describes a ~~recent~~ revised market impact analysis conducted as part of the planning process for the proposed Wal-Mart Expansion project (see Appendix A). Additional documents reviewed for this section include the City of Tracy General Plan, the I-205 Corridor Specific Plan and Initial Study, City Zoning Ordinance, San Joaquin County General Plan, and other adopted plans and policies.

4.1.1 EXISTING SETTING

REGIONAL SETTING

San Joaquin County

San Joaquin County is located in Central California and contiguous to Sacramento County to the north, Calaveras and Stanislaus Counties to the East, Alameda County to the South, and Contra Costa and Solano County to the west.

San Joaquin County includes the incorporated Cities of Escalon, Lathrop, Lodi, Manteca, Ripon, Stockton (County Seat), and Tracy. The County encompasses approximately 1,400 square miles or 921,600 acres of relatively level, agriculturally productive lands. The County is the 15th largest county in California. The foothills of the Diablo Range define the southwest corner of the County, and the foothills of the Sierra Nevada lie along the County's eastern boundary. **Figure 4.1-1** shows San Joaquin County.

San Joaquin County is one of the most agriculturally rich regions in California and is the number one producer, statewide, of asparagus. Twenty-four thousand acres of county farmland is dedicated to production of this crop. In recent years, the leading crop in the county has been wine grapes. Wineries and vineyards have sprung up from Stockton to Lodi. The region is fast becoming known as one of California's leading premium wine districts. Because of its agricultural heritage, the county offers vast areas of open space and easy access to nature.

City of Tracy

The City of Tracy is located on the northwestern edge of the San Joaquin Valley. The City is surrounded by highways and is easily accessible from all directions. Interstate 5 provides access from Sacramento to the north and Los Angeles to the south. The San Francisco Bay area is accessible by Interstate 580. Modesto and the rest of the Central Valley are accessible by taking Interstate 205 to Highway 99 via the 120 interchange. **Figure 3.0-1** in section 3.0 Project Description of this DEIR illustrates the project's regional setting.

[1] Urban Decay is defined as the deteriorated state of an area due to a reduction of or lack of proper utilization of that area, usually as a result of local physical, economic or social forces. It can occur due to prolonged retail vacancies, the collapse of smaller tenants and their shopping centers from the loss of a larger anchor tenant, and associated physical decline.

The project site is situated in the northwestern edge of the Tracy City Limits, within the Tracy Sphere of Influence and the Tracy Planning Area. The Tracy Planning Area (TPA) covers all territory within the Tracy City limits and the Sphere of Influence (SOI) as well as land outside the SOI that has been determined to bear a relationship to the City's planning efforts. **Figure 4.1-2** shows the Tracy City limits, sphere of influence, and planning area for the City of Tracy. The Tracy Planning Area (TPA) includes all of the area within the Tracy City Limits, as well as land around the periphery of the City Limits deemed to have a relationship with the City's planning efforts. The City of Tracy consists of approximately 21 square miles, whereas the TPA comprises a total of 114 square miles.

LOCAL SETTING

Project Site

As described in Section 3.0 (Project Description), the proposed Wal-Mart expansion project is located within the northwest limits of the City of Tracy (San Joaquin County), California, along the I-205 corridor. The City of Tracy is located on the northwestern edge of the San Joaquin Valley. Roadway access to the site is via the I-205 highway into the Tracy Marketplace shopping center from the south or Grant Line Road onto Naglee Road from the north. The project site is located within the Tracy Marketplace shopping center, which includes a Costco, Michaels, and Staples among other retailers and restaurants.

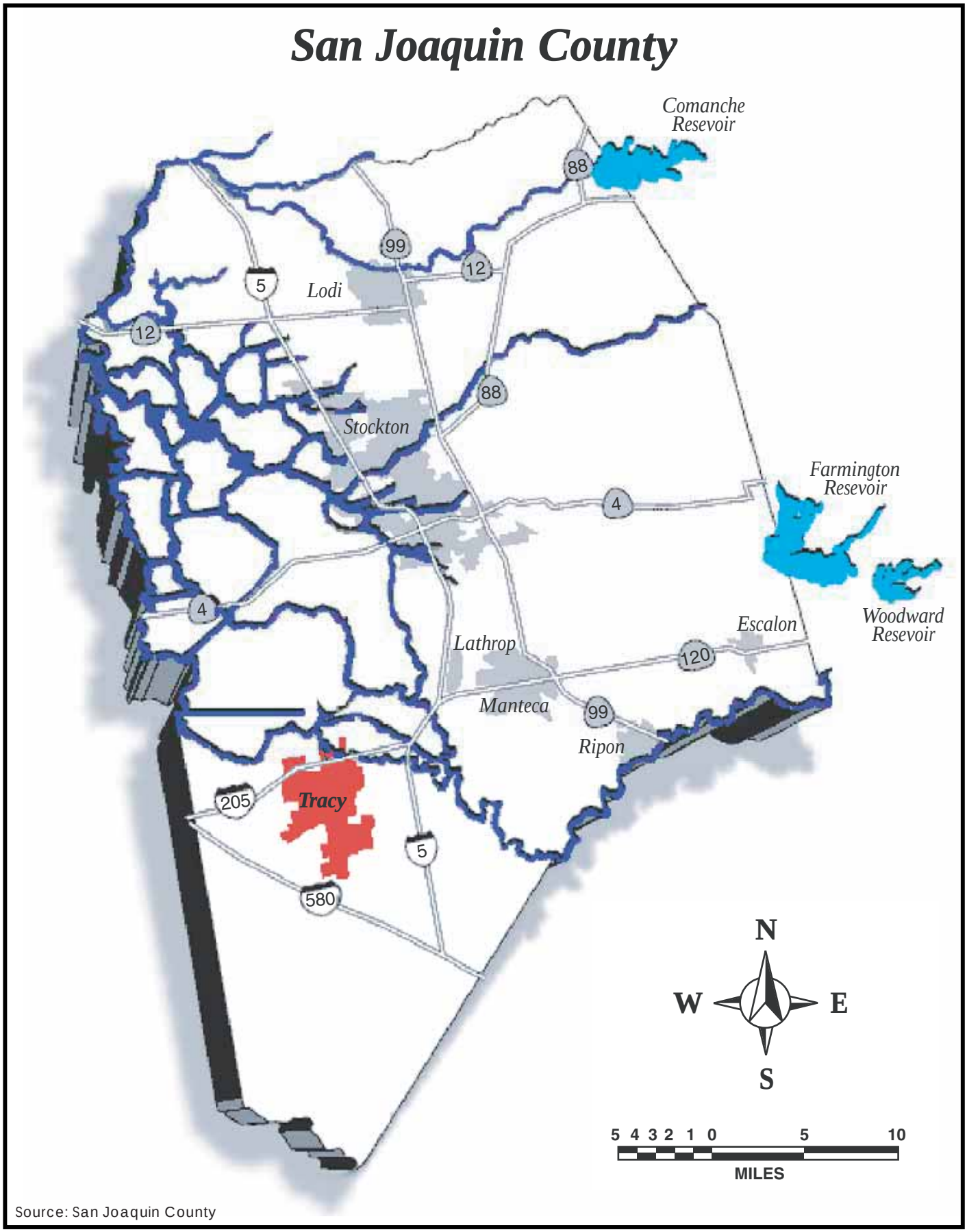
The project site is comprised of approximately six acres and is located west of the Wal-Mart, located at 3010 Grant Line Road, in the Tracy Market Place, in the City of Tracy. The project site is vacant, with the exception of asphalt paved parking area, a concrete drainage culvert located along the southern boundary of the site, and a drainage ditch located along the western boundary of the site. High-tension power lines traverse northeast to southwest across the northern portion of the site.

The existing Wal-Mart was built in 1993 as the first anchor store in the Tracy Marketplace development in the I-205 Corridor, and then was followed by several other stores and restaurants, and Costco approximately nine years later. The project site in between these two buildings was left vacant in anticipation of a future Wal-Mart expansion. Currently the site is absent of any vegetation or structures. The site was previously used as a temporary detention basin for the existing retail buildings and has been filled with imported soil.

Adjacent Land Uses

The adjoining property to the north is vacant land. The adjoining properties to the east and west are developed with commercial retail buildings, and the I-205 adjoins the site to the south. Beyond the I-205 is residentially developed property.

The project is located in the Tracy Marketplace in the I-205 Corridor, which encompasses approximately 67 acres. The Tracy Pavilion Shopping Center, anchored by Home Depot and PetSmart is situated directly north of the project site. The West Valley Mall, a regional shopping center is found just east of Tracy Pavilion. A Costco retail store borders the western side of the project site. The project site encompasses approximately six acres of vacant land immediately adjacent to and west of the existing Wal-Mart building. To the north are unincorporated San Joaquin County farmlands. **Figure 3.0-2** in Section 3.0 shows the project location.



Source: San Joaquin County

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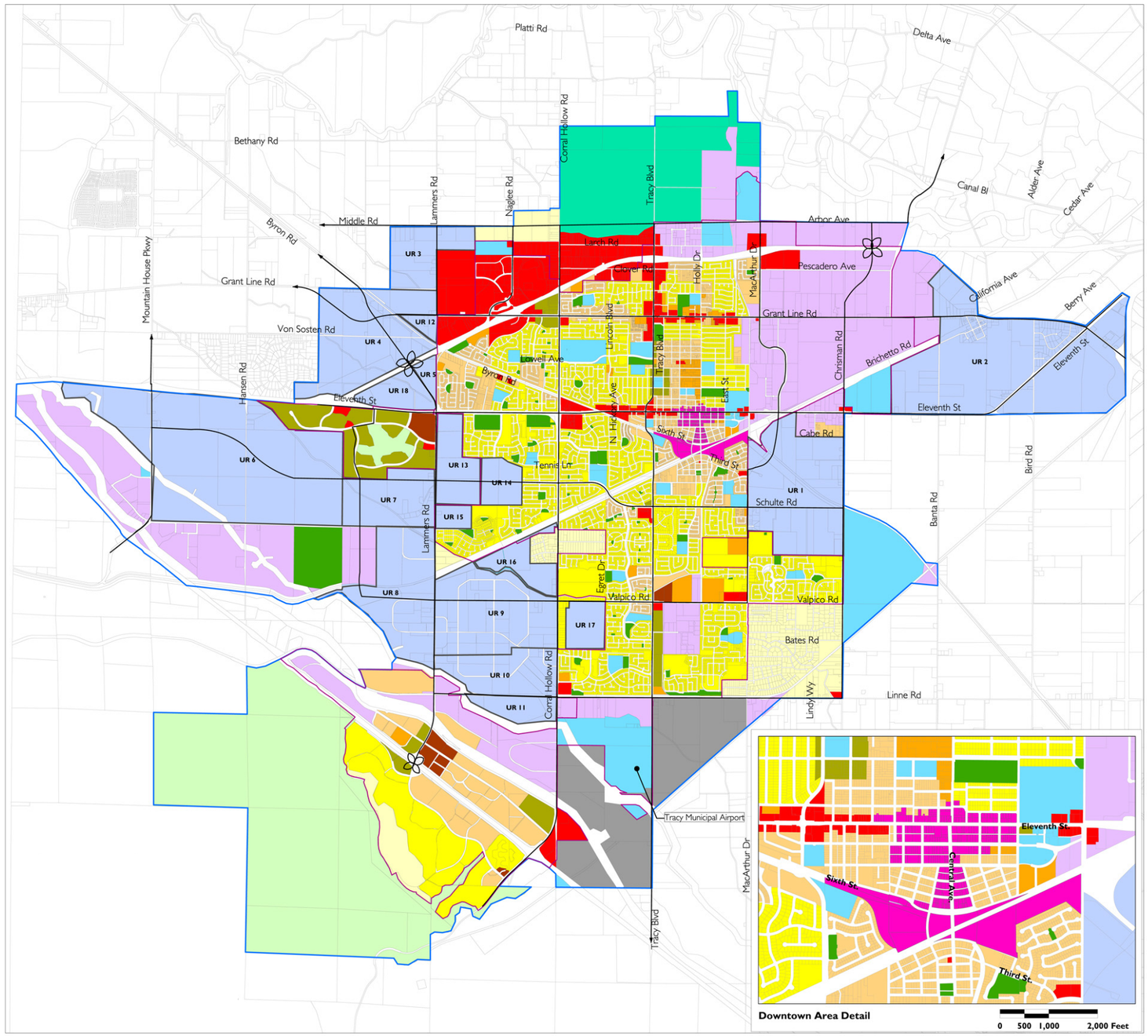
FIGURE 4.1-1
SAN JOAQUIN COUNTY

T:\Tracy Wal-Mart\New Figures\All Files\Section 4.1\Figure 4.1-2.ai, January 2007



GENERAL PLAN LAND USE DESIGNATIONS

- Residential Very Low
- Residential Low
- Residential Medium
- Residential High
- Commercial
- Office
- Industrial
- Downtown
- Village Center
- Public Facilities
- Park
- Open Space
- Agriculture
- Aggregate
- Urban Reserve
- City Limits
- Sphere of Influence
- Major Arterial/Expressway/Boulevard

CITY OF TRACY

GENERAL PLAN LAND USE ELEMENT

7/20/06

Not to Scale

N

Figure 4.1-2

General Plan Land Use Designations

PMC

The I-205 Corridor was established as a series of designations that allow for orderly development of the area and to position the City to capture regional, freeway-oriented commercial, and industrial demand. The I-205 Corridor Specific Plan was completed in 1990, the I-205 Corridor Specific Plan: Environmental Impact Report was completed in May 1990, and the I-205 Corridor Specific Plan Amendment was completed in July 1999.

Agricultural Uses

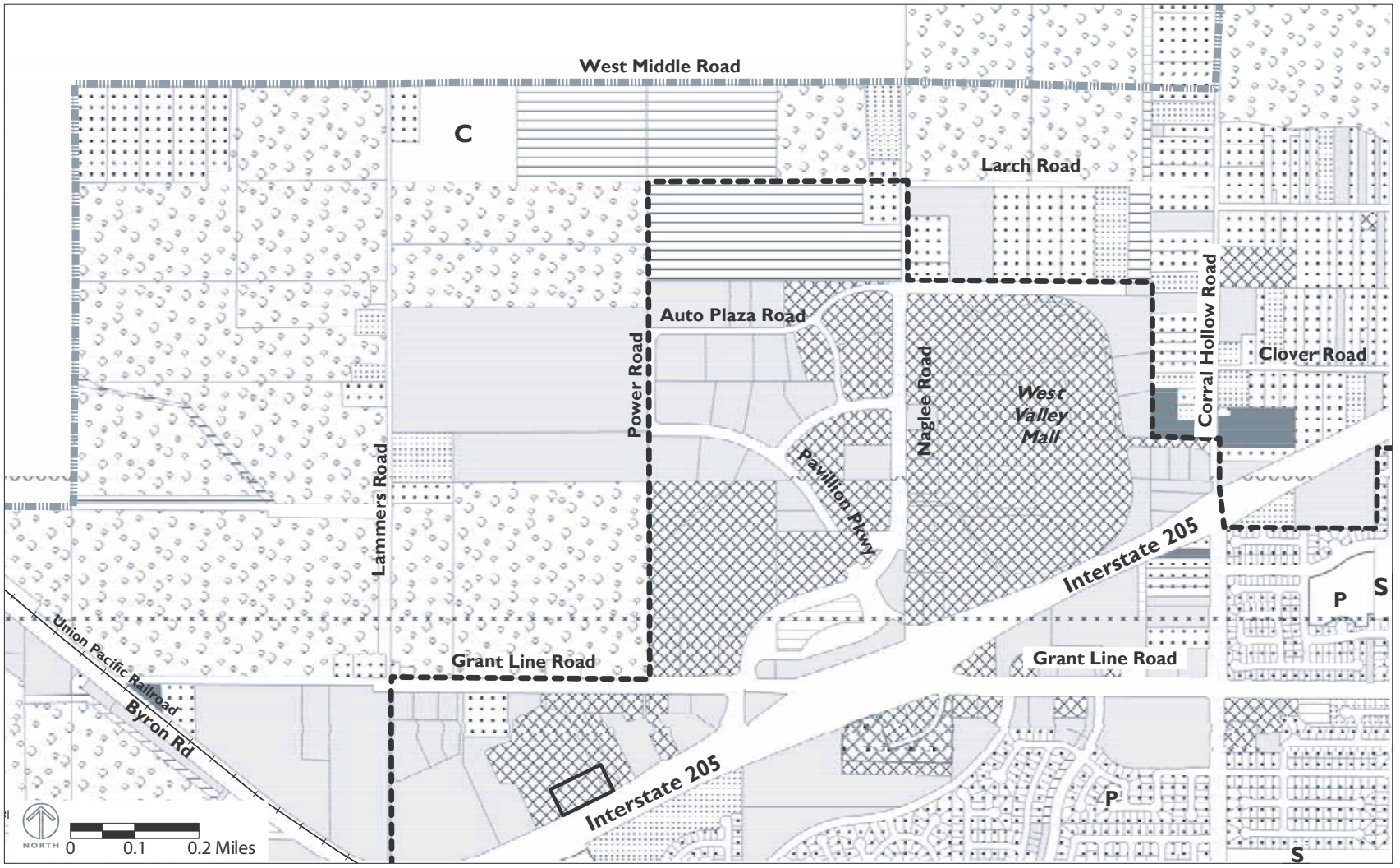
Agriculture is one of San Joaquin County's major industries. Approximately 4,000 farms are located in the County, occupying over 800,000 acres, with an average farm size of 209 acres. Gross agricultural production in San Joaquin County in 2002 was $1,343,808,000. (http://cesanjoaquin.ucdavis.edu/Agriculture_and_Natural_Resources/, accessed 10/31/2003).

The United States Geological Survey (USGS) prepares the State Important Farmlands Inventory (IFI), which include maps that depict soil types and classifications. The IFI categorizes soil types in Classes I-V, or as Prime Farmland, Unique Farmland, and Farmland of Statewide or Local Importance. Classes I and II typify Prime Farmland, and Class III, IV, and V typify Unique and Farmland of Statewide or Local Importance. Prime Farmland is land having the best combination of physical and chemical characteristics for producing food, feed, fiber, forage, oilseed, and other agricultural crops with minimum inputs of fuel, fertilizer, pesticides and labor. Unique Farmland is land other than prime farmland that is used for the production of specific high-value food and fiber crops, such as citrus, tree nuts, olives, and various fruits and vegetables. Farmland of Statewide or Local Importance is land identified by State or local agencies for agricultural use, but not considered nationally significant.

Farmland of Local Importance is defined as all farmable land within San Joaquin County not meeting the definitions of Prime Farmland, Farmland of Statewide Importance, and Unique Farmland. This includes land that is or has been used for irrigated pasture, dryland farming, confined livestock or dairy facilities, aquaculture, poultry facilities, and dry grazing. It also includes soils previously designated by soil characteristics as Prime Farmland, Farmland of Statewide Importance, and Unique Farmland that has since become idle. According to the Environmental Impact Report prepared for the City of Tracy General Plan, the project site is designated as Prime Farmland. However, since the property has not been irrigated in the recent past, it longer no qualifies for that designation and has been recognized as vacant, disturbed land. The development of the project site will not result in any impacts to Prime Farmland or Farmland of Local Importance.

Land Use Designations

The project site has a General Plan designation ~~from the 1993 General Plan~~ of Commercial (C) and is ~~now~~ zoned as Planned Unit Development (PUD). ~~The City of Tracy is completed their General Plan update in July 2006. The proposed zoning for the project site would remain PUD with a General Plan designation of Commercial (C).~~ Previous land uses on and around the site over the past ten years have been Commercial uses. **Figure 4.1-3** shows current General Plan land use designations for the project area.



Source: Design, Community & Environment

PMC
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FIGURE 4.1-3
EXISTING LAND USE SURROUNDING THE PROJECT SITE

SOCIOECONOMIC SETTING

According to the California Department of Finance, the City of Tracy population is currently estimated at approximately 78,307 residents (California Department of Finance. 2005), having grown from 33,500 residents in 1990 and 56,929 in the 2000 U.S. Census. Along with the population growth, Tracy has increased in racial and ethnic diversity, home ownership, and household size. The San Joaquin Council of Governments anticipates population growth in the City to remain strong and according to population projections grow to approximately 87,500 by 2010.

The age distribution in Tracy suggests that family households with school-aged children comprise a significant portion of the population. Currently, approximately 25% of the population consists of school-aged children, a percentage which has grown since 1990.

4.1.2 REGULATORY FRAMEWORK

STATE

The Williamson Act (Land Conservation Act of 1965)

The Williamson Act, adopted in 1965, allows for lowered property taxes for property owners who maintain lands for agricultural and certain open space uses. The landowner chooses to enter into a contract with the county or city to restrict land uses to the following uses: land uses compatible with agriculture, wildlife habitat, scenic corridors, recreational use, or open space. In return, local authorities calculate the property tax assessment based on the actual use of the land instead of its potential if the property were developed commercially. Criterion for eligibility is: the land must be designated by a city or county as agricultural preserve, scenic highway corridor, or wildlife habitat area; or it must be actively used for the three years immediately preceding the beginning of the contract as a salt pond, managed wetland, or recreational or open space area.

The contract is renewed automatically for a ten-year period unless the landowner notifies the local government of its desire to not renew the contract. If the contract is not renewed, the land use restrictions remain in effect until the remaining nine years of the contract have passed. Provisions for canceling the contract are available if cancellation is consistent with the purposes of the Williamson Act or otherwise found to be in the public interest. A cancellation fee and deferred taxes (which under some circumstances can be waived) must be paid upon cancellation.[2]

The project area is not subject to the Williamson Act.

LOCAL

City of Tracy General Plan

Approved in 1993, the City of Tracy General Plan includes a land use map, which is a graphic representation of future land use classifications for all parcels of land in the TPA. The General Plan plans for Core Contiguous development expanding from the City's existing urban core and also envisions self-sustaining development that will contribute to the sense of community without detracting from the existing Tracy downtown core. The General Plan plans for six urban centers targeted for development over a 20-year horizon.

[2] California Wetlands Information System

The General Plan also balances between the development of retail and job creating development in order to preserve the "hometown feel" of the City and meet its transportation challenges.

As a policy document, the General Plan sets forth a wide range of goals, policies, and implementation measures intended to guide the type, character, and intensity of growth within the City. Every project considered by the City of Tracy must be either consistent with the General Plan, or found to further the goals of the Plan if modified. The General Plan designates the proposed project site as Commercial (C). The Commercial (C) land use designation allows a relatively wide range of uses, including neighborhood, general and regional commercial and office uses. The maximum Floor Area Ratio (FAR) for this use is 0.25.[3] The General Plan designated 2,523 acres within the City limits as Industrial and 1,020 acres within the City limits as Commercial.[4]

According to the Tracy UMP, the Commercial category provides for a relatively wide range of uses, including neighborhood, general and regional commercial and office uses. Regional commercial uses such as discount factory outlets or malls should be located to provide buffering from residential and other areas so that adequate parking and compatibility for adjoining uses can be assured. Highway commercial should be located to take advantage of the traveling motorist.

The City of Tracy General Plan identifies specific policies regarding land use. While this EIR analyzes the project's consistency with the City of Tracy General Plan pursuant to CEQA Section 15125(d), the Tracy City Council would ultimately make the determination of the project's consistency with this General Plan. Environmental impacts associated with inconsistency with General Plan policies are addressed under the impact discussions of this EIR.

The Land Use Element of the General Plan identifies nine goals to guide the City's decision making for land use and development issues. Four of them are relevant to the proposed project evaluated in this environmental document, within which the General Plan outlines numerous policies and actions to direct their implementation.

Chapter 1: Land Use Element

- **LU 1:** A Balance Between Residential Population, Jobs And Ability To Provide Services.

  POLICY LU 1.2: Seeks to maintain competition and affordability for all land use types, in order to encourage businesses to locate in Tracy.

- **LU 6:** A Land Use Mix That Provides Employment Opportunities For All Who Live In Tracy And Wish To Work Here.

  In trying to alleviate commuting congestion in the area, Tracy established policies under Goal LU 6 to attract economic growth and employment opportunities to the City.

[3] The size of a building in square feet (gross floor area) divided by net land area, expressed as a decimal number. For example, a 60,000 square foot building on a 120,000 square-foot parcel would have a floor area ratio of 0.50. The FAR is used in calculating the building intensity of non-residential development.

[4] DC&E. Land Use, Population and Housing Report for the City of Tracy General Plan and EIR, Released May, 2004 and updated July 2004.

- **LU 7:** Land Use Patterns That Minimize Conflicts Between Neighboring Uses And Transportation Corridors.

  POLICY LU 7.2: Requires that environmental impacts generated by land development proposed within the Tracy area will be fully assessed, and wherever feasible mitigated.

  POLICY LU 7.3 AND LU 7.4: Encourage compatible development to be located along freeway corridors while minimizing related transportation, noise and air quality impacts to surrounding areas.

  POLICY LU 7.5: Further specifies that employment-generating and regional commercial uses should be located along major transportation corridors to minimize traffic within the City center.

- **LU 9:** Maintain Economic Viability As A Community.

  POLICY LU 9.3: Encourages land-uses that contribute positively to Tracy's economic well-being and supports LU 9.1 and 9.4, which require review of all development proposals for potential effects to the City's fiscal resources and applicants to fund any resulting infrastructure expenses or capital improvements.

The Community Character Element of the General Plan sets community development building blocks for the City of Tracy in the form of Neighborhoods, Village Centers, Downtown, the I-205 Regional Commercial Area, and Employment Areas. These building blocks are planning provisions for different areas within the City and help to guide City decisions for critical land use, transportation, and urban design decisions.

The Community Character Element provides guidelines on how new development should look, feel, and function. The Community Character element includes important concepts and guidelines that apply to the type, location, and character of both private and public development for new and existing areas within the City limits. The I-205 Interstate Regional Commercial Center is recognized as one of the building blocks of the City which serves as the City's primary retail environment outside of the downtown area. Achieving the "home town feel" is the overarching design objective for the I-205 Regional Commercial Area. The design objective is difficult due to the function of the center as regional destination, the predominance of large scale buildings, and the geographic separation from the largely residential areas south of the site. The Element also states that future expansion or development should integrate physically to the existing uses and should continue to emphasize high quality architecture, landscaping, and planning.

The General Plan identifies eleven goals to guide the City's decision making for community character, to enhance the City of Tracy "sense of place". One of them is relevant to the proposed project evaluated in this environmental document, within which the General Plan outlines numerous policies and actions to direct their implementation.

Chapter 3: Community Character Element

- **CC-7:** High quality architecture, site planning, and landscaping in the Regional Commercial Area.

OBJECTIVE CC-7.1: Ensure that future development in the i-205 Regional Commercial Area enhances its attractiveness and provides multi-modal access.

POLICY P3. Building architecture in the i-205 Regional Commercial Area shall be of the highest quality.

POLICY P5. Bicycle racks shall be provided in the parking areas or near building entrances to facilitate bicycle riding as a transportation mode.

POLICY P6. Public art should be located in the I-205 Regional Commercial Area shall continue to promote pedestrian protection from the elements by including elements such as connected, covered, walkways, and building entrances.

POLICY P8. Street trees shall be planted in the I-205 Regional Commercial Area that, at maturity, will provide a tree canopy over sidewalks and minor streets.

POLICY P9. Parking lots in the I-205 Regional Commercial Area shall include features such as landscaping and shade trees to create an attractive environment and reduce the impact of heat islands.

I-205 Corridor Specific Plan (1990) and Specific Plan Amendment (1999)

The City of Tracy I-205 Corridor Specific Plan and Specific Plan Amendment sets forth goals and objectives that originate from the Tracy General Plan and are necessary in order to clearly state the intent, purpose, and focus of the I-205 Corridor Specific Plan. In the spring of 1986, the Tracy Economic Development Committee requested the Tracy City Council to explore the potential for commercial and industrial development of properties adjacent to Interstate Highway 205 (I-205). The City Council recognized the importance of the visibility, access and development potential of these properties and directed City staff to investigate planning alternatives for the area. The Specific Plan was influenced by the location and configuration of access to I-205 and the City's General Plan.

Under California Law (Government Code Section 65451 et seq.), Cities and Counties may use Specific Plans to develop policies, programs, and regulations to implement the jurisdiction's adopted General Plan. Specific Plans often function to coordinate individual development proposals within a defined plan.

The law requires that a Specific Plan include text and diagrams specifying:

- The distribution, location, and intensity of land uses, including open space, within the plan area;
- The distribution, location, and capacity of infrastructure, including transportation, sewage, water, storm drainage, solid waste, and energy systems;
- Standards and criteria for development and utilization of natural resources; and
- An implementation program, including capital improvement plans, regulations and financing strategies.

Goal 11 of the Specific Plan states "Tracy will have six shopping centers in addition to downtown in the year 2000. These shopping centers should be oriented mainly to meet the needs of the community. In the I-205 Corridor area, encourage the location of a regional mall and/or major

community shopping center." The proposed Wal-Mart expansion project is consistent with the Specific Plan goal of a regional shopping center in the I-205 Corridor.

City of Tracy Zoning Regulations

The City of Tracy uses 18 different zoning designations to classify, regulate, restrict and segregate land use, building characteristics and population densities. The project site is zoned as Planned Unit Development (PUD). Under the City of Tracy Zoning Codes, any and all uses are permitted, provided such use or uses are in conformance with the General Plan and are indicated upon an approved development plan. Because the site is under the I-205 Corridor Specific Plan, which was approved in 1999 by Resolution No. 99-240, the PUD zoning for the purposes of the corridor are in conformance with the Specific Plan.

As part of the PUD review and approval process, an applicant must first submit preliminary plans and basic site information to the Development and Engineering Services (DES) to gain insight and advice towards the official application. Formal submittals for each step must follow guidelines outlined in Article 13 of Chapter 10.08.1830 of the City's Municipal Code. Acceptance of a concept development plan (Step 1) allows for the assignment of the PUD zoning designation. A preliminary development plan (Step 2) and a final development plan (Step 3) must then be approved for issuance of a building permit, each with their own list of required information, and an increased level of detail. Through the PUD process, projects are reviewed for consistency with Specific Plan policies and guidelines, including design guidelines.

Adjacent Zoning and General Plan Designations

Land uses adjacent to the project site within the City of Tracy are designated in the General Plan as Residential Low (RL) to the northwest, Commercial (C) and Residential Medium (M) to the west, and Commercial (C) to the north and to the east. A freeway bisects Land to the south of the project site. Land uses to the south of the project site and south of the freeway are designated as Park (P), Residential Medium (M), and Commercial (C).

San Joaquin County General Plan Land Use Designations

The San Joaquin County General Plan, adopted July 1992, includes policies addressing community development and land use. The 40,000-acre Planning Area designated in the General Plan overlaps with San Joaquin County lands. While this EIR analyzes the project's consistency with the General Plan pursuant to CEQA Section 15125(d), the Tracy City Council would ultimately make the determination of the project's consistency with the City's General Plan. Environmental impacts associated with inconsistency with General Plan policies are addressed under the impact discussions of this EIR.

Proposed General Plan Land Use Designations for the 2005 Update

The City of Tracy is currently preparing an update to its 1993 General Plan. The General Plan Update designates the proposed project site, and surrounding properties within the Grant Line Road portion of the I-205 Corridor Specific Plan area as Commercial. In the proposed 2005 General Plan Update 2,282 acres within the City limits are designated Industrial and 755 acres within the City limits are designated Commercial. As previously mentioned, the 1993 General Plan designated 2,523 acres within the City limits Industrial and 1,020 acres within the City limits Commercial.

4.1.3 IMPACTS AND MITIGATION MEASURES

STANDARDS OF SIGNIFICANCE

A land use impact is considered significant if implementation of the project would result in any of the following:

1) Physically divide an established community;

2) Conflict with adopted general plan/community plan/specific plan designation(s) or zoning, or policies contained in such plans (e.g., San Joaquin County General Plan, City of Tracy General Plan) that would result in a physical impact on the environment;

3) Allow development of land uses that would be incompatible with existing or planned surrounding uses;

4) Conflict with any applicable habitat conservation plan or natural community conservation plan.

5) Result in urban decay. In this context, urban decay would result only if all of the following occurred: 1) the project results in an economic impact so severe that stores might close as a result; 2) buildings and/or properties, rather than being reused within a reasonable time, would remain vacant; and 3) such vacancies would cause buildings and/or properties to deteriorate and lead to the decline of the associated or nearby real estate.

The land use analysis presented below evaluates the consistency of the proposed Wal-Mart expansion with the type and intensities of the existing and planned land uses on and surrounding the proposed project. Potential land use conflicts or incompatibility are typically the result of other environmental effects, such as the generation of noise, traffic, or objectionable odors. Potential land use conflicts resulting from the effects of the project construction or operation are summarized here, and the reader is also referred to other EIR sections for more detailed discussions of other relevant environmental effects.

METHODOLOGY

Evaluation of potential land use impacts of the proposed Wal-Mart expansion project was based on: review of planning documents pertaining to the project, including the City of Tracy General Plan, City of Tracy Zoning Code, I-205 Corridor Specific Plan and Specific Plan Update, San Joaquin County General Plan, consultation with appropriate agencies, and field review of the project site and surroundings.

The focus of this land use analysis is on land use impacts that would result from the project and all project components. Specific impacts and project consistency issues associated with biological resources, visual resources, noise, traffic, public services/utilities, hydrology, and/or geology are addressed in each technical section and the reader is referred to other EIR sections for detailed analysis of other relevant environmental effects as a result of project development.

PROJECT IMPACTS AND MITIGATION MEASURES

Consistency with the City of Tracy General Plan

Impact 4.1.1 Implementation of the proposed project would be consistent with the City of Tracy General Plan land use designations ~~(a general plan update is in process and the project would be consistent with the land use designation in the proposed general plan update)~~. This would be a **less than significant** impact.

The project is generally consistent with land use designations of the City of Tracy General Plan, as discussed above under City of Tracy General Plan. The proposed project is generally consistent with General Plan policies, strategies, and concepts related to development. Therefore, no conflict with General Plan land use policies were identified that would result in a physical impact on the environment.

The project site is within the City of Tracy and is designated on the General Plan as Commercial (C) and zoned Planned Unit Development (PUD). The project site is currently vacant and absent of any vegetation or structures.

Mitigation Measures

None required.

Consistency with the City of Tracy Zoning Ordinance

Impact 4.1.2 Implementation of the proposed project would be consistent with the City of Tracy Zoning Ordinance. This would be a **less than significant** impact.

The project site is within the City of Tracy and is designated on the General Plan as Commercial (C) and is zoned Planned Unit Development (PUD). The project site is currently vacant and absent of any vegetation or structures.

The proposed Wal-Mart expansion is under the Planned Unit Development zoning and the uses for the land are detailed under the approved I-205 Corridor Specific Plan. Retail stores are a permitted land use, and grocery stores are a conditionally permitted use, as described in Table A-2 of the I-205 Corridor Specific Plan.

Mitigation Measures

None required.

Consistency with the City of Tracy I-205 Corridor Specific Plan and Specific Plan Amendment

Impact 4.1.3 Implementation of the proposed project would be consistent with the City of Tracy I-205 Corridor Specific Plan and Specific Plan Amendment. This would be a **less than significant** impact.

The project site is within the City of Tracy and meets Goal 11 of the Specific Plan, which states "Tracy will have six shopping center s in addition to downtown in the year 2000. These shopping centers should be oriented mainly to meet the needs of the community. In the I-205 Corridor area, encourage the location of a regional mall and/or major community shopping center."

The proposed Wal-Mart expansion project is consistent with the Specific Plan goal of a regional shopping center in the I-205 Corridor.

The Tracy I-205 Corridor Specific Plan Amendment was adopted July 6, 1999 by Resolution No. 99-240, which sets forth the goals and objectives that originate from the Tracy General Plan and are necessary in order to clearly state the intent, purpose, and focus of the I-205 Corridor Specific Plan (1990).

Mitigation Measures

None required.

Construction Related Activities

Impact 4.1.4 Construction of the proposed project and associated infrastructure could produce short-term adverse effects on adjacent uses due to dust, noise, and construction-related activities. This is a **potentially significant** impact.

As described in Section 3.0 (Project Description), the project entails the expansion of the existing 125,689 square-foot Wal-Mart store located at 3010 W. Grant Line Road in the City of Tracy The expansion will increase the size of the retail business from 125,689 square feet by approximately 82,704 square-feet, for a total retail area of approximately 208,393 square-feet (219,425square feet with the outdoor garden center expansion) or approximately 4.913 acres. Approximately 70,000 square feet of the additional retail space will be used for grocery sales; the remaining space will be used for a garden center, general retail, a snack bar, and a vision center. The retail store will also have adjacent outdoor sales, which includes the garden center expansion (11,033 square feet) area, totaling approximately 16,315 square feet. The complete development, including the existing building and parking lot would be approximately 19.33 acres or 842,000 square feet.

Grading activities associated with the proposed project would be the most disruptive aspect of construction. Although, construction of the project would not result in any significant construction impacts offsite, disruption of the surrounding land uses caused by project construction would result from ongoing construction activities, including increased dust, noise, and traffic. There are commercial uses located on the project vicinity with the existing, operating Wal-Mart and businesses located adjacent to and north, west, and east of the project site which could be impacted by noise, dust, and potentially have their access temporarily restricted or impeded as a result of construction activities. The I-205 Interstate is located south of the project site. Residential properties are on distant parcels to the northwest of the project site. The location of construction staging areas has not yet been determined. Depending upon the location of construction staging activities, the potential impacts on adjacent properties would vary. Additionally, existing residents within the City of Tracy, northwest of the project site, may be impacted by construction-related dust and noise. The location of construction staging activities would have an impact on these residents as well.

Physical impacts associated with construction activities (e.g., noise, dust, and traffic) are discussed in the appropriate sections of this EIR.

Mitigation Measures

MM 4.1.4a Prior to commencement of any construction activities requiring complete or partial closure of existing public roadways surrounding the project site, the project applicant shall perform the following tasks to the satisfaction of the City of Tracy Development and Engineering Services and Public Works:

- Obtain written approval from the Director of Public Works and/or City Engineer for the proposed temporary road closure or detour route;
- Ensure access for any users onto the I-205 Interstate and Grant Line Road;
- Provide written notice to property owners along affected roadways one week prior to roadway closures (if closures are required);
- Post notice of planned closure on affected roadways two weeks prior to roadway closures;
- To ensure public safety, clearly marked and secure roadway construction areas; and
- Steel plates or other appropriate measures shall be placed over open trenches at the end of each workday to restore vehicle access to all residents and nearby commercial properties.

Timing/Implementation: *Prior to commencement of any construction activities requiring complete or partial closure of existing roadways surrounding the project site.*

Enforcement/Monitoring: *City of Tracy Public Works Department and Engineering Division.*

MM 4.1.4b During construction activities, the project applicant shall limit the amount of daily construction equipment traffic by staging construction equipment and vehicles on the project site at the end of each workday rather than removing them. Construction staging areas shall be included on improvement and grading plans in a location acceptable to the City.

Timing/Implementation: *Prior to improvement plan approval.*

Enforcement/Monitoring: *City of Tracy Department of Development and Engineering Services.*

The above mitigation measures would reduce the temporary effect of construction activities to **less than significant**. In addition, **sections 4.4 Traffic, 4.5 Noise and 4.6 Air Quality,** also identify mitigation measures that would assist in reducing air quality emissions and noise impacts associated with construction and grading activities.

Adjacent Land Use Compatibility

Impact 4.1.5 The proposed expansion will be compatible with the existing and future development of the parcels near and adjacent to the Wal-Mart expansion project site. This would result in a **less than significant** impact.

The Tracy Pavilion Shopping Center, anchored by Home Depot and PetSmart is situated directly north of the project site in the I-205 Corridor. The West Valley Mall, a regional shopping center is found just north of Tracy Pavilion. Also to the north are unincorporated San Joaquin County farmlands. The project site encompasses approximately 6 acres of vacant land immediately adjacent to and west of the existing Wal-Mart building. Single-family residential homes are located to the northwest of the project site. A Costco retail store borders the western side of the project site.

The project's compatibility with surrounding uses is largely based on the interaction of the proposed use and the extent to which adjacent land uses would be affected by this interaction. The addition of the proposed grocery store expansion project to the area will fill a vacant area between the existing Wal-Mart store, and the adjacent Costco within the established shopping center, which will serve the future residents of the properties to the northwest of the site that have a residential land use designation in the City's General Plan.

Mitigation Measures

None required.

Economics

Impact 4.1.6 The proposed Wal-Mart expansion may conflict with some businesses and stores within the I-205 Corridor. The proposed project would not lead to physical degradation such as store vacancies or urban decay by causing a significant impact due to economic change. This would result in a **less than significant** impact.

The CEQA Guidelines do not contain set standards of significance for economic impacts, because as stated in Section 15382, it does not consider an economic or social change by itself a significant effect on the environment. However, the Guidelines also state, "a social or economic change related to a physical change may be considered in determining whether the physical change is significant." Section 15131 echoes this statement and establishes that if included, these issues need only be mentioned to the extent "…necessary to trace the chain of cause and effect."

Bay Area Economics (BAE) was retained to prepare an economic impact analysis of the potential impacts of the Wal-Mart Expansion, with and without the development of the nearby WinCo store and appears in **Appendix A**. Of specific concern to the City and the purposes of this environmental review is the potential for urban decay or additional adverse physical impacts from economic change.

~~For the purposes of this report, a finding of urban decay is based upon a finding of a negative economic impact so severe that stores nearby might close as a result and that those buildings and/or properties, rather than being reused within a reasonable time, would remain vacant, deteriorate, and lead to the decline of the associated or nearby real estate. If no or minimal negative impact is found, then urban decay would not be a logical result. Store closures alone~~

~~are not sufficient to cause urban decay as such closures could provide an opportunity for new retailers or other tenants to occupy the vacated space or for property owners to engage in economic development efforts to improve properties.~~

It is not likely that the project would lead to urban decay. In this context, urban decay would result only if all of the following occurred: 1) the project results in an economic impact so severe that stores might close as a result; 2) buildings and/or properties, rather than being reused within a reasonable time, would remain vacant; and 3) such vacancies would cause buildings and/or properties to deteriorate and lead to the decline of the associated or nearby real estate.

~~Existing Setting~~

~~Since 1990, Tracy's population has increased 123 percent from 33,500 to 78,307[5] residents, and continued growth is anticipated with accompanying increases in income and employment opportunities. It has also been determined that Tracy's trade area[6] has reached a "critical mass" and can therefore successfully develop retail aimed at a broader regional market. The City currently has five major grocery stores and a Costco, comprising a total of 318,000 square feet of food sale area. The current yearly average per square foot sales is $473, which is well above the national median industry benchmark of $390.~~

Impact Discussion

Bay Area Economics (BAE) has analyzed the economic impacts of the project (see Appendix A). BAE's analysis concludes that: 1) the project, in combination with other planned supermarket or supermarket-type projects (i.e., Wal-Mart project), could result in the closure of one or more supermarkets, with the Save Mart on 11th Street being most at risk; and 2) there may be difficulty re-tenanting spaces that have been vacated by closed supermarkets.

Whether any store vacancies that may be caused by the projects would result in the deterioration of buildings and/or properties is not likely.

First, there are provisions in the City's General Plan that work towards mitigating any negative impacts of such vacancies. For example, one policy of the General Plan calls for the City to "continue to support and implement programs for façade improvements and building rehabilitation among others, to ensure that the City remains clean, attractive, safe and well maintained".[7] Another policy provides that "the City shall encourage the creative reuse of major obsolete structures."[8]

Other provisions of the General Plan contemplate potential "Village Centers" in some areas where there are existing supermarkets. These are areas that the City has designated for future relatively dense mixed-use development including retail, office and residential development.

[5] California Department of Finance estimate for January, 2004.

[6] A "trade area" is a geographic region that encompasses most of a retail outlet's customers and is determined through analysis of population densities, traffic counts, commute patterns and existence of competing retail establishments.

[7] General Plan of 2006, Goal ED-6, Objective 6.2, Policy 3, page 4-13.

[8] General Plan of 2006, Goal ED-6, Objective 6.2, Policy 6, page 4-13.

Any store vacancies occurring in a "Village Center" area could potentially take advantage of these expanding development opportunities (see General Plan 2006, page 3-12).

Second, various Municipal Code provisions work towards mitigating any negative impacts of such vacancies that may occur due to graffiti, weeds, rubbish, and abandoned vehicles.[9]

For these reasons, it is doubtful whether any store vacancies that may be caused by the project would result in the deterioration of buildings and/or properties. The BAE report notes that even in a historically growing market such as Tracy, existing retail space is vacated due to functional obsolescence or the general cycle of retail closures and openings over time. The report also notes that formerly vacated sites have been reused by a variety of tenants, and in some cases subdivided for reuse.[10] Therefore, it is not expected that there would be any decline of associated or nearby real estate. To conclude otherwise with the information available would be speculative and outside the scope of this EIR.[11] For all of these reasons, implementation of the proposed project would have a **less than significant** on economics.

~~Because of these factors, even if vacancies are created through the closure of existing supermarkets or other types of stores, the overall demand for retail space in Tracy should prevent any long-term vacancies of storefronts, resulting in urban decay, or decline in associated nearby real estate. Because sales would remain robust even with the addition of both the WinCo and Wal-Mart projects, retail vacancies are not anticipated in the area as a result of either of them. Thus, significant physical impacts would not occur due to economic change. Moreover, the BAE report notes that the City of Tracy is a growing market, which entails that existing retail space is often vacated due to functional obsolescence or the general cycle of retail closures and opening over time. For all of these reasons, the implementation of the Project would be a **less than significant** on economics.~~

Mitigation Measures

None required.

[9] Tracy Municipal Code, Sections 3.08.420, 4.38.030, 4.12.260, 4.12.570 through 4.12.700, and 10.08.3560

[10] Bay Area Economics *Market Impact Analysis for Proposed Wal-Mart Expansion in Tracy, CA*. May 2007, 35.

[11] Section 15145 of the CEQA Guidelines provides that "[I]f, after thorough investigation, a lead agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusions and terminate the discussion of the impact."

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4.4 TRAFFIC AND CIRCULATION

The following subsection of Section 4.4 is revised as follows. Changes in text are shown in underline and ~~strikethrough~~.

The Traffic and Circulation Section analyzes traffic impacts associated with development of the Tracy Wal-Mart. The analysis is based upon a traffic impact study conducted by Fehr & Peers Associates, prepared September 2004. ~~A copy of the Traffic Impact Study for the Tracy Wal-Mart Expansion is provided in **Appendix C** of this document.~~ A copy of the Saturday Traffic Impact Analysis is provided in **Appendix B** of this document.

4.4.1 EXISTING SETTING

PROJECT DESCRIPTION

The proposed project would expand an existing 125,689 square-foot Wal-Mart facility by approximately 82,704 square-feet, for a total retail area of approximately 208,393 square-feet. Approximately 33,928 square feet of the additional retail space will be used for grocery sales; the remaining space will be used for general retail and a snack bar.

The project site is located adjacent to the existing Wal-Mart, which is south of Grant Line Road in the City of Tracy. The Project study area is bounded by Corral Hollow Road to the east, Eleventh Street to the south, Lammers Road to the west, and Naglee Road to the north. A brief description of the important roadways in the vicinity of the project site follows; **Figure 4.4-1** shows the study intersections.

EXISTING ROADWAY NETWORK

A description of the roadway network near the project study area is illustrated in **Figure 4.4-1.** Discussed below are the freeways and major roads in the project study area, which include Interstate 205 (I-205), Lammers Road, Eleventh Street, Corral Hollow Road and Grant Line Road.

Interstate 205 (I-205) – A freeway extending through the northern portion of Tracy and providing access to Interstate 580 and Interstate 5. In the study area, I-205 is a four-lane freeway with a posted speed limit of 70 mph. The interchange nearest the project site is located at Grant Line Road/ Naglee Road.

Grant Line Road – An east-west roadway, which intersects Byron Road, Lammers Road, Naglee Road, Corral Hollow Road, and Tracy Boulevard. Access to the Project is provided via Grant Line Road. The posted speed limit along Grant Line Road is 40 mph. Grant Line Road is six lanes between Corral Hollow Road and Naglee Road and five lanes (three eastbound and two westbound) between Naglee Road and Lammers Road. West of Lammers Road, Grant Line Road narrows to two lanes. The Grant Line Road/Corral Hollow Road and Grant Line Road/Naglee Road intersections are signalized.

Naglee Road – A six-lane roadway accessing I-205, Grant Line Road, Pavilion Parkway, Robertson Road, and Auto Plaza Drive in the study area. The Auto Plaza Drive/Naglee Road, Robertson Drive/Naglee Road, Naglee Road/Pavilion Parkway, and Grant Line Road/Naglee Road intersections are signalized. The posted speed limit on Naglee Road in the project study area is 35 mph.

Eleventh Street - A four-lane roadway with a median and a posted speed limit of 55 mph between I-205 and Lammers Road. Between Lammers Road and Corral Hollow Road, Eleventh Street has six lanes, a median and bike lanes. The posted speed limit for this segment of Eleventh Street is 45 mph.

Corral Hollow Road – A four-lane north-south divided roadway extending from I-580 at the southern City limit to north of I-205 in San Joaquin County. The posted speed limit along Corral Hollow road is 40 mph. Bike lanes and sidewalks are available along the roadway. In the project study area, Corral Hollow Road intersects Grant Line Road, Lowell Avenue, Byron Road and Eleventh Street. There is a planned future extension of Auto Plaza Drive to Corral Hollow Road.

Lammers Road - A north-south roadway running parallel to Corral Hollow Road serving the western portion of the developed Tracy. In the study area, Lammers Road is a two-lane road with a posted speed limit of 45 mph.

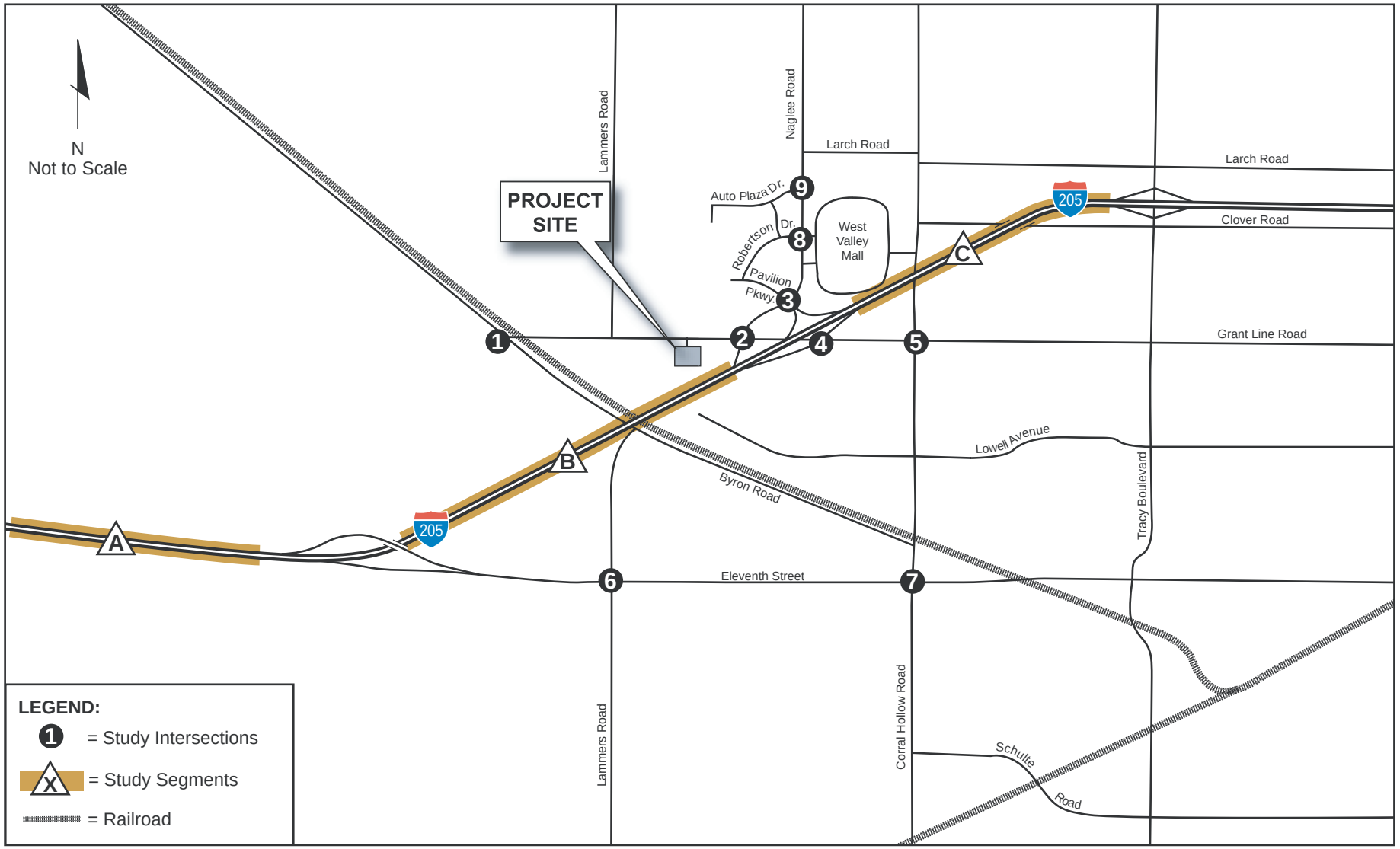
Byron Road is a rural two-lane roadway that runs diagonally between the northwest and southeast.

STUDY INTERSECTIONS

The study intersections listed below were chosen in consultation with City of Tracy staff. The locations of these intersections are shown on **Figure 4.4-1**, and represent the locations most likely to experience traffic impacts associated with the Project.

1) Grant Line Road/Byron Road
2) Grant Line Road/Naglee Road/I-205 WB On-Ramp
3) Naglee Road/Pavilion Parkway
4) Grant Line Road/I-205 EB Ramps
5) Grant Line Road/Corral Hollow Road
6) Eleventh Street/Lammers Road
7) Eleventh Street/Corral Hollow Road
8) Robertson Drive/Naglee Road
9) Auto Plaza Drive/Naglee Road
10) Auto Plaza Drive Extension/Corral Hollow Road (future only)

All study intersections listed above are in the Tracy city limits except the Grant Line Road/Byron Road intersection, which is under the jurisdiction of San Joaquin County. Intersections 2-4 are part of the Grant Line Road/I-205 interchange.



Source: Fehr & Peers, 2005

T:\Tracy Wal-Mart\New Figures\AI Files\Figure 4.4-1.ai, September 2005

FIGURE 4.4-1
EXISTING ROADWAY NETWORK AND STUDY LOCATIONS

PMC

Freeway Study Segments

Operating conditions along the following freeway segments in the study area were also analyzed:

Segment A – I-205 from Mountain House Parkway to Eleventh Street

Segment B – I-205 from Eleventh Street to Grant Line Road

Segment C – I-205 from Grant Line Road to Tracy Boulevard

STUDY APPROACH

The process for conducting this traffic analysis began by creating the background volumes, which were developed for the existing scenario by collecting traffic counts, and generating, distributing, and assigning approved projects trips. The cumulative background scenario was developed using the Tracy General Plan Travel Demand Model. The resulting traffic volumes were analyzed. Deficiencies caused by future development without improvements were identified and improvements were made to bring the cumulative background operations to acceptable levels of service. Project trips were generated, distributed, and added to the background volumes. Project-specific impacts were identified and mitigations were recommended. Details of the analysis scenarios are presented in the remainder of this section.

Analysis Scenarios

For this study, the following four scenarios were evaluated:

Scenario 1: Existing No Project Conditions – Existing volumes obtained from counts plus estimated traffic generated by projects in the study area which are approved but not occupied as of March 31, 2005. It should be noted that WinCo Foods is proposing a new grocery store on Pavilion Parkway near the Wal-Mart expansion site, and a traffic study on the WinCo Foods project, along with redesignation of a parcel north of the WinCo Foods from industrial to general commercial, is being prepared concurrently with this report on the Wal-Mart expansion. As WinCo Foods is not currently an approved project, it was not included in the existing Wal-Mart expansion analysis. The proposed WinCo Foods and the northern parcel are, however, considered reasonably foreseeable projects, and were therefore included in the cumulative analyses described below in scenarios 3 and 4.

Scenario 2: Existing Plus Project Conditions – This scenario used the same traffic volumes as Scenario 1 with addition of the estimated traffic generated by the proposed Wal-Mart expansion project. The roadway system was the same as Scenario 1.

Scenario 3: Cumulative No Project Conditions – This scenario looked at future forecast conditions, using the Tracy Finance and Implementation Plan (FIP) Travel Demand Model as the basis for generating regional cumulative background traffic forecasts. For this analysis, the build out of the I-205 Specific Plan based on land use designations and maximum trips per acre allowed in the approved I-205 Specific Plan was used. Trips generated by the WinCo Foods project and northern parcel are included as part of the cumulative background growth. The Wal-Mart expansion was not included in the analysis.

Scenario 4: Cumulative Plus Project Conditions – The analysis for this scenario used the same assumptions as Scenario 3, plus the estimated traffic generated by the proposed Wal-Mart expansion.

ANALYSIS METHODS & SIGNIFICANCE CRITERIA

The analysis methods outlined in the *Highway Capacity Manual* (Transportation Research Board, 2000) were used in this study. The results of this analysis on operational performance of a roadway network are commonly described using a grading system called level of service or LOS. LOS is a description of intersection operating conditions, ranging from LOS A (free-flow traffic conditions with little or no delay) to LOS F (oversaturated conditions where traffic flows exceed design capacity, resulting in long queues and delays). The HCM methods for calculating LOS and significance criteria for signalized intersections, unsignalized intersections, and freeway segments are described below.

Signalized Intersections

At signalized intersections, traffic conditions were evaluated using the LOS method described in the *2000 Highway Capacity Manual*. The LOS grading system is based on the weighted average control delay measured in seconds per vehicle. Control delay includes initial deceleration delay, queue move-up time, stopped delay, and final acceleration. **Table 4.4-1** summarizes the relationship between delay and LOS for signalized intersections.

TABLE 4.4-1
SIGNALIZED INTERSECTION LOS CRITERIA

Level of Service	Description	Average Control Delay (Seconds Per Vehicle)
A	Operations with very low delay occurring with favorable progression and/or short cycle length.	< 10.0
B	Operations with low delay occurring with good progression and/or short cycle lengths.	10.1 to 20.0
C	Operations with average delays resulting from fair progression and/or longer cycle lengths. Individual cycle failures begin to appear.	20.1 to 35.0
D	Operations with longer delays due to a combination of unfavorable progression, long cycle lengths, or high V/C ratios. Many vehicles stop and individual cycle failures are noticeable.	35.1 to 55.0
E	Operations with high delay values indicating poor progression, long cycle lengths, and high V/C ratios. Individual cycle failures are frequent occurrences. This is considered to be the limit of acceptable delay.	55.1 to 80.0
F	Operation with delays unacceptable to most drivers occurring due to over saturation, poor progression, or very long cycle lengths.	> 80.0

Source: 2000 Highway Capacity Manual, Transportation Research Board, 2000.

Unsignalized Intersections

For unsignalized (all-way stop-controlled and side-street stop-controlled) intersections, the *2000 Highway Capacity Manual* (Transportation Research Board, National Research Council) methodology for unsignalized intersections was utilized. The LOS is defined by the average control delay per vehicle (measured in seconds) for each stop-controlled movement and for the uncontrolled left turns, if any, from the main street. The control delay incorporates delay associated with deceleration, acceleration, stopping, and moving up in the queue. For side-street stop-controlled intersections, delay is typically represented for each movement and reported for the worst movement from the minor approaches only. **Table 4.4-2** summarizes the relationship between delay and LOS for unsignalized intersections.

TABLE 4.4-2
UNSIGNALIZED INTERSECTION LOS CRITERIA

Level of Service	Description	Average Control Delay (Seconds Per Vehicle)
A	Little or no delays	< 10.0
B	Short traffic delays	10.1 to 15.0
C	Average traffic delays	15.1 to 25.0
D	Long traffic delays	25.1 to 35.0
E	Very long traffic delays	35.1 to 50.0
F	Extreme traffic delays with intersection capacity exceeded	> 50.0

Source: 2000 Highway Capacity Manual, Transportation Research Board, 2000.

Freeway Segments

Similar to intersection operations, freeway levels of service range from LOS A (the best operating conditions) to LOS F (the worst). LOS E represents "at-capacity" operation. When the volume exceeds capacity, stop-and-go conditions result, and operations are designated as LOS F. Freeway operations are evaluated using the method provided in the *2000 Highway Capacity Manual.* This method calculates a density for a freeway segment using input data such as the traffic volume, the number of lanes, the percentage of trucks and the free-flow speed. Based on the calculated density, each segment of the freeway can be assigned a level of service. The LOS for a freeway segment is based on the vehicle density (passenger cars/lane/mile) as shown in **Table 4.4-3.**

TABLE 4.4-3
FREEWAY MAINLINE LEVEL OF SERVICE DEFINITIONS

Level of Service[1]	Maximum Density (Passenger Cars/Lane/Mile)
A	11
B	18
C	26
D	35
E	45
F	>45

1. Freeway mainline LOS based on a 65 mph free-flow speed.
Source: 2000 Highway Capacity Manual, Transportation Research Board, 2000.

Existing Transit Services

Tracy Trans (dial-a-ride service) and the Stockton Metropolitan Transit District (SMART) currently serve the City of Tracy. Tracy Trans provides on demand service within the city limits, and currently services approximately 300 passengers per day. SMART provides general public fixed route and dial-a-ride service as well as subscription service to commuters traveling between San Joaquin County and the Bay Area. Approximately 430 passengers per day currently use this service across the Altamont Pass, with slightly less than half boarding from Tracy. In May 1998, the Altamont Commuter Express (ACE) Joint Powers Authority was established to oversee commuter rail service from Stockton to San Jose for an initial three-year period. There are two westbound ACE trains in the morning and two eastbound ACE trains in the evening. The ACE station in Tracy is located at the intersection of Tracy Boulevard and Linne Road. A ridership survey conducted in February 1999 indicates approximately 48% of those passengers using the service across the Altamont Pass are boarding from Tracy.

The Project site is served by a fixed-route bus system termed Tracer, which is operated by the City of Tracy. Tracer follows a loop within the existing city limits and traverses Grant Line Road, Tracy Boulevard, West Eleventh Street, and Schulte Road. The endpoints for the route include City Hall and the West Valley Mall. Service is currently provided on 60-minute headways with operations beginning at 6:58 AM on weekdays and 8:58 AM on Saturdays. Service ends at 6:58 PM on weekdays and 4:58 PM on Saturdays. No service is provided on Sundays.

The San Joaquin Regional Transit District (SJRTD) also operates a flexible fixed-route line, Route 90, within the City of Tracy. This route extends along Grant Line Road with stops at major locations including the Project site, West Valley Mall, the Naglee Park-and-Ride Facility, and the Prime Outlets on Pescadero Avenue. Route 90 operates on 1-hour, 45-minute headways in the evenings with 2-hour headways on weekends and holidays.

Bicycle and Pedestrian System

Currently no bicycle facilities are provided in the immediate Project area. Class II bike lanes exist along Grant Line Road east of I-205, and connect to a system of bike lanes and bike routes within the existing City limits. Pedestrian facilities (i.e., sidewalks) are provided along the south side of Grant Line Road, adjacent to the Project site. Both bicycle and pedestrian activity on Grant Line Road west of I-205 are minimal.

Significance Criteria

As described above, level of service (LOS) is a measure of the level of congestion experienced at an intersection or along a facility, ranging from LOS A (free-flowing conditions) to LOS F (jammed with volume or demand exceeding capacity). Most cities and counties in California have established level of service standards of significance for intersections and facilities within the limits of the city or county.

The level of service standard for the City of Tracy is LOS C, except for intersections located within ¼ mile of a freeway, where the standard is LOS D. For San Joaquin County, the *General Plan 2010* specifies LOS D as the acceptable level of service for intersections. A project impact is considered significant when traffic generated by the proposed project will decrease the level of service at a facility past the applicable level of service criteria. The I-205 freeway segments are in the San Joaquin County Council of Governments (SJCOG) CMP system. The study segments from the Mountain House Parkway to Tracy Boulevard have been "grandfathered" in at a LOS F standard. Under this condition, a project impact is considered significant when it increases the baseline volume by more than 5%.

For this analysis, Existing Project impacts were evaluated by comparing the results of Scenario 2 to Scenario 1, and Cumulative Project impacts were evaluated by comparing the results of Scenario 4 to Scenario 3.

TRAFFIC CONDITIONS AND OPERATIONS

Existing Traffic Volumes and Lane Configurations

In May 2005, mid-week evening peak period (4:00 to 6:00 PM) intersection turning movement counts were collected at all study intersections. Mid-week morning peak period (7:00 to 9:00 AM) intersection turning movement counts were also collected for the Grant Line interchange intersections (Grant Line Road/Naglee Road, Naglee Road/Pavilion Parkway and Grant Line Road/I-205 EB Ramps). For each intersection, the hour within the peak period containing the highest total traffic volume was identified as the peak hour. The peak hour turning movement volumes are used as the basis for traffic operations analysis. Raw traffic count data can be found in **Appendix C** of the Traffic and Circulation analysis.

Approved Projects

Projects in the study area which have been approved, are under construction, or are built and not occupied but are expected to be occupied at approximately the same time the Project is occupied are included in the existing background volume. Traffic generated by these projects were added to existing traffic volumes and used as Existing without Project traffic volumes. The list of approved projects was provided by the City of Tracy and verified via a field visit in May 2005.

Trip generation for the approved projects was calculated using trip generation information from ITE *Trip Generation,* 7th Edition. Pass-by reduction percentages were applied for the PM peak hour based on the ITE *Trip Generation Handbook*. **Table 4.4-4** contains the approved projects list, description, and trip generation information. **Figure 4.4-2** shows the location of these projects by project number.

Figure 4.4-3 depicts the existing traffic volumes, lane configuration, and traffic control at each of the study intersections.

Freeway Volumes

Freeway volumes were derived from count data collected by Caltrans during 2004 and summarized for the average mid-weekday (Tuesday, Wednesday, Thursday). A growth factor of 18% was applied to the 2004 data to represent approximately five years of background volume growth on I-205 under the Existing setting for the Project. The volumes reported on **Figure 4.4-3** represent the highest hourly volume reported within the normal morning (7:00 to 9:00 AM) and evening (4:00 to 6:00 PM) peak periods. Note that observed volumes on westbound I-205 actually peak around 5:00 - 6:00 AM, outside the normal AM peak period (see **Appendix C**). Actual peak hour traffic volumes are up to 20% higher during the 5:00 AM hour than the reported volumes on **Figure 4.4-3.**

For each of the study intersections, the Existing intersection operating conditions were analyzed using the methods described earlier in this report. The level of service for intersections along the Grant Line Road/I-205 interchange was calculated for AM and PM peak hours and the level of service for all other intersections was calculated for only the PM peak hour. The AM and PM peak hour intersection LOS is shown in **Table 4.4-6** below. Detailed LOS worksheets for the Existing scenario can be found in **Appendix C**.

TABLE 4.4-4
APPROVED PROJECTS TRIP GENERATION

Project	Size	Units LU	ITE Code	Trip Generation AM	Rate [2] PM	Passby [3] %
1. Summer Lane	49	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
2. San Marco	71	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
3. Huntington Park	27	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
4. Redbridge	157	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
5. Corral Hollow Estates	32	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
6. Lyon Crossroads	3	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
7. Presidio	25	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
8. Cintra Park	38	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
9. Woodfield	14	du	210	T = 0.70(X) +9.43	Ln(T) = 0.90 Ln(X) + 0.53	0
10. Westgate	80	du	220	T = 0.49(X) + 3.73	T = 0.55(X) + 17.65	0
11. Microtel Hotel	80	rooms	310	T = 0.67(X)	T=0.70(X)	0
12. Alimi Gas Station	4.5	ksf	945	T=77.68(X)	T=96.37(X)	AM – 62 PM - 56
13. Ormonde Office	8.84	ksf	710	Ln(T) = 0.80 Ln(X) + 1.55	T = 1.12(X) + 78.81	0
14. Alzheimer's Care Facility	81	beds	254	T=0.14(X)	T=0.22(X)	0
15. Edelman Auto Repair	42.7	ksf	942	T=2.94(X)	T=3.38(X)	0
16. Tracy Mitsubishi	24.3	ksf	841	T=2.05(X)	T=2.64(X)	0
17. Duong Retail	30.18	ksf	820	T=1.03(X)	T=3.75(X)	AM – 0 PM - 34

Project	Size	Units LU	ITE Code	Trip Generation AM	Rate [2] PM	Passby [3] %
18. Texas Roadhouse Restaurant	6.92	ksf	932	T = 11.52(X)	T = 10.92(X)	AM – 0 PM - 43
19. Golden Corral Restaurant	7.7	ksf	932	T = 11.52(X)	T = 10.92(X)	AM – 0 PM - 43
20. Pacific Bowie Retail	16	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
21. La Morinda Retail	38.5	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
22. Les Schwab Tires	13.8	ksf	848	T = 2.89(X)	T = 4.15(X)	AM – 0 PM - 28
23. Orchard Plaza Commercial	26.59	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
24. Sekhon Retail	14.1	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
25. Faith Realty Office	14.1	ksf	715	T = 1.8(X)	T = 1.73(X)	0
26. Triad Medical Office	75.73	ksf	720	T = 2.48(X)	T = 3.72(X)	0
27. La Morinda Retail	25.23	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
28. Office Building	39.59	ksf	710	Ln(T) = 0.80 Ln(X) + 1.55	T = 1.12(X) + 78.81	0
29. Stonegate Plaza-Retail	18	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
30. Target Expansion	15.96	ksf	820	T = 1.03(X)	T = 3.75(X)	AM – 0 PM - 34
31. Fowzer Auto Body	55	ksf	942	T = 2.94(X)	T = 3.38(X)	0
32. Commercial Building	6.95	ksf	710	Ln(T) = 0.80 Ln(X) + 1.55	T = 1.12(X) + 78.81	0
35. Castro	71	du	210	T = 0.70(X) + 9.43	Ln(T) = 0.90 Ln(X) + 0.53	0

Notes:

1. *du = dwelling units; ksf = 1,000 square feet.*
2. *Trip generation information from Institute of Transportation Engineers (ITE) Trip Generation 7th Edition.*
3. *Pass-by % from Institute of Transportation Engineers (ITE) Trip Generation Handbook 7th Edition.*

Trip Distributions

Trip distributions for the approved projects were developed using the SJCOG/City of Tracy Traffic Demand Model. Because travel behavior to residential and commercial uses differs, residential and commercial approved projects were assigned separate trip distributions. The same trip distribution was used for inbound and outbound for both residential and commercial projects. These trip distributions are reported in **Table 4.4-5** below.

TABLE 4.4-5
APPROVED PROJECTS TRIP DISTRIBUTION

Location	Residential Approved Projects		Commercial Approved Projects	
	Inbound	Outbound	Inbound	Outbound
I-205 West	23	23	7	7
Byron Road Northwest	1	1	1	1
Lammers Road North	1	1	1	1
Naglee Road North	1	1	2	2
Corral Hollow North	3	3	3	3
Tracy Boulevard North	1	1	2	2
I-205 East	15	15	3	3
Grant Line Road East	1	1	2	2
Lowell East	1	1	2	2
Eleventh Street East	1	1	3	3
Tracy Boulevard South	1	1	10	10
Corral Hollow South	5	5	6	6
Lammers South	5	5	1	1
Von Sosten Road West	1	1	1	1
Grant Line Road West	1	1	1	1
Internal Zones	39	39	55	55
Total	***100***	***100***	***100***	***100***

Source: Fehr & Peers, 2005.

Existing Intersection Operating Conditions

For each of the study intersections, the Existing intersection operating conditions were analyzed using the methods described earlier in this report. The level of service for intersections along the Grant Line Road/I-205 interchange was calculated for AM and PM peak hours and the level of service for all other intersections was calculated for only the PM peak hour. The AM and PM peak hour intersection LOS is shown in **Table 4.4-6** below. Detailed LOS worksheets for the Existing scenario can be found in **Appendix C.**

TABLE 4.4-6
EXISTING INTERSECTION TRAFFIC OPERATIONS

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour	
		Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Road / Byron Road	SSSC[1]	n/a	n/a	> 50 (SB) > 50	F F
2. Grant Line Road / Naglee Road / I-205 WB On-Ramp	Signal[2]	10	B	18	B
3. Naglee Road / Pavilion Parkway	Signal[2]	15	B	18	B

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour	
		Delay (seconds)	LOS	Delay (seconds)	LOS
4. Grant Line Road / I-205 EB Ramps	Signal[2]	12	B	22	C
5. Grant Line Road / Corral Hollow Road	Signal[2]	n/a	n/a	44	D
6. Eleventh Street / Lammers Road	Signal[2]	n/a	n/a	16	B
7. Eleventh Street / Corral Hollow Road	Signal[2]	n/a	n/a	32	C
8. Robertson Drive / Naglee Road	Signal[2]	n/a	n/a	6	A
9. Auto Plaza Drive / Naglee Road	SSSC[1]	n/a	n/a	14 (WB) 8	B A

*Note: **Bold** indicates intersection operating at deficient level of service. Significance criteria for County intersections (intersection 1) and City intersections within ¼ miles of interchange ramps (intersections 2 through 4) is LOS D. Significance criteria for City intersections (intersections 5 through 9) is LOS C.*

1. *Side-street stop intersection. Reported LOS based on control delay per vehicle for the worst approach and average delay per vehicle for the intersection.*
2. *Signalized intersection LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*

Source: Fehr & Peers, 2005.

As shown in **Table 4.4-6**, all intersections operate at acceptable levels of service under Existing conditions except for Grant Line Road/Byron Road and Grant Line Road/Corral Hollow Road. All other intersections operate at LOS C or better during the PM peak hour. The Grant Line Road interchange intersections operate at LOS B or C during the AM and PM peak hours.

Under existing conditions, the Grant Line Road/Byron Road intersection operates at an unacceptable LOS F during the PM peak hour. This condition is a result of the stop control applied to the higher-volume movements (i.e., northbound and southbound approaches) due to the presence of railroad tracks across the westbound approach. Traffic also diverts through this intersection during peak travel times to avoid congestion along I-205. Although the intersection currently meets signal warrants, signalization of this intersection is not a planned improvement under an adopted Finance and Implementation Plan (FIP). The Grant Line Road/Byron Road intersection is located outside of the city limits and is under the jurisdiction of San Joaquin County where the level of service standard is LOS D.

Saturday Traffic Counts

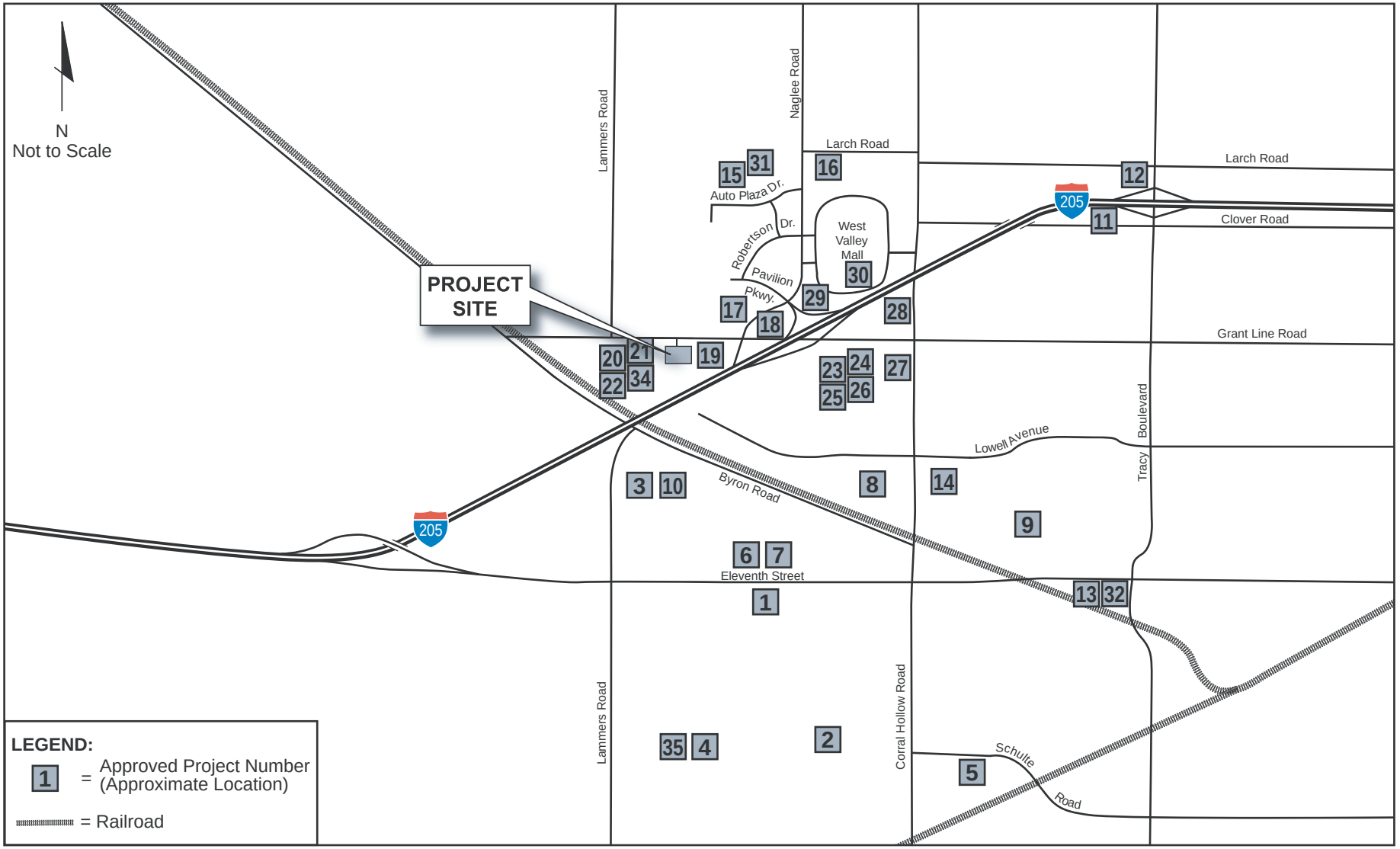
The proposed Wal-Mart Expansion Project would be located in a commercial/retail area. As a result, it was necessary to collect traffic Saturday traffic counts, as traffic loads are highest on Saturday afternoons for commercial/retail areas when compared to loads throughout the rest of the week.

Saturday Peak hour counts were compared with weekday peak hour counts at intersections two, three and four as identified by this traffic analysis. **Table 4.4-6A** summarizes the differences between Saturday peak hour volumes versus weekday peak hour volumes at the approaches to the intersections. The focus of the impact analysis for Saturday traffic loads was focused on the ramp intersections of the I-205/Grant Line Road interchange where traffic levels were observed to be greater during Saturday peak hours than weekday PM peak hours.

TABLE 4.4-6A
SATURDAY PEAK HOUR VS. WEEKDAY PEAK HOUR

Intersection	Segment	Weekday PM Peak Hour Volume	Saturday Peak Hour Volume	Volume Difference
2. Grant Line Rd / Naglee Rd I-205 WB On-Ramp	Grant Line Road (west)	2,470	2,414	-56
	Grant Line Road (east)	2,559	2,726	+167
	Naglee Road (north)	1,841	1,744	-97
	I-205 WB On-Ramp (south)	110	194	+84
3. Naglee Road / Pavilion Parkway	Pavilion Parkway (west)	167	394	+227
	I-205 WB On-Off Ramps (east)	725	794	+69
	Naglee Road (north)	1,085	1,672	+587
	Naglee Road (south)	1,453	1,848	+395
4. Grant Line Rd / I-205 WB On- Ramp	Grant Line Road (west)	2,528	2,711	+183
	Grant Line Road (east)	2,514	2,585	+71
	I-205 On-Ramp (north)	533	445	-88
	I-205 On-Ramp (south)	493	369	-124

Source: Fehr & Peers. Revised Traffic Impact Analysis for WinCo and Wal-Mart Saturday Peak Hour, Table 1. October 3, 2006.



Source: Fehr & Peers, 2005

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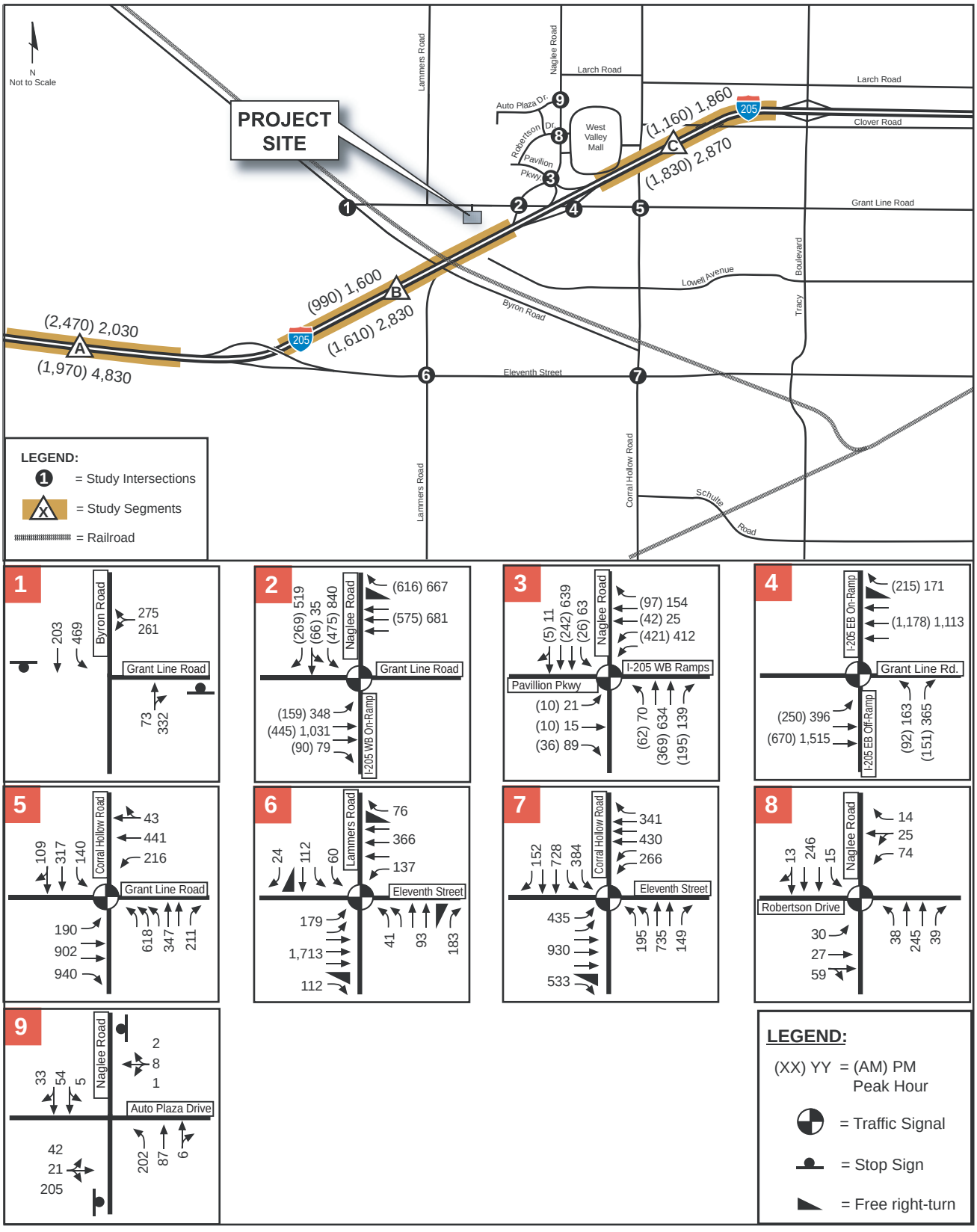
FIGURE 4.4-2
APPROVED PROJECT LOCATIONS

PMC



Source: Fehr & Peers, 2005

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FIGURE 4.4-3

EXISTING PEAK HOUR TRAFFIC VOLUMES AND LANE CONFIGURATIONS

PMC

CUMULATIVE SETTING

This section describes the cumulative development, roadway network, traffic volumes, and lane configurations.

Cumulative Development

The Cumulative scenario includes reasonably foreseeable development projects in the City of Tracy. This includes commercial build-out of the following specific plan areas and projects:

- I-205 Specific Plan
- Residential Specific Plan
- Industrial Specific Plan
- Plan C
- Northeast Industrial Plan Area
- Tracy Gateway
- Tracy Hills
- South Schulte
- Tracy Unified Lammers School Site

Residential development was constrained to Measure A limits for an approximate 20-year horizon, with development assumed in the following subdivisions:

- Castro – 767 units
- Elissagaray Ranch – 433 units
- Filios – 400 units
- Kagehiro – 853 units
- Lourence Ranch – 166 units
- Moitoso II – 487 units
- Presidio – 550 units
- Saddlebrook – 385 units
- Souchek – 203 units
- South Schulte – 5,820 units
- Tracy Hills – 5,502 units

In San Joaquin County, development levels are consistent with SJCOG's 2004 RTP.

Cumulative Roadway Network

Roadway improvements consistent with the City of Tracy's Roadway Master Plan were included in the Cumulative roadway network.

The following improvements in the project study area are under the jurisdiction of the City of Tracy:

1) Extension/re-alignment of Lammers Road north of Eleventh Street, including a new I-205 Lammers Road interchange and removal of the existing Eleventh Street interchange.

2) Widening I-205 to 3 lanes in each direction through Tracy.

3) Extension of Pavilion Parkway west to Byron Road.

4) Connecting Power Road (2 lanes) from Auto Plaza Drive to Grant Line Road along the western city limit line.

5) Extension of Auto Plaza Drive (4 lanes) east to Corral Hollow Road to form a T-intersection and add appropriate lane configurations.

The following improvements in the study area are under the jurisdiction of San Joaquin County:

1) Conversion of the Grant Line Road/Byron Road intersection to a Grant Line road overcrossing above Byron Road.

2) Addition of a new signalized intersection at Grant Line Road and Lammers Road with appropriate lane configurations.

The Cumulative roadway network including these improvements is shown on **Figure 4.4-4.**

Cumulative Traffic Volumes and Lane Configurations

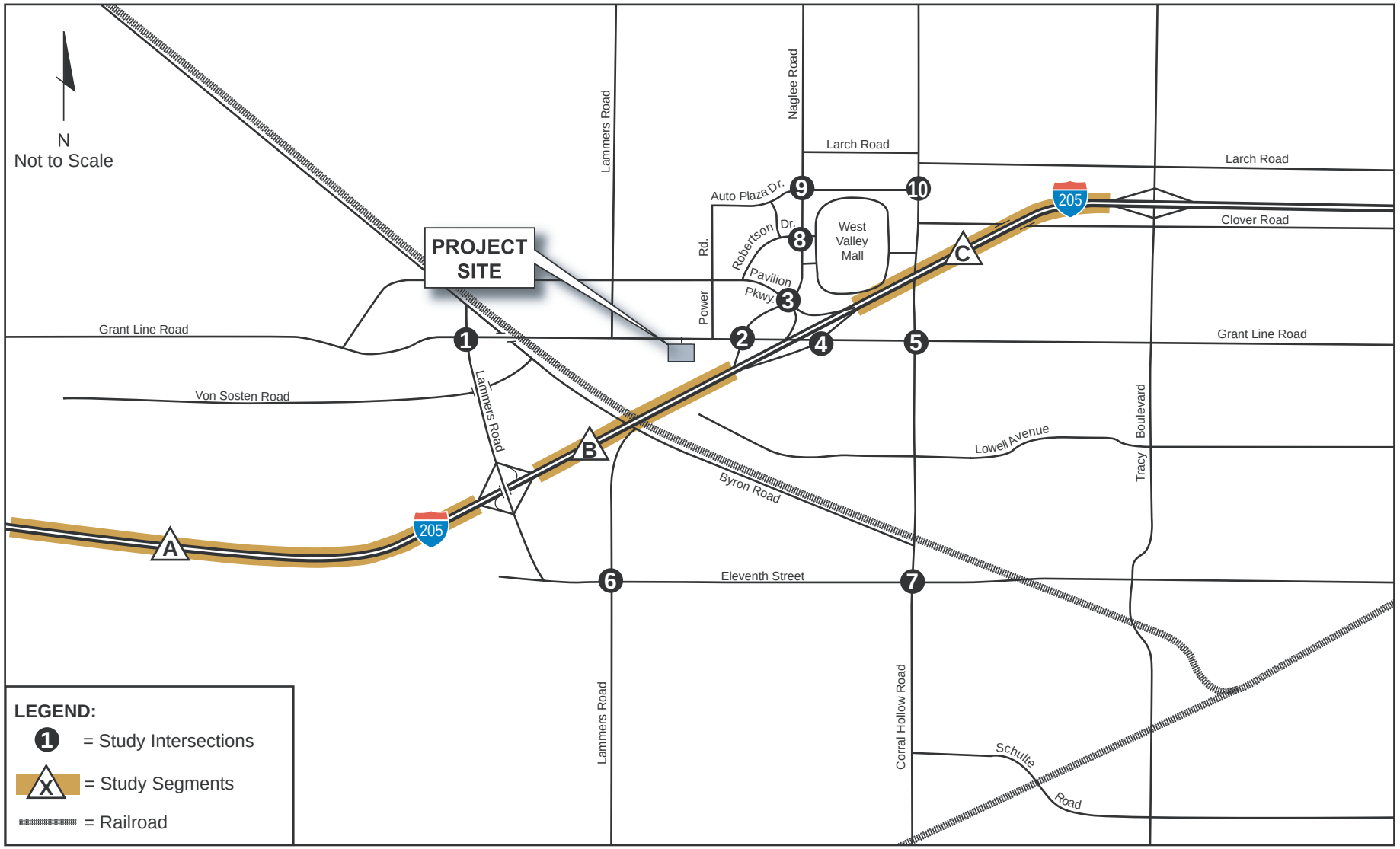
This section describes the method for generating the traffic volumes and assumed lane configurations for the Cumulative background condition.

Cumulative Traffic Volumes

The Tracy General Plan traffic demand model (modified from the SJCOG model) was used as the basis for generating regional Cumulative traffic forecasts. Buildout of the I-205 Specific Plan area based on land use designations and maximum trips per acre allowed in the approved I-205 Specific Plan was assumed. Development levels in the Mountain House community in San Joaquin County are consistent with the SJCOG estimates for 2030. In addition to the development described above, the trips generated by the proposed WinCo Foods and the northern parcel on Pavilion Parkway were included in the Cumulative traffic volumes. For the Cumulative Baseline scenario, the existing Wal-Mart store was assumed.

Cumulative Lane Configurations

Intersection operating conditions were assessed assuming no improvements over Existing configurations using the Cumulative traffic volumes described above. The service levels under these conditions are shown in **Table 4.4-7.** The new signalized intersection at Lammers Road/Grant Line Road replaces the intersection of Byron Road/Grant Line Road as study intersection 1 in the Cumulative scenarios. The new Auto Plaza Drive/Corral Hollow Road intersection becomes study intersection 10. Because intersections 1 and 10 are new intersections to be constructed in the Cumulative scenario, analysis under existing configurations is not applicable.



Source: Fehr & Peers, 2005

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FIGURE 4.4-4
CUMULATIVE ROADWAY NETWORK AND STUDY LOCATIONS

PMC

TABLE 4.4-7
CUMULATIVE TRAFFIC OPERATIONS WITH EXISTING CONFIGURATIONS

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour	
		Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Road / Lammers Road	Signal[1]	n/a	n/a	n/a	n/a
2. Grant Line Road / Naglee Road / I-205 WB On-Ramp	Signal[1]	26	C	>80	F
3. Naglee Road / Pavilion Parkway	Signal[1]	49	D	>80	F
4. Grant Line Road / I-205 EB Ramps	Signal[1]	>80	F	>80	F
5. Grant Line Road / Corral Hollow Road	Signal[1]	n/a	n/a	>80	F
6. Eleventh Street / Lammers Road	Signal[1]	n/a	n/a	>80	F
7. Eleventh Street / Corral Hollow Road	Signal[1]	n/a	n/a	>80	F
8. Robertson Drive / Naglee Road	Signal[1]	n/a	n/a	8	A
9. Auto Plaza Drive / Naglee Road	SSSC[2]	n/a	n/a	36(EB) 17	D C
10. Auto Plaza Drive/ Corral Hollow Road	SSSC[2]	n/a	n/a	n/a	n/a

*Note: **Bold** indicates intersection operating at deficient level of service. Significance criteria for County intersections (intersection 1) and City intersections within ¼ miles of interchange ramps (intersections 2 through 4) is LOS D. Significance criteria for City intersections (intersections 5 through 10) is LOS C.*

1. *Signalized intersection LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*
2. *Side-street stop intersection. Reported LOS based on control delay per vehicle for the worst approach and average delay per vehicle for the intersection.*

Source: Fehr & Peers, 2005.

Improvements at nine out of ten study intersections have been identified to accommodate additional traffic volumes associated with Cumulative growth. **Table 4.4-8** summarizes these Cumulative improvements. The elimination of the northbound through lane on Naglee Road at the Auto Plaza Drive/Naglee Road intersection is recommended to avoid confusion at the new all-way stop controlled intersection. **Figure 4.4-5** displays the improved intersection configurations, the lane configurations for the new Grant Line Road/Lammers Road and Auto Plaza Drive/Corral Hollow Road intersections and Cumulative background traffic volumes.

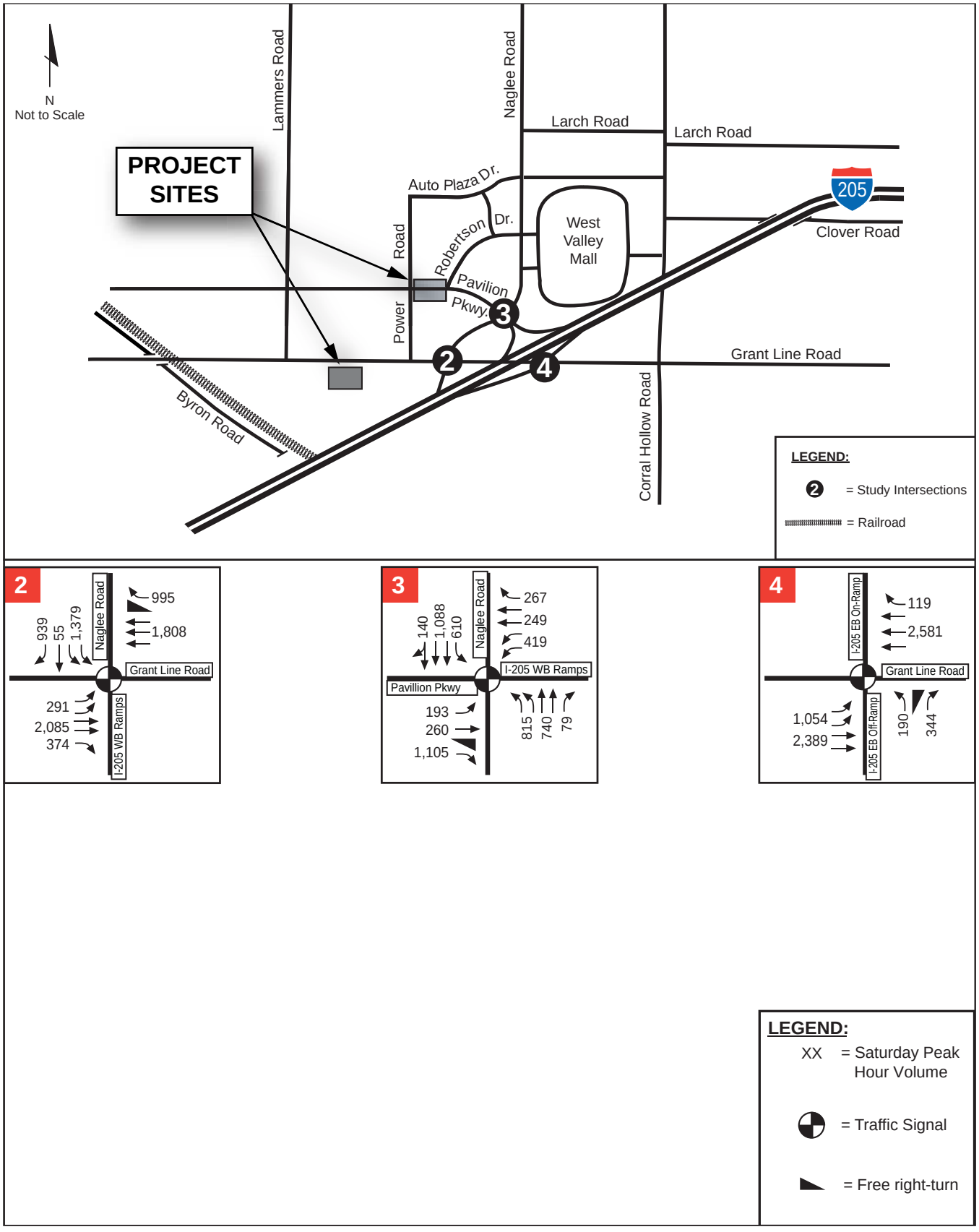
Saturday Peak Hour Level of Service

Intersection operating conditions were analyzed for Cumulative plus Project conditions during the Saturday peak hour using traffic volumes from **Figure 4.4-4A** and improved intersection geometries. The calculated LOS for the intersections is reported in **Table 4.4-7A** below.

TABLE 4.4-7A
CUMULATIVE PLUS PROJECTS INTERSECTION TRAFFIC OPERATIONS
SATURDAY PEAK HOUR

Intersection	Delay (seconds)	LOS
2. Grant Line Rd / Naglee Rd I-205 WB On-Ramp	53	D
3. Naglee Road / Pavilion Parkway	53	D
4. Grant Line Rd / I-205 WB On-Ramp	51	D

Source: Fehr & Peers. Revised Traffic Impact Analysis for WinCo and Wal-Mart Saturday Peak Hour, Table 3. October 3, 2006.



Source: Fehr & Peers, October 2006

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FIGURE 4.4-4A

CUMULATIVE PLUS PROJECT TRAFFIC VOLUMES - SATURDAY MIDDAY PEAK HOUR

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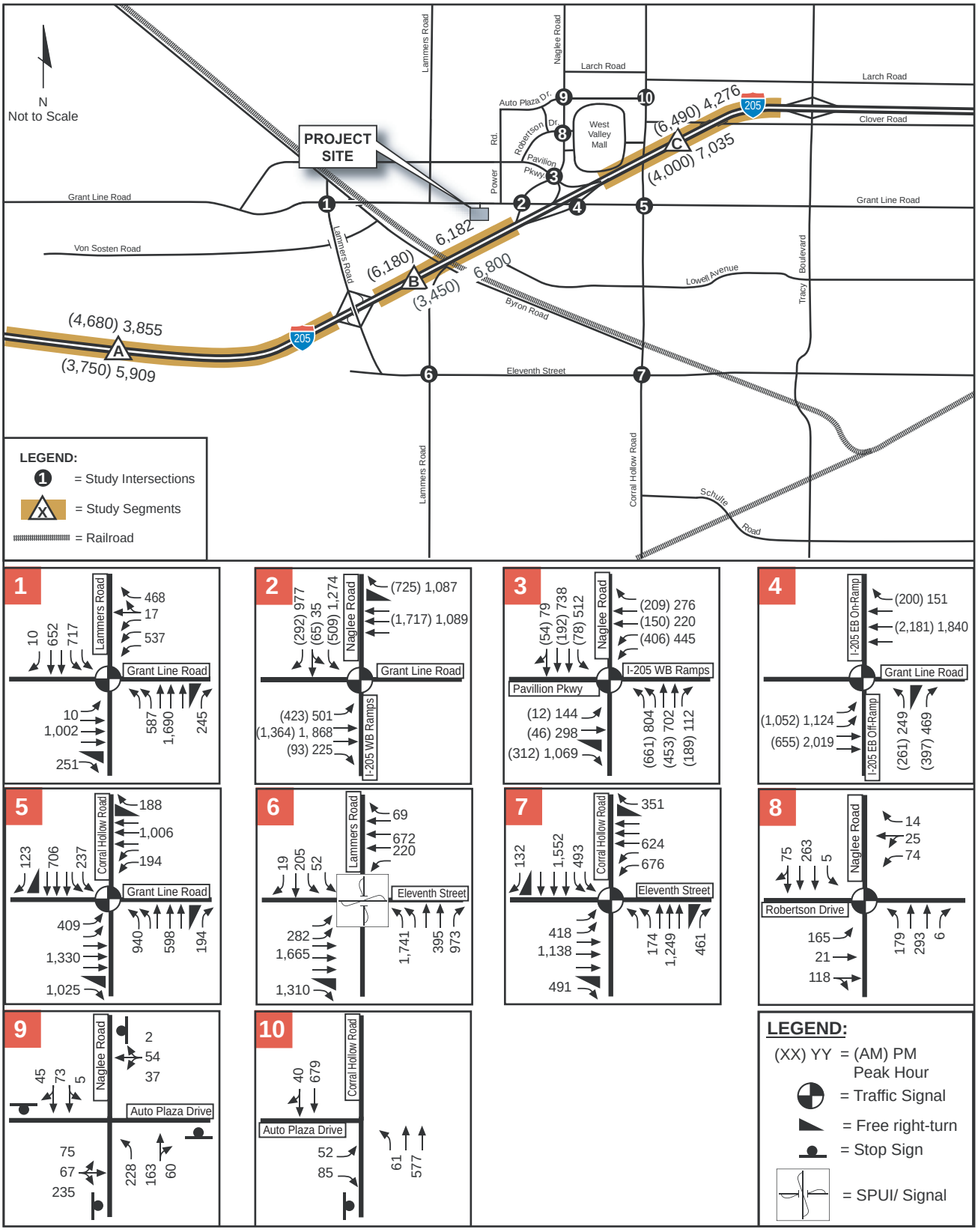

Source: Fehr & Peers, 2005

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FIGURE 4.4-5

CUMULATIVE TRAFFIC VOLUMES AND IMPROVED LANE CONFIGURATIONS

PMC

TABLE 4.4-8
WAL-MART EXPANSION CUMULATIVE INTERSECTION IMPROVEMENTS

Retrofit Existing Intersections	
Location	**Improvement**
2. Grant Line Road / Naglee Road / I-205 WB On-Ramp	• Optimize signal timing.
3. Naglee Road/Pavilion Parkway	• Change existing eastbound right lane to free right on Pavilion Parkway. • Add second left turn lane on northbound Naglee Road. • Optimize signal timing.
4. I-205 EB Ramps/Grant Line Road	• Add second eastbound left turn lane on Grant Line Road onto eastbound on-ramp and modify free-flow right turn on westbound Grant Line Road to be permitted right turn. • Change existing right lane to free right on I-205 EB off-ramp and receiving/ acceleration lane of 400 feet on eastbound Grant Line Road. • Optimize signal timing.
OR	
2-4. Grant Line/I-205 Interchange	• Implement next phase of Grant Line/I-205 Interchange.
5. Corral Hollow Road/Grant Line Road	The required Cumulative configuration of this intersection to operate at **LOS D** consists of three through lanes, dual lefts and exclusive right-turn lanes on all approaches with acceleration lanes on all departures. This will involve the following modifications to the existing intersection: • Modify existing right run lane into free-flow right turn lane on eastbound Grant Line and receiving/ acceleration lane of 400 feet on southbound Corral Hollow. • Modify one northbound left turn lane into southbound receiving lane and modify remaining left turn pockets to be at least 350 feet; Eliminate southbound left turn into shopping center parking lot. • Add third through lane to both southbound and northbound Corral Hollow Road. • Add third through lane to both eastbound and westbound Grant Line Road. • Replace existing shared through-right with one designated through lane and free-flow right turn lane on southbound Corral Hollow and receiving/ acceleration lane of 400 feet on westbound Grant Line Road. • Modify existing shared through-right into one through lane and one free-flow right turn lane on westbound Grant Line Road and receiving/ acceleration lane of 400 feet on northbound Corral Hollow. • Modify existing right turn to free-flow right turn lane on northbound Corral Hollow and receiving/ acceleration lane of 400 feet on eastbound Grant Line Road. • Add second left turn to southbound, eastbound, and westbound approaches. • Optimize signal timing.
OR	
	The required Cumulative configuration of this intersection to operate at an acceptable LOS C is a grade-separated urban intersection. This will involve the following modifications to the existing intersection:

Retrofit Existing Intersections	
Location	**Improvement**
	• Change to single point urban interchange and signal with Grant Line over-crossing. • Optimize signal timing.
6. Lammers Road/Eleventh Street	The required Cumulative configuration for this intersection is a grade-separated urban intersection. This will involve the following modifications to the existing intersection: • Change to single point urban interchange and signal with Lammers Road over-crossing. • Modify existing free-right to permitted on westbound, northbound, and southbound approaches. • Optimize signal timing.
7. Corral Hollow Road/Eleventh Street	The required Cumulative configuration of this intersection to operate at LOS D consists of three through lanes, dual lefts and exclusive right-turn lanes on all approaches with acceleration lanes on all departures. This will involve the following modifications to the existing intersection: • Add third through lane on northbound and southbound Corral Hollow. • Change existing right to free right on all approaches. • Optimize signal timing.
OR	
	The required Cumulative configuration of this intersection to operate at an acceptable LOS C is a grade-separated urban intersection. This will involve the following modifications to the existing intersection: • Change to single point urban interchange and signal with Eleventh Street over-crossing. • Optimize signal timing.
9. Auto Plaza Drive / Naglee Road	• Change existing side-street stop control to an all-way stop control. • Eliminate northbound through lane on Naglee Road, leaving a NB left turn lane and a northbound shared through-right turn lane.
New Intersections	
1. Lammers Road/Grant Line Road	Construction of new signalized intersection with following configuration: • Eastbound: o One left turn lane o Three through lanes o One free-right turn lane • Westbound: o Three left turn lanes o One shared through-right lane o One right turn lane
	• Northbound o Two left turn lanes o Three through lanes o One free right turn lane • Southbound o Two left turn lanes o Two through lanes o One right turn lane

Retrofit Existing Intersections	
Location	**Improvement**
10. Auto Plaza Drive / Corral Hollow Road	Construction of new side-street stop controlled intersection with the following configuration: • Northbound o One left turn lane o Two through lanes • Southbound o One through lane o One shared through right turn lane • Eastbound (stop controlled) o One left turn lane o One right turn lane

Source: Fehr & Peers, 2005.

Cumulative Intersection Operating Conditions

Cumulative intersection operating conditions were analyzed using the traffic volumes and intersection improvements described above. **Table 4.4-9** summarizes the calculated level of service under Cumulative No Project conditions. The Grant Line Road interchange intersections would operate at acceptable levels of service during the AM and PM peak hours. All other intersections would also operate at acceptable levels of service during the PM peak hour with the exception of Grant Line Road/Corral Hollow Road and Eleventh Street/Corral Hollow Road. The City of Tracy significance criterion for these intersections is LOS C. However, it is anticipated to operate at LOS D during the PM peak hour with maximum at-grade improvements. The required Cumulative configuration for these intersections to operate at an acceptable LOS C is a grade-separated urban intersection with Grant Line Road and Eleventh Street over-crossings. Detailed LOS worksheets for the Cumulative scenario can be found in **Appendix C**.

TABLE 4.4-9
CUMULATIVE WITH IMPROVED INTERSECTION TRAFFIC OPERATIONS

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour	
		Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Road / Lammers Road	Signal[1]	n/a	n/a	52	D
2. Grant Line Road / Naglee Road / I-205 WB On-Ramp	Signal[1]	24	C	49	D
3. Naglee Road / Pavilion Parkway	Signal[1]	19	B	46	D
4. Grant Line Road / I-205 EB Ramps	Signal[1]	51	D	33	C
5A. Grant Line Road / Corral Hollow Road 5B. Grant Line Road / Corral Hollow Road	Signal[1] SPUI[2]	n/a	n/a	41 22	D C
6. Eleventh Street / Lammers Road	SPUI[2]	n/a	n/a	26	C
7A. Eleventh Street / Corral Hollow Road 7B. Eleventh Street / Corral Hollow Road	Signal[1] SPUI[2]	n/a	n/a	49 27	D C
8. Robertson Drive / Naglee Road	Signal[1]	n/a	n/a	8	A
9. Auto Plaza Drive / Naglee Road	AWSC[3]	n/a	n/a	13	B
10. Auto Plaza Drive/ Corral Hollow Road	SSSC[4]	n/a	n/a	18 (WB) 2	C A

*Note: **Bold** indicates intersection operating at deficient level of service. Significance criteria for County intersections (intersection 1) and City intersections within ¼ miles of interchange ramps (intersections 2 through 4) is LOS D. Significance criteria for City intersections (intersections 5 through 10) is LOS C.*

1. *Signalized intersection LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*
2. *Single-point urban interchange LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*
3. *All-way Stop-controlled intersection level of service is based on average control delay per vehicle (in seconds) according to the 2000 HCM.*
4. *Side-street stop intersection. Reported LOS based on control delay per vehicle for the worst approach and average delay per vehicle for the intersection.*

Source: Fehr & Peers, 2005.

4.4.2 REGULATORY FRAMEWORK

LOCAL

City of Tracy General Plan

The City of Tracy General Plan provides the following policies to address traffic and circulation issues such as LOS standards, road standards, transit, and access. While this draft EIR analyzes the project's consistency with the City of Tracy General Plan pursuant to CEQA Section 15125(d), the determination of the project's consistency with this General Plan rests with the City of Tracy City Council.

The following City of Tracy General Plan goals and policies related to traffic are relevant to the project:

Chapter 2: Circulation

Policy CI 2.3: Levels of Service should meet the city standard on major streets and intersections within the Urban Management Plan Area.

Policy CI 5.2: Within new developments strive to include appropriate bicycle and pedestrian facilities and to connect with the community-wide Master plans for bicycle and pedestrian routes.

I-205 Corridor Specific Plan (1990) and Specific Plan Amendment (1999)

The City of Tracy I-205 Corridor Specific Plan and Specific Plan Amendment sets forth goals and objectives that originate from the Tracy General Plan and are necessary in order to clearly state the intent, purpose, and focus of the I-205 Corridor Specific Plan.

Goal 3: Circulation and Transportation: Plan for safe, well-maintained and integrated circulation and transportation systems.

Design Goal 12: All areas shall have ease of access from the freeway, as well as existing Tracy.

Design Goal 13: All areas shall have easily accessible, well designed, lighted, and landscaped parking lots.

San Joaquin Regional Transportation Plan

In response to regional traffic needs, the San Joaquin County Council of Governments (SJCOG) has prepared the Draft 1998 Regional Transportation Plan. The Regional Transportation Plan is an overall "blueprint" of San Joaquin County's transportation system that will address transportation improvements between 1999 and 2020. The overall goal of the Regional Transportation Plan is to design a transportation system that:

- Meets the travel demand needs of both citizens and businesses;
- Improves the environment or minimizes negative environmental impacts; and,
- Is efficient, safe and economical. (San Joaquin County Council of Governments, 1998).

The Regional Transportation Plan divides desired transportation improvements between Tier 1 (anticipated to be funded) and Tier 2 (no funding currently identified). Proposed transportation improvements include a combination of projects (e.g., roadway system maintenance, roadway and intersection improvements, highway improvements, transit improvements, and non-transportation control measures). Actions proposed under the Regional Transportation Plan for the Tracy area include:

- Preparation of environmental studies and design engineering work for the widening of Interstate 205 between Interstate 5 and Eleventh Street.
- Preparation of major investment studies (or equivalent) for:
  - Interstate 205 corridor, City of Tracy to Interstate 5
  - Interstate 5 corridor, Interstate 205 to State Route 120
  - Interstate 580 corridor, Patterson Pass Road to Alameda County line
- Preparation of project study reports for Interstate 5 northbound bridge widening between Interstate 205 and State Route 120.
- Assist in funding and coordination for ACE.

City of Tracy Roadway Master Plan

The Roadway Master Plan identifies roadway improvements required to support long-term City build-out under the General Plan, and includes roadway improvement standards such as alignments, cross-sections, intersection and roadway design, and a roadway classification system based on anticipated volumes.

In the study area, these improvements include the following:

- Lammers Road extension/realignment from Eleventh Street north, with a new interchange at I-205
- I-205 widening to three lanes in each direction through Tracy
- Pavilion Parkway extension west to Byron Road
- Power Road (two lanes) connecting Auto Plaza Drive to Grant Line Road along the western city limit line
- Auto Plaza Drive (four lanes) extension east to Corral Hollow Road

4.4.3 TRAFFIC IMPACTS ANALYSIS

STANDARDS OF SIGNIFICANCE

The proposed project would have a significant impact if:

The impact analysis provided below is based on the following State CEQA Guidelines Appendix G:

a) Cause an increase in traffic that is substantial in relation to the existing traffic load and capacity of the street system (i.e., result in a substantial increase in either the number of vehicle trips, the volume-to-capacity ratio on roads, or congestion at intersections).

b) Exceed, either individually or cumulatively, a level of service standard established by the county congestion management agency for designated roads or highways.

c) Result in a change in air traffic patterns, including either an increase in traffic levels or a change in location that results in substantial safety risks.

d) Substantially increase hazards due to a design feature (e.g., sharp curves or dangerous intersections) or incompatible uses (e.g., farm equipment).

e) Result in inadequate emergency access.

f) Result in inadequate parking capacity.

g) Conflict with adopted policies, plans or programs supporting alternative transportation (e.g., bus turnouts, bicycle racks).

Conditions without and with the project have been compared to identify significant impacts according to the following criteria specific to the project area:

1) If a facility is projected to operate acceptably (i.e., LOS E or better) without the project and the project is expected to cause the facility to operate at an unacceptable LOS, the impact is considered significant under thresholds of significance (a) and (b) above.

2) If a facility is projected to operate unacceptably (i.e., LOS F) without the project, and the project is expected to cause an increase in delay (volume-to-capacity ratio increase of 0.05 or greater for roadway segments and signalized intersections or an increase in delay of 5 seconds or greater at a movement or approach at an unsignalized intersections that meets signal warrants), the impact is considered significant under thresholds of significance (a) and (b) above.

The section begins by describing the thresholds for determining when an impact is considered significant, followed by a description of the analysis methodology. As described previously, level of service (LOS) is a measure of the level of congestion of an intersection or facility, ranging from LOS A (free-flowing conditions) to LOS F (jammed with volume or demand exceeding capacity). Most cities and counties in California have established level of service standards of significance for intersections and facilities within the limits of the City or County.

The level of service standard for the City of Tracy is LOS C, except for intersections located within ¼ mile of a freeway, where the standard is LOS D. For San Joaquin County, the *General Plan 2010* specifies LOS D as the acceptable level of service for intersections. A Project impact is considered significant if the traffic generated by the Proposed Project worsens the level of service at an intersection beyond the applicable standards. Therefore, if the proposed project would worsen the intersection LOS to LOS D, there would be a significant impact. The final subsection of the analysis presents specific impacts related to the proposed project and mitigation measures to reduce impacts.

Roadways

1) LOS "C" for City roadways, (except for intersections within one-quarter mile of a freeway, where the standard is LOS "D") would be exceeded, or if the project would require an expansion of the roadway facility capacity beyond what is required to support development under baseline and cumulative conditions.

2) LOS "C" for County roadways and intersections would be exceeded.

3) Implementation of the project would cause a significant percent of traffic capacity to be added between the baseline roadway system and the cumulative roadway system. The percent is significant if the project generates more than 4 percent of the cumulative use added between the baseline development condition and the cumulative development condition.

4) Project construction caused damage to project area roadways beyond that caused by the normal wear and tear of existing traffic; or

5) Project construction disrupted traffic patterns on project area roadways causing traffic delays or unsafe roadways.

Transit Facilities

1) Create demand for public transit service above that which is provided, or planned to be provided;

2) Disrupt or interfere with existing or planned public transit services of facilities; or

3) Create an inconsistency with policies concerning transit systems set forth in the General Plan for the City of Tracy.

Pedestrian And Bicycle

1) Disrupt or interfere with existing or planned bicycle or pedestrian facilities

2) Create an unmet need of bicycle or pedestrian facilities; or

3) Create an inconsistency with policies related to bicycle or pedestrian systems in the General Plan of the City of Tracy.

Parking

1) Result in inadequate parking capacity.

PROJECT CHARACTERISTICS

EXISTING PLUS PROJECT CONDITIONS

This section provides a description of the proposed project components including trip generation, trip distribution and trip assignment.

Project Description

The project will expand an existing 125,689 square-foot Wal-Mart facility by approximately 82,704 square-feet, for a total retail area of approximately 208,393 square-feet. Approximately 33,928 square feet of the additional retail space will be used for grocery sales; the remaining space will be used for general retail and a snack bar.

Trip Generation

For purposes of estimating traffic impacts, trip rates from Institute of Transportation Engineers' (ITE) *Trip Generation Handbook (7th* Edition) for free-standing discount store (ITE 815) and free-standing discount superstore (ITE 813) were used to estimate trips for existing and project conditions. The discount superstore is classified as a discount store with a grocery component. Existing trips were estimated based on the 125,689 square feet of discount store and were estimated to be 123 AM peak hour trips and 584 PM peak hour trips. The project condition trips were estimated based on the completed 208,393 square feet of discount superstore and were estimated to be 323 AM peak hour trips and 846 PM peak hour trips. The net increase in peak hour trips (200 AM and 262 PM) are the new trips due to the expansion Project. The difference accounts for the fact that some of the additional business transacted at the expanded store will be a result of existing shoppers who will extend their visits to shop in the new grocery and general merchandise space, and some of the increase will be a result of new trips attracted to the Wal-Mart store by the expanded merchandise and grocery selections. **Table 4.4-10** summarizes the results of the trip generation.

TABLE 4.4-10
TRIP GENERATION FOR THE WAL-MART EXPANSION

	Size	Trip Rate[1]			Trips		
		In	Out	Total	In	Out	Total
AM Peak Hour							
Existing Wal-Mart	125,689 sf	0.67	0.31	0.98	84	39	123
Wal-Mart Expansion	82,704 sf	0.98	1.44	2.42	81	119	200
Project Conditions	208,393 sf	0.79	0.76	1.55	164	158	323
PM Peak Hour							
Existing Wal-Mart	125,689 sf	2.33	2.33	4.65	293	291	584
Wal-Mart Expansion	82,704 sf	1.48	1.69	3.17	122	140	262
Project Conditions	208,393 sf	1.99	2.07	4.06	415	431	846

Notes:

1. Trip generation rates from Institute of Transportation Engineers (ITE) Trip Generation 7th Edition regression equations for Free-standing Discount Store (Land Use Code 815) and Free-standing Discount Superstore (Land Use Code 813).

Source: Fehr & Peers, 2005.

Saturday Trip Generation

Saturday peak hour trip generation of the Wal-Mart expansion project and the Northern Parcel were estimated based on the following sources: *WinCo Foods Trip Generation & Characteristics Study (*Kittelson & Associates, September 2002), and *Trip Generation* (ITE, 2003). **Table 4.4-10A** summarizes the estimated Saturday trip generation associated with the projects. This analysis assumes 100 percent of the calculated project trip generation are primary trips with local origins

(i.e., from homes within Tracy and Mountain House). This would represent a conservative estimate of project trip generation and potential impact to the surrounding network, as no reduction for pass-by trips are considered. The resulting Cumulative plus Projects Saturday peak hour traffic volumes at the three intersections are presented in **Figure 4.4-4A**.

TABLE 4.4-10A
ESTIMATED SATURDAY PROJECT TRIP GENERATION

Land Use	Size (Square Feet)	Saturday Trip Rates			Saturday Trips		
		In	Out	Total	In	Out	Total
Wal-Mart Expansion[1]	82,704	0.57	0.53	1.1	47	44	91
Northern Parcel[2]	141,134	Ln(T) = 0.65 Ln(X) + 3.77; 52% in, 48% Out			563	520	1,083

Notes: 1 *Trip generation associated with the Wal-Mart expansion calculated based on Net Additional Trips using ITE rates for Discount Superstore (Land Use Code 813) applied to 208,393 square feet minus ITE rates for Discount Store (Land Use Code 815) applied to existing 125,689 square feet.*

2 *Northern Parcel trip rate based on trip generation equation from Institute of Transportation Engineers (ITE) Trip Generation 7th Edition regression equation for Shopping Center (Land Use Code 820).*

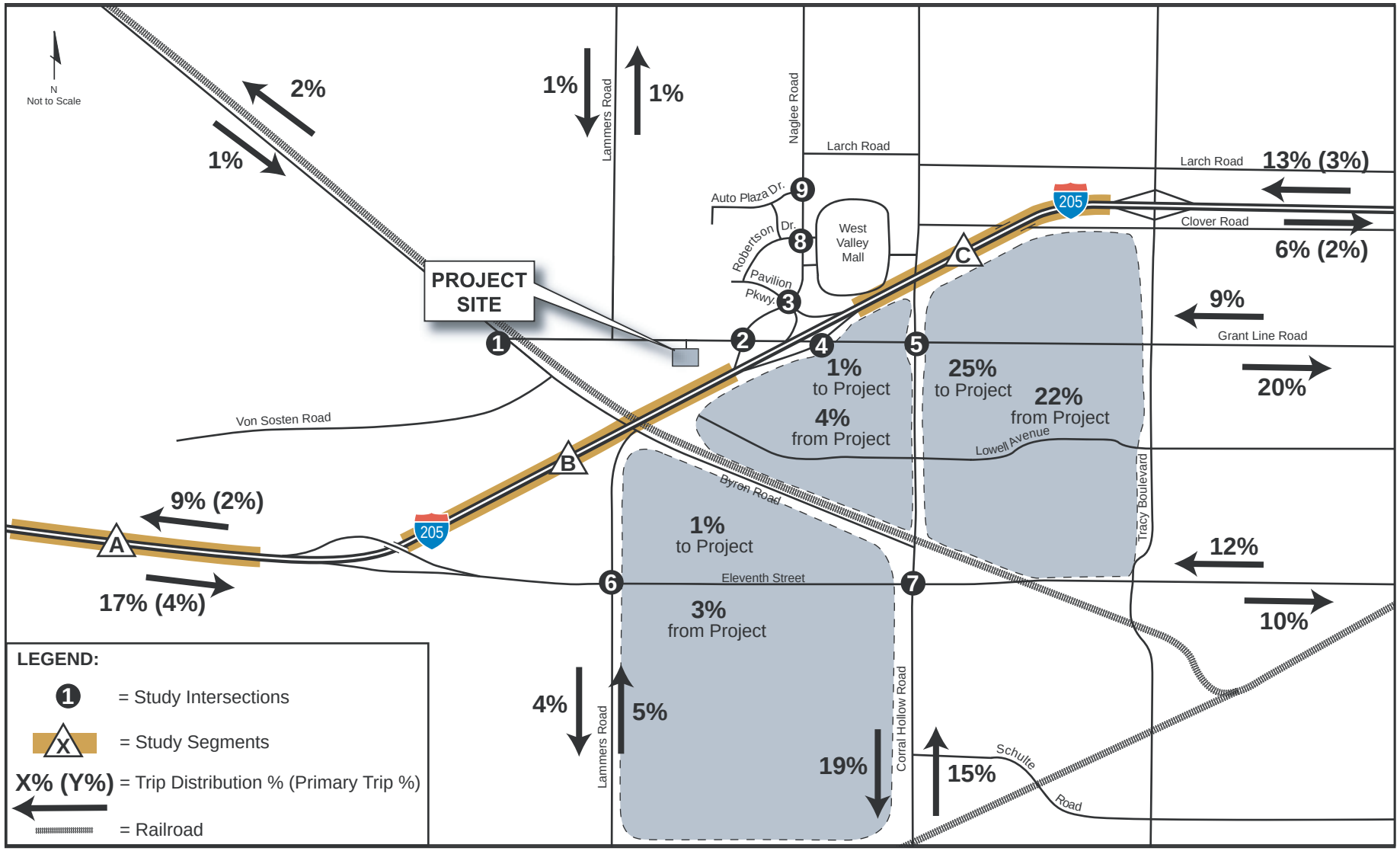
Source: Fehr & Peers. Revised Traffic Impact Analysis for WinCo and Wal-Mart Saturday Peak Hour, Table 2. October 3, 2006.

TRIP DISTRIBUTION AND ASSIGNMENT

The City of Tracy General Plan Traffic Demand Model, which was derived from the San Joaquin County Council of Governments (SJCOG) travel demand model, was used to develop trip distributions for the proposed Project. To reflect expected roadway network changes and growth patterns in Tracy and surrounding cities, separate trip distributions were used for the existing and cumulative scenarios.

To account for the lack of a special purpose designation appropriate for a grocery component in the traffic model, modifications were made to the trip distributions obtained directly from the model. For trips to or from outside the City of Tracy, the total trip distribution was divided into primary and non-primary trips. The proportion of primary trips to or from outside the City of Tracy was reduced to account for the number of similar stores in neighboring cities and the tendency for grocery trips to occur closer to the home than other trip purposes.

Table 4.4-11 summarizes the Existing and Cumulative trip distributions for the Wal-Mart expansion. Because the proposed project consists of a discount grocery store and other commercial uses, a large proportion of the trips are distributed to nearby residential areas. Under existing conditions, these trips are distributed to internal zones located in the study area. Existing trip distribution is shown on Figure 4.4-6. In the Cumulative trip distribution, a higher percentage of trips will leave the study area to new residential developments expected to the south and east of the study area. Cumulative trip distribution is shown on Figure 4.4-7.



Source: Fehr & Peers, 2005

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FIGURE 4.4-6
EXISTING PROJECT TRIP DISTRIBUTION

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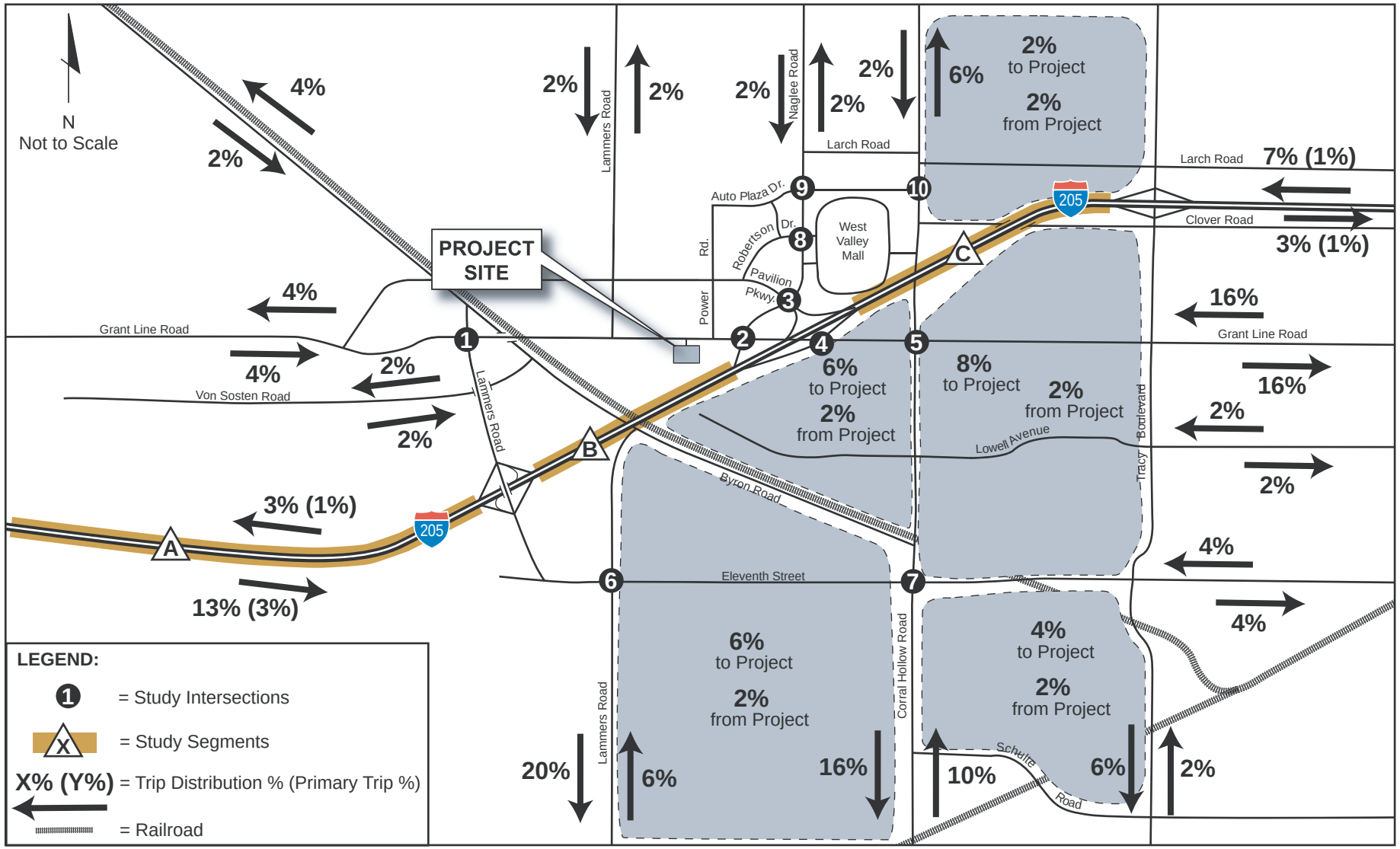

Source: Fehr & Peers, 2005

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FIGURE 4.4-7
CUMULATIVE PROJECT TRIP DISTRIBUTION

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TABLE 4.4-11
PROJECT TRIP DISTRIBUTION

Location	Existing Distribution (%)		Cumulative Distribution (%)	
	Inbound	Outbound	Inbound	Outbound
I-205 West	17	9	13	3
Byron Road Northwest	1	2	2	4
Lammers Road North	1	1	2	2
Naglee Road North	0	0	2	2
Corral Hollow North	0	0	2	6
I-205 East	13	6	7	3
Grant Line Road East	9	20	16	16
Lowell East	0	0	2	2
Eleventh Street East	12	10	4	4
Tracy Boulevard South	0	0	2	6
Corral Hollow South	15	19	10	16
Lammers South	5	4	6	20
Von Sosten West	0	0	2	2
Grant Line West	0	0	4	4
Internal Zone 1	1	4	6	2
Internal Zone 2	25	22	8	2
Internal Zone 3	1	3	6	2
Internal Zone 4	0	0	4	2
Internal Zone 5	0	0	2	2
Total	***100***	***100***	***100***	***100***

Source: Fehr & Peers, 2005.

Based on the location of the proposed Wal-Mart expansion (adjacent to a highly traveled arterial road and near freeway ramps), pass-by trips were assumed to be 17 percent and diverted-linked trips were assumed to be 35 percent. Pass-by trips are at the project driveway only. These trips are diverted from eastbound and westbound I-205. The routes these trips are diverted from are based on the trip distribution shown in **Table 4.4-11**. **Table 4.4-12** shows the direction from which these trips are diverted for the near-term and cumulative scenarios.

TABLE 4.4-12
WAL-MART EXPANSION DIVERTED TRIP BREAKDOWN

Direction	Near Term		Cumulative	
	% Total Trips	Trips	% Total Trips	Trips
WB I-205	15	20	12	16
EB I-205	20	26	23	30
Total	***35***	***46***	***35***	***46***

Source: Fehr & Peers, 2005.

Existing project trips are assigned to the roadway network using the Existing primary trip distribution shown in **Table 4.4-11** and the Existing diverted routes in **Table 4.4-12**. The Existing project trip assignment is shown on Figure 4.4-8. Similarly, Cumulative project trips are assigned to the roadway network using the cumulative primary and diverted trip distribution presented in **Tables 4.4-11** and **4.4-12**. Cumulative project trip assignment is shown on Figure 4.4-9.

PROJECT IMPACTS AND MITIGATION MEASURES

This section describes the roadway network and traffic assumptions, analysis results, and proposed mitigation measures for the Existing plus Project and Cumulative plus Project scenarios.

ROADWAY NETWORK

For Existing with Project conditions, no additional roadway or intersection improvements were assumed above the existing setting. The cumulative roadway network was used to analyze Cumulative with Project conditions.

EXISTING PLUS PROJECT

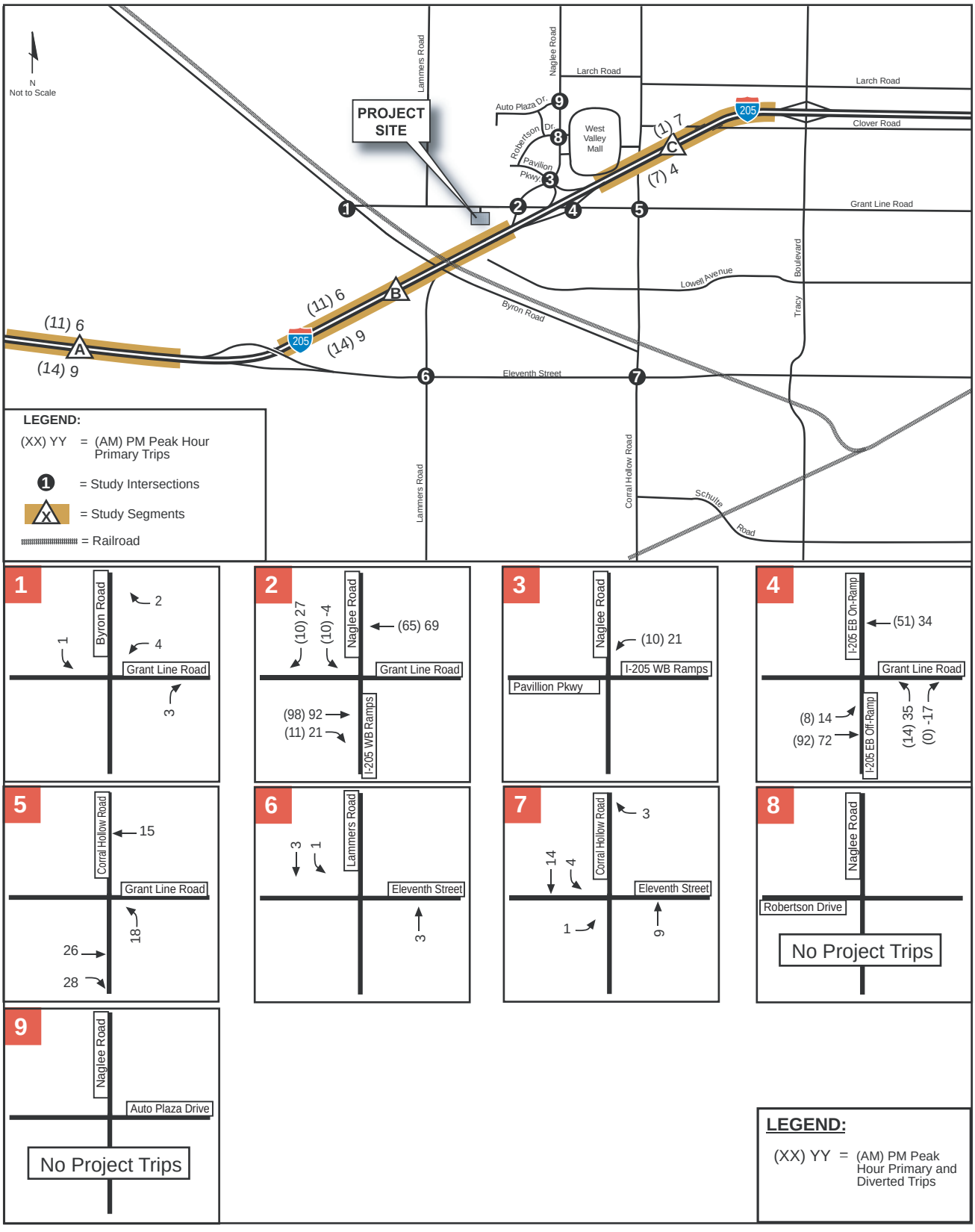
This section describes the Existing plus Project intersection operations and proposed mitigation measures.

Intersection Operating Conditions

For the Existing plus Project scenario, traffic generated by the proposed project (Wal-Mart expansion) is added to Existing traffic volumes. Existing plus Project traffic volumes and lane configurations are shown on **Figure 4.4-10**.

Intersection operating conditions were analyzed for Existing plus Project traffic volumes. The calculated LOS for the study intersections is reported in **Table 4.4-13** below. Under Existing plus Project conditions, the Grant Line Road/Corral Hollow Road and Grant Line Road/Byron Road intersections operate at unacceptable service levels. During the PM peak hour, the Grant Line Road/Corral Hollow intersection average delay would increase to 47 seconds (LOS D), which is below the City of Tracy standard of LOS C. Detailed LOS worksheets for the Existing plus Project scenario can be found in **Appendix C**

As a side note, the Eleventh Street/Corral Hollow Road intersection delay increases to 32 seconds, just below the LOS C/D threshold of 35 seconds. All other intersections would continue to operate at acceptable levels of service.



Source: Fehr & Peers, 2005

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FIGURE 4.4-8
EXISTING PROJECT TRIP ASSIGNMENT

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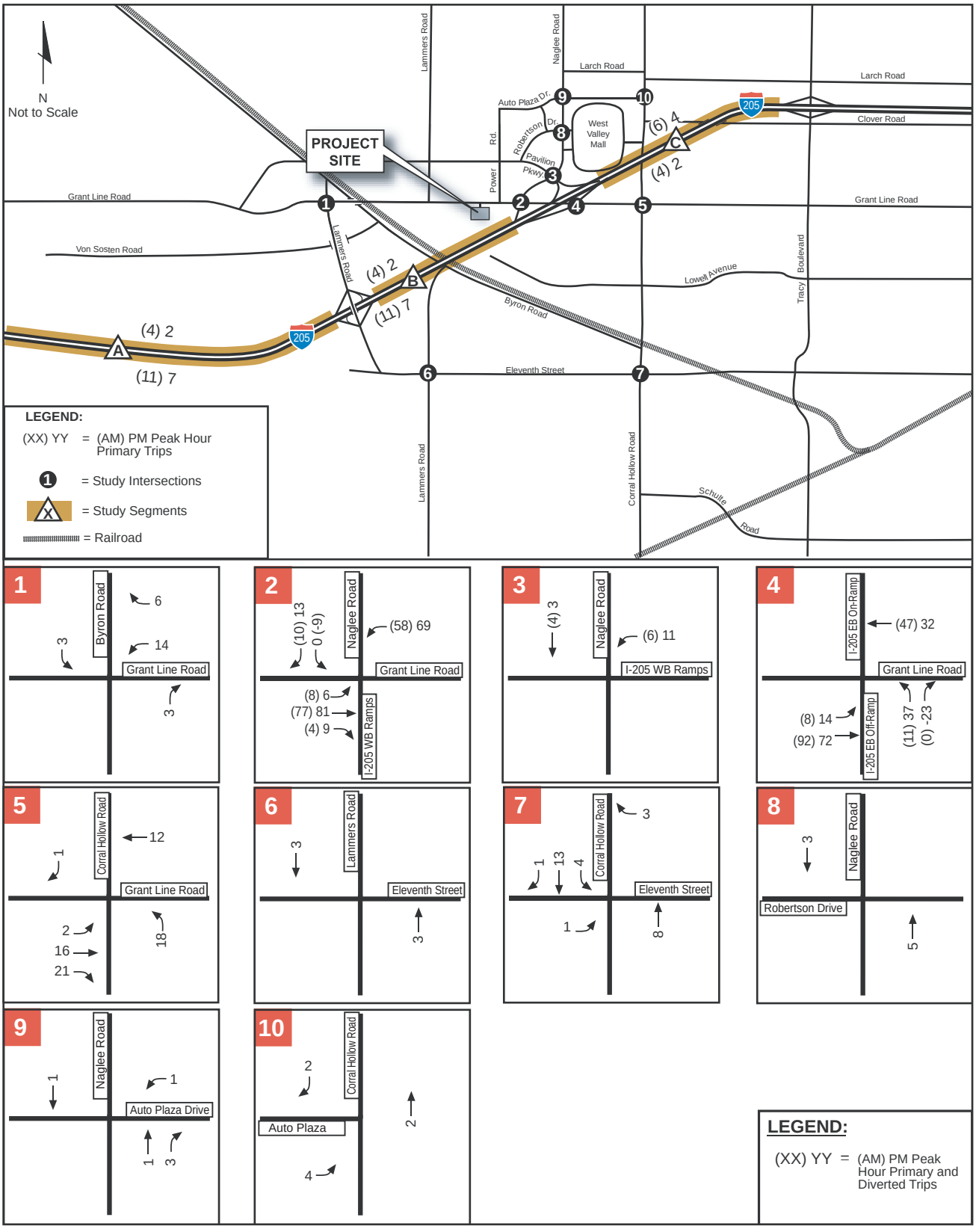

Source: Fehr & Peers, 2005

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FIGURE 4.4-9
CUMULATIVE PROJECT TRIP ASSIGNMENT

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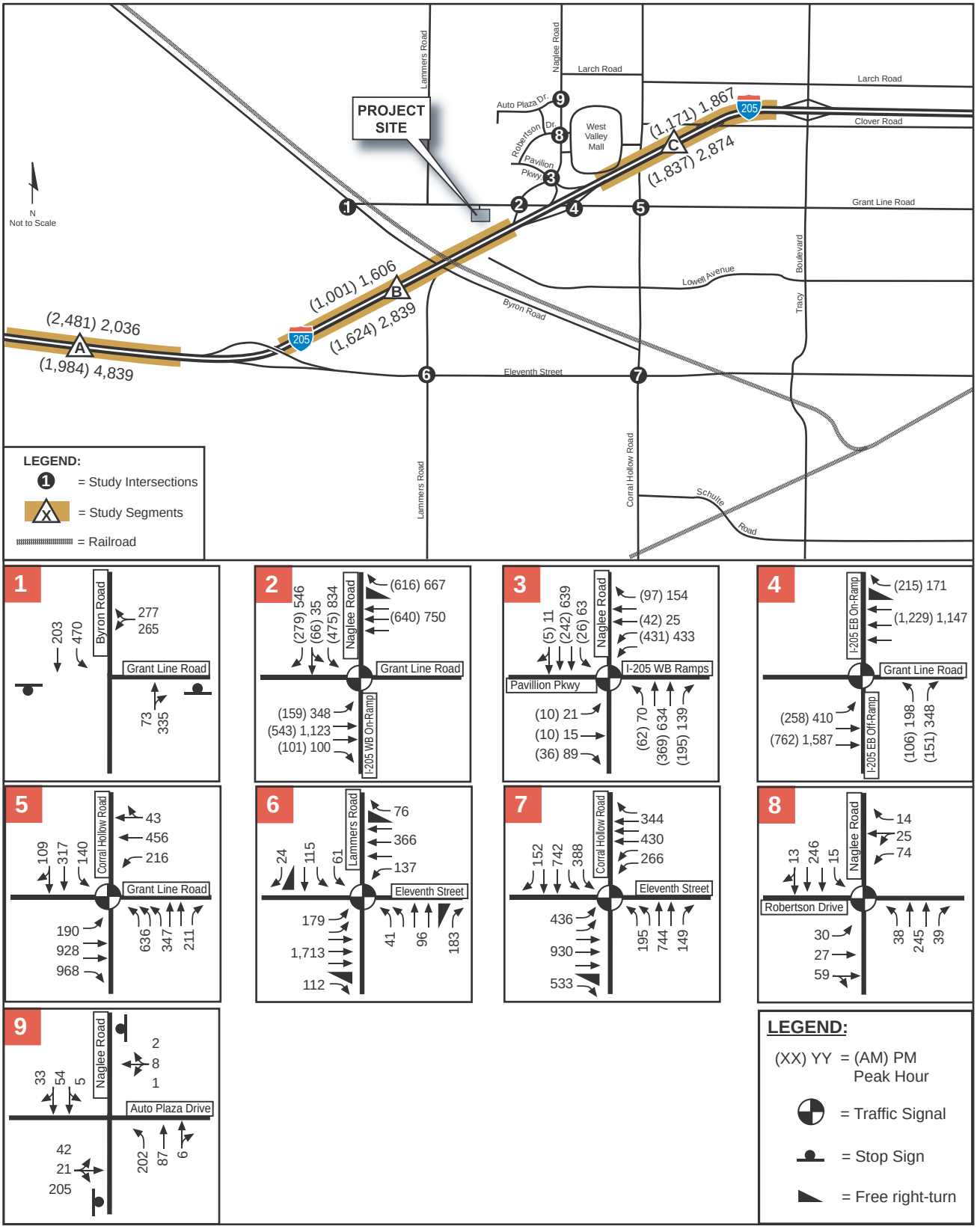

Source: Fehr & Peers, 2005

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FIGURE 4.4-10

EXISTING PLUS PROJECT TRAFFIC VOLUMES AND LANE CONFIGURATIONS

PMC

TABLE 4.4-13
EXISTING PLUS WAL-MART EXPANSION INTERSECTION TRAFFIC OPERATIONS

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour	
		Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Road / Byron Road	SSSC[1]	n/a	n/a	>50 (SB) >50	F F
2. Grant Line Road / Naglee Road / I-205 WB On-Ramp	Signal[2]	10	B	19	B
3. Naglee Road / Pavilion Parkway	Signal[2]	15	B	18	B
4. Grant Line Road / I-205 EB Ramps	Signal[2]	12	B	22	C
5. Grant Line Road / Corral Hollow Road	Signal[2]	n/a	n/a	47	D
6. Eleventh Street / Lammers Road	Signal[2]	n/a	n/a	16	B
7. Eleventh Street / Corral Hollow Road	Signal[2]	n/a	n/a	32	C
8. Robertson Drive / Naglee Road	Signal[2]	n/a	n/a	6	A
9. Auto Plaza Drive / Naglee Road	SSSC[1]	n/a	n/a	14 (WB) 8	B A

Note: ***Bold*** *indicates intersection operating at deficient level of service. Significance criteria for County intersections (intersection 1) and City intersections within ¼ miles of interchange ramps (intersections 2 through 4) is LOS D. Significance criteria for City intersections (intersections 5 through 9) is LOS C.*

1. *Side-street stop intersection. Reported LOS based on control delay per vehicle for the worst approach and average delay per vehicle for the intersection.*
2. *Signalized intersection LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*

Source: Fehr & Peers, 2005.

It will be necessary to mitigate the effects of adding the proposed project at two intersections in the PM peak hour. Recommended project mitigations are presented in **Table 4.4-14** and shown on **Figure 4.4-11**. The mitigated traffic operations are presented in **Table 4.4-15**. The intersection of Grant Line Road / Byron Road currently has northbound and southbound approaches stop-controlled and the westbound approach free to limit the queuing across the railroad tracks. The intersection currently meets the peak hour volume signal warrant and requires signalization with or without the addition of project traffic. By signalizing the intersection, the average intersection delay would be reduced to 30 seconds, an acceptable LOS C. In addition to the installation of a signal, signal preemption and coordination with the railroad crossing and detection system is also required.

It is recommended that an eastbound free-flow right turn lane replace the existing right turn lane along Grant Line Road at the Grant Line Road/Corral Hollow Road intersection. This Existing plus Project mitigation would improve the operation at the intersection to LOS C. As shown in **Table 4.4-15** below, the mitigations listed in **Table 4.4-14** improve intersection operations to acceptable service levels.

TABLE 4.4-14
RECOMMENDED EXISTING PLUS WAL-MART MITIGATIONS

Location	Improvement
1. Grant Line Road / Byron Road	• Install traffic signal. • Coordinate signal with rail road crossing and detection system.
5. Grant Line Road / Corral Hollow Road	• Add free-flow right turn lane on eastbound Grant Line and receiving/ acceleration lane of 400 feet on southbound Corral Hollow. • Optimize signal timing.

Source: Fehr & Peers, 2005.

TABLE 4.4-15
EXISTING PLUS WAL-MART MITIGATED INTERSECTION TRAFFIC OPERATIONS

Intersection	PM Peak	Unmitigated Hour	PM Peak	Mitigated Hour
	Delay (sec)	LOS	Delay (sec)	LOS
1. Grant Line Road / Byron Road	>50 (SB) >50	F F	30	C
5. Grant Line Road / Corral Hollow Road	47	D	33	C

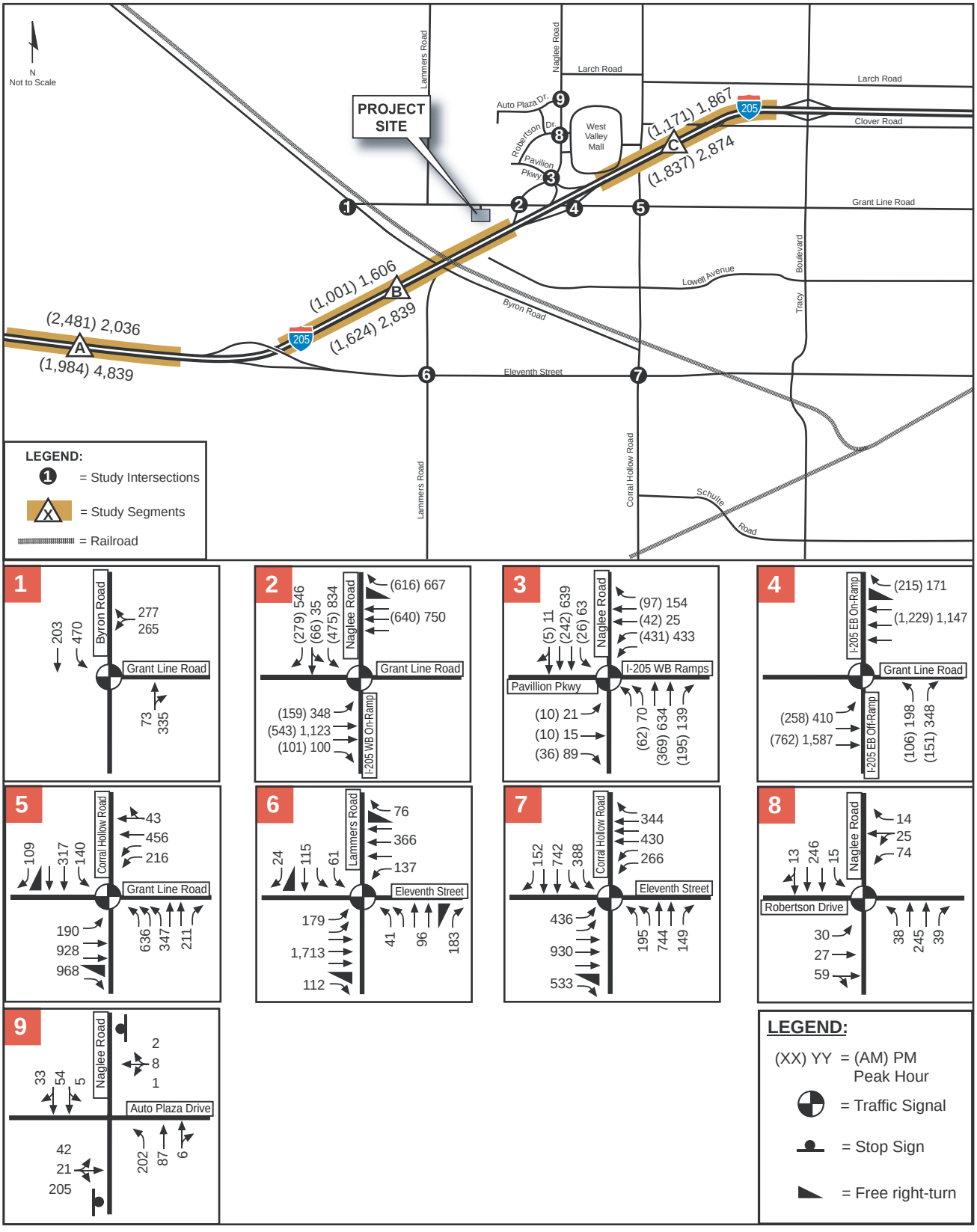
Source: Fehr & Peers, 2005.

EXISTING PROJECT IMPACTS AND MITIGATIONS

Exceed, Either Individually or Cumulatively

Impact 4.4.1 The addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing plus Project scenario will add traffic to will add traffic to intersection that is already operating at a deficient level of service. This would be considered a **significant** impact.

The Grant Line Road / Byron Road intersection is currently operating at LOS F with more than 50 seconds of average delay. Per the City of Tracy standards, the acceptable level of service standard for this intersection is LOS C. The intersection of Grant Line Road / Byron Road currently has northbound and southbound stop controlled and the westbound is free to limit the queuing across the railroad tracks. The intersection currently meets the peak hour volume signal warrant with or without the addition of Project traffic. The addition of project traffic to this intersection would exacerbate an already deficient level of service.



Source: Fehr & Peers, 2005

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FIGURE 4.4-11

EXISTING PLUS PROJECT TRAFFIC VOLUMES AND MITIGATED LANE CONFIGURATIONS

PMC

Mitigation Measures

MM 4.4.1 By signalizing the intersection the average delay would be reduced to 30 seconds, an acceptable LOS C. In addition to the installation of a signal, signal preemption and coordination with the rail road crossing and detection system is also required.

This mitigation measure is within the jurisdiction of San Joaquin County, which can and should complete such improvements. The City does, however, work with the County in addressing regional traffic problems through its participation in the Regional Traffic Impact Fee (RTIF) program. For each applicable project, fees are collected by the City, and forwarded to San Joaquin County and The San Joaquin County Council of Governments for their application to various regional traffic improvement projects. Until the improvements are made, the impact is **significant and unavoidable.**

Timing/Implementation: *The County of San Joaquin would be responsible for construction of the intersection improvement. The Project may be required to contribute its fair share toward a finance plan to fund the required improvements. With implementation of this mitigation, Project impacts under **Impact 4.4.1** would be reduced to less-than-significant; however, until such time as it is determined that a program exists for contribution and construction this impact would remain significant and unavoidable.*

Enforcement/Monitoring: *The County of San Joaquin*

Exceed, Either Individually or Cumulatively

Impact 4.4.2 The addition of project traffic to the Grant Line Road/Corral Hollow Road would add traffic to intersection that is already operating at a deficient level of service. This is considered a **potentially significant** impact.

The Grant Line Road/Corral Hollow Road intersection is signalized and currently operates at LOS D with an average delay of 44 seconds during the PM peak hour. The City of Tracy level of service standard for this intersection is LOS C. The addition of project traffic would increase the average intersection delay from 44 to 47 seconds, but the level of service will remain LOS D. Although the City of Tracy does not have a defined policy on determining what constitutes a project impact when an intersection is currently deficient, addition of 3 seconds of delay caused by the project would to be a significant impact.

Mitigation Measures

MM 4.4.2 Creating an exclusive free-flow right-turn lane of 450 feet on eastbound Grant Line Road approaching the intersection with a receiving lane of 400 feet extending south from the intersection on Corral Hollow Road is recommended. The City of Tracy shall be responsible for the intersection improvement and acquisition of right-of-way, both of which would be funded

by the proposed project. With implementation of this mitigation, project impacts under **Impact 4.4.2** would be reduced to **less-than-significant.**

Timing/Implementation: *The City of Tracy would be responsible for the intersection improvement and acquisition of right-of-way, both of which would be funded by the proposed project. With implementation of this mitigation, project impacts under **Impact 4.4.2** would be reduced to **less-than-significant.***

Enforcement/Monitoring: *The City of Tracy Public Works Department*

Exceed, Either Individually or Cumulatively

Impact 4.4.3 The addition of project traffic would increase the volume on I-205. This would be considered **potentially significant**.

I-205 through the City of Tracy currently operates at LOS F during the peak hour. The actual peak hour of I-205 occurs at 5:00 AM, before the normal AM peak period, and before the project is expected to generate trips. Within the 4:00-6:00 PM period, the project is estimated to increase the eastbound volume by up to 14 trips. This represents about 1% of the total eastbound volume on the freeway during this time period, which is below the significance threshold of 5%. Therefore, project impacts under **Impact 4.4.3** are considered **less-than-significant**.

Mitigation Measure

None required.

CUMULATIVE PLUS PROJECT

This section describes the Cumulative plus Project intersection operations and proposed mitigation measures

Intersection Operating Conditions

Cumulative plus Project traffic volumes were obtained by adding the trips generated by the Wal-Mart Expansion to the Cumulative background traffic volumes. Using these volumes and the intersections with cumulative improvements identified in **Table 4.4-8**, AM and PM peak hour service levels for the study intersections were calculated. The calculated LOS for the study intersections is reported in **Table 4.4-16** below. With the addition of project traffic, the following intersections would operate at unacceptable conditions in the PM peak hour:

- The Grant Line Road/Corral Hollow Road intersection delay increases to 42 seconds, an unacceptable LOS D
- The Eleventh Street/Corral Hollow Road intersection delay increases to 49 seconds, an unacceptable LOS D

All other intersections would continue to operate at acceptable levels of service. Cumulative plus Project traffic volumes and lane configurations are shown on **Figure 4.4-12**.

To fully mitigate the intersections of Corral Hollow Road/Grant Line Road and Corral Hollow Road/Eleventh Street, a grade separated urban intersection is required. Changing the at-grade intersection of Corral Hollow Road/Grant Line Road to single point urban interchange and signal with Grant Line Road over-crossing will reduce the average delay to 22 seconds, an acceptable LOS C. Changing the at-grade intersection of Corral Hollow Road/Eleventh Street to single point urban interchange and signal with Eleventh over-crossing will reduce the average delay to 26 seconds, an acceptable LOS C. A summary of these configuration changes can be found on **Figure 4.4-13** and are summarized in **Table 4.4-17**. **Table 4.4-18** shows the intersection operating conditions with the recommended changes. Detailed LOS worksheets for the Cumulative plus Project scenario can be found in **Appendix C**.

TABLE 4.4-16
CUMULATIVE PLUS WAL-MART INTERSECTION TRAFFIC OPERATIONS

Intersection	Traffic Control	AM Peak Hour		PM Peak Hour	
		Delay (Seconds)	LOS (Seconds)	Delay (Seconds)	LOS
1. Grant Line Road / Lammers Road	Signal[1]	n/a	n/a	53	D
2. Grant Line Road / Naglee Road / I-205 WB On-Ramp	Signal[1]	26	C	54	D
3. Naglee Road / Pavilion Parkway	Signal[1]	19	B	47	D
4. Grant Line Road / I-205 EB Ramps	Signal[1]	54	D	39	D
5A. Grant Line Road / Corral Hollow Road 5B. Grant Line Road / Corral Hollow Road	Signal[1] SPUI[2]	n/a	n/a	42 22	D C
6. Eleventh Street / Lammers Road	SPUI[2]	n/a	n/a	26	C
7A. Eleventh Street / Corral Hollow Road 7B. Eleventh Street / Corral Hollow Road	Signal[1] SPUI[2]	n/a	n/a	49 27	D C
8. Robertson Drive / Naglee Road	Signal[1]	n/a	n/a	8	A
9. Auto Plaza Drive / Naglee Road	AWSC[3]	n/a	n/a	13	B
10. Auto Plaza Drive/ Corral Hollow Road	SSSC[4]	n/a	n/a	19 (WB) 2	C A

*Note: **Bold** indicates intersection operating at deficient level of service. Significance criteria for County intersections (intersection 1) and City intersections within ¼ miles of interchange ramps (intersections 2 through 4) is LOS D. Significance criteria for City intersections (intersections 5 through 10) is LOS C.*

1. *Signalized intersection LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*
2. *Single-point urban interchange LOS based on weighted average control delay per vehicle, Highway Capacity Manual (Transportation Research Board, 2000).*
3. *All-way Stop-controlled intersection level of service is based on average control delay per vehicle (in seconds) according to the 2000 HCM.*
4. *Side-street stop intersection. Reported LOS based on control delay per vehicle for the worst approach and average delay per vehicle for the intersection.*

Source: Fehr & Peers, 2005.

TABLE 4.4-17
CUMULATIVE PLUS WAL-MART INTERSECTION MITIGATIONS

Location	Mitigation
5. Grant Line Road /Corral Hollow Road	The required Cumulative configuration for this intersection to be fully mitigated is a grade-separated urban intersection. This will involve the following modifications to the existing intersection: • Change to single point urban interchange and signal with Grant Line over-crossing. • Optimize signal timing.
7. Eleventh Street / Corral Hollow Road	The required Cumulative configuration for this intersection to be fully mitigated is a grade-separated urban intersection. This will involve the following modifications to the existing intersection: • Change to single point urban interchange and signal with Eleventh Street over-crossing. • Optimize signal timing.

Source: Fehr & Peers, 2005.

TABLE 4.4-18
CUMULATIVE PLUS WAL-MART MITIGATED INTERSECTION TRAFFIC OPERATIONS

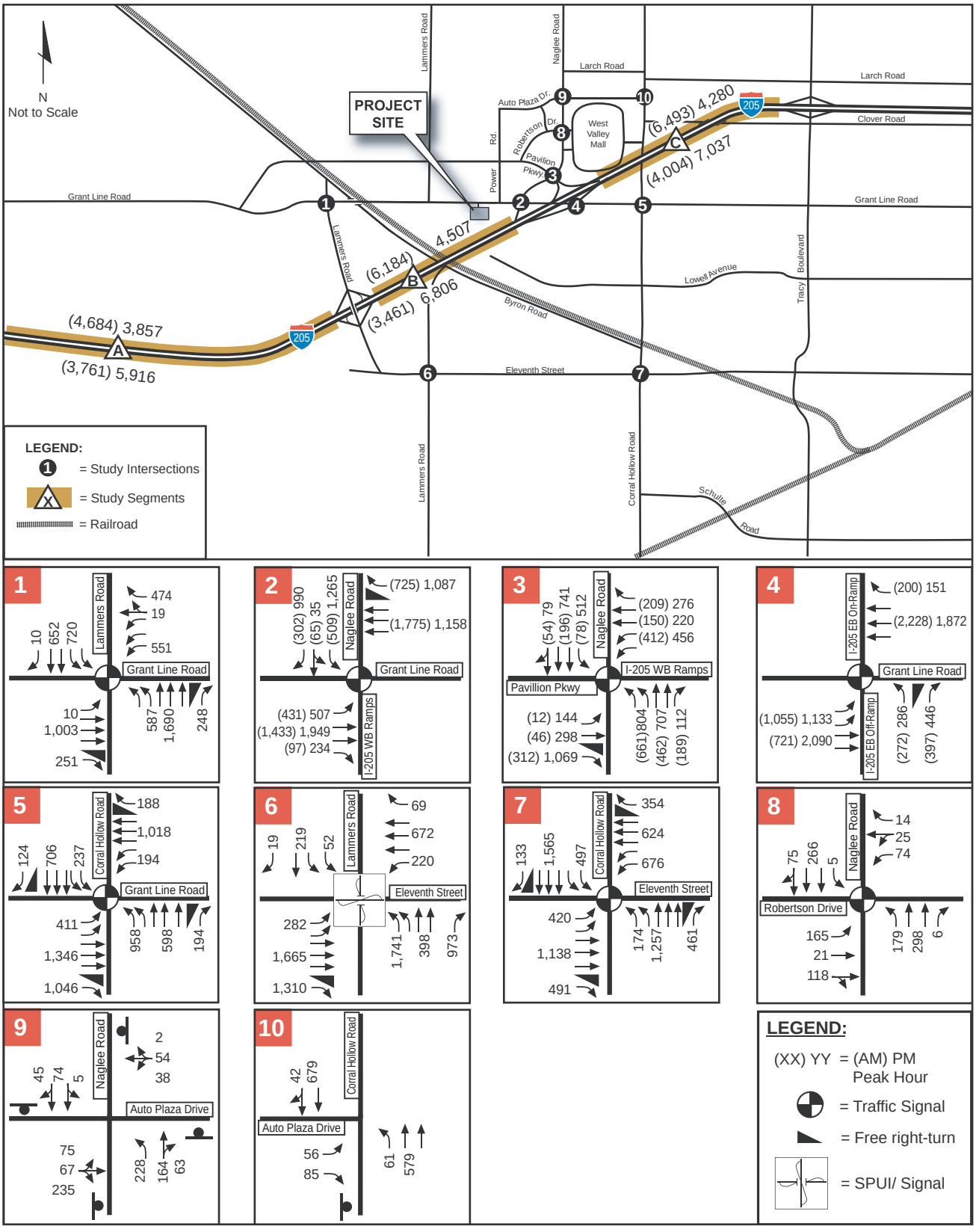
Intersection	Traffic Control	Unmitigated PM Peak Hour	LOS	Mitigated PM Peak Hour	LOS
		Delay (sec)		Delay (sec)	
5. Grant Line Road / Corral Hollow Road	Signal/ SPUI	42	D	22	C
7. Eleventh Street / Corral Hollow Road	Signal/ SPUI	49	D	27	C

Source: Fehr & Peers, 2005.

Substantially Increase Traffic in Relation to Existing Traffic Load

Impact 4.4.4 The addition of Project traffic, along with other cumulative development traffic, would result in unacceptable operations at seven of the ten study intersections with existing intersection geometries. This is considered a **potentially significant** impact.

As shown in **Table 4.4-7**, levels of service at seven of the ten study intersections would drop below City standards for those intersections. The project will also add traffic to two study intersections that are currently not constructed, (Grant Line Road/Lammers Road and Auto Plaza Drive/Corral Hollow Road) one of which is replacing an existing study intersection. As citywide development occurs, implementation of components of the City of Tracy Roadway Master Plan will be necessary to maintain acceptable operations. The proposed project, as part of Cumulative development, would generate a portion of the traffic increase that causes LOS to degrade to unacceptable levels. The improvements listed in **Table 4.4-8** above would be required to improve levels of service at the seven affected intersections to acceptable standards.



Source: Fehr & Peers, 2005

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FIGURE 4.4-12

CUMULATIVE PLUS PROJECT TRAFFIC VOLUMES AND LANE CONFIGURATIONS

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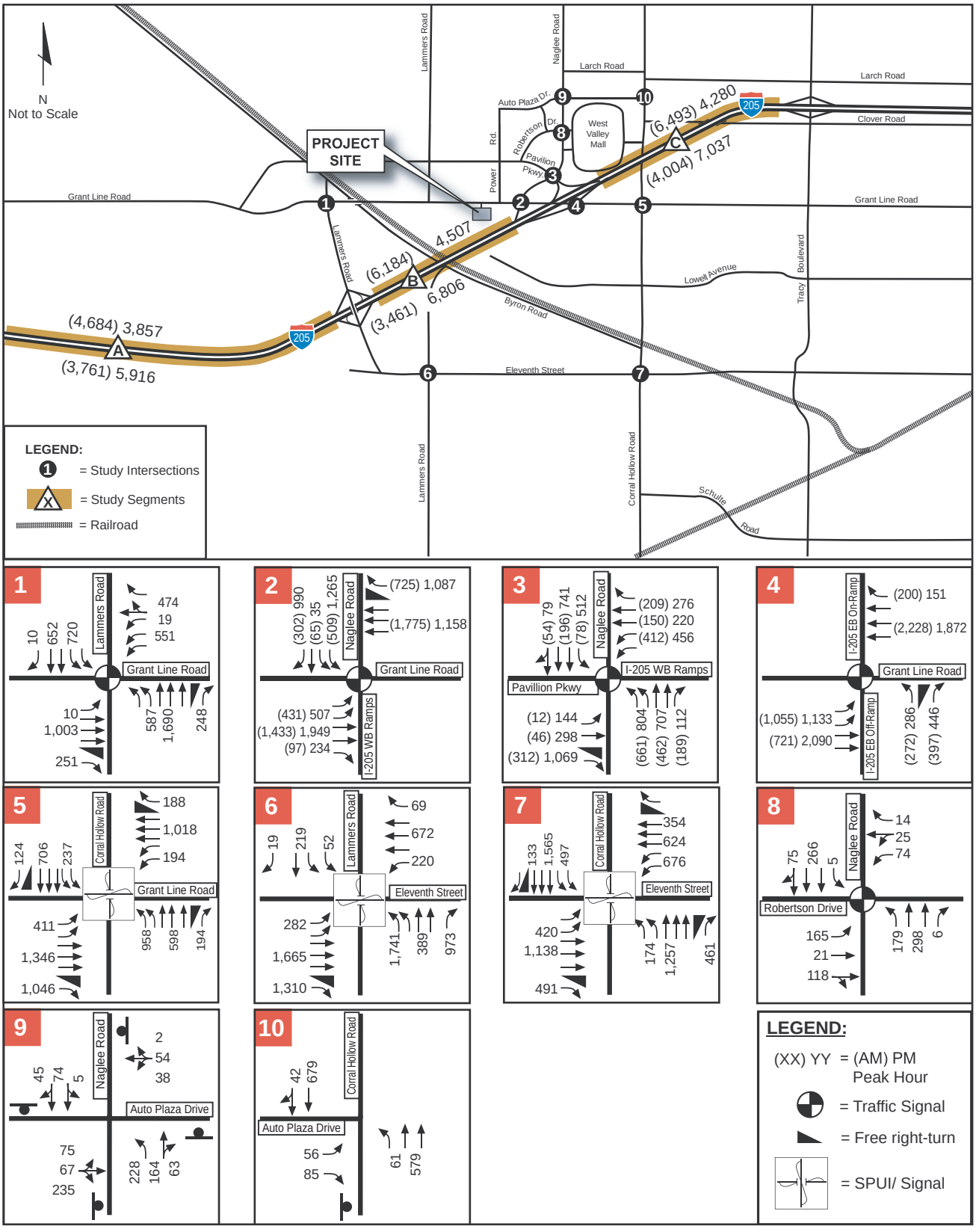

Source: Fehr & Peers, 2005

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FIGURE 4.4-13

CUMULATIVE PLUS TRAFFIC VOLUMES AND MITIGATED LANE CONFIGURATIONS

PMC

As citywide development occurs through the year 2025, implementation of components of the City of Tracy Roadway Master Plan will be necessary to maintain acceptable operations. The proposed project, as part of Cumulative development, would generate a portion of the traffic increase that causes LOS to degrade to levels below those adopted in the City's General Plan. The improvements listed in **Table 4.4-8** would be required to improve the intersection operations to accord with City standards.

The entire I-205 Corridor Specific Plan Area is planned comprehensively for infrastructure improvements. Within the I-205 Corridor Specific Plan Area, there are multiple specific financing plans, otherwise known as a "Finance and Implementation Plans" (FIPs), to fund required improvements. The purpose of an FIP is to provide estimates of the funds required to mitigate each impact and to update the City's Capital Improvement Program Construction Schedule. An FIP also identifies an estimated obligation for roadway improvements.

The Wal-Mart expansion project involves two separate FIPs (GL 17A and GL 17B(1b)). The funding obligations contained in these two FIPs were partially satisfied by Wal-Mart's predecessors in interest to the property. To date, $15,390 dollars have been deposited into the FIP account for GL 17A and $918,129 dollars have been deposited into the FIP account for GL 17B(1b).

However, since the adoption of the FIPs for 17A and 17B(1b) in March 1993, there have been new cumulative development scenarios relating to traffic. Therefore, in order to ensure that the Wal-Mart project fully funds its fair share of required improvements, an update to the FIPs is necessary.

Mitigation Measures

MM 4.4.4 To mitigate its contribution to Cumulative traffic impacts, the proposed project would be responsible for participating in and funding a Roadway Finance and Implementation Plan to determine its fair share of required improvements.

Timing/Implementation: *Prior to issuance of any building permit for the Wal-Mart project, an update to the FIPs for the I-205 Corridor Specific Plan Area shall be completed in order to update the list of impacted intersections and estimates of the costs to make necessary roadway improvements as identified in **Table 4.4-8**. Wal-Mart shall be subject to its fair share of the increase in costs to roadway improvements that will result from the update of the FIPs. Wal-Mart shall pay its fair share of the increase in costs that result from the FIP update prior to issuance of any building permit or certificate of occupancy for the proposed project. However, if such fees are not fully paid prior to issuance of a building permit, Wal-Mart shall enter into an agreement with the City to pay the fees prior to issuance of a certificate of occupancy. The agreement shall contain a legal description of the property and shall be recorded in the Office*

of the County Recorder. The agreement shall be secured by a lien against the property and/or other security in a form acceptable to the City Attorney.

Enforcement/Monitoring: *City of Tracy Development and Engineering Services Department.*

The completion of the above-listed mitigation measure would reduce the impacts to a level that is **less than significant**.

Substantially Increase Saturday Traffic in Relation to Existing Traffic Load

Impact 4.4.4a The addition of Saturday Project traffic, along with other Saturday cumulative development traffic, could result in unacceptable operations at three of the ten study intersections with existing intersection geometries. This is considered a **potentially significant impact.**

The analysis of traffic operations at the intersections most likely to experience adverse traffic impacts during the Saturday peak hour indicates that intersection operating level of service would be at acceptable LOS D under cumulative with project conditions with implementation of the mitigation measures previously identified in this document and the WinCo EIR. Implementation of these mitigation measures would reduce the impacts to a level that is **less than significant**. No further impacts are identified with this analysis. No additional mitigation measures are required.

Mitigation Measures

None Required.

Substantially Increase Hazards Due to Design Features

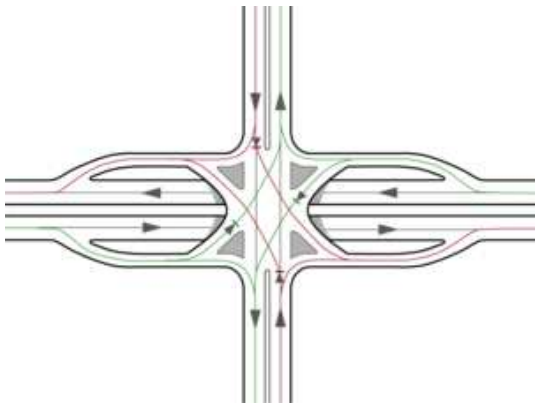
Impact 4.4.5 The addition of project traffic, along with other cumulative development traffic, to Grant Line Road/Corral Hollow Road intersection in the Cumulative plus Project scenario will add delay to an intersection that is already operating at a deficient level of service. This is considered a **significant impact.**

With the addition of project traffic, the delay at the Grant Line Road/Corral Hollow Road intersection is projected to increase from 41 seconds to 42 seconds, but the level of service will remain LOS D. The City of Tracy level of service standard for this intersection is LOS C. Although the City does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional 1-second of delay caused by the project would be considered to be a **significant impact**.

Mitigation Measures

MM 4.4.5 Construction of a single-point urban interchange (SPUI) is recommended, along with the through traffic being grade separated allowing for free-flow along Grant Line Road. By grade separation of Grant Line Road, the average intersection delay would be reduced to an acceptable 22 seconds.

The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be **significant and unavoidable**.



Source: wikipedia.org www.

Schematic of a freeway-under SPUI in a country where traffic. Traffic exiting the freeway is in green. Through traffic is in gray. All traffic motion of the same color can proceed simultaneously.

Exceed, Either Individually or Cumulatively

Impact 4.4.6 The proposed Project, along with other Cumulative development traffic, would add traffic to the Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario, contributing to an already deficient level of service at this intersection. This is considered a **significant** impact.

With the addition of Project traffic, the delay at the Eleventh Street/Corral Hollow Road intersection is projected to remain at 49 seconds. The City of Tracy level of service standard for this intersection is LOS C. Although the City does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional traffic caused by the Project would be considered a significant impact. By grade separation of Grant Line Road, the average intersection delay would be reduced to an acceptable 27 seconds (LOS C).

Mitigation Measures

MM 4.4.6 Construction of a single-point urban interchange (SPUI) is recommended along with the through traffic being grade separated allowing for free-flow along Eleventh Street. By grade separation of Corral Hollow Road, the average intersection delay would be reduced to an acceptable 27 seconds (LOS C).

The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be **significant and unavoidable**.

REFERENCES

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4.6 AIR QUALITY

This section describes the impacts of the proposed Wal-Mart Expansion Project on local and regional air quality. The topics discussed in this section include a description of the existing setting (e.g., topography, climate and ambient air quality), a discussion of the regulatory framework and of air quality standards including standards of significance. This section was prepared using methodologies and assumptions recommended within the air quality impact assessment recommendations of the San Joaquin Valley Air Pollution Control District (SJVAPCD). In keeping with these recommendations, the section describes existing air quality, construction-related impacts, direct and indirect emissions associated with the project, the impacts of these emissions on both the local and regional scale, and mitigation measures warranted to reduce or eliminate any identified significant impact. The Air Quality Impact Evaluation report, dated December 2004, is hereby incorporated by reference and provided as **Appendix E**. Don Ballanti prepared a revision to this report in July 2005 based on revisions to the traffic study. Additionally, Illingworth & Rodkin, Inc. reviewed this section and made revisions to this section in response to comments.

4.6.1. EXISTING SETTING

TOPOGRAPHIC CONSIDERATIONS

The City of Tracy is located in the northwestern portion of the San Joaquin Valley in the area designated as the San Joaquin Valley Air Basin by the California Air Resources Board (CARB). The air basin, which is defined by the Sierra Nevada in the east, the Coast Ranges in the west, and the Tehachapi mountains in the south. The surrounding topographic features restrict air movement through and out of the basin and, as a result, impede the dispersion of pollutants from the basin. Inversion layers are formed in the San Joaquin Valley air basin throughout the year. An inversion layer is created when a mass of warm dry air sits over cooler air near the ground, preventing vertical dispersion of pollutants from the air mass below. During the summer, the San Joaquin Valley experiences daytime temperature inversions at elevations from 2,000 to 2,500 feet above the valley floor. During the winter months, inversions occur from 500 to 1,000 feet above the valley floor (SJVAPCD 1998).

AIR BASIN CHARACTERISTICS

The climate of the project area is typical of inland valleys in California, with hot dry summers and cool, mild winters. Daytime temperatures in the summer often exceed 100 degrees, with lows in the 60's. In the winter, daytime temperatures are usually in the 50's, with lows around 35 degrees. Radiation fog is common in the winter, and may persist for days. Winds are predominantly up-valley (from the north) in all seasons, but more so in the summer and spring months. Winds in the fall and winter are generally lighter and more variable in direction (CARB 1974).

The pollution potential of the San Joaquin Valley is very high. Surrounding elevated terrain in conjunction with temperature inversions frequently restrict lateral and vertical dilution of pollutants. Abundant sunshine and warm temperatures in summer are ideal conditions for the formation of photochemical oxidant, and the Valley is a frequent scene of photochemical pollution.

Greenhouse Gases and Climate Change Linkages

Various gases in the Earth's atmosphere, classified as atmospheric greenhouse gases (GHGs), play a critical role in determining the Earth's surface temperature. Solar radiation enters Earth's atmosphere from space, and a portion of the radiation is absorbed by the Earth's surface. The Earth emits this radiation back toward space, but the properties of the radiation change from high-frequency solar radiation to lower-frequency infrared radiation. Greenhouse gases, which are transparent to solar radiation, are effective in absorbing infrared radiation. As a result, this radiation that otherwise would have escaped back into space is now retained, resulting in a warming of the atmosphere. This phenomenon is known as the greenhouse effect. Among the prominent GHGs contributing to the greenhouse effect are carbon dioxide (CO_2), methane (CH_4), ozone (O_3), water vapor, nitrous oxide (N_2O), and chlorofluorocarbons (CFCs).

Human-caused emissions of these GHGs in excess of natural ambient concentrations are responsible for enhancing the greenhouse effect (Ahrens 2003). Emissions of GHGs contributing to global climate change are attributable in large part to human activities associated with the industrial/manufacturing, utility, transportation, residential, and agricultural sectors (California Energy Commission 2006a). In California, the transportation sector is the largest emitter of GHGs, followed by electricity generation (California Energy Commission 2006a).

As the name implies, global climate change is a global problem. GHGs are global pollutants, unlike criteria air pollutants and toxic air contaminants, which are pollutants of regional and local concern, respectively. California is the 12th to 16th largest emitter of CO_2 in the world and produced 492 million gross metric tons of carbon dioxide equivalents in 2004 (California Energy Commission 2006a). Carbon dioxide equivalents is a measurement used to account for the fact that different GHGs have different potential to retain infrared radiation in the atmosphere and contribute to the greenhouse effect. This potential, known as the global warming potential of a GHG, is also dependent on the lifetime, or persistence, of the gas molecule in the atmosphere. Expressing GHG emissions in carbon dioxide equivalents takes the contribution of all GHG emissions to the greenhouse effect and converts them to a single unit equivalent to the effect that would occur if only CO_2 were being emitted. Consumption of fossil fuels in the transportation sector was the single largest source of California's GHG emissions in 2004, accounting for 40.7% of total GHG emissions in the state (California Energy Commission 2006a). This category was followed by the electric power sector (including both in-state and out of-state sources) (22.2%) and the industrial sector (20.5%) (California Energy Commission 2006a).

Primary Greenhouse Gases

Greenhouse gases include, but are not limited to, the following:[1]

(1) **carbon dioxide (CO_2)**; generated primarily by fossil fuel combustion in stationary and mobile sources. Carbon dioxide is the most widely emitted GHG.

(2) **methane**; emitted from biogenic sources, incomplete combustion in forest fires, landfills, manure management, and leaks in natural gas pipelines.

[1] *All Global Warming Potentials (GWPs) are given as 100-year GWP. Unless noted otherwise, all GWPs were obtained from the Intergovernmental Panel on Climate Change. Climate Change 2001: The Scientific Basis. Contribution of Working Group I to the Third Assessment Report of the IPCC. Cambridge University Press, UK and New York, USA. 2001.*

T:_GS\Work\Tracy, City of\Tracy Wal-Mart\Figure 4.6-1 San Joaquin Valley Air Basin

San Joaquin Valley Air Basin

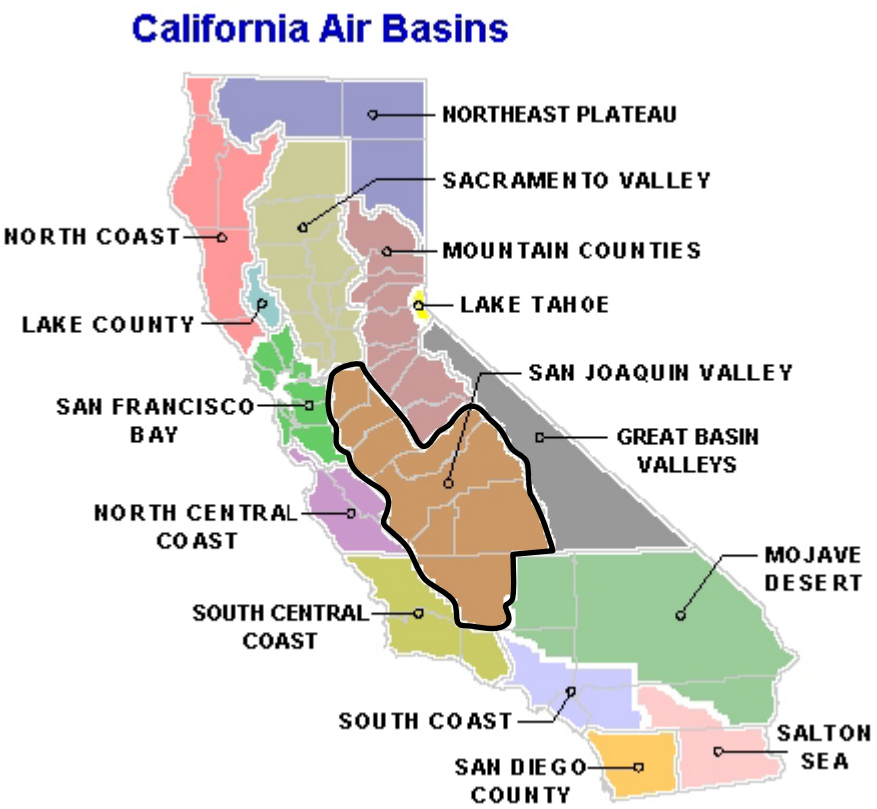

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Figure 4.6-1

San Joaquin Valley Air Basin

PMC

(3) **nitrous oxide (N_2O)**; produced by both natural and human-related sources that include agricultural soil management, animal manure management, sewage treatment, mobile and stationary combustion of fossil fuel, adipic acid production and nitric acid production.

(4) **Hydrofluorocarbons (HFCs)**; that are typically used as refrigerants for both stationary refrigeration and mobile air conditioning.

(5) **Perfluorocarbons (PFCs)**; that are compounds consisting of carbon and fluorine and are primarily created as a byproduct of aluminum production and semi-conductor manufacturing.

(6) **Sulfur hexafluoride**; most commonly used as an electrical insulator in high voltage equipment that transmits and distributes electricity.

Global Climate Change

Climate change refers to any significant change in measures of climate (such as temperature, precipitation, or wind) lasting for an extended period (decades or longer).[2] Climate change, in the context of this discussion, is the change in global climate that is considered to be a result of human activities (e.g., burning fossil fuels, deforestation, reforestation, urbanization, desertification) that have increased the volume of GHGs present in the atmosphere and has thereby caused the earth's atmosphere to heat up.

Effects of Global Climate Change

The effects of increasing global temperature are far reaching and extremely difficult to quantify. The scientific community continues to study the effects of global climate change. The primary effect of global climate change has been a rise in average global tropospheric temperature of 0.2° Celsius per decade, determined from measurements world-wide between 1990 and 2005. Climate change modeling using 2000 emission rates shows that further warming would occur, which would induce further changes in the global climate system during the current century. Changes to the global climate system and ecosystems to California would include, but would not be limited to:[3]

- The loss of sea ice and mountain snow pack resulting in higher sea levels and higher sea surface evaporation rates with a corresponding increase in tropospheric water vapor due to the atmosphere's ability to hold more water vapor at higher temperatures;
- Rise in global average sea level primarily due to thermal expansion and melting of glaciers and ice caps, the Greenland and Antarctic ice sheets;
- Changes in weather that includes, widespread changes in precipitation, ocean salinity, and wind patterns, and more energetic and extreme weather including droughts, heavy precipitation, heat waves, extreme cold, and the intensity of tropical cyclones;

[2] *United States Environmental Protection Agency, Glossary of Climate Change Terms; http://www.epa.gov/climatechange/glossary.html#Climate change, 2007*
[3] *US EPA, http://www.epa.gov/climatechange/emissions/usinventoryreport.html, 2007.*

- Decline of Sierra snowpack, which accounts for approximately half of the surface water storage in California, by 70 percent to as much as 90 percent over the next 100 years;[4]

- Increase in the number of days conducive to ozone formation by 25 to 85 percent (depending on the future temperature scenario) in high ozone areas of Los Angeles and the San Joaquin Valley by the end of the 21st century; and[5]

- High potential for erosion of California's coastlines and sea water intrusion into the Delta and levee systems due to the rise in sea level.[6]

If the temperature of the ocean warms, it is anticipated that the winter snow season would be shortened. Snowpack in the Sierra Nevada provides both water supply (runoff) and storage (within the snowpack before melting), which is a major source of supply for the state. According to a California Energy Commission report, the snowpack portion of the supply could potentially decline by 70% to 90% by the end of the 21st century (CEC 2006c). As the existing climate throughout California changes over times, mass migration of species, or worse, failure of species to migrate in time to adapt to the perturbations in climate, could also result.

4.6.2 REGULATORY FRAMEWORK

AMBIENT AIR QUALITY STANDARDS

Federal and State Air Quality Standards

Both the U. S. Environmental Protection Agency (EPA) and the California Air Resources Board (CARB) have established ambient air quality standards for common pollutants under the Federal Clean Air Act and the California Clean Air Act. These ambient air quality standards are levels of contaminants that represent safe levels that avoid specific adverse health effects associated with each pollutant. The ambient air quality standards cover what are called "criteria" pollutants because the health and other effects of each pollutant are described in criteria documents.

The updated federal and California ambient air quality standards are summarized in **Table 4.6-1** for important pollutants. The federal and state ambient standards were developed independently with differing purposes and methods, although both processes attempted to avoid health-related effects. As a result, the federal and state standards differ in some cases. In general, the California state standards are more stringent. This is particularly true for ozone and particulate matter ($PM_{2.5}$ and PM_{10}).

[4] *California Environmental Protection Agency (CalEPA), Climate Action Team, Climate Action Team Report to Governor Schwarzenegger and the Legislature (Executive Summary). March 2006.*
[5] *Ibid*
[6] *Ibid*

TABLE 4.6-1
Federal and State Ambient Air Quality Standards

Pollutant	Averaging Time	Federal Primary Standard	State Standard
Ozone	1-Hour 8-Hour	~~0.12~~ ppm 0.08 ppm	0.09 ppm 0.070 ppm
Carbon Monoxide	8-Hour 1-Hour	9.0 ppm 35.0 ppm	9.0 ppm 20.0 ppm
Nitrogen Dioxide	Annual 1-Hour	0.053 ppm --	-- 0.25 ppm
Sulfur Dioxide	Annual 24-Hour 1-Hour	0.030 ppm 0.14 ppm --	-- 0.04 ppm 0.25 ppm
PM_{10}	Annual 24-Hour	~~50 µg/m³~~ -- * 150 µg/m³	20 µg/m³ 50 µg/m³
$PM_{2.5}$	Annual 24-Hour	15 µg/m³ ~~65~~ 35 µg/m³*	12 µg/ m³ --
Lead	30-Day Avg. ~~Month Avg.~~ Calendar Quarter	-- 1.5 µg/m³	1.5 µg/m³ --

Notes: ppm = parts per million, µg/m³ = Micrograms per Cubic Meter
**Note: The US EPA established a new 24-hour $PM_{2.5}$ standard and revoked and revoked the annual PM_{10} standard in September 2006. Last updated 11/10/06. Changes are effective December 17, 2006.*
*Source: CARB 2005*6

The State of California regularly reviews scientific literature regarding the health effects ~~and~~ of exposure to particulate matter and other pollutants. On ~~May 3, 2002~~ July 5, 2003, the California Air Resources Board (CARB) adopted a new standard for particulate matter, ~~staff recommended~~ lowering the level of the annual standard for PM_{10} and establishing a new annual standard for $PM_{2.5}$ (particulate matter 2.5 micrometers in diameter and smaller). ~~The new standards became effective on July 5, 2003.~~ In April 2005, the California Air Resources Board approved a new eight-hour standard of 0.070 ppm and retained the one-hour ozone standard of 0.09 ppm after an extensive review of the scientific literature. Evidence from the reviewed studies indicates that significant harmful health effects could occur among both adults and children if exposed to levels above theses standards.

In addition to the criteria pollutants discussed above, Toxic Air Contaminants (TACs) are another group of pollutants of concern. Toxic Air Contaminants (TACs) are injurious in small quantities and are regulated by the federal and state governments despite the absence of criteria documents. The identification, regulation and monitoring of TACs is relatively recent compared to that for criteria pollutants. Unlike criteria pollutants, TACs are regulated on the basis of risk rather than specification of safe levels of contamination. Diesel exhaust is the predominant TAC in urban air with the potential to cause cancer. It is estimated to represent about two-thirds of the cancer risk from TACs (based on the statewide average). According to the CARB, diesel exhaust is a complex mixture of gases, vapors and fine particles. This complexity makes the evaluation of health effects of diesel exhaust a complex scientific issue. Some of the chemicals in diesel exhaust, such as benzene and formaldehyde, have been previously identified as TACs

by the CARB, and are listed as carcinogens either under the state's Proposition 65 or under the federal Hazardous Air Pollutants programs. California has adopted a comprehensive diesel risk reduction program. The U.S. EPA and CARB have adopted low sulfur diesel fuel standards that will reduce diesel particulate matter substantially. These went into effect in September 2006.

Ambient Air Quality

The California Air Resources Board (CARB) currently operates a monitoring site in Tracy that measures two gaseous pollutants: ozone and nitrogen dioxide. The CARB also operates four monitoring sites within metropolitan Stockton measuring these pollutants and two additional pollutants: carbon monoxide and PM_{10}. Data from these monitoring sites are shown in **Table 4.6-2**. Air quality in Tracy and San Joaquin County generally meets the state and federal ambient air quality standards except for ozone and PM_{10}.

Health Effects of Pollutants

The primary air quality problems in the San Joaquin Valley Air Basin are ozone and particulate matter. Carbon monoxide has been a problem in the past within the San Joaquin Valley Air Basin in larger cities such as Fresno, Bakersfield, Modesto and Stockton. The following is a discussion of the health effects of these important pollutants.

Ozone

Ozone is produced by chemical reactions, involving nitrogen oxides (NOx) and reactive organic gases (ROG) that are triggered by sunlight. Nitrogen oxides are created during combustion of fuels, while reactive organic gases are emitted during combustion and evaporation of organic solvents. Since ozone is not directly emitted to the atmosphere, but is formed as a result of photochemical reactions, it is considered a secondary pollutant. In the San Joaquin Valley Air Basin ozone is a seasonal problem, occurring roughly from April through October.

Ozone is a strong irritant that attacks the respiratory system, leading to the damage of lung tissue. Asthma, bronchitis and other respiratory ailments as well as cardiovascular diseases are aggravated by exposure to ozone. A healthy person exposed to high concentrations may become nauseated or dizzy, may develop headache or cough, or may experience a burning sensation in the chest.

Research has shown that exposure to ozone damages the alveoli (the individual air sacs in the lung where the exchange of oxygen and carbon dioxide between the air and blood takes place). Research has shown that ozone also damages vegetation.

Exposure to levels of ozone above current ambient air quality standards can lead to human health effects such as lung inflammation and tissue damage and impaired lung function. Ozone exposure is also associated with symptoms such as coughing, chest tightness, shortness of breath, and the worsening of asthma symptoms. The greatest risk for harmful health effects belongs to outdoor workers, athletes, children and others who spend greater amounts of time outdoors during periods where ozone levels exceed air quality standards. Elevated ozone levels can reduce crop and timber yields, as well as damage native plants. Ozone can also damage materials such as rubber, fabrics and plastics.

TABLE 4.6-2
AIR QUALITY DATA SUMMARY FOR TRACY AND STOCKTON, 2002-2004

Pollutant	Standard	Monitoring Site	Number of Annual Violations During:		
			2002	2003	2004
Ozone	State 1-Hour	Stockton (Hazelton) Stockton (E. Mariposa) Tracy	2 5 11	3 - 5	1 - 4
Ozone	Federal 1-Hour	Stockton (Hazelton) Stockton (E. Mariposa) Tracy	0 0 0	0 - 0	0 - 0
Ozone	Federal 8-Hour	Stockton (Hazelton) Stockton (E. Mariposa) Tracy	0 1 3	~~1~~0 - 2	0 - 1
PM_{10}	State 24-Hour	Stockton (Hazelton) Stockton (Wagner Holt)	~~110~~10 6	3 3	3 0
PM_{10}	Federal 24-Hour	Stockton (Hazelton) Stockton (Wagner Holt)	0 0	0 0	0 0
$PM_{2.5}$	Federal 24-Hour	Stockton (Hazelton)	0	0	0
Carbon Monoxide	State/Federal 8-Hour	Stockton (Hazelton)	0	0	0
Nitrogen Dioxide	State 1-Hour	Stockton (Hazelton) Tracy	0 0	0 0	0 0

Source: CARB 2004

Suspended Particulate

Suspended particulate matter (PM) is a complex mixture of tiny particles that consists of dry solid fragments, solid cores with liquid coatings, and small droplets of liquid. These particles vary greatly in shape, size and chemical composition, and can be made up of many different materials such as metals, soot, soil, and dust. "Inhalable" PM consists of particles less than 10 microns in diameter, and is defined as "suspended particulate matter" or PM_{10}. Particles between 2.5 and 10 microns in diameter arise primarily from natural processes, such as wind-blown dust or soil.

Fine particles are less than 2.5 microns in diameter ($PM_{2.5}$). $PM_{2.5}$, by definition, is included in PM_{10}. Fine particles are produced mostly from combustion or burning activities. Fuel burned in cars and trucks, power plants, factories, fireplaces and wood stoves produces fine particles.

The level of fine particulate matter in the air is a public health concern because it can bypass the body's natural filtration system more easily than larger particles, and can lodge deep in the lungs. The health effects vary depending on a variety of factors, including the type and size of particles. Research has demonstrated a correlation between high PM concentrations and increased mortality rates. Elevated PM concentrations can also aggravate chronic respiratory illnesses such as bronchitis and asthma. In children, studies have shown association between PM exposure and reduced lung function and increased respiratory symptoms and illnesses.

Carbon Monoxide

Carbon monoxide is a local pollutant in that high concentrations are found only very near the source. The major source of carbon monoxide, a colorless, odorless, poisonous gas, is automobile traffic. Elevated concentrations, therefore, are usually only found near areas of high traffic volumes.

Carbon monoxide's health effects are related to its affinity for hemoglobin in the blood. At high concentrations, carbon monoxide reduces the amount of oxygen in the blood, causing heart difficulties in people with chronic diseases, reduced lung capacity and impaired mental abilities.

Carbon monoxide concentrations are highly seasonal, with the highest concentrations occurring in the winter. This is partly due to the fact that automobiles create more carbon monoxide in colder weather and partly due to the very stable atmospheric conditions that exist on cold winter evenings when winds are calm. Concentrations typically are highest during stagnant air periods within the period November through January.

Toxic Air Contaminants

In addition to the criteria pollutants discussed above, toxic air contaminants (TACs) are another group of pollutants of concern. Unlike criteria pollutants, no safe levels of exposure to TACs can be established. There are many different types of TACs, with varying degrees of toxicity. Sources of TAC's include industrial processes such as petroleum refining and chrome plating operations, commercial operations such as gasoline stations and dry cleaners, and motor vehicle exhaust. Public exposure to TACs can result from emissions from normal operations, as well as accidental releases of hazardous materials during upset conditions. The health effects of TACs include cancer, birth defects, neurological damage and death.

Diesel exhaust is a TAC of growing concern in California. The California Air Resources Board in 1998 identified diesel engine particulate matter as a TAC. The exhaust from diesel engines contains hundreds of different gaseous and particulate components, many of which are toxic. Many of these compounds adhere to the particles, and because diesel particles are so small, they penetrate deep into the lungs. Diesel engine particulate has been identified as a human carcinogen. Mobile sources, such as trucks, buses, automobiles, trains, ships and farm equipment are by far the largest source of diesel emissions.

Assembly Bill 32

In September 2006, Governor Arnold Schwarzenegger signed AB 32, the California Climate Solutions Act of 2006. AB 32 requires that statewide GHG emissions be reduced to 1990 levels by the year 2020. This reduction will be accomplished through an enforceable statewide cap on GHG emissions that will be phased in starting in 2012. To effectively implement the cap, AB 32 directs ARB to develop and implement regulations to reduce statewide GHG emissions from stationary sources. AB 32 specifies that regulations adopted in response to AB 1493 should be used to address GHG emissions from vehicles. However, AB 32 also includes language stating that if the AB 1493 regulations cannot be implemented, then ARB should develop new regulations to control vehicle GHG emissions under the authorization of AB 32.

AB 32 requires that ARB adopt a quantified cap on GHG emissions representing 1990 emissions levels and disclose how it arrives at the cap; institute a schedule to meet the emissions cap; and develop tracking, reporting, and enforcement mechanisms to ensure that the state achieves

reductions in GHG emissions necessary to meet the cap. AB 32 also includes guidance to institute emissions reductions in an economically efficient manner and conditions to ensure that businesses and consumers are not unfairly affected by the reductions.

Assembly Bill 1493

Assembly Bill 1493 (AB 1493) requires California Air Resources Board (ARB) to develop and adopt the nation's first greenhouse gas emission standards for automobiles. The legislature declared in AB 1493 that global warming was a matter of increasing concern for public health and environment in the state. It citied several risks that California faces from climate change, including reduction in the state's water supply, increased air pollution creation by higher temperatures, harm to agriculture, an increase in wildfires, damage to the coastline, and economic losses caused by higher food, water energy, and insurance prices. Further, the legislature stated that technological solutions to reduce greenhouse gas emissions would stimulate the California economy and provide jobs.

Executive Order S-3-05

Executive Order S-3-05, which was signed by Governor Schwarzenegger in 2005, proclaims that California is vulnerable to the impacts of climate change. It declares that increased temperatures could reduce the Sierra's snowpack, further exacerbate California's air quality problems, and potentially cause a rise in sea levels. To combat those concerns, the Executive Order established total greenhouse gas emission targets. Specifically, emissions are to be reduced to the 2000 level by 2010, the 1990 level by 2020, and to 80 percent (80%) below the 1990 level by 2050. The Executive Order directed the Secretary of the California Environmental Protection Agency (CalEPA) to coordinate a multi-agency effort to reduce greenhouse gas emissions to the target levels. The Secretary will also submit biannual reports to the governor and state legislature describing: (1) progress made toward reaching the emission targets; (2) impacts of global warming on California's resources; and (3) mitigation and adaptation plans to combat these impacts. To comply with the Executive Order, the Secretary of the CalEPA created a Climate Action Team (CAT), made up of members from various state agencies and commission. CAT released its first report in March 2006. The report proposed to achieve the targets by building on voluntary actions of California businesses, local government and community actions, as well as through state incentive and regulatory programs.

SENSITIVE RECEPTORS

"Sensitive receptors" are defined as facilities where sensitive population groups (children, the elderly, the acutely ill and the chronically ill) are likely to be located. These land uses include residences, schools, playgrounds, childcare centers, retirement homes, convalescent homes, hospitals and medical clinics. The closest sensitive receptors to the project site are residences fronting Grant Line Road and across I-205 from the site.

ATTAINMENT STATUS

Federal and state air quality laws require identification of areas not meeting the ambient air quality standards. These areas must develop regional air quality plans to eventually attain the standards. Under both the federal and state Clean Air Acts, the San Joaquin Valley Air Basin is a non-attainment area (standards have not been attained) for ozone (1-hour and 8-hour), PM_{10} and $PM_{2.5}$. The air basin is either attainment or unclassified for other ambient standards.

The following are air quality designations/classifications for air basins as set forth in the Federal and California Clean Air Acts.

Federal

Nonattainment: any area that does not meet (or that contributes to ambient air quality in a nearby area that does not meet) the national primary or secondary ambient air quality standard for the pollutant.

Attainment: any area that meets the national primary or secondary ambient air quality standard for the pollutant.

State

Nonattainment: any area where at least one violation of a State standard for a specific pollutant occurs.

Attainment: any area where the state standard for a specific pollutant was not violated at any site within the designated area during a three-year period.

REGIONAL AIR QUALITY PLANNING

To meet federal Clean Air Act requirements, the San Joaquin Valley Air Pollution Control District (SJVAPCD) has adopted an *Ozone Attainment Demonstration Plan* and in June 2003 adopted the *2003 PM_{10} Plan*. The most recent federal ozone plan (*Amended 2002 and 2005 Rate of Progress Plan for San Joaquin Valley Ozone*, December 2002) determined that it could not be demonstrated that the federal ozone standards could be met by the required date of November 15, 2005. In December 2003, the SJVAPCD requested that the U.S Environmental Protection Agency (EPA) downgrade the Valley's ozone status from "severe" to "extreme" non-attainment, and in April 2004 the U.S. EPA approved the downgrade. The downgrade avoids automatic sanctions and would extend the deadline for meeting attainment until November 15, 2010, but requires implementation of stricter controls on existing and future air pollutant sources. The 2004 Extreme Ozone Attainment Demonstration Plan was submitted to EPA on November 15, 2004. The plan is currently under review.

~~On April 28,~~ In 2004, U.S. EPA finalized its approval of provisions of the San Joaquin Valley's *2003 PM_{10} Plan and Plan Amendments* as meeting the Clean Air Act requirements for serious PM_{10} non-attainment areas. The *2003 PM_{10} Plan* and Plan Amendments address the Clean Air Act requirements for serious PM_{10} non-attainment areas such as the San Joaquin Valley, including but not limited to a demonstration that best available control measures (BACM) are implemented for all significant sources and a demonstration that attainment is to be achieved as expeditiously as practicable.

To meet California Clean Air Act requirements, the SJVAPCD is currently drafting the *2003 Triennial Plan* for updating the Air Quality Attainment Plan (AQAP) and addressing the California ozone standard. The California Legislature, when it passed the California Clean Air Act in 1988, excluded PM_{10} from the basic planning requirements of the Act. The Act did require the CARB to prepare a report to the Legislature regarding the prospect of achieving the state ambient air quality standard for PM_{10}. This report did not recommend imposing a planning process similar to that for ozone or other pollutants for achievement of the standard within a certain period of time.

SJVAPCD INDIRECT SOURCE REVIEW RULE

The SJVAPCD adopted the Indirect Source Review Rule (ISR or Rule 9510) in 2006 to reduce ozone precursor (i.e. ROG and NOx) and PM_{10} emissions from new development projects. The rule is the result of state requirements outlined in the regions' portion of the State Implementation Plan (SIP). The SJVAPCD's SIP commitments are contained in the 2004 PM_{10} Plan and Extreme Ozone Attainment Demonstration Plans (Plans), which identify the need to reduce PM_{10} and NOx in order to reach the ambient air-pollution standards on schedule. New projects that would generates substantial air pollutant emissions, for which final discretionary approval was granted after March 1, 2006, are subject to this rule. The rule requires projects to mitigate both construction and operational period emissions by applying SJVAPCD-approved mitigation measures and paying fees to support programs that reduce emissions. Fees are based on estimated costs to reduce the emissions and include expected costs to cover administration of the program. The SJVAPCD estimates that his rule will reduce NOx and PM_{10} emissions by 10 tons per day throughout the San Joaquin Valley.

CITY OF TRACY GENERAL PLAN

City policies regarding air quality are found in the Air Quality Element of Tracy's Updated General Plan. The purpose of the Air Quality Element is to preserve and improve air quality through careful land use and transportation planning. Policies under Objective AQ-1.2

P1. The City shall assess air quality impacts using the latest version of the CEQA Guidelines and guidelines prepared by the San Joaquin Valley Air Pollution Control District.

P2. The City shall assess through the CEQA process any air quality impacts of development projects that may be insignificant by themselves, but cumulatively significant.

P3. Developers shall implement best management practices to reduce air pollutant emissions associated with the construction and operation of development projects.

P4. New development projects should incorporate energy efficient design features for HVAC, lighting systems and insulation that meet or exceed Title 24.

P5. Use of solar water and pool heaters is encouraged.

P6. Trees should be planted on the south- and west-facing sides of new buildings or building undergoing substantial renovation in order to reduce energy usage.

P13. Dust control measures consistent with San Joaquin Valley Air Pollution Control District rules shall be required as a condition of approval for subdivision maps, site plans, and all grading permits.

P14. Developments that significantly impact air quality shall only be approved if all reasonable mitigation measures to avoid, minimize or offset the impact are implemented.

Policies under Objective AQ-1.3:

P3. The City shall encourage employers to establish in Transportation

Demand Management program.

P5. Direct pedestrian and bicycle linkages from residential areas to parks, schools, retail areas, Downtown, high frequency transit facilities and major employment areas shall be planned and implemented.

~~The policies of the Air Quality Element that are most relevant to the proposed project are listed below.~~

~~**Action AQ 2.1.1:** Approve development that could significantly impact air quality, either individually or cumulatively, only if it is conditioned with all reasonable mitigation measures to avoid, minimize or offset the impact.~~

~~**Policy AQ 2.2:** Minimize land use conflicts between emission sources and sensitive receptors.~~

~~**Action AQ 2.2.1:** Locate stationary air pollutant emission sources (e.g., factories) distant and downwind from residential areas and other sensitive receptors.~~

~~**Policy AQ 2.3:** Reduce impacts of environmentally damaging air pollutants.~~

~~**Action AQ 2.3.2:** Require new sources of toxic air pollutants to: (1) prepare Health Risk Assessments as required under the Air Toxics "Hot Spots" Act; and (2) establish appropriate land use buffer zones around those areas posing substantial health risks.~~

4.6.3 IMPACTS AND MITIGATION MEASURES

STANDARDS OF SIGNIFICANCE

The San Joaquin Valley Air Pollution Control District (SJVAPCD) has established the following standards of significance (SJVAPCD 1998):

1) A project results in estimated carbon monoxide concentrations exceeding the California Ambient Air Quality Standard of 9 parts per million averaged over 8 hours and 20 ppm for 1-hour.

2) A project results in new direct or indirect emissions of ozone precursors (ROG or NO_x) in excess of 10 tons per year.

3) A project has the potential to frequently expose members of the public to objectionable odors will be deemed to have a significant impact.

4) A project has the potential to expose sensitive receptors (including residential areas) or the general public to substantial levels of toxic air contaminants would be deemed to have a potentially significant impact.

While San Joaquin Valley Unified Air Pollution Control District CEQA guidance recognizes that PM_{10} and $PM_{2.5}$ are ~~is~~ a major air quality issues in the basin, it has to date not established numerical thresholds for significance for PM_{10}. However, for the purposes of this analysis, a PM_{10} emission of 15 tons per year (82 pounds per day) was used as a significance threshold. This emission is the SJVAPCD threshold level at which new stationary sources requiring permits for the District must provide emissions "offsets". This threshold of significance for PM_{10} is consistent with the District's ROG and NO_x thresholds of ten tons per year, which are also the offset thresholds established in SJVAPCD Rule 2201 New and Modified Stationary Source Review Rule. The District

does not have a threshold of significance established for $PM_{2.5}$; however, since PM_{10} is inclusive of $PM_{2.5}$, if the standard for PM_{10} is met then the standard for $PM_{2.5}$ would be met. Therefore, as the new standard (as of 2006) for $PM_{2.5}$ is 35 µg/m^3 and the standard for PM_{10} is 50 µg/m^3, then meeting the State standard would cover $PM_{2.5}$.

SJVUAPCD CEQA guidance does not recommend quantitative analysis of construction emissions. The SJVUAPCD significance threshold for construction dust impacts is based on the appropriateness of construction dust controls. The SJVUAPCD guidelines provide feasible control measures for construction emission of PM_{10} beyond that required by district regulations. If the appropriate construction controls are to be implemented, then air pollutant emissions for construction activities would be considered less than significant.

GREENHOUSE GAS SIGNIFICANCE CRITERIA

No air district in California, including the San Joaquin Valley Unified Air Pollution Control District, has identified a significance threshold for GHG emissions or a methodology for analyzing air quality impacts related to greenhouse gas emissions. The state has identified 1990 emission levels as a goal through adoption of AB 32. To meet this goal, California would need to generate lower levels of GHG emissions than current levels. However, no standards have yet been adopted for quantifying 1990 emission targets. It is recognized that for most projects there is no simple metric available to determine if a single project would help or hinder meeting the AB 32 emission goals. In addition, at this time AB 32 only applies to stationary source emissions. Consumption of fossil fuels in the transportation sector accounted for over 40% of the total GHG emissions in California in 2004. Current standards for reducing vehicle emissions considered under AB 1493 call for "the maximum feasible reduction of greenhouse gases emitted by passenger vehicles and light-duty trucks and other vehicles," and do not provide a quantified target for GHG emissions reductions for vehicles.

Emitting CO_2 into the atmosphere is not itself an adverse environmental affect. It is the increased concentration of CO_2 in the atmosphere resulting in global climate change and the associated consequences of climate change that results in adverse environmental affects (e.g., sea level rise, loss of snowpack, severe weather events). Although it is possible to generally estimate a project's incremental contribution of CO_2 into the atmosphere, it is typically not possible to determine whether or how an individual project's relatively small incremental contribution might translate into physical effects on the environment. Given the complex interactions between various global and regional-scale physical, chemical, atmospheric, terrestrial, and aquatic systems that result in the physical expressions of global climate change, it is impossible to discern whether the presence or absence of CO_2 emitted by the project would result in any altered conditions.

Given the challenges associated with determining a project-specific significance criteria for GHG emissions when the issue must be viewed on a global scale, a quantified significance threshold is not proposed for the Tracy Wal-Mart Expansion Project. For this analysis, the project's incremental contribution to global climate change would be considered significant if due to the size or nature of the project it would generate a substantial increase in GHG emissions relative to existing conditions.

METHODOLOGY

Estimates of regional emissions generated by project traffic and on-site area sources were made using a program called URBEMIS-2002 (Version 8.7). URBEMIS-2002 is a program that estimates the emissions that result from various land use development projects. Land use project can include residential uses such as single-family dwelling units, apartments and condominiums, and nonresidential uses such as shopping centers, office buildings, and industrial parks. URBEMIS-2002 contains default values for much of the information needed to calculate emissions. However, project-specific, user-supplied information can also be used when it is available.

Inputs to the URBEMIS-2002 program include trip generation rates, vehicle mix, and average trip length by trip type and average speed. Average trip lengths, average speeds and vehicle mixes for the San Joaquin Valley Air Basin were used. The URBEMIS 2002 input file template was obtained from the SJVAPCD website. Analysis year was 2008~~2005~~. The URBEMIS-2002 output is included in Appendix 1 of the *Air Quality Impact Evaluation* report.

IMPACTS AND MITIGATION MEASURES

Construction-related Air Impacts

Impact 4.6-1: Implementation of the proposed project would result in temporarily increased PM_{10} levels in the immediate vicinity during construction. This impact is **potentially significant.**

Construction would result in numerous activities that would generate dust. The fine, silty soils in the project area and often strong afternoon winds exacerbate the potential for dust, particularly in the summer months. Grading, leveling, earthmoving and excavation are the activities that generate the most particulate emissions. Impacts would be localized and variable. Construction impacts would last for a period of several months. Construction dust impacts are considered to be potentially significant on a localized basis. The potential for dust nuisance would exist during early stages of construction when disturbance of soil is greatest.

Construction equipment and vehicles would also generate exhaust emissions during active construction. Although operated temporarily at construction sites, construction equipment is a substantial source category within the San Joaquin Valley Air Basin, generating ozone precursors as well as particulate matter. Since construction equipment is normally considered part of the existing inventory of sources quantification of this emission is not recommended by the SJVAPCD except for very large projects. The project would be subject to SJVAPCD's Rule 9510 Indirect Source Review (ISR) since it exceeds 2,000 square feet of commercial space. ISR would require that the project reduce construction exhaust emissions by 20 percent for NOx and 45 percent for PM_{10}. SJVAPCD encourages reductions through on-site mitigation measures. Fees to purchase or sponsor off-site reductions through SJVAPCD apply when on-site mitigation measures do not achieve the ISR requirements.

The San Joaquin Valley Unified Air Pollution Control District regulates construction emissions through Regulation VIII. The provisions of Regulation VIII pertaining to construction activities require:

- Effective dust suppression for land clearing, grubbing, scraping, excavation, land leveling, grading, cut and fill and demolition activities.

- Effective stabilization of all disturbed areas of a construction site, including storage piles, not used for seven or more days.
- Control of fugitive dust from on-site unpaved roads and off-site unpaved access roads.
- Removal of accumulations of mud or dirt at the end of the workday or once every 24 hours from public paved roads, shoulders and access ways adjacent to the site.

Regulation VIII requires that a dust control plan be prepared, and violations of the requirements of Regulation VIII are subject to enforcement action. The generation of visible dust clouds and/or generation of complaints indicate violations.

Mitigation Measures

MM 4.6.1 The following measures are appropriate dust control strategies to be implemented that go beyond the requirements of SJVAPCD Regulation VIII:

- Limit traffic speeds on unpaved roads to 15 mph.
- Install wheel washers for all exiting trucks, or wash off all trucks and equipment leaving the site.
- Suspend excavation and grading activities when winds exceed 20 mph.
- Limit size of area subject to excavation, grading or other construction activity at any one time to avoid excessive dust.
- Install sandbags or other erosion control measures to prevent silt runoff to public roadways from sites with a slope greater than one percent.
- Expeditiously remove the accumulation of mud or dirt from adjacent public streets at least once every 24 hours when operations are occurring.

With implementation of Regulation VIII controls and the above additional measures construction impacts would be reduced to a **less-than-significant** level.

Timing/Implementation: *During construction activities.*

Enforcement/Monitoring: *City of Tracy Public Works Department.*

Impacts from Carbon Monoxide

Impact 4.6.2 Traffic from the proposed project would result in an increase in carbon monoxide concentrations. This impact would be **less than significant.**

Project traffic would increase concentrations of carbon monoxide along streets providing access to the project. Carbon monoxide is a local pollutant (i.e., high concentrations are normally only found very near sources). The major source of carbon monoxide, a colorless, odorless, poisonous gas, is automobile traffic. Elevated concentrations, therefore, are usually only found near areas of high traffic volume and congestion.

The SJVAPCD's *Guide for Assessing and Mitigation Air Quality Impacts* provides the following screening criteria to identify situations where modeling is warranted:

- The Level of Service (LOS) on one or more streets or at one or more intersections in the project vicinity will be reduced to LOS E or F, and
- The project will substantially worsen an already existing LOS F on one or more streets or at one or more intersections in the project vicinity.

The traffic impact analysis examined Level of Service (LOS) for intersections affected by the project. No existing or future signalized intersection is forecast to operate at LOS E or worse through the year 2025 with the proposed project and recommended mitigation. Since the project is within an attainment area for carbon monoxide (ambient air quality standards are currently attained) and in an area with low background concentrations, changes in carbon monoxide levels resulting from the project would not result in violations of the ambient air quality standards, and would represent a **less-than-significant** impact.

Mitigation Measures

None required.

Impacts from Diesel Truck Trips

Impact 4.6.3 The proposed project would result in a small increase in diesel truck trips to the loading dock area. Health risks associated with this increase would be a **less-than-significant** impact.

The proposed store expansion would result in a small increase in diesel-powered truck traffic due to trucks accessing the receiving dock at the southeast corner of the existing Wal-Mart store. There are no sensitive receptors in proximity to the receiving dock; surrounding land uses are commercial and freeway.

In 1998 the California Air Resources Board identified particulate matter from diesel-fueled engines as a toxic air contaminant (TAC). CARB has completed a risk management process that identified potential cancer risks for a range of activities using diesel-fueled engines (CARB 2000). High volume freeways, stationary diesel engines and facilities attracting heavy and constant diesel vehicle traffic (distribution centers, truck stops) were identified as having the highest associated risk. The greatest diesel particulate risks from new development are generally associated with stationary diesel engines and locations where diesel engines are allowed to idle for extended periods. Where air districts have developed guidelines for diesel risk assessments for CEQA documents, the identified situations requiring analysis are locations with extended truck idling (truck stops, warehouse/distribution centers, transit centers), ship hotelling at ports and train idling (SCAQMD 2003).

Because of the relatively low level of truck activity (5-7 18-wheeler trucks per day), lack of extended truck idling on the project site, relatively large distance to residential or other sensitive receptors, and generally good ventilation characteristics of the project area during daylight hours, the incremental increase in emissions of diesel particulate into the atmosphere from trucks on the project site would have a **less-than-significant** impact on health risks at sensitive receptors.

The State of California has begun a program of identifying and reducing risks associated with particulate matter emissions from diesel-fueled vehicles that will affect diesel-truck related risks in the future. The plan consists of new regulatory standards for all new on road, off-road and stationary diesel-fueled engines and vehicles, new retrofit requirements for existing on-road, off-road and stationary diesel-fueled engines and vehicles, and new diesel fuel regulations to reduce the sulfur content of diesel fuel as required by advanced diesel emission control systems. The risk reduction program is expected to result in a 75-percent reduction in diesel particulate emissions by 2010 (compared to 2000 levels) and an 8 percent reduction by 2020.

Mitigation Measures

None required.

Operation-Related Impacts from Emissions of Ozone Precursors and PM_{10}

Impact 4.6.4 Development of the project would result in increases in emission of both ozone precursors and PM_{10}. This impact would be **less-than-significant**.

The project would be an indirect source of air pollutants, in that it would attract and cause an increase in vehicle trips in the region. The project would also be an area source of emissions, primarily from the combustion of natural gas for space and water heating and landscaping activities. **Table 4.6-3** shows the new auto and area source emissions of regional pollutants that would result from the proposed project, based upon output from the URBEMIS-2002 computer program. Also shown are the San Joaquin Valley Unified Air Pollution Control District's thresholds of significance.

TABLE 4.6-3
PROJECT AUTO AND AREA-SOURCE EMISSIONS (TONS PER YEAR)

	ROG	NOx	PM_{10}
Auto Emissions	~~6.56~~4.40	~~7.72~~5.59	~~5.43~~4.73
Area Source	~~0.17~~0.12	0.15	0.00
Total	~~6.73~~4.52	~~7.87~~5.73	~~5.43~~4.73
SJVAPCD Significance Threshold	10.00	10.00	15.00

Source: URBEMIS-2002

The San Joaquin Valley Unified Air Pollution Control District has established a threshold of significance for ozone precursors of 10 tons per year, and 15 tons per year has been assumed to represent a significant impact for PM_{10}. Unmitigated ~~P~~project-related emissions are below the thresholds of significance for ozone precursors and PM_{10}, so project impacts on regional air quality would be **less-than-significant**. As previously mentioned, the project is subject to SJVAPCD's ISR to reduce NOx and PM_{10} emissions. Under ISR, the project would be required to reduced operational NOx emissions by 33 percent and operational PM_{10} emissions by 50 percent over 10 years. The actual required reductions would be determined by SJVAPCD when an application is submitted prior to "the last discretionary approval" for the project. However, the methods used by SJVAPCD to determine the required mitigations are consistent with the methods used in this analysis (e.g., use of the latest URBEMIS 2002 model using project size and trip generation rates). The mitigations required by ISR for this project may be determined

through several permit applications since each individual project could apply at different times as final development plans are developed. The project's impact to air quality with respect to both PM_{10} and ozone precursor emissions (i.e., ROG and NOx) would be less than significant and would be reduced further than the levels reported in **Table 4.6-3** through application of the ISR. As noted in Section 4.6.3 above, PM_{10} is considered to be inclusive of $PM_{2.5}$ as it pertains to the State standard and therefore the significance threshold, so if PM_{10} is less than significant, then $PM_{2.5}$ would be also less than significant.

Mitigation Measures

None required.

CUMULATIVE IMPACTS & MITIGATION MEASURES

Regional Air Quality

Impact 4.6.5 This project in combination with other reasonably foreseeable projects would increase regional air emissions well beyond the SJVAPCD significance threshold. This cumulative impact is considered **significant and unavoidable**.

The project is part of a pattern of rapid urbanization occurring is Tracy and western San Joaquin County. Several major developments are proposed or under construction in the project vicinity. Over the buildout period of the proposed project substantial foreseeable future development will be occurring in the project area. The project would therefore have a significant cumulative impact regional air quality.

Mitigation Measures

MM 4.6.5 The project is subject to SJVAPCD Rule 9510 that would require the project to mitigate air quality impacts through onsite and/or offsite mitigation measures. In addition, ~~To mitigate for cumulative impacts~~ the following design features are recommended to mitigate for cumulative impacts:

- Use energy efficient design including automated control system for heating/air conditioning and energy efficiency, utilize lighting controls and energy-efficient lighting in buildings and use light colored roof materials to reflect heat.
- Plant deciduous trees on the south and westerly facing sides of buildings.

Potential Increase in Long-Term Atmospheric Greenhouse Gas Emissions

Impact 4.6.6 The project, in addition to existing, approved, proposed and reasonably foreseeable development in the San Joaquin Valley Unified Air Pollution Control District, may contribute to an increase in Greenhouse Gas (GHG) emissions in the earth's atmosphere. Higher concentrations of GHGs have been linked to the phenomenon of climate change. This would be a **potentially cumulatively considerable** impact on the State's GHG reduction efforts.

As described above in the "Existing Setting" sub-section, increases in greenhouse gas emissions in the State and the County could contribute to increases in global average temperatures and climate change. Climate change in turn could lead to sea level rise and other changes in environmental conditions.

The major sources of GHG emissions generated from the proposed project are vehicle source CO_2 emissions. Vehicle transportation is one of the major contributors to GHG emissions in San Joaquin County and the City of Tracy. Vehicle emissions primarily consist of CO_2 from the tailpipe during vehicle operation. The traffic analysis conducted for the project (**DEIR, Vol. II, Appendix C**) provides data that can be used to estimate CO_2 emissions from project generated vehicle trips. The existing Wal-Mart store consists of 125,689 square feet and has an estimated 707 daily trips. The proposed expansion of the store to 208,393 square feet project is estimated to generate a net increase of 462 vehicle trips per day (see **DEIR, Table 4.4-10**). Assuming an approximate trip rate of 10 miles per trip, the existing Wal-Mart store generates an average of 7,070 vehicle miles traveled (VMT) per day, or approximately 2,580,550 VMT annually. The proposed Expansion project at full buildout would generate an additional average of 4,620 vehicle miles traveled (VMT) per day, or approximately 1,686,300 VMT annually. Assuming an emissions factor for future CO_2 emissions from vehicles of approximately 366 grams CO_2/mile (CARB 2002), approximately 680.3 tons (US) of CO_2 per year would be generated by the Expansion project-generated vehicle trips. Note that although this future CO_2 emissions factor does assume certain reductions in vehicle emissions due to future vehicle models operating more efficiently, it does not take into account additional vehicle emission reductions that might take place in response to AB 1493, if mobile source emission reductions are ultimately implemented through legislation. In addition, the current CO_2 per year generated by the existing 125,689 square feet store is 1041.1 tons (US). Therefore, the CO_2 emissions generated by the expanded 208,393 square feet Wal-Mart Store would be total of 1721.4 tons (US). Issues related to building energy efficiency have been addressed in Section 4.13, Energy Resources. That section discussed the mechanical and structural improvements incorporated by Wal-Mart in the construction of new stores.

It is also important to note that this CO_2 emission estimate for vehicle trips associated with the proposed project is likely much greater than the emissions that would actually occur. The analysis methodology used for the emissions estimate assumes that all emissions sources are new sources and that emissions from these sources are 100% additive to existing global GHG conditions. This is a standard approach taken for air quality analyses. In many cases, such an assumption is appropriate because it is impossible to determine whether emissions sources associated with a project move from outside the air basin and are in effect new emissions sources, or whether they are sources that were already in the air basin and just shifted to a new location. However, because the effects of GHGs are global, a project that merely shifts the location of a GHG-emitting activity (e.g., where people live, where vehicles drive, or where companies conduct business) would result in no net change in global GHG emissions levels.

For example, if a substantial portion of the proposed project's customers shifted from using existing commercial shopping areas to the proposed expansion project, this would likely result in decreased emissions from another area of the SJVAPCD region to this area of the region. However, if customers travel considerably more vehicle miles to the proposed Wal-Mart Expansion than they were traveling to an existing shopping center, then it could be argued that the new expansion project would result in a potential increase in global GHG emissions. However, it could also be argued that the expansion would decrease the vehicle miles traveled in the region because customers would not have to travel to two separate stores for their grocery and retail needs. It is impossible to know at this time whether the customers of the Wal-Mart Expansion project would have longer or shorter traveling time (or greater or fewer trips)

compared to their existing shopping center; whether they would walk, bike, and whether use of public transportation would be more or less than under existing circumstances.

Much of the vehicle generated CO_2 emissions attributed to the project could simply be from vehicles currently emitting CO_2 at an existing location moving to the project site, and not from new vehicle emissions sources relative to global climate change. Therefore, although it is not possible to calculate the net contribution of vehicle generated CO_2 emissions from the Wal-Mart Expansion project (i.e., project generated emissions minus current emissions from vehicles that would move to the project site), the net CO_2 contribution would likely be much less than the 680.3 tons (US) of CO_2 per year calculated above.

CO_2 emissions in California totaled approximately 391 million tons in 2004 (CEC 2006a). Total CO_2 emissions from the Wal-Mart Expansion project, as estimated above, would be approximately 0.000017 percent of this statewide total, however the actual percentage of the statewide GHG emissions totals generated by the proposed project are likely much lower than the percentage listed above, as the vast majority of the vehicle trips "generated" by the proposed project are already occurring elsewhere.

The proposed project is not considered to be a major emitter of GHGs. As described above, the primary source of GHG emissions from the project are from vehicle emissions. California vehicle emissions standards are regulated by the State and federal governments. Given the lack of a quantifiable significance threshold, coupled with the fact that the project's GHG emissions account for 0.000017 percent of the statewide annual GHG emissions totals, the project's contribution to this cumulative impact is considered **less than cumulatively considerable**.

Mitigation Measures

Implementation of the mitigation measures identified in this section and in 4.13, Energy Resources will assist in further reducing the project's contribution to climate change. No additional mitigation is required.

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4.13 ENERGY CONSERVATION

CEQA Guidelines do not require that the specific topic of potential energy impacts of a project be discussed in an EIR. In addition, CEQA Guidelines do not require any specific environmental topic to be included in an EIR as the determination of the particular scope to be covered in EIRs, and whether an EIR is to be prepared at all, is the determination of the lead agency (CEQA Guidelines Section 15082). Therefore, no subjects under CEQA are presumed to be significant, and there is no evidence that energy is an exception.

During the Initial Study process for the Project, the City determined that there would not be "inefficient, wasteful, and unnecessary consumption of energy," language which constitutes the CEQA threshold for defining a significant energy impact. The City's determination was based upon the fact that the Project would incorporate energy conservation measures in compliance with Title 24 of the Uniform Building Code. Since energy impacts were determined by the lead agency to be less-than-significant as part of its scoping for the EIR, there are no requirements that the EIR include a detailed analysis of energy impacts. This is consistent with the requirements of CEQA and the CEQA Guidelines. However, in order to thoroughly document the City's efforts to analyze the potential environmental impacts of the Project, the City has decided to include an energy discussion in the RDEIR.

EXISTING SETTING

This section presents the energy resources used within the City of Tracy and local efforts to use energy more efficiently and conserve energy resources. Energy efficiency is different than energy conservation. Energy efficiency refers to reducing the amount of energy to perform the same function. Examples of energy efficiency are to install appliances or lighting that uses less energy or choosing to operate an automobile that gets better gas mileage. Energy conservation involves avoiding the use of energy resources rather than using less energy to perform the same task. Examples of conservation are walking rather than driving or turning off interior or exterior lights when they are not needed.

UNITED STATES ENERGY USE

Coal, oil, and natural gas currently provide more than 85 percent of all energy consumed in the United States. These three fossil fuels also provide approximately two-thirds of our electricity and nearly all of our transportation fuels. More than half of the electricity generated in the United States is derived from coal. The next largest fuel source for electricity generation is nuclear power. In 2005, there were 104 nuclear power plants in operation in the Country, providing nearly 20 percent of our electricity. The fastest growing fuel for electricity production is natural gas. It is estimated that 90 percent of all new power plants constructed in the next twenty years will be fueled by natural gas. Nearly all of that natural gas will be produced domestically (USDOE, 2006).

ENERGY SUPPLY IN CALIFORNIA

California's energy sources are primarily petroleum based resources such as gasoline, diesel and oil, electricity, and natural gas. These resources come from a variety of locations. In 2005, The California Energy Commission (CEC) estimated that petroleum resources were generated from in-state (37.22 percent), foreign sources (41.79 percent), and Alaska, (20.99 percent). The CEC indicated that in 2004, natural gas resources in California came from the southwest (36.2 percent), Canada (24 percent) and the Rocky Mountains (24.3 percent). In 2005, electricity production by resource type in California included; natural gas at 37.71 percent, coal at 20.07 percent, hydroelectric at 17.03 percent, nuclear at 14.47 percent, and renewable at 10.73 percent. Electricity was also imported from the southwest and northwest at 14.63 percent and

7.04 percent, respectively. Geothermal sources accounted for five percent, biomass at 2.1 percent, while solar and wind accounted for 1.7 percent (CEC, 2006).

CALIFORNIA ENERGY USE

In 2003, the total statewide energy consumption for California was 8,103.3 Trillion BTU[1]. The transportation sector consumed the most energy at 3,274.6 Trillion BTU, followed by the industrial sector at 1,902.9 Trillion BTU and the commercial and residential sectors at 1,483.6 Trillion BTU and 1,469.2 Trillion BTU respectively. Use of petroleum based fuels accounted for nearly 47 percent of all energy consumption, of which approximately 52 percent was fuel for motor vehicles. The electric power sector accounted for about 24 percent of all energy consumption, while natural gas accounted for about 28 percent of all energy consumption. **Table 4.13-1** presents California electricity deliveries in 2000 for San Joaquin and surrounding counties. **Table 4.13-2** presents California natural gas demand for 2005 by sector.

TABLE 4.13-1
CALIFORNIA UTILITY ELECTRICITY DELIVERIES (2000)

County	Residential		Nonresidential		Total	
	Number of Accounts	kWh (million)	Number of Accounts	kWh (million)	Number of Accounts	kWh (million)
Alameda	507929	3066	53,839	7,539	561,768	10,605
Amador	14,449	133	2,695	176	17,144	309
Calaveras	21,704	182	2,910	89	24,614	271
Contra Costa	341,721	2,761	29,705	4,054	371,426	6,815
Sacramento	459,607	4,294	63,845	6,065	523,452	10,359
San Joaquin	180,552	1,572	29,126	3,534	209,678	5,106
Santa Clara	555,775	3,990	60,054	13,853	615,829	17,843
Stanislaus	159,486	1,489	26,771	3,054	186,257	4,544

Source California Energy Commission, 2006.

TABLE 4.13-2
CALIFORNIA UTILITY NATURAL GAS DEMAND (2005)

Sector	PG&E	SoCal Gas	SDG&E	Utility Sum	NonUtility	State Total
Residential	532	659	82	1,286	0	1,286
Commercial	229	233	48	567	0	567
Industrial	430	404	10	844	630	1,474
Electric Gen	818	729	163	1,711	683	2,394
State Total	2,009	2,095	315	4,419	1,313	5,732

Source California Energy Commission, 2006.

[1] BTU is defined as the quantity of energy it takes to raise the temperature of 1lb of water one degree Fahrenheit.

REGULATORY FRAMEWORK

FEDERAL AGENCIES AND REGULATIONS

Department of Energy

The U.S. Department of Energy (DOE) is a cabinet level department of the federal government and is responsible for energy policy and nuclear safety. The Department's purview includes energy conservation, domestic energy production, energy-related research, radioactive waste disposal, the nation's nuclear weapons program, and nuclear reactor production for the United States Navy (USDOE, 2006).

Federal Energy Regulatory Commission

The Federal Energy Regulatory Commission (FERC) is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. The FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects (FERC, 2006).

Environmental Protection Agency

The U.S. Environmental Protection Agency (EPA) is an agency of the federal government charged with protecting human health and with safeguarding the natural environment, including air, land and water. A primary responsibility of the EPA is to implement energy-related programs such as Energy Star, Clean Energy and development of fuel economy standards for automobiles (EPA, 2006).

Department of Transportation

The Department of Transportation (DOT) is a cabinet level department of the federal government concerned with transport. The mission of the DOT is *to serve the United States by ensuring a fast, safe, efficient, accessible and convenient transportation system that meets our vital national interests and enhances the quality of life of the American people, today and into the future*. A primary responsibility of the DOT is to implement transportation programs such as the Transportation Equity Act for the 21st Century described below. The DOT also works closely with the EPA to fuel economy standards for automobiles (DOT, 2006).

Energy Policy Act of 2005

The Energy Policy Act of 2005 (EPACT) is intended to establish a comprehensive, long-range energy policy, and the USDOE is responsible for its implementation. Incentives are provided for traditional energy production as well as newer, more efficient energy technologies and conservation. These incentives include various tax credits and deductions, which include automobile tax credits, home energy efficiency improvement tax credits, energy efficient commercial building deduction and business tax credits for businesses that produce biodiesel/alternative fuels and manufacture or purchase energy-efficient appliances (FERC, 2006).

Transportation Equity Act for the 21st Century

The Transportation Equity Act for the 21st Century (TEA-21) expands on the initiatives established in the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA). ISTEA was the last major authorizing legislation for surface transportation. Enacted on June 9, 1998, Tea-21 authorizes highway, highway safety, transit, and other surface transportation programs for a six year period (1998-2003). However, Congress could not agree on funding levels, as a result the Act has continued past 2003 by means of temporary extensions. The Act continues the program structure established for highways and transit under ISTEA, such as flexibility in the use of funds, emphasis on measures to improve the environment, and focus on a strong planning process as the foundation of good transportation decisions. It also provides for investment in research and its application to maximize the performance of the transportation system through. An example of this is the deployment of Intelligent Transportation Systems, which helps improve operations and management of transportation systems and vehicle safety (DOT, 2006).

STATE AGENCIES AND REGULATIONS

California Energy Commission

The CEC is the State's primary energy policy and planning agency. Created by the Legislature in 1974, the Commission has five major responsibilities: forecasting future energy needs and keeping historical energy data; licensing thermal power plants 50 megawatts or larger; promoting energy efficiency through appliance and building standards; developing energy technologies and supporting renewable energy; and planning for and directing state response to energy emergency. With the signing of the Electric Industry Deregulation Law in 1998 (Assembly Bill 1890), the Commission's role includes overseeing funding programs that support public interest energy research; advance energy science and technology through research, development and demonstration; and provide market support to existing, new and emerging renewable technologies. California is preempted under federal law from setting state fuel economy standards for new on-road motor vehicles (CEC, 2006).

California Public Utilities Commission

The California Public Utilities Commission (CPUC) regulates privately owned telecommunications, electric, natural gas, water, railroad, rail transit, and passenger transportation companies. The CPUC is responsible for ensuring that customers have safe, reliable utility service at reasonable rates, protecting against fraud, and promoting the health of California's economy (CPUC, 2006).

State of California, Energy Efficiency Standards for Residential and Non-residential Buildings (Title 24 Building Standards)

The Energy Efficiency Standards for Residential and Nonresidential Buildings were established in 1978 in response to a legislative mandate to reduce California's energy consumption. Title 24 details energy efficiency standards for residential and non-residential buildings to achieve minimum energy efficiency standards set by the State of California. The standards apply to new construction of residential and non-residential buildings and regulate energy consumption for heating, cooling, water heating, lighting, and ventilation.

State of California Energy Action Plan

The California Energy Action Plan (EAP) was initially created in 2003 and was updated in 2005. The original plan was approved by the CEC, CPUC, and the Consumer Power and Conservation

Financing Authority (called the CPA - which is now defunct) The Ultimate goal of the plan is for California's energy to be adequate, affordable, technologically advanced, and environmentally-sound. The plan is administered by the CEC and establishes shared goals and specific actions to ensure that adequate, reliable, and reasonably-priced electrical power and natural gas supplies are achieved and provided through policies, strategies, and actions that are cost-effective and environmentally sound for California's consumers and taxpayers.

LOCAL

City of Tracy General Plan

The City of Tracy General Plan identifies goals, objective, policies and actions that address energy efficiency for new development throughout the City. While this EIR analyzes the project's consistency with the City of Tracy General Plan pursuant to CEQA Section 15125(d), the Tracy City Council would ultimately make the determination of the project's consistency with this General Plan. Environmental impacts associated with inconsistency with General Plan policies are addressed under the impact discussions of this EIR.

The following City of Tracy General Plan goals and policies related to energy resources and conservation are as follows:

Goal OSC-5: Efficient use of energy resources throughout the City of Tracy.

OSC-5.1, P1: New development projects should be designed for solar access and orientation. Maximum efficiency is gained by siting homes on an east-west axis.

OSC-5.1, P2: New development projects should include measures to reduce energy consumption through site and building design, material selection and mechanical systems.

OSC-5.1, P3: Use of on-site alternative energy sources, such as photovoltaic (PV) cells for commercial, residential and industrial users to install shall be encouraged.

OSC-5.1, P4: The City shall encourage businesses to replace diesel vehicles with less polluting alternatives such as compressed natural gas (CNG), bio-based fuels, hybrids and electric cars.

IMPACTS AND MITIGATION MEASURES

STANDARDS OF SIGNIFICANCE

Although the State CEQA Guidelines suggest a format and content outline for an Energy Conservation section in Appendix F (CEQA Guidelines 2006), no specific significance criteria is offered as is the case with other resource areas in Appendix G. The significance criteria presented here is based on the concepts stated as goals to conserving energy in the Introduction section of Appendix F.

Implementation of the project would have a significant impact upon energy resources if the energy system would:

- Result in wasteful, inefficient and unnecessary consumption of energy during construction or operation.

- Require or result in the construction of new energy generation or supply facilities or the expansion of existing energy generation supply facilities, the construction of which could cause significant environmental effects.

IMPACT STATEMENTS AND MITIGATION MEASURES

This section discusses the potential impacts of the proposed project on overall energy consumption. Although the proposed project would result in the consumption of large quantities of energy typical for a project of this size, several aspects of the project would help manage the amount and efficiency of energy consumption and would ensure that the related consumption is not inefficient, wasteful or unnecessary or place a significant demand on regional energy supplies.

Through the City's administration of the requirements of the California Building Standards Code, energy conservation requirements in Title 24, Part 6, California Code of Regulations, for non-residential buildings would be applied. The CEC adopted new Energy Efficiency Standards for Residential and Nonresidential Buildings that went into effect on October 1, 2005. Among the reasons that the CEC adopted the 2005 changes to the Building Energy Efficiency Standards was to respond to California's energy crisis to reduce energy bills and increase energy delivery system reliability. The CEC also wanted to emphasize energy efficiency measures that save energy at peak periods and seasons and to improve the quality of installation of energy efficiency measures. Projects that apply for a building permit on or after October 1, 2005, must comply with the 2005 standards.

Pursuant to the California Building Standards Code and the Energy Efficiency Standards, the Building Department would review the design components of the project's energy conservation measures when the project's building plans are submitted. These measures could include: insulation; the use of energy-efficient heating, ventilation and air conditioning equipment (HVAC); solar-reflective roofing materials; energy-efficient indoor and outdoor lighting systems; the reclamation of heat rejection from refrigeration equipment to generate hot water; the incorporation of skylights, etc.

Direct Consumption

Project Construction

Impact 4.13.1 Construction of the proposed project could result in wasteful, inefficient consumption of energy resources. This could be a **potentially significant** impact.

A potentially significant impact would occur if the delivery of construction materials to the proposed project work site were unplanned and inefficient, or if the construction equipment and machinery used were not in good working condition, and/or if construction vehicles and equipment were left idling for a prolonged amount of time. These activities could result in the inefficient and wasteful use of energy resources.

The highest indirect energy consumption would occur during construction of the proposed project and its associated facilities. Unplanned and inefficient delivery of materials to the work sites would increase the number of truck trips required, resulting in wasteful use of energy. Furthermore, wasteful consumption of energy would result if construction equipment and machinery were not kept in good condition. Idling equipment and vehicles would also result in

unnecessary use of energy. The aforementioned reasons could potentially represent a significant impact with regard to construction-related energy consumption.

Implementation of mitigation measure **MM ENE-1** recommended below would reduce this potential impact limiting unnecessary idling of construction vehicles and increasing the efficiency of vehicle usage during the construction period. This impact would be reduced to a **less than significant** level.

Mitigation Measure

MM ENE-1 The following measures shall be implemented during the construction of the proposed project.

- Limit idling of construction equipment and delivery vehicles.
- Limit the vehicle trips of construction deliveries by consolidating material loads to the extent feasible.
- Delivery of materials should take place during non-rush hours to the extent feasible, in order increase vehicle fuel efficiency.
- Provide opportunities for construction workers to carpool.
- Gasoline and diesel-run equipment and machinery should be well maintained and in good working condition.

Project Operation and Maintenance

Impact 4.13.2 Operation and maintenance of the proposed project could result in wasteful, inefficient consumption of energy resources. This would be a **less than significant** impact.

According to the Wal-Mart, the proposed project would exceed the Code required energy efficiency standards detailed in the California 2005 Building Energy Efficiency Standards by approximately nine percent (Wal-Mart 2006). This nine percent savings would be a result of the overall building performance including the exterior envelope and the mechanical and electrical systems. The entire store would be equipped with an energy management system that is monitored and controlled from the Wal-Mart Home Office in Bentonville, Arkansas. Information regarding the systems was provided by Wal-Mart in a document outlining the sustainable features of the proposed expansion project. These systems are presented with further detail below:

Building Envelope

The building envelope of the proposed project would include a several features that would increase energy efficiency. The proposed expansion would utilize skylights to provide natural day-lighting and reduce power consumption of electrical lighting. The roof would have a white single-ply surface to optimize reflection and minimum heat gain to the building. The high solar reflectivity of this membrane would decrease the cooling load by approximately 10 percent. Exterior windows would remain limited to the front entrance in order to minimize heat loss and heat gain through exterior glazing.

Mechanical Equipment

The mechanical system which would serve the sales floor would be provided with demand control for the ventilation system. The outside air would be modulated to meet the real-time needs of the building based on the make-up air requirements of the exhaust hoods and the readings of CO_2 sensors. New HVAC units would be "super" high efficiency units. The industry standard Energy Efficiency Ratio (EER) is 9.0. The new units would be rated between 10.8 and 13.2 and would range between four to seventeen percent more efficient than required by California Title 24.

Electrical

The proposed project's lighting system would utilize efficient T-8 fluorescent lighting. This lighting would be utilized in all areas except in preparation areas, office areas, and coolers. Any t-12 lighting fixtures in the existing store would be replaced with T-8 lighting fixtures. Continuous dimming would be utilized in order to maximize energy savings. As daylight contributions increase, the electrical lighting system within the store automatically dims. This would result in more energy savings that the stepped dimming systems typically utilized for lighting controls with skylights. With the store being open 24 hours per day, the lighting in the grocery section would be reduced to approximately 65% illumination during late night hours. All new internally illuminated building signage, including exit signs would use LED lighting. This application of LED technology is over 70% more energy efficient than florescent illumination.

As a result of the proposed project's compliance to and exceedance of the 2005 California Building Energy Efficiency Standards, direct energy consumption by the proposed project would result in a **less than significant** impact to energy resources.

Indirect Consumption

Impact 4.13.3 Operation of the proposed project would increase vehicle trips to the project location resulting in increased consumption of energy resources by motor vehicles. This would be a **less than significant** impact.

As presented in **Section 4.4 (Traffic)** the proposed project would result in an increase of approximately 200 AM peak hour trips and an increase of approximately 262 trips during the PM peak hour.

As noted in the Appendix B of this report, the majority of traffic trips to the project area are primary trips because it is located in an area with many commercial establishments. Most of the primary trips originate in nearby residential areas. The proposed project would not result in "extra trips" to this area of Tracy, because traffic counts have shown that these vehicle trips would occur regardless of implementation of the proposed project and the distance from which patrons would travel to the proposed project area. The fuel consumed by these trips would be in line with existing fuel consumption expectations due to the close proximity of the proposed project site to existing commercial establishments. With the variety, retail and financial establishments in the area, coupled with the proposed project, local residents could complete all their daily errands within the proposed project area with out going anywhere else. Thus, implementation of the proposed project would not result in a wasteful, inefficient and unnecessary usage of energy; or placement of a significant demand on regional energy supply or requirement of substantial additional capacity with regards to project generated traffic. Therefore, this impact would be **less than significant**.

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5.0–Cumulative Impacts Summary

The following subsection of Section 5.0 is amended as follows. Changes in text are shown in underline and ~~strikethrough~~.

5.3 CUMULATIVE IMPACT ANALYSIS

Identified below is a compilation of the cumulative impacts that would result from the implementation of the project and future development in the vicinity. As described above, cumulative impacts are two or more effects, that when combined, are considerable or compound other environmental effects. Each cumulative impact is determined to have one of the following levels of significance: less than significant, significant, or significant and unavoidable. The specific cumulative impacts for each environmental issue area are identified in Section 4.0.

SECTION 4.1 LAND USE/AGRICULTURAL RESOURCES/ECONOMICS

Cumulative Setting

The cumulative setting for land use consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would potentially contribute to impacts on land use compatibility and contribute to business competition in the commercial sector.

Cumulative Impacts and Mitigation Measures

~~Adjacent Land Use Compatibility~~ Economics

Impact 4.1.~~6~~ The proposed Wal-Mart expansion may conflict with some businesses and stores within the I-205 Corridor. The proposed project would not lead to physical degradation such as store vacancies or urban decay by causing a significant impact due to economic change. This would result in a **less than significant** impact.

The CEQA Guidelines do not contain set standards of significance for economic impacts, because as stated in Section 15382, it does not consider an economic or social change by itself a significant effect on the environment. However, the Guidelines also state, "a social or economic change related to a physical change may be considered in determining whether the physical change is significant." Section 15131 echoes this statement and establishes that if included, these issues need only be mentioned to the extent "…necessary to trace the chain of cause and effect."

Bay Area Economics (BAE) was retained to prepare an economic impact analysis of the potential impacts of the Wal-Mart Expansion, with and without the development of the nearby WinCo store and appears in **Appendix A**. Of specific concern to the City and the purposes of this environmental review is the potential for urban decay or additional adverse physical impacts from economic change.

~~For the purposes of this report, a finding of urban decay is based upon a finding of a negative economic impact so severe that stores nearby might close as a result and that those buildings and/or properties, rather than being reused within a reasonable time, would remain vacant, deteriorate, and lead to the decline of the associated or nearby real estate. If no or minimal~~

~~negative impact is found, then urban decay would not be a logical result. Store closures alone are not sufficient to cause urban decay as such closures could provide an opportunity for new retailers or other tenants to occupy the vacated space or for property owners to engage in economic development efforts to improve properties.~~

It is not likely that the project would lead to urban decay. In this context, urban decay would result only if all of the following occurred: 1) the project results in an economic impact so severe that stores might close as a result; 2) buildings and/or properties, rather than being reused within a reasonable time, would remain vacant; and 3) such vacancies would cause buildings and/or properties to deteriorate and lead to the decline of the associated or nearby real estate.

~~Existing Setting~~

~~Since 1990, Tracy's population has increased 123 percent from 33,500 to 78,307[1] residents, and continued growth is anticipated with accompanying increases in income and employment opportunities. It has also been determined that Tracy's trade area[2] has reached a "critical mass" and can therefore successfully develop retail aimed at a broader regional market. The City currently has five major grocery stores and a Costco, comprising a total of 318,000 square feet of food sale area. The current yearly average per square foot sales is $473, which is well above the national median industry benchmark of $390.~~

Impact Discussion

Bay Area Economics (BAE) has analyzed the economic impacts of the project (see Appendix A). BAE's analysis concludes that: 1) the project, in combination with other planned supermarket or supermarket-type projects (i.e., Wal-Mart project), could result in the closure of one or more supermarkets, with the Save Mart on 11th Street being most at risk; and 2) there may be difficulty re-tenanting spaces that have been vacated by closed supermarkets.

Whether any store vacancies that may be caused by the projects would result in the deterioration of buildings and/or properties is not likely.

First, there are provisions in the City's General Plan that work towards mitigating any negative impacts of such vacancies. For example, one policy of the General Plan calls for the City to "continue to support and implement programs for façade improvements and building rehabilitation among others, to ensure that the City remains clean, attractive, safe and well maintained".[3] Another policy provides that "the City shall encourage the creative reuse of major obsolete structures."[4]

Other provisions of the General Plan contemplate potential "Village Centers" in some areas where there are existing supermarkets. These are areas that the City has designated for future relatively dense mixed-use development including retail, office and residential development.

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[1] California Department of Finance estimate for January, 2004.

[2] A "trade area" is a geographic region that encompasses most of a retail outlet's customers and is determined through analysis of population densities, traffic counts, commute patterns and existence of competing retail establishments.

[3] General Plan of 2006, Goal ED-6, Objective 6.2, Policy 3, page 4-13.

[4] General Plan of 2006, Goal ED-6, Objective 6.2, Policy 6, page 4-13.

Any store vacancies occurring in a "Village Center" area could potentially take advantage of these expanding development opportunities (see General Plan 2006, page 3-12).

Second, various Municipal Code provisions work towards mitigating any negative impacts of such vacancies that may occur due to graffiti, weeds, rubbish, and abandoned vehicles.[5]

For these reasons, it is doubtful whether any store vacancies that may be caused by the project would result in the deterioration of buildings and/or properties. The BAE report notes that even in a historically growing market such as Tracy, existing retail space is vacated due to functional obsolescence or the general cycle of retail closures and openings over time. The report also notes that formerly vacated sites have been reused by a variety of tenants, and in some cases subdivided for reuse.[6] Therefore, it is not expected that there would be any decline of associated or nearby real estate. To conclude otherwise with the information available would be speculative and outside the scope of this EIR.[7] For all of these reasons, implementation of the proposed project would have a **less than significant** on economics.

~~Because of these factors, even if vacancies are created through the closure of existing supermarkets or other types of stores, the overall demand for retail space in Tracy should prevent any long-term vacancies of storefronts, resulting in urban decay, or decline in associated nearby real estate. Because sales would remain robust even with the addition of both the WinCo and Wal-Mart projects, retail vacancies are not anticipated in the area as a result of either of them. Thus, significant physical impacts would not occur due to economic change. Moreover, the BAE report notes that the City of Tracy is a growing market, which entails that existing retail space is often vacated due to functional obsolescence or the general cycle of retail closures and opening over time. For all of these reasons, the implementation of the Project would be a **less than significant** on economics.~~

Mitigation Measures

None required.

SECTION 4.2 VISUAL RESOURCES/AESTHETICS

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for visual resources/light and glare consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the visual resources and contribute to the nighttime lighting and daytime glare.

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[5] Tracy Municipal Code, Sections 3.08.420, 4.38.030, 4.12.260, 4.12.570 through 4.12.700, and 10.08.3560

[6] Bay Area Economics *Market Impact Analysis for Proposed Wal-Mart Expansion in Tracy, CA*. May 2007, 35.

[7] Section 15145 of the CEQA Guidelines provides that "[I]f, after thorough investigation, a lead agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusions and terminate the discussion of the impact."

Cumulative Impacts and Mitigation Measures

Alteration of Visual Character

Impact 4.2.1 Implementation of the proposed project would not substantially alter the existing landscape characteristics of the project site from commercial/retail and vacant to a larger commercial/retail warehouse type building. This would be a **less than significant** impact.

The proposed project would not result in a substantial alteration of the existing landscape characteristics of the site from commercial/retail and vacant to a larger commercial building environment.

The project site is located between the existing Wal-Mart and Costco. Currently the project site is absent of any structures and has been vacant with the exception of asphalt paved parking area, a concrete drainage culvert located along the southern boundary of the site, and a drainage ditch located along the western boundary of the site. In anticipation of a future Wal-Mart expansion the project site was left vacant. The expansion will increase the size of the retail business by approximately 82,704 square-feet, for a total retail area of approximately 208,393 square-feet (219,425 including the existing garden center and garden center expansion). Approximately 33,928 square feet of the additional retail space will be used for grocery sales; the remaining space will be used for other uses, including a garden center, general retail, a snack bar, storage, and a vision center. The retail store will also have adjacent outdoor sales, which includes the garden center expansion (11,032 square feet) area, and a 5,282 square foot outdoor sales area. Together, the garden center (existing plus expansion) and the outdoor sales area total 16,314 square feet. The complete development, including the existing building and parking lot would be approximately 19.33 acres or 842,000 square feet.

Mitigation Measures

None required.

SECTION 4.3 HUMAN HEALTH AND HAZARDS

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for human health and hazards consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the hazards and hazardous materials use.

Cumulative Hazards and Hazardous Material Impacts

Impact 4.3.4 Implementation of the Tracy Wal-Mart project in addition to other reasonably foreseeable projects may result in cumulative hazardous material and human health risk impacts. Implementation of the proposed project could contribute to cumulative impacts to hazardous materials. This is a **less than significant** impact.

Impacts associated with hazardous materials and risk-of-upset are generally site-specific. Each individual project is responsible for mitigating their specific risks associated with hazardous materials. The project would involve limited transportation and use of hazardous materials; however, the project must comply with all federal, state and local regulations regarding the handling of such materials. The proposed project is not anticipated to contribute to cumulative human heath and safety impacts and the cumulative impacts are considered to be **less than significant**.

SECTION 4.4 TRANSPORTATION

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for traffic and circulation consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the traffic and circulation use.

Cumulative Traffic and Circulation Impacts

Potential to Exceed an Established Intersection Level of Service Standards

Impact 4.4.1 he addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing plus Project scenario will add traffic to an intersection that is already operating at a deficient level of service. This would be considered a **significant impact.**

The Grant Line Road / Byron Road intersection is currently operating at LOS F with more than 50 seconds of average delay. Per the City of Tracy standards, the acceptable level of service standard for this intersection is LOS C. The intersection of Grant Line Road / Byron Road currently has northbound and southbound stop controlled and the westbound is free to limit the queuing across the railroad tracks. The intersection currently meets the peak hour volume signal warrant with or without the addition of Project traffic. The addition of project traffic to this intersection would exacerbate an already deficient level of service.

Mitigation Measures

MM 4.4.1 By signalizing the intersection the average delay would be reduced to 30 seconds, an acceptable LOS C. In addition to the installation of a signal, signal preemption and coordination with the rail road crossing and detection system is also required.

This mitigation measure is within the jurisdiction of San Joaquin County, which can and should complete such improvements. The City does, however, work with the County in addressing regional traffic problems through its participation in the Regional Traffic Impact Fee (RTIF) program. For each applicable project, fees are collected by the City, and forwarded to San Joaquin County and The San Joaquin County Council of Governments for

their application to various regional traffic improvement projects. Until the improvements are made, the impact is **significant and unavoidable.**

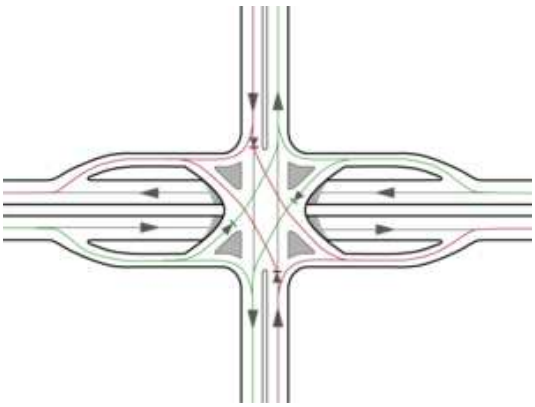
Impact 4.4.5 The addition of project traffic, along with other cumulative development traffic, to Grant Line Road/Corral Hollow Road intersection in the Cumulative plus Project scenario will add delay to an intersection that is already operating at a deficient level of service. This is considered a **significant impact.**

With the addition of project traffic, the delay at the Grant Line Road/Corral Hollow Road intersection is projected to increase from 41 seconds to 42 seconds, but the level of service will remain LOS D. The City of Tracy level of service standard for this intersection is LOS C. Although the City does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional 1-second of delay caused by the project would be considered to be a significant impact.

Mitigation Measures

MM 4.4.5 Construction of a single-point urban interchange (SPUI) is recommended, along with the through traffic being grade separated allowing for free-flow along Grant Line Road. By grade separation of Grant Line Road, the average intersection delay would be reduced to an acceptable 22 seconds.

The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be **significant and unavoidable**.



Source: wikipedia.org www.

Schematic of a freeway-under SPUI: Traffic exiting the freeway is in green. Through traffic is in gray. All traffic motion of the same color can proceed simultaneously.

Impact 4.4.6 The proposed Project, along with other Cumulative development traffic, would add traffic to the Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario, contributing to an already deficient level of service at this intersection. This is considered a **significant impact**.

With the addition of Project traffic, the delay at the Eleventh Street/Corral Hollow Road intersection is projected to remain at 49 seconds. The City of Tracy level of service standard for this intersection is LOS C. Although the City does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional traffic caused by the Project would be considered a **significant impact**.

Mitigation Measures

MM 4.4.6 Construction of a single-point urban interchange (SPUI) is recommended along with the through traffic being grade separated allowing for free-flow along Eleventh Street. By grade separation of Corral Hollow Road, the average intersection delay would be reduced to an acceptable 27 seconds (LOS C).

The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be **significant and unavoidable**.

Saturday Traffic Counts

Substantially Increase Saturday Traffic in Relation to Existing Traffic Load

Impact 4.4.4a The addition of Saturday Project traffic, along with other Saturday cumulative development traffic, could result in unacceptable operations at three of the ten study intersections with existing intersection geometries. This is considered a **potentially significant impact.**

The analysis of traffic operations at the intersections most likely to experience adverse traffic impacts during the Saturday peak hour indicates that intersection operating level of service would be at acceptable LOS D under cumulative with project conditions with implementation of the mitigation measures previously identified in this document and the WinCo EIR. Implementation of these mitigation measures would reduce the impacts to a level that is **less than significant**. No further impacts are identified with this analysis. No additional mitigation measures are required.

Mitigation Measures

None Required.

SECTION 4.5 NOISE

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for noise consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the

City of Tracy. The increased commercial/retail uses would contribute to impacts on the noise to the adjacent receptors.

Cumulative Noise Impacts

Cumulative Traffic Noise

Impact 4.5.1 Project-related traffic is expected to result in no appreciable traffic noise level increase over no-project levels, as indicated by **Table 4.5-5**. This is considered a **less than significant** impact.

Pursuant to significance criteria number for this analysis, a substantial increase in traffic noise levels is typically defined as 5 dB. Because the project related traffic noise level increase is predicted to be less than 1 dB, this impact is considered less than significant based on significance criteria number 2**.**

Impact 4.5-4 Cumulative plus project traffic is expected to result in traffic noise level increases over cumulative no-project levels of 0 to 1 dB Ldn (**Table 4.5-6**) on the roadways in the immediate project vicinity. This impact is considered **less than significant**.

Pursuant to Significance Criteria number 2, a substantial increase in traffic noise levels is typically defined as 5 dB. Because the project-related contribution to cumulative noise levels is well below that level, this impact is considered less than significant based on significance criteria number 2.

Mitigation Measures

None Required.

SECTION 4.6 AIR QUALITY

Cumulative Setting, Impacts And Mitigation Measures

Cumulative Setting

The cumulative setting for air quality consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0) within the San Joaquin Air Basin. Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the air quality to the regional air basin. The climate and geography of the San Joaquin Valley Air Basin severely limits the dilution and transportation of any air pollutants that are released to the atmosphere. At current levels of development and activity the air basin exceeds the state/federal ambient standards for particulates and ozone. Cumulative growth in population, vehicle use and industrial activity presents a major obstacle for efforts to improve regional air quality and attain the ambient air quality standards.

Cumulative Air Quality Impacts

Regional Air Quality

Impact 4.6.5 This project in combination with other reasonably foreseeable projects would increase regional air emissions well beyond the SJVAPCD significance threshold. This cumulative impact is considered **significant and unavoidable**.

The project is part of a pattern of rapid urbanization occurring is Tracy and western San Joaquin County. Several major developments are proposed or under construction in the project vicinity. Over the buildout period of the proposed project substantial foreseeable future development will be occurring in the project area. The project would therefore have a significant cumulative impact regional air quality.

Mitigation Measures

MM 4.6.5 The project is subject to SJVAPCD Rule 9510 that would require the project to mitigate air quality impacts through onsite and/or offsite mitigation measures. In addition, ~~To mitigate for cumulative impacts~~ the following design features are recommended to mitigate for cumulative impacts:

- Use energy efficient design including automated control system for heating/air conditioning and energy efficiency, utilize lighting controls and energy-efficient lighting in buildings and use light colored roof materials to reflect heat.
- Plant deciduous trees on the south and westerly facing sides of buildings.

Potential Increase in Long-Term Atmospheric Greenhouse Gas Emissions

Impact 4.6.6 The project, in addition to existing, approved, proposed and reasonably foreseeable development in the San Joaquin Valley Unified Air Pollution Control District, may contribute to an increase in Greenhouse Gas (GHG) emissions in the earth's atmosphere. Higher concentrations of GHGs have been linked to the phenomenon of climate change. This would be a **less than cumulatively considerable** impact on the State's GHG reduction efforts.

Implementation of the mitigation measures identified in this section will assist in further reducing the project's contribution to climate change. No additional mitigation is required.

4.7 HYDROLOGY AND WATER QUALITY

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for water quality consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the

City of Tracy. The increased commercial/retail uses would contribute to impacts on the water quality to the project area through the increase of impervious surfaces.

Cumulative Hydrology and Water Quality Impacts

Drainage and Flooding

Impact 4.7.3 The proposed project in combination with planned and proposed development in the City of Tracy would alter drainage conditions and rates, which could result in potential flooding impacts. This is considered a **less than significant** impact.

As noted under Impact 4.7.4, the proposed project is not expected to result in an increase in drainage flows during 10-year and 100-year storm conditions. Thus, the cumulative flow conditions downstream of the project are within the requirements of the CVRWQCB Water Quality Control Plan (Basin Plan) and no downstream uses would be significantly impacted.

The project site is not prone to flooding. Therefore, the potential impact of exposing structures and facilities to flood hazards and potential damage is considered to be **less than significant**.

Mitigation Measures

None required.

Cumulative Water Quality Impacts

Impact 4.7.5 The proposed project in combination with planned and proposed development in the City of Tracy and San Joaquin County would contribute to potential impacts to surface and groundwater quality from construction and operation activities. This is considered to be a **less than significant** impact.

The project site is not prone to flooding. Therefore, the potential impact of exposing structures and facilities to flood hazards and potential damage is considered to be **less than significant**.

Mitigation Measures

None required.

4.8 GEOLOGY AND SOILS

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for geology and soils consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the geologic hazards in the project area.

Cumulative Geology and Soils Impacts

Impacts to Geologic and Soils

Impact 4.8.1 Implementation of the proposed project in combination with reasonably foreseeable development would not contribute to cumulative geologic and soil impacts, as the impacts would be site-specific. This would be a **less than significant** impact under cumulative conditions.

The project site is not prone to flooding. Therefore, the potential impact of exposing structures and facilities to flood hazards and potential damage is considered to be **less than significant**.

Mitigation Measures

None required.

4.9 BIOLOGICAL RESOURCES

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for biological resources consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the biological resources in the project area.

Cumulative Biological Resources Impacts

Loss of Habitat for Special Status Species and Waters of the U.S.

Impact 4.9.1 Implementation of the proposed projects may result in direct mortality and loss of habitat for special-status species, wetlands, and waters of the U.S. This cumulative impact is a **potentially significant** impact.

The proposed project is covered by the SJMSCP, which is intended to reduce impacts to biological resources, including Swainson's hawk resulting from the project to a less than significant level. Therefore, no additional mitigation is required beyond participation in the SJMSCP, and payment of $1879.04 per acre as established by City Council resolution, which satisfies the requirements of the SJMSCP. Therefore would reduce the project's contribution to cumulative impacts to biological resource to a **less than significant** level.

Mitigation Measures

None Required.

4.10 CULTURAL RESOURCES

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for cultural resources consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on the cultural resources in the project area.

Cumulative Cultural Resources Impacts

Prehistoric and Historic Resources

Impact 4.10.1 Implementation of the proposed project could result in the potential disturbance of undiscovered cultural resources. This is considered a **potentially significant** impact.

Archaeological investigations for the proposed project are adequate to identify typical prehistoric and historic resources in the area. There is a possibility of unanticipated and accidental archaeological discoveries during ground-disturbing project-related activities. Unanticipated and accidental archaeological discoveries during project implementation have the potential to affect significant archaeological resources. This is considered a potentially significant impact.

Mitigation Measures

MM 4.10.1a If any prehistoric or historic artifacts, or other indications or archaeological resources are discovered during construction, all work in the immediate vicinity must stop and the City of Tracy shall be immediately notified. An archaeologist meeting the Secretary of Interior's Professional Qualifications Standards in prehistoric or historical archaeology, as appropriate, shall be retained to evaluate the finds and recommend appropriate mitigation measures.

Timing/Implementation: *As a condition of project approval, and implemented during construction activities.*

Enforcement/Monitoring: *City of Tracy Planning Division.*

MM 4.10.1b If human remains are discovered, all work must stop in the immediate vicinity of the find, and the County Coroner must be notified, according to Section 7050.5 of California's Health and Safety Code. If the remains are determined to be Native American, the coroner will notify the Native American Heritage Commission, and the procedures outlined in CEQA Section 15064.5(d) and (e) shall be followed.

Timing/Implementation: *As a condition of project approval, and implemented during construction activities.*

Enforcement/Monitoring: City of Tracy Planning Division.

Implementation of mitigation measure **MM 4.10.2a and MM 4.10.2b** would reduce impacts to undiscovered resources to a less than significant level.

4.11 PUBLIC SERVICES

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for public services consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on public services in the project area.

Cumulative Public Services Impacts

Law Enforcement Services and Facilities

Impact 4.11.1 The proposed project would increase the demands on existing police services, impairing their ability to respond to calls and ensure public safety. This impact is considered a **potentially significant** impact.

The proposed Wal-Mart expansion is part of a larger commercial growth issue affecting the I-205 Corridor area. Increased traffic and general crime associated with retail operations are the primary concern. The immediate impact of the Wal-Mart expansion and associated commercial growth in the area is felt through significantly increased traffic flow. Roadways to the west are still primarily two lane country roads that are increasingly being utilized to access this developing retail center from other parts of the City and by shoppers coming into Tracy from the north and west. As new retail operations attract more customers, businesses are more frequently victimized by theft, fraud, and burglary. With vehicle theft and theft from vehicles as two of Tracy's most significant crime categories, an increase of customer victimization in parking lots could be a potential impact.

Mitigation Measures

MM 4.11.1 Wal-Mart shall increase their in-house loss prevention and on-security presence to the appropriate levels for the proposed project expansion to ensure adequate coverage. Wal-Mart shall coordinate with the Tracy Police Department on their security plans, including but not limited to adequate security procedures and personnel, and parking lot lighting.

Implementation of **MM 4.11.1** would reduce impacts to the Tracy Police Department to a **less than significant** level.

Fire Protection and Emergency Medical Services

Impact 4.11.3 The proposed project would not increase the demand for fire protection staff, services, and infrastructure. This is considered a **less than significant** impact.

The Tracy Fire Department is expected to provide fire protection for the project. The required minimum flow specified by the Uniform Fire Code is 2,500 gallons per minute. Hydrants are already in place and the project would be equipped with sprinklers. The City Fire Department shall be provided the opportunity to review development plans for the project site to ensure that the building additions and hydrant locations are designed in accordance with Tracy Fire Department and Uniform Fire Code standards.

Mitigation Measures

None required.

Solid Waste

Impact 4.11.4 The proposed project would result in an increased generation of solid waste and demand for municipal waste service. This impact is considered **potentially significant.**

The proposed project would result in an increased generation of solid waste. The project includes the expansion and operation of an existing 125,689 square-foot Wal-Mart store located at 3010 W. Grant Line Road in the City of Tracy. The expansion will increase the size of the retail business from 125,689 square feet by approximately 82,704 square feet, for a total retail area of approximately 208,393 square feet (219,425 square feet including existing garden center and garden center expansion). Approximately 33,928 square feet of the additional retail space will be devoted to grocery sales; the remaining space will be used for other uses, including a garden center, general retail, a snack bar, storage, and a vision center. The retail store will also have adjacent outdoor sales, which includes the existing garden center with expansion (totaling 11,032 square feet), and a 5,282 square foot outdoor sales area. Together, the garden center (existing plus expansion) and the outdoor sales area total 16,314 square feet. The complete development, including the existing building and parking lot would be approximately 19.33 acres, or 842,000 square feet.

Based on conversations with Tracy Delta Solid Waste Management Inc., it was determined that the existing Tracy Wal-Mart uses a 40yd compactor for the collection and storage of waste. The compactor is picked up, dumped and returned every seven to ten days. The facility generates approximately 35 tons of refuse per month. A Wal-Mart "Super Store" would generate wet, putrescible wastes that typically are heavier than non-putrescible wastes, so the increase in waste may not be linear. As a rule of thumb, if the floor space is doubled, the waste increase will probably grow by a factor of 2.5 due to the higher moisture content. This affect may be attenuated to some degree by the store separating putrescible waste and providing it to local farmers for feed.

Tracy Delta Solid Waste Management (TDSWM) has indicated an ability to service the project as well. Waste from the project would be transferred to the Tracy Material Recovery and Transfer Station where it is consolidated and then sent to the Foothill Landfill. As a result, TDSWM would not need additional equipment, personnel or landfill capacity to accommodate the proposed project. Waste generated from construction would also be considered minimal in its impact to Foothill Landfill. TDSWM does note that whatever impact there is, implementing a program to separate putrescible waste and providing it to local farmers for feed can mitigate the impact (Harry Miller, TDSWM Recycling Coordinator, via email 08/19/04). Additionally, solid waste impacts will be reduced through compliance with AB 939, which requires development and implementation of a comprehensive recycling program. As part of their Standard Operating Procedure Wal-Mart has a program to recycle their solid waste.

Mitigation Measures

MM 4. 11.4 The Tracy Delta Solid Waste Management Inc., shall be provided the opportunity to review development plans for the project site to ensure that the following items are addressed:

- There is a comprehensive and sufficient plan for collecting, storing, and transporting recyclable and non-recyclable materials;
- There are a sufficient number of receptacles placed throughout Wal-Mart that would encourage proper disposal of recyclable materials;
- Acceptable means and method for pickup and transportation of solid waste shall be coordinated between Wal-Mart and TDSWM; and

MM 4.11.5 Wal-Mart project planners shall consult with the Tracy Delta Solid Waste Management Inc., regarding the timing of project development. A formal agreement between the Tracy Delta Solid Waste Management Inc., and Wal-Mart shall be developed that will specify how adequate solid waste disposal services, consistent with the TDSWM performance standards, would be provided. In addition Wal-Mart shall take all steps to ensure the store is equipped with a recycling program and moves toward reducing the amount of solid waste generated and disposed of.

Implementing the above measures will reduce solid waste impacts to a **less than significant** level.

4.12 UTILITIES AND SERVICE SYSTEMS

Cumulative Setting, Impacts and Mitigation Measures

Cumulative Setting

The cumulative setting for utilities and service systems consists of the proposed, approved, and conceptual development anticipated in the City of Tracy and the unincorporated area of San Joaquin County (see Section 4.0). Under cumulative conditions, the proposed project area would contain additional commercial/retail facilities and associated parking and landscaping in the City of Tracy. The increased commercial/retail uses would contribute to impacts on utilities and service systems in the project area.

Cumulative Utilities and Service Systems Impacts

Cumulative Water Supply

Impact 4.12.1 The proposed project, in combination with other planned and proposed development, would cumulatively increase the demand for water in the City of Tracy. This impact is considered **less than significant.**

It is expected that the project will have a domestic water demand rate of 6,800 gallons per day (gpd) for the expansion interior uses. This assumption is based on similar Wal-Mart Supercenter water usage in existing stores. The proposed project will not be required to expand existing water systems in order to provide water service. The existing water lines were sized to

accommodate future commercial development and there is adequate capacity in the water system to meet the pressure needs of the project.

Mitigation Measures

None required.

Cumulative Wastewater Service

Impact 4.12.2 The proposed project, in combination with other planned and proposed development, would cumulatively increase the demand for wastewater in the City of Tracy. This impact is considered **less than significant.**

The proposed project would result in an increase in wastewater generation as a result of on-site facilities, restrooms and irrigation. The project will however not be required to expand existing sewer lines in order to accommodate wastewater generated by the project. There is adequate capacity to address the current needs of the project.

Mitigation Measures

None Required.

Cumulative Electric Service

Impact 4.12.3 Implementation of the proposed project in addition to reasonably foreseeable development would require the extension of infrastructure. This would be a **less than significant** impact.

According to PG&E staff, there is an adequate electrical supply to supply the proposed, planned, and approved projects in the vicinity and that the cumulative demand for electricity would result in less than significant cumulative impacts.

Mitigation Measures

None required.

Cumulative Natural Gas Service

Impact 4.12.4 Under cumulative conditions, implementation of the proposed project and other reasonably foreseeable projects would require additional natural gas. This is considered a **less than significant** impact on natural gas supplies and service.

According to PG&E staff, the company would have sufficient natural gas to supply the proposed development.

Mitigation Measures

None required.

7.0 CEQA Required Assessment Conclusions

The following subsection of Section 7.0, now titled CEQA-Required Assessment Conclusions, is amended as follows. Changes in text are shown in underline and ~~strikethrough~~.

7.3 SIGNIFICANT UNAVOIDABLE ENVIRONMENTAL EFFECTS

CEQA Guidelines Section 15126.2(b) requires an EIR to discuss unavoidable significant environmental effects, including those that can be mitigated but not reduced to a level of insignificance. In addition, Section 15093(a) of the CEQA Guidelines allows the decision-making agency to determine if the benefits of a proposed project outweigh the unavoidable adverse environmental impacts of implementing the project. The City of Tracy can approve a project with unavoidable adverse impacts if it prepares a "Statement of Overriding Considerations" setting forth the specific reasons for making such a judgment. The statement must establish the overriding social, economic, legal, technical or other beneficial project aspects supporting City of Tracy's decision to approve the project, and must be based on substantial evidence included in the Final EIR or elsewhere in the record (CEQA Guidelines Section 15093).

Based upon the environmental analysis in Sections 4.1 through 4.12, the proposed project would result in significant unavoidable impacts to traffic/circulation and air quality. The City of Tracy will be required to prepare a Statement of Overriding Considerations in order to certify the project EIR and approve the project. A list of project unavoidable adverse impacts identified in this EIR is provided below.

TRAFFIC/CIRCULATION

Cumulative Regional Traffic and Circulation Impacts

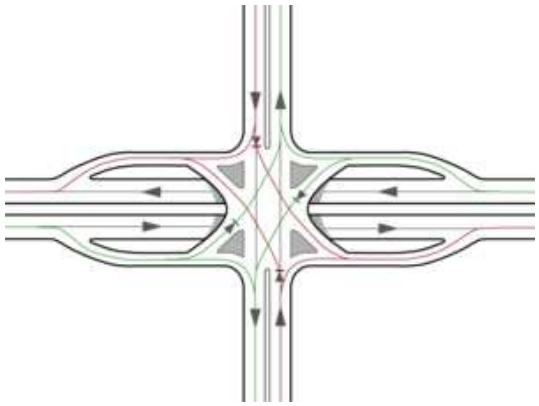
Impact 4.4.5 The addition of project traffic, along with other cumulative development traffic, to Grant Line Road/Corral Hollow Road intersection in the Cumulative plus Project scenario will add delay to an intersection that is already operating at a deficient level of service. This is considered a **significant impact.**

With the addition of project traffic, the delay at the Grant Line Road/Corral Hollow Road intersection is projected to increase from 41 seconds to 42 seconds, but the level of service will remain LOS D. The City of Tracy level of service standard for this intersection is LOS C. Although the City does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional 1-second of delay caused by the project would be considered to be a **significant impact**.

Mitigation Measures

MM 4.4.5 Construction of a single-point urban interchange (SPUI) is recommended, along with the through traffic being grade separated allowing for free-flow along Grant Line Road. By grade separation of Grant Line Road, the average intersection delay would be reduced to an acceptable 22 seconds.

The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be **significant and unavoidable**.



Source: wikipedia.org www.

Schematic of a freeway-under SPUI: Traffic exiting the freeway is in green. Through traffic is in gray. All traffic motion of the same color can proceed simultaneously.

Impact 4.4.6 The proposed Project, along with other Cumulative development traffic, would add traffic to the Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario, contributing to an already deficient level of service at this intersection. This is considered a **significant impact**.

With the addition of Project traffic, the delay at the Eleventh Street/Corral Hollow Road intersection is projected to remain at 49 seconds. The City of Tracy level of service standard for this intersection is LOS C. Although the City does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional traffic caused by the Project would be considered a **significant impact**.

Mitigation Measures

MM 4.4.6 Construction of a single-point urban interchange (SPUI) is recommended along with the through traffic being grade separated allowing for free-flow along Eleventh Street. By grade separation of Corral Hollow Road, the average intersection delay would be reduced to an acceptable 27 seconds (LOS C).

The City intends on making a finding that this mitigation is infeasible, therefore, the impacts will be **significant and unavoidable**.

AIR QUALITY

Cumulative Regional Air Quality Impacts

Impact 4.6.5 This project in combination with other reasonably foreseeable projects would increase regional air emissions well beyond the SJVAPCD significance threshold. This cumulative impact is considered **significant and unavoidable**.

The project is part of a pattern of rapid urbanization occurring is Tracy and western San Joaquin County. Several major developments are proposed or under construction in the project vicinity. Over the buildout period of the proposed project substantial foreseeable future development will be occurring in the project area. The project would therefore have a significant cumulative impact regional air quality.

Mitigation Measures

MM 4.6.5 To mitigate for cumulative impacts the following design features are recommended:

- Use energy efficient design including automated control system for heating/air conditioning and energy efficiency, utilize lighting controls and energy-efficient lighting in buildings and use light colored roof materials to reflect heat.

- Plant deciduous trees on the south and westerly facing sides of buildings.

Timing/Implementation: *Include as a requirement in plans.*

Enforcement/Monitoring: *City of Tracy Development and Engineering Services Department.*

While the above measure would reduce project impacts, the project would have a **significant and unavoidable** after implementation of mitigation.

Other irreversible changes resulting from the project would include the consumption of non-renewable building materials and energy resources during the construction phase and the ongoing consumption of energy for lighting, air conditioning, space and water heating, and for travel to and from the site during the life of the project.

Beneficial changes resulting from the project include the expanded choice and supply of retail goods and services, fiscal benefits from increased property and sales tax revenues, benefits to the local economy from business purchases of local goods, and the creation of employment opportunities.

8.0 REPORT PREPARERS

8.1 REPORT PREPARERS

CITY OF TRACY

Project Planner	Victoria Lombardo

PACIFIC MUNICIPAL CONSULTANTS – EIR CONSULTANT

Project Director	Christina Ratcliffe, AICP
Project Manager	~~Margaret Kavanaugh-Lynch~~ Janet Palma, AICP
~~Deputy Project Manager~~	~~Janet Palma, AICP~~
Environmental Planner	Anastacia Wyatt
Cultural Resources Specialist	John Nadolski
~~Biologist~~ Biological Director	~~Andrea Erichsen,~~ Joyce Hunting
Associate Planner	Chad Mason
~~Assistant Planner~~	~~Craig Araki~~
Assistant Planner	~~Maarten Georgius~~ Chelsea Fordham

FEHR & PEERS – TRANSPORTATION CONSULTANT

~~Principal~~ Senior Engineer	Winnie Chung

BAY AREA ECONOMICS – MARKET STUDY CONSULTANT

Vice-President	Raymond A. Kennedy, M.A.

BOLLARD & BRENNAN, INC. – NOISE CONSULTANT

Principal	Paul Bollard

DON BALLANTI – AIR QUALITY CONSULTANT

Principal	Don Ballanti

ILLINGWORTH & RODKIN, INC. – AIR QUALITY CONSULTANT

Project Scientist	James A. Reyff

TWINING LABORATORIES, INC. – PHASE 1 ENVIRONMENTAL SITE ASSESSMENT

Senior Environmental Assessor	William R. Cooper
Environmental Assessor	Timothy W. Thomas

APPENDICES

APPENDIX A–MARKET IMPACT ANALYSIS

MARKET IMPACT ANALYSIS FOR PROPOSED WAL-MART EXPANSION IN TRACY, CA

Prepared for:
City of Tracy

Prepared by:
Bay Area Economics

May, 2007

Bay Area Economics

Headquarters
1285 66th Street
Emeryville, CA 94608

510.547.9380
fax 510.547.9388
bae1@bae1.com
bayareaeconomics.com

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Introduction

Background and Study Purpose

The City of Tracy has received a proposal for expansion of the existing Wal-Mart to the Supercenter format (the "Proposed Project"), which will include a large area dedicated to food items, functionally the equivalent of a supermarket. In addition, WinCo Foods has received approvals for a large-format food store nearby, and additional commercial space has been proposed as part of that project. As of the time of this analysis, the WinCo project's approvals are currently in litigation. As part of its evaluation of the Proposed Project (the Wal-Mart expansion), the City has retained Pacific Municipal Consultants ("PMC") to complete an Environmental Impact Report (EIR).

The City of Tracy has retained Bay Area Economics ("BAE") to undertake a market impact analysis as part of the EIR process for the retail portion of this project. Urban decay is considered to be a potentially significant environmental impact. In this context, urban decay would result only if all of the following occurred: (1) the project results in an economic impact so severe that stores might close as a result; (2) buildings and/or properties, rather than being reused within a reasonable time, would remain vacant; and (3) such vacancies would cause the buildings and/or properties to deteriorate, and lead to the decline of the associated or nearby real estate.

This analysis only relates to the economic impacts of the project on existing retail centers. Therefore, its focus is limited to only the first two of the three urban decay factors described above. Physical impacts of the project are outside the scope of this analysis. Accordingly, it does not reach conclusions on whether any long-term store vacancies caused by the economic impacts of the project would result in any physical deterioration to buildings and/or properties. This, however, will be addressed in the EIR.

This study addresses the potential impacts of the Proposed Project alone, as well as the cumulative impacts if both the Proposed Project and the WinCo project and other retail developments are completed. It does not consider the impacts of the WinCo project alone.

This document represents a revised version of a report originally submitted as part of the Draft EIR in 2005. As a result of the WinCo entitlement process, additional information has been received that requires revisions to this market analysis component of the Wal-Mart EIR. Furthermore, market conditions have evolved in the area since BAE's original research was completed in the first half of 2004.

Project Description

The proposed project is the expansion of the existing Wal-Mart in the Tracy Marketplace Center at 3250 West Grant Line Road to the Supercenter format, not a relocation and replacement of the existing store with a new store, so the existing store will not be vacated. The proposed store expansion will add 82,704 square feet to the existing 125,689 square-foot building and add an additional 5,650 square feet to the existing 5,382 square-foot outdoor garden center. The amount

of new space dedicated to grocery items and their storage is 55,192 square feet.[1] The new store area will be on currently vacant land adjacent to the existing store, allowing expansion of the store rather than relocation. The Supercenter will operate 24 hours a day, seven days a week.

Report Organization

This report contains the following sections, providing background information and addressing issues of concern: this Introduction; Population and Employment Overview; Retail Sales Analysis; and Impacts of Proposed Project on Existing Retail Outlets.

[1] This includes 33,928 square feet of sales space and 21,264 square feet of grocery stockroom and ancillary spaces. Unless otherwise noted, all store square footages in this report refer to gross square footage, not just selling area.

Population and Employment Overview

Introduction

This section presents background information on current and projected demographic and economic conditions in Tracy, the Trade Area, and San Joaquin County relevant to the evaluation of the potential impact of Wal-Mart's proposed expansion in Tracy. Developing an economic and demographic profile of these areas will help in identifying key factors influencing future retail sales in the area, and to assess the potential impacts of planned retail projects such as the proposed Wal-Mart expansion on other retail outlets and centers. Data sources considered include the U.S. Census Bureau, including the 2000 Census and the American Community Survey, the California Employment Development Department (EDD), the City of Tracy, the San Joaquin County Council of Governments, the California State Department of Finance, and Claritas, a private vendor providing estimates of current and future demographic conditions.

Definition of Wal-Mart Trade Area

A trade area is the geographic region that encompasses most of a retail outlet's customers, or can be defined as including all the outlets that serve a particular market niche. For the Proposed Project, the Trade Area has been defined as the City of Tracy and some surrounding areas (see Figure 1).

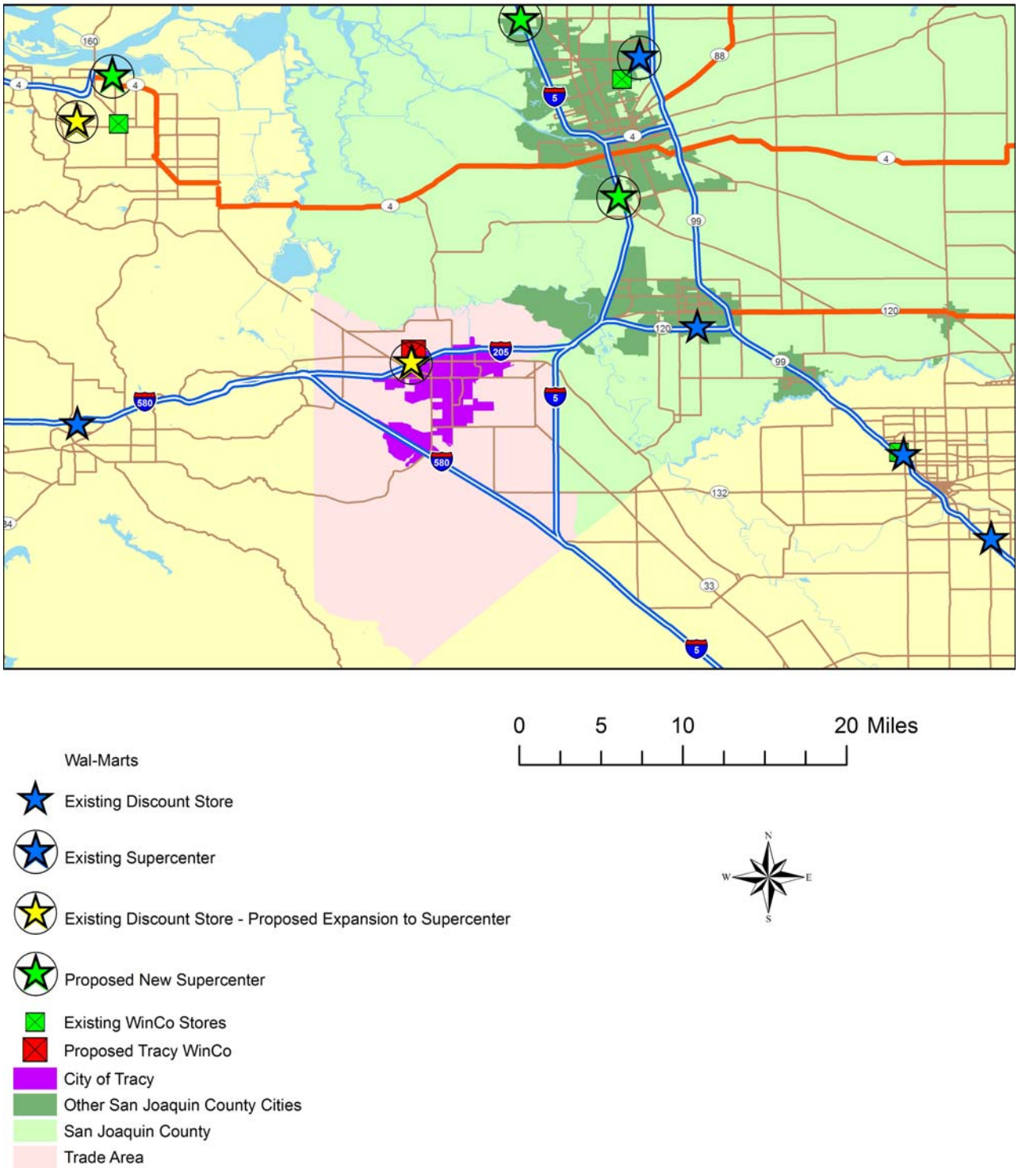
This definition is based on Tracy's relative isolation from other large population nodes, especially to the west and south, and by the location of nearby existing and planned Wal-Mart Supercenters and regular discount stores, on the presumption that potential Wal-Mart Supercenter shoppers will go to the closest Wal-Mart Supercenter outlet. This designated Trade Area, consisting primarily of Tracy and the developing new community of Mountain House, is surrounded by existing and proposed Wal-Mart Supercenters in nearby cities, including Stockton (one existing Supercenter and two additional proposed Supercenters), Antioch, and Livermore. In Manteca, there is currently no application for a Supercenter at a specific site, even though city representatives and local media reports indicate that Wal-Mart is actively seeking a site in Manteca.[2] However, because of the distance to Tracy, the presence of an existing regular Wal-Mart in Manteca, and the potential for Manteca and Lathrop residents also to patronize the proposed Supercenter at French Camp in south Stockton, the Trade Area for the proposed Wal-Mart Supercenter in Tracy is conservatively assumed to exclude Manteca and Lathrop, even absent a Manteca Supercenter as a foreseeable project.

WinCo, the other major proposed supermarket type project, currently has stores in Brentwood, Stockton, and Modesto, also effectively covering most of the major population centers near Tracy, so the proposed WinCo is assumed to have the same Trade Area as the Proposed Project.

[2] According to Kevin Birkholz, Economic Development Specialist with the City of Manteca, (contacted August 22, 2006), Wal-Mart has expressed interest and seems to think Manteca would be a great location, but has not bought property or formally committed to any of the currently under construction or planned retail centers in Manteca. For an example of a local media report on Wal-Mart's interest in Manteca, see "Manteca in line for 2 Wal-Mart SuperCenters?" *Manteca Bulletin*, December 24, 2005, http://www.mantecabulletin.com/articles/2005/12/24/news/news1.txt.

Traffic congestion and distance across the Altamont Pass is likely to preclude substantial shopping trips to the Tracy Wal-Mart and WinCo from Livermore and other Alameda County communities, which in any case may ultimately be served not just by a Supercenter but by another WinCo store as the chain continues to expand.

Figure 1: Wal-Mart Supercenter Trade Area



This Trade Area has been defined using Traffic Analysis Zones, in large part because they represented the smallest definable geographies for which reliable demographic estimates could be obtained. The following subsection discusses population trends in more detail. A listing of the Traffic Analysis Zones comprising the Trade Area can be found in Appendix A.

The Trade Area as defined in this revised report is somewhat smaller than that used in the previous BAE report. Specifically, the River Islands proposed development in Lathrop has been excluded from this revised analysis. This area has been excluded for a number of reasons: first, the initial phases of the development during the time period under consideration in this analysis are in the westernmost portion of River Islands; second, the relative drive times to retail concentration in surrounding communities will depend in large part on the buildout of the road network connecting River Islands to the region; third, the Traffic Analysis Zones used for the population projections here do not provide estimates for subareas of River Islands, even though much of the development may be closer to the Tracy Wal-Mart and WinCo than to other proposed Wal-Mart Supercenters and the Save-Mart in Lathrop (which opened subsequent to BAE's previous analysis). Thus this revised analysis takes a more conservative approach and excludes River Islands from the Trade Area. Also now excluded are some areas primarily to the east of Interstate 5, but these areas are relatively unpopulated and likely to remain so into the foreseeable future.

Population Trends

As shown in Table 1, Tracy's population grew from 56,929 in 2000 to an estimated 80,461 at the beginning of 2006, a compound growth rate 6.6 percent per year between 2000 and 2006. In the Trade Area, the rate of population growth has been slightly lower, with growth from 63,924 in 2000 to 89,603 in 2006, at a growth rate of 6.2 percent annually.[3]

Table 1: Population Trends, 2000-2015

Area (a)	2000	2005	2006	Average Annual Change 2000-2006	2008	2010	2011	2015	Average Annual Change 2006-15
City of Tracy (b)	56,929	78,516	80,461	6.6%	81,897	82,887	na	na	na
Trade Area (c)	63,924	86,390	89,603	6.2%	93,758	95,186	98,821	101,321	2.0%

(a) Derivation of population and household estimates are discussed in detail in Appendix B.
(b) Tracy population estimates not available past 2010.
(c) Trade Area is defined in Appendix A. Population for Trade Area in 2008 assumes constant rate of growth from 2005 through 2010. Population for Trade Area in 2011 assumes constant rate of growth between 2010 and 2015.

Sources: 2000 U.S. Census; California State Department of Finance, 2006; San Joaquin County Council of Governments, 2004; City of Tracy, 2006; BAE, 2006.

[3] Because of issues with available sources of population and housing estimates and projections for Tracy and the Trade Area, BAE used a variety of sources to generate its own estimates for the Trade Area. For a fuller discussion, see Appendix B.

Future population growth is expected to be at a considerably slower pace, owing largely to the Growth Management Ordinance in Tracy. From 2006 through 2015, the annual growth rate is estimated at 2.0 percent. In 2008, the estimated opening date for the Proposed Project, the Trade Area population is projected to reach 93,758. By 2011 the population is projected to reach 98,821, with continued growth to 101,321 in 2015.

Household Trends

Household growth trends in Tracy and the Trade Area mirror population growth, with the City growing from 17,620 households in 2000 to an estimated 24,331 households in 2006 (see Table 2). For the same period, the Trade Area grew from 19,818 to 27,779 households. As with the population projections, the Trade Area growth will slow due to Tracy's Growth Management Ordinance; by 2008, the number of households is projected to reach 29,067, increasing further to 30,637 households in 2011.

Table 2: Household Trends, 2000-2015

Area (a)	**2000**	**2005**	**2006**	**2008**	**2010**	**2011**	**2015**
City of Tracy (b)	17,620	23,550	24,331	na	na	na	na
Trade Area (c)	19,818	26,783	27,779	29,067	29,510	30,637	31,412

(a) Derivation of population and household estimates are discussed in detail in Appendix B.
(b) Tracy household estimates not available past 2006.
(c) Trade Area is defined in Appendix A. Household count for Trade Area in 2008 assumes constant rate of growth from 2005 through 2010. Household count for Trade Area in 2011 assumes constant rate of growth between 2010 and 2015.

Sources: 2000 U.S. Census; California State Department of Finance, 2006; San Joaquin County Council of Governments, 2004; City of Tracy, 2006; BAE, 2006.

Household Type and Tenure. Likely resulting from its growth as a "bedroom suburb," between 1990 and 2000 Tracy's percentage of households occupied by owners increased significantly, from 60.0 percent to 72.2 percent, as shown in Table 3. The Trade Area, which consists primarily of Tracy, shows a similar trend; the County, however, had only a slight increase in the proportion of homeowners during the 1990s. In 2000 the owner occupancy rate in the County was still only 60.4 percent. This rate is similar to statewide, where owners make up 56.9 percent of all households.

Table 3: Tenure, 1990 and 2000

	1990	2000
Tracy		
Owner	60.0%	72.2%
Renter	40.0%	27.8%
Trade Area (a)		
Owner	63.1%	72.8%
Renter	36.9%	27.2%
San Joaquin County		
Owner	57.6%	60.4%
Renter	42.4%	39.6%

(a) Since TAZ data were not available for these data points, a slightly larger area made up of the Census Tracts that include the TAZs has been used. This area includes primarily rural areas, and included an additional 5,878 persons in 2000. The Census Tracts used are 5202, 5203, 5205, 5302, 5303, 5305, 5306, 5403, 5404, and 5500. Data not available from American Community Survey for 2005.

Sources: 1990 & 2000 U.S. Census; BAE, 2006.

Tracy, the Trade Area, and San Joaquin County are all predominantly family-oriented with approximately three-fourths of all households being families, as shown in Table 4. By comparison, 69 percent of California households in 2000 were family households.

Table 4: Families as Percent of All Households, 1990-2005

	1990	2000	2005
Tracy			
Families	76.9%	81.2%	83.2%
Non-Families	23.1%	18.8%	16.8%
Trade Area (a)			
Families	77.4%	80.5%	na
Non-Families	22.6%	19.5%	na
San Joaquin County			
Families	73.9%	74.2%	73.0%
Non-Families	26.1%	25.8%	27.0%

(a) Since TAZ data were not available for these data points, a slightly larger area made up of the Census Tracts that include the TAZs has been used. This area includes primarily rural areas, and included an additional 5,878 persons in 2000. The Census Tracts used are 5202, 5203, 5205, 5302, 5303, 5305, 5306, 5403, 5404, and 5500. Data not available from American Community Survey for 2005.

Sources: 1990 & 2000 U.S. Census; American Community Survey 2005, U.S. Census; BAE, 2006.

Household Income. Household incomes and resulting consumer buying power are key indicators of the potential for additional retail development. Tracy and the Trade Area both have considerably higher median household incomes than San Joaquin County as a whole. As shown in Table 5, the Census Bureau estimates that in 2005 the median annual household income in Tracy was $70,643; in contrast, the median for the County was only $49,391. While the 2005 data are not available for the Trade Area, Tracy comprises most of the households, and 2000 data indicate that overall Trade Area conditions mirror Tracy's with respect to income. In 2005, nearly one-third of the households in Tracy were estimated to have annual incomes of $100,000 or more, indicating relatively high purchasing power.

Table 5: Household Income Distribution

	Tracy		Trade Area (a)		San Joaquin County	
Income	**1999**	**2005**	**1999**	**2005**	**1999**	**2005**
Less than $25,000	15.2%	13.3%	16.6%	na	30.1%	25.0%
$25,000 to $34,999	8.1%	7.4%	8.5%	na	12.4%	10.9%
$35,000 to $49,999	13.7%	10.7%	13.6%	na	16.4%	14.7%
$50,000 to $74,999	23.4%	21.0%	22.7%	na	19.5%	18.9%
$75,000 to $99,999	21.1%	15.3%	19.8%	na	11.0%	13.0%
$100,000 to $149,999	14.3%	20.8%	14.3%	na	7.4%	12.2%
$150,000 or more	4.2%	11.5%	4.5%	na	3.3%	5.4%
Total	100%	100%	100%	na	100%	100%
Median Income	$63,879	$70,643	$62,497	na	$41,896	$49,391

(a) Since TAZ data were not available for these data points, a slightly larger area made up of the Census Tracts that include the TAZs has been used. This area includes primarily rural areas, and included an additional 5,878 persons in 2000. The Census Tracts used are 5202, 5203, 5205, 5302, 5303, 5305, 5306, 5403, 5404, and 5500. Data not available from American Community Survey for 2005.

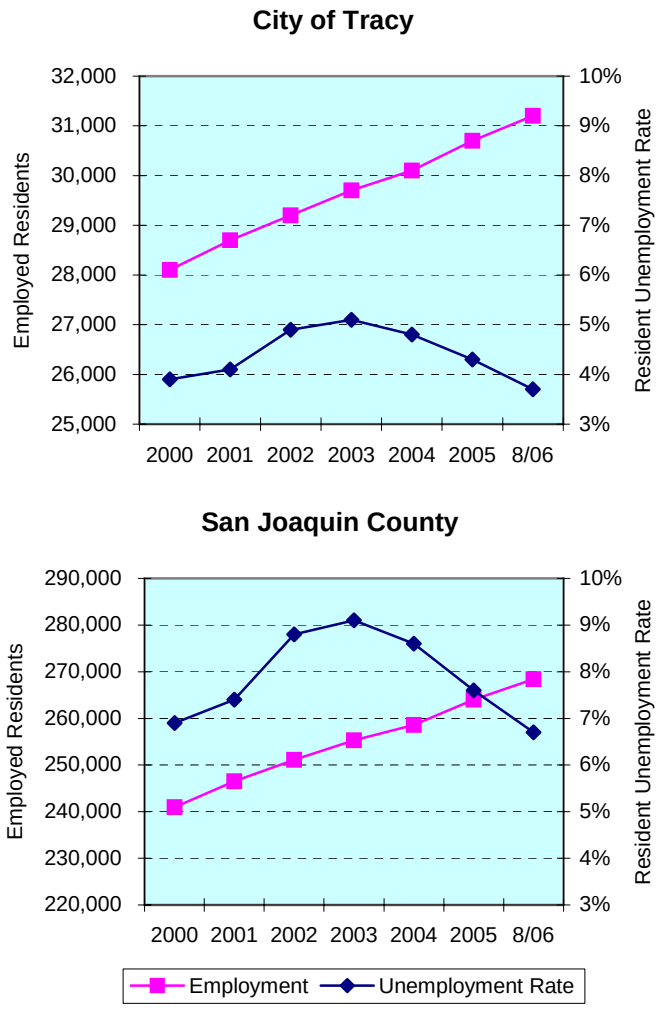
Sources: U.S. Census, 2000 SF3 and 2005 American Community Survey; Bay Area Economics, 2006.

Labor Force Trends

Tracy and San Joaquin County have shown sustained employment growth for their residents (see Figure 2), with Tracy's unemployment rate tracking below the county level. In 2000, unemployment rates in Tracy and the County were at 3.9 percent and 6.9 percent, respectively. By 2003, rates had increased to 5.1 percent in Tracy and 9.1 percent in the County, reflecting national trends. Subsequent to 2003, rates have dropped gradually, with unemployment in August 2006 at 3.7 percent in the City and 6.7 percent in the County. The lower rates in Tracy may be reflective of its lesser dependency on the seasonal agricultural sector (both growing and processing) that is still a large part of the county's overall economy.

Interestingly, throughout the period, total resident employment in Tracy and San Joaquin County increased every year, for a total increase between 2000 and 2005 of nine percent in Tracy and 10 percent in the County, even as the number of unemployed rose from 2000 through 2003. This indicates that the regional economy was still growing, but was not able to keep up with the growth in the labor force.

Figure 2: Employed Residents and Unemployment Rate



Data presented are for residents of the area by place of residence, not workers by place of work. Annual data are annual averages. August 2006 data are preliminary. For detailed data, see Appendix C.

Summary of Population and Economic Overview

For the Proposed Project, the Trade Area has been defined as the City of Tracy and surrounding areas, primarily the newly developing community of Mountain House. This definition is based on Tracy's relative isolation from other large population nodes, especially to the west and south, and by the location of nearby existing and planned Wal-Mart stores, on the presumption that Wal-Mart Supercenter shoppers will go to the closest Supercenter.

The Trade Area's population grew rapidly during the early part of this decade, from 63,924 in 2000 to 89,603 in 2006. However, future population growth is expected to be at a considerably slower pace, owing largely to the Growth Management Ordinance in Tracy. In 2008, the assumed opening date for the Proposed Project, the Trade Area population is projected to reach

nearly 94,000, with gradual growth to slightly below 99,000 by 2011. Trends in household growth are estimated to mirror population trends, with slightly under 28,000 households in 2006, growing to just over 29,000 households in 2008 and approximately 31,000 households in 2011.

The Trade Area can be characterized as consisting of "bedroom suburban" development, with approximately three-fourths of all households being families and a similar proportion of households as owners. This is a higher proportion of families or owners than statewide.

Tracy and the Trade Area both have considerably higher median household incomes than San Joaquin County as a whole. The Census Bureau estimates that the 2005 median annual household income in Tracy was $70,643; in contrast, the median for the County was only $49,391.

Tracy and San Joaquin County have shown sustained employment growth for their residents, with Tracy's unemployment rate tracking below the county level. Since 2000, total resident employment in Tracy and San Joaquin County has increased every year. Reflecting national trends, Tracy and the County showed an increase in unemployment from 2000 to 2003, with a gradual decrease since 2003. As of August 2006, unemployment is estimated at 3.7 percent in the City and 6.7 percent in the County. The lower rates in Tracy reflect its more diverse residential occupational base, and lower dependence on the highly seasonal agricultural sector that is still a large part of the county's overall economy.

In summary, the demographic and economic data indicate that Tracy and the Trade Area have had the growth to sustain substantial retail growth over the last several years, with strong indicators for retail expenditures due to high ownership rates and high household incomes. However, future growth will be at a slower rate, somewhat constraining the growth in retail expenditures and demand for additional retail construction.

Retail Sales Analysis

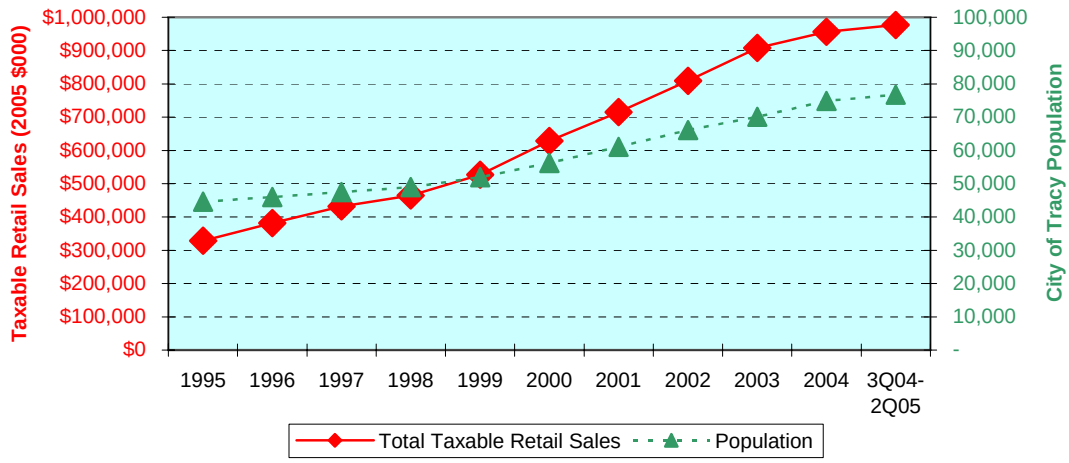
This section examines retail trends in Tracy and San Joaquin County, and then focuses on the key sector of food stores, examining the performance of supermarkets in the Trade Area. The performance of the overall general merchandise sector is also discussed.

Retail Trends in Tracy and San Joaquin County

As stated above in the population and economic overview, the Trade Area has undergone a period of rapid growth in population and the number of households, growth that will be slowing considerably in the next several years. Tracy and the Trade Area have high income levels relative to San Joaquin County as a whole, and the City and County employment base has continued to grow. The expanding population and economy are reflected in increases in retail sales and construction of several major retail centers since 1990 as the Tracy area has reached the "critical mass" necessary to support region-serving retail. The following section analyzes retail sales trends and conditions in Tracy and San Joaquin County, using published data on taxable sales from the California State Board of Equalization, the *1997 and 2002 Census of Retail Trade*, and unpublished and confidential data provided to BAE by the City of Tracy and other parties.

Overall Retail Sales. As shown in Figure 3, Tracy's retail sales have been climbing consistently since the mid-1990s, with retail sales growth outpacing population growth.[4] Taxable retail sales in 1995 were slightly below $329 million (in 2005 dollars), nearly tripling to $977 million in 2005, while population growth was only 72 percent during the same period.

Figure 3: Growth in Tracy's Taxable Retail Sales and Population, 1995-2005



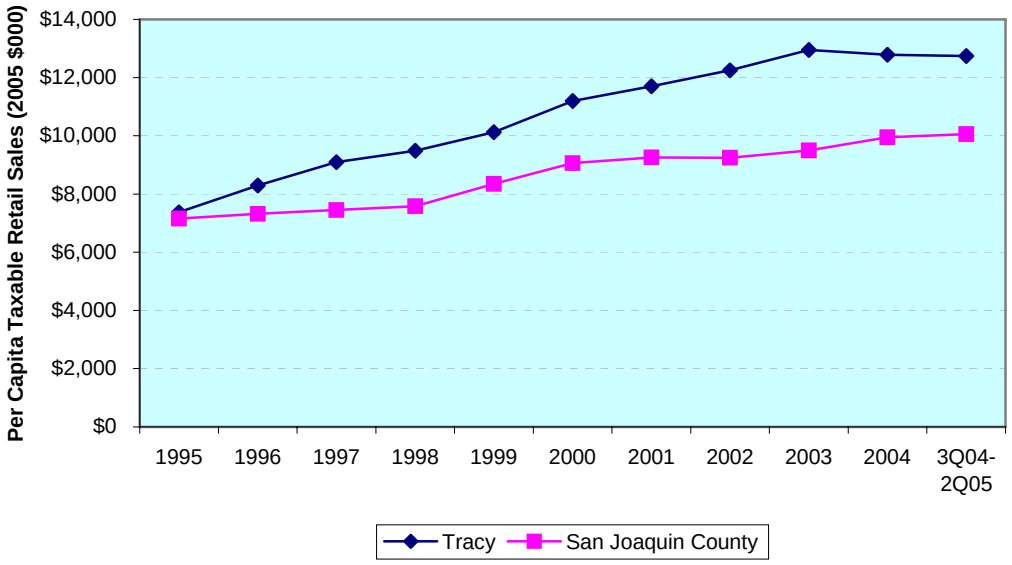
Notes: Population data from State Department of Finance. May vary from other sources. Sales here are taxable sales only, and exclude most food sales as well as prescription drugs and certain other items. Sales are presented in 2005 dollars. For details, see Appendix D.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; State Department of Finance; BAE, 2006.

[4] Nearly all of the retail outlets in the Trade Area are found in Tracy, so the retail trends for Tracy effectively represent retail trends for the entire Trade Area.

Per Capita Retail Sales. The rapid growth of retail and Tracy's rise as a region-serving center can be seen in the increase in per-capita sales over the same time period (see Figure 4). Tracy's inflation-adjusted annual per capita taxable sales rose 73 percent, from $7,370 in 1995 to $12,744 in 2005. In contrast, per capita taxable retail sales in San Joaquin County rose only 41 percent during the same period, from $7,156 to $10,058. While Tracy started the period with per capita sales only slightly higher than the County, by 2005 its per capita sales were over 25 percent higher than the County's, reflecting Tracy's rise as a regional shopping destination as well as the relatively high household incomes in Tracy and the Trade Area.

Figure 4: Annual Per Capita Taxable Retail Sales for Tracy and San Joaquin County, 1995-2005



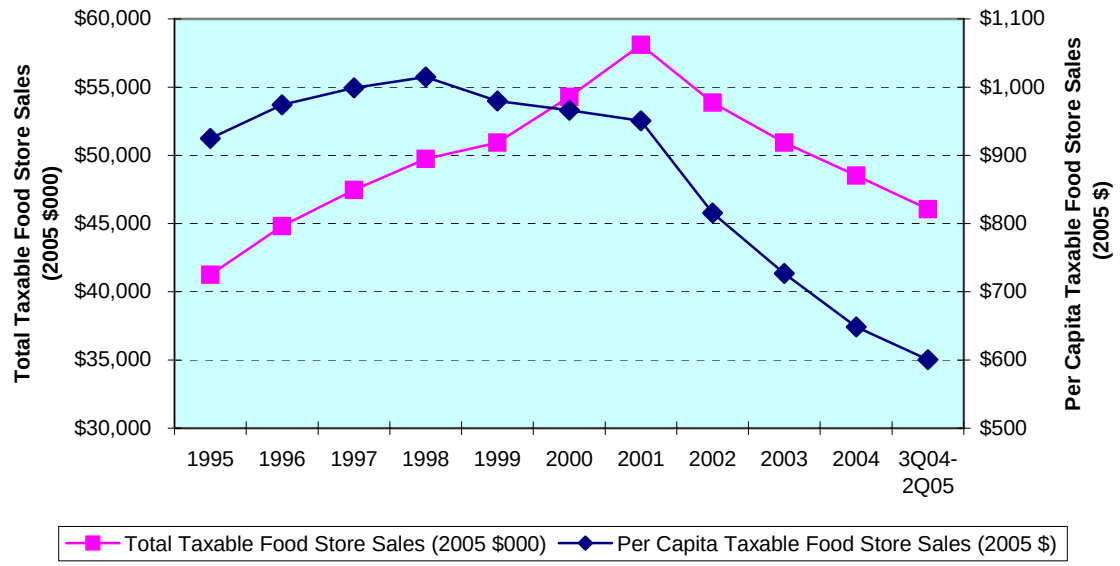
Notes: Population data from State Department of Finance. May vary from other sources. Sales here are taxable sales only, and exclude most food sales as well as prescription drugs and certain other items. Sales are presented in 2005 dollars. For details, see Appendix D.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; State Department of Finance; Bay Area Economics, 2006.

Food Store Sales. While overall taxable sales increased nearly 200 percent in Tracy between 1995 and 2005, overall taxable sales at food stores increased only 12 percent on an inflation adjusted basis, and per capita taxable sales actually decreased from $925 in 1995 to only $601 in 2005 (see Figure 5a). In fact, inflation-adjusted total taxable food stores sales have been declining since 2001 even though Tracy's population continued to increase. This trend is likely due to a shift in sales of taxable non-food items to other types of outlets as the retail options increased dramatically in Tracy through the decade. In 1995, supermarkets in Tracy may have supplied a higher than average proportion of sales of taxable household items (e.g., brooms, paper goods) because of the limited choices available in Tracy at the time. Today, these same items can be purchased at Wal-Mart and other stores that opened between 1995 and 2005 as Tracy matured

as a regional shopping destination. This is confirmed by an analysis of taxable vs. non-taxable food store sales in Tracy, as discussed below.

Figure 5a: Food Store Taxable Sales Trends for Tracy, 1995-2005



Notes: Population data from State Department of Finance. May vary from other sources. Sales here are taxable sales only, and exclude most food sales as well as prescription drugs and certain other items. Sales are presented in 2005 dollars. For details, see Appendix D.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; State Department of Finance; Bay Area Economics, 2006.

Taxable vs. Non-Taxable Sales in Food Stores. One difficulty in quantifying food store sales is that in California, the annual data are only available for taxable items, and food items are for the most part non-taxable. In analyzing total sales, it becomes necessary to estimate the percentage of a supermarket's sales that are non-taxable. One way to do this is to compare the taxable sales data with data from the Economics Census, which includes all sales. As shown in Table 6, this data source is available at five-year intervals, with the most recent data from 1997 and 2002.

At 43 percent, Tracy showed a comparatively high proportion of taxable sales in food stores in 1997. Comparatively, San Joaquin County and California show 37 and 33 percent of sales as taxable sales, respectively. By 2002, the proportion of taxable sales in Tracy food stores had fallen to 37 percent, while the County and State proportions showed much smaller declines.

This analysis confirms the decline in per capita taxable food store sales as general merchandise shopping options have increased in the last several years, with the proportion of taxable sales for supermarkets in Tracy converging on the County and State values. Confidential data provided by other sources confirms that the proportion of taxable sales in supermarkets in Tracy has declined toward the County and State benchmarks.

Table 6: Comparison of Taxable Food Store Sales with Total Food Store Sales

Retail Sales in 1997, in $000 (a)	All Sales - Economic Census	Taxable Sales - State Board of Equalization	Taxable Sales as Percent of Total
Tracy			
Food and beverage/ All food stores (b)	**$87,777**	**$37,607**	**43%**
San Joaquin County			
Food and beverage/ All food stores (b)	**$709,442**	**$264,358**	**37%**
State of California			
Food and beverage/ All food stores (b)	**$48,767,273**	**$15,924,286**	**33%**

Retail Sales in 2002, in $000 (a)	All Sales - Economic Census	Taxable Sales - State Board of Equalization	Taxable Sales as Percent of Total
Tracy			
Food and beverage/ All food stores (b)	**$133,569**	**$49,497**	**37%**
San Joaquin County			
Food and beverage/ All food stores (b)	**$994,541**	**$353,959**	**36%**
State of California			
Food and beverage/ All food stores (b)	**$60,243,253**	**$18,951,412**	**31%**

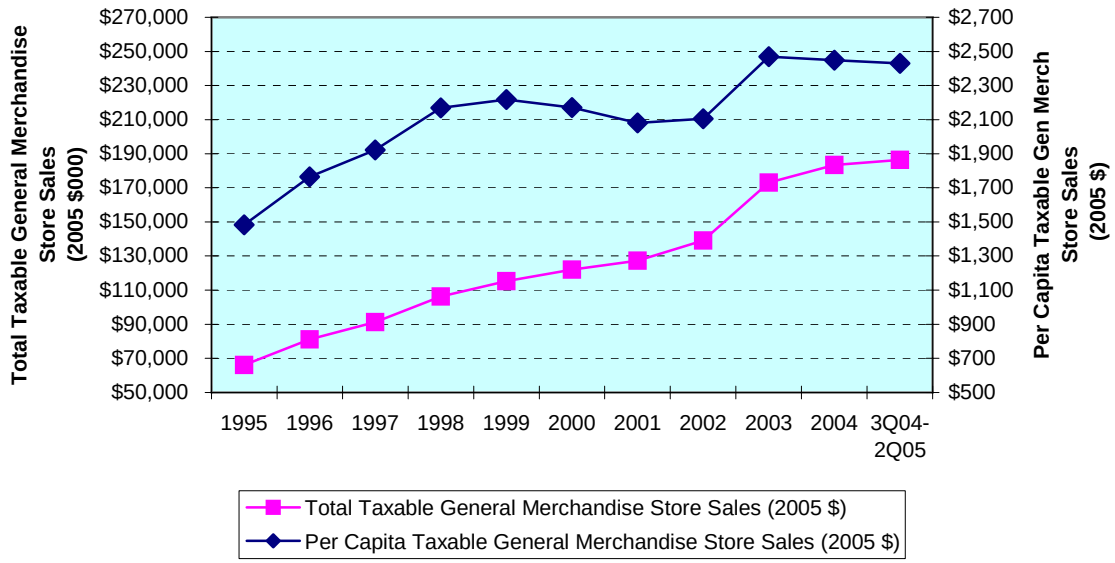
(a) Sales expressed in nominal dollars, i.e., not inflated.
(b) Food and beverage is category name from Economic Census; All food stores is category name from State Board of Equalization. Due to differences in classification systems, these categories may describe slightly different universes.

Sources: 1997 and 2002 Economic Census; CA State Board of Equalization; BAE, 2006.

General Merchandise Store Sales. As shown in Figure 5b, inflation-adjusted general merchandise taxable sales increased at a considerably higher rate than population in Tracy between 1995 and 2005 (182 percent vs. 73 percent), another indicator of Tracy's increasing importance as a regional shopping destination. The jump from 2002 to 2003 following the opening of Costco in September 2002 is especially noteworthy, with annual taxable sales jumping over $34 million (inflation-adjusted 2005 dollars).

Per capita general merchandise store sales increased 64 percent. Countywide, the growth in total and per capita general merchandise sales, at only 50 percent, was slower, and general merchandise sales growth was only slightly ahead of the population growth of 41 percent (see Appendix D). This is another indicator that Tracy was capturing a larger share of general merchandise sales as it increased its power as a region-serving retail node.

Figure 5b: General Merchandise Store Taxable Sales Trends for Tracy, 1995-2005



Notes: Population data from State Department of Finance. May vary from other sources. Sales here are taxable sales only, and exclude most food sales as well as prescription drugs and certain other items. For details, see Appendix D.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; State Department of Finance; Bay Area Economics, 2006.

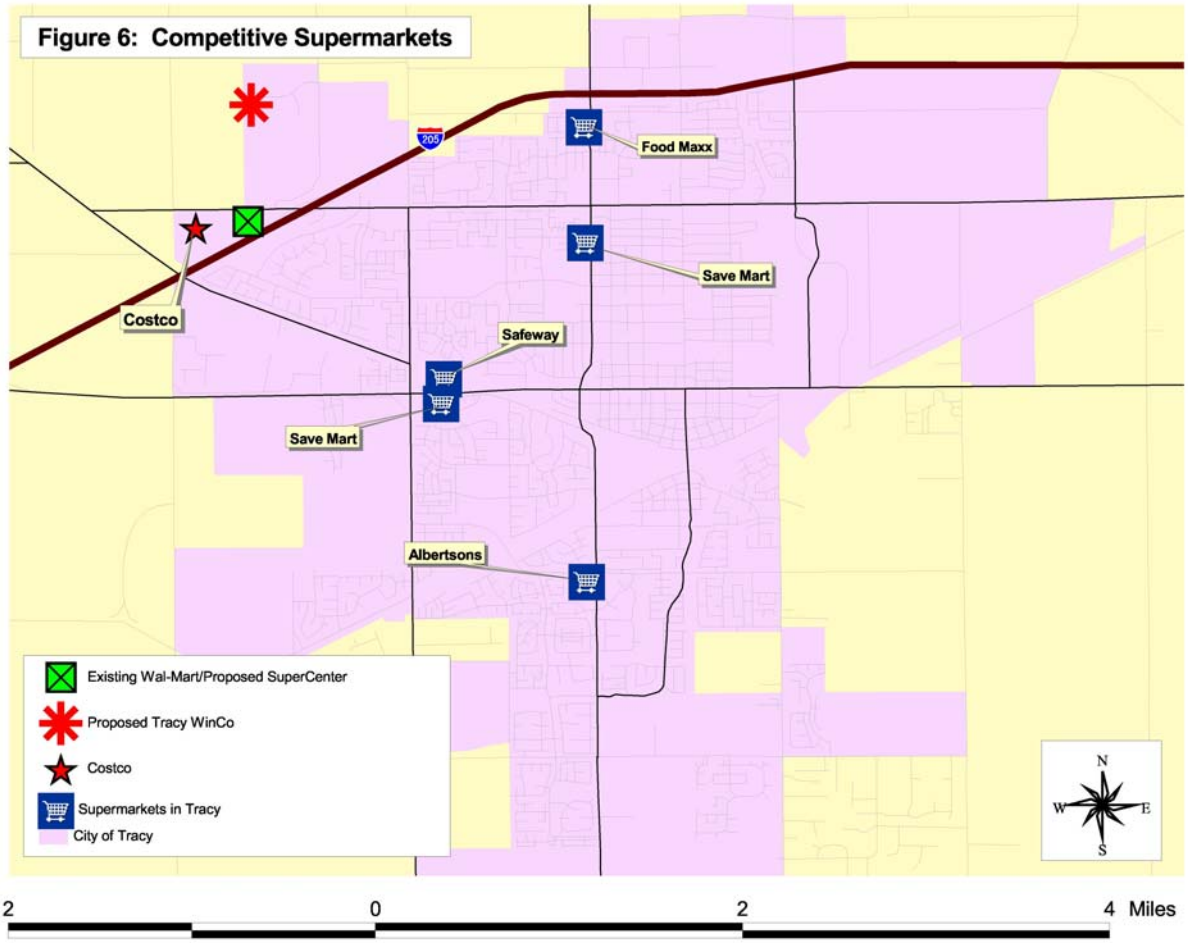
Inventory of Competitive Supermarket Outlets

The proposed Wal-Mart expansion consists in large part of space equivalent to a large-format supermarket; the principal competitors for this space will be other supermarkets. Other smaller food stores such as small ethnic markets and convenience stores and other outlets are assumed to have a level of sales that already accounts for supermarket-type competition; an additional large supermarket is unlikely to draw a substantial number of shoppers away from these small stores, which survive by focusing on a different market niche than major supermarkets, such as convenience or specialty goods.

The Trade Area is currently served by five major supermarkets and a Costco, as shown in Figure 6. All of these competitors are in the City of Tracy itself, there are no supermarket competitors in the remainder of the Trade Area, and supermarkets outside the Trade Area are far enough distant that impacts should be insignificant. There are no additional supermarkets of more than 25,000 square feet or more in the Trade Area at this time. The existing Grocery Outlet is estimated to be less than 25,000 square feet in size, and does not function as a full-service supermarket, but fills a market niche for deeply discounted grocery, household and health and

beauty care products, focusing on selling seconds, overruns, and closed-out items.[5] The five stores and the Costco (excluding the Grocery Outlet) total approximately 332,000 square feet.[6]

Following Figure 6 are brief descriptions of each of these stores. Additional detail can be found in Appendix E.



[5] The recently opened Smart & Final has also been excluded from the analysis, due to its small size and focus on bulk goods packaged for institutional use rather than everyday shopping needs. Inclusion of this particular small outlet in any case would not materially affect the findings of this analysis; it is a smaller, non-anchor tenant.

[6] This includes only the portion of Costco devoted to grocery items. See Appendix E for details. It should also be noted that not only is the square footage of other stores such as Grocery Outlet excluded from the analysis, the sales for other outlets are also excluded. Hence, if additional outlets are considered, both the square footage and the sales should be included. Furthermore, inclusion of additional outlets would effectively dilute the estimated impacts, spreading them among more competitors. In that sense, this analysis is conservative.

Albertsons. Located in the south part of Tracy at 875 South Tracy Boulevard, Albertsons opened in 1997. The store is the largest supermarket in Tracy, at 70,329 square feet. Offerings include a drive-through pharmacy, a bakery and deli, a half-hour photo shop, and a Bank of America branch. The store is open 24 hours a day seven days a week. The other major anchor of the center is a Blockbuster Video; there are several other smaller shops. In 2006, the Albertsons chain was sold off and split up, with the Northern California stores purchased by Albertsons, LLC, a private investment partnership headed by the Cerberus Capital Group. They almost immediately closed a number of stores in the region, and the remaining 132 Albertsons stores in northern California have since been acquired by Save Mart.[7] Albertsons declined to respond to BAE requests regarding potential impacts of the Wal-Mart Supercenter and WinCo proposals.

Food Maxx. This store is located in the Tracy Corners shopping center at 3225 North Tracy Boulevard, a small distance south of Interstate 205 and north of Grant Line Road. This store is 47,662 square feet, in a full-service warehouse format offering low prices. Additional offerings are limited to a bakery. The store opened in 1991 as a Food 4 Less, and was sold to Save Mart and re-branded in early 2005, following BAE's original analysis in 2004. Other tenants in the center include Kragen Auto Parts, a furniture store, and several smaller tenants. The store is open 24 hours daily.

In 2004, the independent owner of Food 4 Less provided BAE with sales data indicating annual sales of approximately $25.2 million, or approximately $528 per square foot. After the release of the original Final EIR for WinCo in 2006, Save Mart reported annual sales of $493 per square foot, or approximately $23.5 million, in 2005 for the Food Maxx store.[8]

Safeway. Safeway is the newest supermarket in Tracy, opening their new store in the Regency Center at 1801 West 11th Street in 2002. Safeway is one of the largest supermarket chains in the United States, headquartered in Pleasanton, CA, with over 1,700 stores throughout the U.S. and Canada, and 267 in their Northern California Division.[9] Safeway has been actively upgrading stores to a more upscale "Lifestyle store" format, which is reported to have successfully increased sales at those stores. Based on data from the *2005 Annual Report*, sales average approximately $475 per square foot across the chain.

This Safeway store comprises 65,715 square feet of space and includes a bakery/deli, a floral department, prepared foods, a one hour photo, a pharmacy, a Starbucks, and a gas station. The store is open 24 hours a day. Other major anchors include Orchard Supply Hardware and Longs Drugs. Safeway did not respond to BAE inquiries. Site visits and confidential information provided by various sources indicate that this store has sales above the companywide average.[10]

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[7] "Save Mart Supermarkets Confirms Sale of Albertson's Northern California Division," Press Release, February 23, 2007, http://www.savemart.com/newscenter.php

[8] Retail Strategies Letter of June 20, 2006, to the Tracy City Council. See Exhibit E in that letter, Letter from Stephen Ackman, Controller for Save Mart Supermarkets, to Retail Strategies.

[9] Safeway, Inc. *2005 Annual Report*.

[10] Trade Dimensions, City of Tracy, and Joe Neri, former owner of the Tracy Food 4 Less.

Save Mart. In addition to Food Maxx, Save-Mart operates two stores under their own name in Tracy. Save Mart is a privately-held Modesto company operating approximately 120 stores (all in California, and concentrated in the Central Valley), under the Save Mart, S-Mart, and Food Maxx names.[11] As noted above, Save Mart recently acquired the Albertsons stores in northern California, roughly doubling the number of stores owned.

Their newer Tracy store opened in 2003 at 1950 West 11th Street, in a center across 11th Street from the new Safeway, after Safeway relocated across the street. This store is 56,097 square feet, the third largest supermarket in Tracy, and offers a deli, prepared foods, a floral department, a pharmacy, and an in-store Union Bank of California. The store is open 6:00 a.m. to midnight seven days a week. The center's other major anchor is a Walgreens. Save-Mart's other Tracy store is at 2005 North Tracy Boulevard in Gateway Plaza, and is a slightly smaller and older store with more limited offerings. The 49,129 square-foot store has been open since approximately 1990, and is also open 6:00 a.m. to midnight seven days a week. Save-Mart did not respond to BAE inquiries prior to the issuing of the Wal-Mart and WinCo Draft EIRs. Subsequent to closure of the comment period for the Draft EIRs and following first publication of the Final WinCo EIR, Save Mart reported sales data for these two stores. According to Save Mart, the 11th Street store had annual sales of $251 per square foot, totaling approximately $14.3 million during 2004, and the North Tracy Boulevard store had annual sales of $292 per square foot, or approximately $14.1 million.[12] These sales are below industry norms, particularly the 11th Street store. Based on these sales levels and Save Mart's reported $350 per square foot benchmark for profitability, these stores, especially the 11th Street store, could be at risk of closure regardless of Wal-Mart's expansion or WinCo's opening.

Costco. The other major retail food merchandiser in Tracy is Costco, a discount warehouse club selling groceries, typically in bulk quantities, and general merchandise to both businesses and individuals. Warehouse clubs occupy a special market niche, being used primarily for bulk purchases of food items rather than everyday needs. As such, it is not as directly competitive with Wal-Mart or WinCo as the supermarkets, but since it does meet a part of the consumer demand for groceries in Trade Area, it is included in the impacts analysis with the space devoted to groceries seen as meeting part of the demand for supermarket shopping. This 143,863 square-foot store is located in the Tracy Marketplace at 3250 W. Grant Line Rd., adjacent to Wal-Mart. The Tracy Costco opened in September 2002. Other major outlets in this center include Michael's, an art supply store, and Staples, an office supply outlet. Since this store is not devoted

[11] www.savemart.com, http://www.ciwmb.ca.gov/WRAP/search.asp?VW=APP&BIZID=2647&YEAR=2004&CNTY=

[12] See the Retail Strategies Letter of June 20, 2006 to the Tracy City Council. Inexplicably, the sales estimate for the West 11th Street store excludes pharmacy sales. Including this component might show a higher performance for the store than represented. For instance, according to the *2002 Economic Census, Retail Trade Product Line Sales*, for supermarkets that sold prescriptions, on average 8.1 percent of the store's total sales were from that source. If this factor is applied to the Save Mart estimate, total store sales would be nominally better, at an estimated $273 per square foot. Alternatively, the sales per square foot could be adjusted using a smaller footprint, factoring out the pharmacy area. However, to be conservative, the analysis in this report will use the number with pharmacy sales excluded, even though this underestimates total store sales.

entirely to food items, the total square footage is not used in calculating the total estimated grocery sales. Based on research regarding typical Costco sales, it is estimated that 30 percent of the store,[13] or slightly over 43,000 square feet of space, is devoted to food items. Sales per warehouse average $120 million annually, with sales per square foot averaging slightly under $900 in 2005.

Estimated Supermarket Sales at Existing Outlets

Using a variety of sources, BAE estimated total sales for the major competitive markets. The total estimated sales are then divided by square footage to provide estimates of average store performance based on sales per square foot under existing conditions and in the future. These measures of sales per square foot can then be used to evaluate overall market performance relative to industry benchmarks. Individual store performance may vary, with some stores doing considerably better than the community average, and some doing worse; to the extent possible given data source limitations, individual store performance is also considered. It should also be noted that industry benchmarks are not an indicator of the level of profitability of individual stores; some stores might be profitable at a lower sales level, while others may require higher market support. Additionally, retail operators have varying standards regarding satisfactory store performance. Other factors taken into consideration include percentage of food store sales derived from supermarkets, as well as local trends in per capita food store sales. BAE has based its estimate of current supermarket sales on several sources, including published and unpublished taxable sales data, the Census of Retail Trade, data self-reported by supermarket operators in the Trade Area, and sales data from Trade Dimensions, a private vendor of retail store data.[14] The use of multiple data sources allowed for "triangulation" leading to additional accuracy in the estimates. The general level of sales activity for each store was also confirmed through site visits in 2004 and 2006.

Overall Supermarket Sales. BAE estimates 2006 "supermarket" sales in the six outlets described above to be approximately $155 million (2006 dollars, see Table 7).[15] These sales average $468 per square foot across all outlets. This overall average is above median industry benchmarks, as derived from Urban Land Institute's *Dollars & Cents of Shopping Centers: 2004*. ULI's most recent extensive national survey showed median annual supermarket sales per square

[13] For instance, see Costco *Annual Report 2005*, where food sales comprise slightly over 30 percent of total sales.

[14] BAE's use of individual store data from Trade Dimensions is covered by nondisclosure agreements.

[15] Contrary to assertions in the California Economic Research Associates June 20, 2006 report "Economic Analysis of a Proposed WinCo and Wal-Mart Expansion in Tracy, California" (the "CERA Report"), BAE's previous analysis in 2004 did not use 2002 as its baseline for sales. BAE obtained unpublished 2003 sales data from the City, applied a per capita sales estimate, and then inflated that estimated to 2004 dollars and then used the inflated per capita estimate to establish a 2004 baseline taking into account population growth. Furthermore, the estimated sales included only the major supermarkets as identified; adding stores to in the analysis to increase the square footage, as done in the CERA Report, would require also factoring in their sales, but this was not done in the CERA Report. While relying on updated population estimates for a redefined Trade Area and revised store sales and size estimates, the approach here is the same in BAE's previous analysis; the baseline year for the impacts analysis is 2006, and the baseline sales encompass only the major supermarkets as identified.

foot of $390 for all supermarkets in U.S. community shopping centers, with national chains performing slightly better with a median of $398, and local chains below the overall median at $358 per square foot.[16] The overall median has been inflated to 2006 dollars, for a benchmark of $419. The average sales per square foot are significantly above a minimum feasible level of $275 per square foot based on BAE's previous experience.

BAE has also calculated estimated sales in 2008, the assumed year for project opening, and for 2011, a few years after the assumed opening date, by which time the project is assumed to have reached stabilized sales.[17] Taking into account population growth, 2008 supermarket sales in these same outlets should reach approximately $163 million, for annual per square foot sales of $490. With no additional projects, and assuming constant per capita sales, by 2011 total sales would climb to $171 million and $516 per square foot.[18]

[16] While ULI publishes a median sales volume for supermarkets in the Western United States only, the sample size for all centers surveyed in the West is only 67, and not all of these may have supermarkets. Nationally, there are only 149 supermarkets in a sample of 364 centers. While the ratio for the West is not stated, a similar ratio would indicate that the sample of supermarkets for the region is less than 30 stores. This is an extremely small sample and has been judged inadequate for use as a benchmark.

[17] BAE's 2004 analysis included an estimate for 2025. This estimate has been deleted because of its highly speculative nature, due to additional projects not currently reasonably foreseeable, changes in land use controls, changes in the overall economy, and changes in consumer expenditure patterns (e.g., where consumers shop for certain types of goods).

[18] All future sales estimated in 2006 dollars.

Table 7: Estimated Sales at Existing Supermarkets in Trade Area

	2006	2008	2011
Trade Area Population (a) (b)	89,603	93,758	98,821
Per Capita Supermarket Sales (c)	$1,734	$1,734	$1,734
Estimated Supermarket Sales (d)	$155,372,000	$162,576,000	$171,356,000
Existing Supermarket Square Feet (e)	332,091	332,091	332,091
Average Annual Sales per Square Foot	$468	$490	$516
ULI Median, All Supermarkets (f)	$419		
Minimum Feasible Level (g)	$275		

(a) See Appendix B regarding source for population estimates.
(b) Trade area is constructed from 2000 Traffic Analysis Zones, as listed in Appendix A.
(c) Based on a number of sources, as discussed in the text; in some Rounded to nearest $000. Includes estimated Costco food sales, but excludes Grocery Outlet. 2005 estimates sales have been taken and adjusted taking into account population growth and inflation.

2005 Population	86,390	(a)
Estimated Supermarket Sales	$144,632,000	rounded to nearest $000
Per Capita Sales	$1,674	
CPI Adjustor to 2006	1.036	(h)
2006 Per Capita Sales	$1,734	rounded to nearest dollar

(d) This represents 2006 sales in 2006 dollars.
(e) From Appendix E.
(f) Urban Land Institute's Dollars & Cents of Shopping Centers: 2004. Median for all supermarkets in community shopping centers nationwide. Inflated from $390 to $419 using state CPI adjustor of 1.074
(g) Based on BAE's experience looking at individual store data for various market areas. It is extremely important to note that sales per square foot are related to a variety of factors, and are not directly an indicator of feasibility or profitability. Many operators would likely consider this level unacceptable and unprofitable given their cost structure.
(h) May 2006 California Consumer Price Index estimate, State Department of Finance.

Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics; City of Tracy; Save Mart; Trade Dimensions; CA State Dept. of Finance; San Joaquin Council of Governments; Urban Land Institute; Bay Area Economics, 2006.

Individual Store Performance. Estimates of sales per square foot from individual outlets indicate supermarkets in Tracy have sales ranging from numbers well below the national median to well above it. Based on information provided by the store operators (see discussion of individual stores above), the two Save Marts are performing significantly below the $468 average, while the Food Maxx is performing slightly above that average. In fact, the 11th Street Save Mart's performance, even without the Proposed Project open, indicates that this store has very weak sales of only $251 per square foot in 2004; at this level, the store might face closure even without additional competition.[19] The North Tracy Boulevard store is also underperforming, with 2004 sales reported at $292 per square foot. The Food Maxx is reported to have sales of $493 per square foot, based on 2005 data following its purchase by Save Mart.[20]

[19] In fact, in Exhibit E of the Retail Strategies Letter of June 20, 2006 to the City of Tracy, Save Mart reports that their "break even" rate for the Save Mart stores is $350 per square foot in annual sales. Since neither store is performing at anywhere near this rate, one could reasonably conclude that at least one of these stores is likely to close even if no new supermarkets are constructed in the Trade Area.

[20] During BAE's original research in 2004, the previous owner reported 2003 sales of approximately $527 per square foot. Thus this store's performance has apparently declined since its takeover by Save Mart.

Factoring out these three stores, two of them underperforming, indicates that the remaining outlets in the Trade Area are performing well above the $468 average. The available data in the aggregate and for the individual stores confirm this assumption of strong performance.

Summary of Retail Sales Analysis

The Trade Area has undergone a period of rapid population and household growth, and this has been reflected in retail sales trends. The Trade Area's population has reached a "critical mass" allowing the introduction of region-serving retail such as the West Valley Mall to Tracy, resulting in retail sales growth outpacing population growth, with a strong increase in per capita spending as Trade Area shoppers have a broader range of shopping opportunities locally.

The exception to these trends is taxable sales at food stores, which increased only 12 percent on an inflation adjusted basis between 1995 and 2005; per capita taxable sales actually decreased over the same period. This trend is likely due to a shift in sales of housewares, sundries, and other taxable items to other types of stores, such as Wal-Mart, as they entered the Tracy market. The proportion of taxable sales for supermarkets in Tracy appears to be converging on the County and State values. This is another indicator of Tracy maturing into a region-serving shopping destination.

Inflation-adjusted general merchandise taxable sales increased at considerably higher rate than population in Tracy between 1995 and 2005 (182 percent vs. 73 percent), another indicator of Tracy's increasing importance as a regional shopping destination. Per capita general merchandise store sales increased 64 percent. Slower growth countywide was another indicator that Tracy was capturing a larger share of general merchandise sales as it increased its power as a region-serving retail node.

The Trade Area is currently served by five major supermarkets and a Costco, all in Tracy; there are no significant competitors in the remainder of the Trade Area, and other supermarkets outside the Trade Area are far enough distant that impacts from the Proposed Project should be insignificant. There are no additional supermarkets of more than 25,000 square feet or more in the Trade Area at this time. The total square footage of these stores is approximately 332,000 square feet (including the portion of Costco devoted to food sales). The major competitors include Albertsons, Food 4 Less, Safeway, two Save-Marts, and Costco.

Based on a mix of confidential and published source data, 2006 supermarket sales in these outlets are estimated at approximately $155 million, for per square foot sales of $468 and per capita sales of $1,734. This overall average for sales per square foot is above median industry benchmarks, as derived from Urban Land Institute's *Dollars & Cents of Shopping Centers: 2004*. ULI's extensive national surveys show median annual supermarket sales per square foot of $390 for all supermarkets in U.S. community shopping centers, which would be $419 when inflated to 2006 dollars. It is also well above a minimum feasible threshold for supermarket sales per square foot. Assuming no additional projects, sales would continue to increase as the Trade Area population grows.

Estimates of sales per square foot from individual outlets indicate supermarkets in Tracy have sales ranging from numbers well below the national median to well above it. The two Save Marts

are reportedly performing significantly below the $468 average, while the Food Maxx is reported to be performing slightly above that average. In fact, the 11th Street Save Mart's performance, even without the Proposed Project open, indicates that this store has such weak sales that the store might face closure even without additional competition. Factoring out these three stores, two of them underperforming, indicates that the remaining outlets in the Trade Area are performing well above the $468 average both individually and as a group.

Impacts of Proposed Project on Existing Retail Outlets

Overview

This discussion provides estimates of total sales at existing supermarkets and Costco, under existing conditions, with the proposed Wal-Mart expansion and WinCo store in place, and with additional projects considered. The impacts of the Proposed Project alone are considered first, and then the potential cumulative impacts are discussed.

As noted above, the Supercenter supermarket-equivalent expansion's primary competition is other large supermarkets, so the analysis of its impacts is focused on these types of competitors rather than smaller stores that have already differentiated themselves from supermarkets in order to successfully compete in food store retailing. The impacts on these smaller stores are likely to be diffuse and limited. Furthermore, any impacts on scattered smaller stores are less likely to result in a "downward spiral" to prolonged store closures than the loss of the major anchor of a shopping center or district. The retail market responds regularly to scattered small vacancies as part of the normal business cycle, so vacancy of any smaller market is far less likely to lead to prolonged store closures.

The Wal-Mart expansion also includes additional general merchandise space. The potential impacts of this space are considered here. The analysis also looks cumulatively at additional under construction and reasonably foreseeable planned retail in the Trade Area. The analysis considers impacts in light of the Trade Area's ability to absorb additional retail space, including space that might be vacated due to the direct impacts of the project as well as cumulative impacts from WinCo and other proposed supermarkets.

In some retail impact analyses, the approach involves "leakage analysis," a quantitative analysis which shows types of retail where Trade Area shoppers might be shopping outside the Trade Area, based on a comparison of estimated consumer expenditures and retail sales in the Trade Area. That approach has not been used in this analysis for several reasons:

- First, it is assumed that for the convenience-oriented category of grocery purchases, the size of the Trade Area means that most residents will complete their grocery shopping inside the Trade Area. While region-serving stores such as Wal-Mart Supercenters and WinCo may attract shoppers from a greater distance than conventional supermarkets, the Trade Area is still large enough to encompass most local food purchases, and because of distance and the presence of existing and potential Supercenters and WinCos in communities outside but near the Trade Area, few grocery shoppers from elsewhere will be attracted to the Trade Area even by these proposed stores.

- Second, retail leakage models are subject to error due to the need to benchmark or correlate to more regional and national data sources that do not always accurately describe local conditions. In the case of food stores, a more conservative assumption is to assume that an area the size of the Trade Area is "in balance" with most local shoppers purchasing locally. The per capita benchmark for sales used in the analysis here is based primarily on the current estimated aggregate performance of the outlets listed as

competitive and thus by design excludes other existing outlets as part of the estimate of sales potential. Thus the analysis focuses clearly on these significant competitors rather than the whole universe of food stores, the remainder of which are not as directly competitive with the proposed Wal-Mart Supercenter additional grocery-store equivalent space.

- Third, while leakage models may tell you if an area has "leakages" or "injections" of retail sales for a given store category, it will not tell you whether there is a need for additional space. For instance, a city might be capturing more sales than predicted in the category of general merchandise stores but still have too many general merchandise stores, with resulting poor performance at some outlets. Conversely, an area might show leakage of sales, but an analysis of existing stores indicates that they are still underperforming – this scenario indicates that residents might still be going elsewhere to shop, due to higher-quality stores or a greater range of choices when comparison shopping.

Rather than relying on leakage analysis in analyzing supermarket impacts, this study assesses the actual performance of the competitive stores based on a variety of sources, comparing that to industry benchmarks, and looking at possible outcomes if additional retail space is added to the Trade Area. Total estimated sales are divided by square footage to provide estimates of average store performance based on sales per square foot under existing conditions and following the opening of the proposed new project. These measures of sales per square foot can then be used to evaluate store performance relative to industry benchmarks and current market performance.

Estimated Impacts of the Wal-Mart Expansion on Existing Supermarkets

Table 7 above shows estimated total sales for the major competitive markets, and average per square foot sales for these stores. The following analysis estimates the impacts of Wal-Mart's expansion into the grocery market, along with cumulative impacts from the proposed WinCo and other projects. The analysis in this section starts by examining aggregate store performance. One key assumption is that the proposed Wal-Mart supermarket-equivalent expansion's sales will primarily impact these supermarkets, their most direct competitors; to the extent that sales would be captured from other types of stores (e.g., Target, small neighborhood markets), this estimate may overstate the impacts on the supermarkets.[21] It is also possible that because Wal-Mart already has a Supercenter in Stockton and WinCo already has stores in Brentwood, Modesto, and Stockton, some pantry-loading shoppers from the Trade Area may already be using those stores, in which case the Wal-Mart expansion may recapture sales currently going outside the Trade Area. If this is the case, the following impact analysis may also overstate the impacts on the supermarkets and Costco.

[21] One issue that is sometimes raised regarding big box stores is the potential impacts on a downtown area. Downtown Tracy, however, has no major supermarket; the smaller food stores have already adjusted to the market reality of large-format supermarkets by shifting to a different market niche (e.g., ethnic market), so it is reasonable to assume that another supermarket-type store should not significantly impact such a store. The remainder of Downtown's retail is in niche types not directly competitive with WinCo or the Wal-Mart expansion, so impacts should be negligible. Furthermore, BAE's tour of the area revealed limited vacancies and no urban decay.

It should also be noted that the Trade Area growth in population will be gradual, while growth in retail space such as supermarkets, is "lumpy," with a new store opening typically adding 50,000 square feet or more to the Trade Area. As a result, any new addition of supermarket space will have a short term impact on sales at existing stores, with the impact mitigated over time as population growth continues.

Overall Impacts. If this store opens as projected in 2008, average annual sales per square foot at Tracy's existing supermarkets would decline from current levels by an estimated 12 percent to $412, slightly below the ULI-derived industry median (see Table 8). By 2011, annual sales per square foot are estimated to recover to $438.

Table 8: Impacts of Wal-Mart Expansion on Sales at Existing Supermarkets in Trade Area

	No Supercenter	Supercenter	
	2006	2008	2011
Trade Area Population (a)	89,603	93,758	98,821
Supermarket Sales Potential (a) (b)	$155,372,000	$162,576,000	$171,356,000
Existing Supermarket Square Feet (a)	332,091	332,091	332,091
Wal-Mart Supermarket Space (c)		55,192	55,192
Estimated Supermarket Sales in Wal-Mart (d)		$25,756,000	$25,756,000
Sales in Existing Outlets		$136,820,000	$145,600,000
Average Annual Sales per Square Foot at Existing Stores	**$468**	**$412**	**$438**
Percent Change from Existing, 2006		**-12%**	**-6%**
Sales per Square Foot in Wal-Mart Supermarket Space (e)		$467	$467
ULI Median, All Supermarkets (f)	$419		
Minimum Feasible Level (g)	$275		

(a) From Table 7.
(b) All estimates throughout table in 2006 dollars. Rounded to nearest $000.
(c) Size estimate from City of Tracy.
(d) Rounded to nearest $000.
(e) Sales per square foot assumed to match area supermarket average for given year, or Wal-Mart chainwide national average, or Wal-Mart grocery sales average as derived from Progressive Grocer, whichever is greater.

Wal-Mart national average, sales per square foot:	$440	derived from 2006 Annual Report
Wal-Mart groceries average:	$467	from Appendix G

(f) See explanation, Table 7.
(g) See explanation, Table 7.

Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics; City of Tracy; Save Mart; Trade Dimensions; CA State Dept. of Finance; San Joaquin Council of Governments; Urban Land Institute; Progressive Grocer Wal-Mart 2006 Annual Report; Bay Area Economics, 2006.

Individual Store Impacts. It is likely that any impacts would be greater on those stores targeting a similar niche in the market. The Food Maxx is the store most targeted toward discount shoppers in the Trade Area; this store is in North Tracy, relatively close to Wal-Mart. Supercenter grocery departments, though, resemble regular supermarkets more than warehouse stores in layout. As a result, this store is likely to be competitive across the full range of supermarkets in Tracy, especially if they have a "generic" feel rather than a focus on more upscale shoppers (e.g., Safeway "Lifestyle" store concept). While Costco offers bulk items, it caters to a somewhat different target market than a Supercenter, which rather than focusing on

bulk packaging of specific items, offers a product mix more like a traditional supermarket. BAE staff has toured existing Supercenters in Stockton, Gilroy, and in other states, and found that Wal-Mart does carry some items packaged for bulk shoppers and pantry loaders, so it would also likely compete with the Costco to a greater extent than the remaining conventional supermarkets in Tracy. With the Tracy Wal-Mart expansion occurring directly next door to Costco, the stores may make some adjustments in product mix to eliminate overlap and serve the market in a complementary fashion.

The Food Maxx may see significant impacts, but its sales are at a relatively high per-square foot level, indicating that it may be able to absorb losses more than the two Save Marts, which are the weak performers among Tracy Supermarkets. Even with a loss of only 12 percent of sales based on the overall estimate percent change in 2008, the West 11th Street store would see sales decline to $12.4 million, or $221 per square foot, while the North Tracy Boulevard store would see a decline to $12.6 million, or $257 per square foot. While sales should recover somewhat by 2011, the levels for these stores are below the estimated minimum feasible level, and could place at least one of these stores at additional risk of closure.

Cumulative Impacts of Additional Supermarket Projects

Overview. Per CEQA, the cumulative analysis for the proposed project must take into account other reasonably foreseeable projects in the Trade Area or elsewhere that might, in combination with the Proposed Project, have significant cumulative impacts. The analysis here will include projects for which a complete application has been submitted up to May 15, 2007.

For the purposes of the analysis of impacts on supermarkets, the inventory of proposed projects considers directly competitive projects, i.e., other supermarkets or stores with a component that is functionally similar to a major supermarket. Other planned and proposed retail projects which might affect overall absorption of vacant spaces are considered below.

The other major proposal now before the City of Tracy is for a WinCo store, an extremely large-format supermarket of 95,900 square feet. This project has been approved, but is currently in litigation. Discussions with staff for the City of Tracy and San Joaquin County (which is the other jurisdiction governing portions of the Trade Area) indicated two additional projects with the potential to be considered in this cumulative analysis: a proposed 57,000 square-foot Raley's at Tracy Boulevard and Valpico Road in South Tracy, and an approximately 36,000 square-foot supermarket at the proposed Valpico Town Center at Valpico Road and MacArthur Drive. The Valpico Town Center received development approvals in June 2004, so is deemed reasonably foreseeable although no building permits have yet been sought. The Raley's application was also recently deemed complete.

Outside Tracy, there are no currently pending applications or approvals for retail projects with supermarkets. Mountain House reports that plans call for a supermarket in a "Village Center" once the housing unit count reaches a number between 3,000 and 4,000 housing units,[22] with

[22] According to San Joaquin County staff contacted (Gabe Karam), the threshold for the first supermarket in Mountain House is 3,000 units; according to Eric Teed-Bose of Trimark, the master developer, the threshold is 4,000 housing units.

approximately 1,500 units current completed. However, the potential approvals for the Wal-Mart expansion and WinCo may impact the regional market, creating a greater perceived risk for a supermarket in Mountain House and delaying interest from possible operators and construction for an undetermined period. Because of this, and per CEQA guidelines, the schedule and approval of any supermarket in Mountain House is deemed speculative and no Mountain House supermarkets are considered in this analysis.

The analysis of additional cumulative impacts on supermarkets thus considers the WinCo, the supermarket at the Valpico Town Center, and the Raley's as being reasonably foreseeable supermarkets. All other possible supermarkets (including those that only exist as designated future land uses in planning documents) are considered speculative.[23]

Overall Impacts. As indicated in Table 9, this cumulative impacts scenario assumes a total of 244,538 square feet of supermarket space is added to the existing 332,091 square feet, an increase of nearly 75 percent. Assuming all outlets are open in 2008, average annual sales at Tracy's existing supermarkets are estimated to decline by 52 percent to $226 per square foot annually, below the assumed minimum feasibility level of $275 per square foot. Recovery by 2011 is estimated to be to only $246 per square foot, still below that minimum feasibility level.

Individual Store Impacts. Like Wal-Mart, WinCo positions itself as a low-price supermarket alternative, but with a greater amount of items for bulk shoppers. BAE staff has visited existing WinCos in Eureka, Redding, Antelope, and Brentwood, and found that WinCo uses its very large size to carry a larger variety of items, not just a larger number of items, including some items packaged for bulk shoppers and pantry loaders, so it would also likely compete with the Costco as well as the remaining conventional supermarkets in Tracy. Both the Wal-Mart and WinCo target a more regional market than a typical supermarket in a community shopping center. The smaller market at Valpico Town Center and the Raley's are likely to be more local serving (although this could vary depending on the store format), and their impacts may be greatest on the other market located in south Tracy, Albertsons. Because of the complexity of the market with stores with slightly different but overlapping store formats, the discussion here assumes the proportional impacts are the same at each of the competitors.

With the overall percentage loss applied to each store, the 11th Street Save Mart would see sales decline to $130 per square foot in 2008, rebounding to $142 per square foot in 2011. Sales at the other Save Mart and Albertsons would also decline to below $200 per square foot and these other

[23] In addition to including space noted but deemed speculative here, one response to the previous BAE analysis, the CERA Report, contained a substantial calculation error overstating supermarket space in the Trade Area. In Table 4 of that report, the total inventory of existing and planned supermarket space in the (old) Trade Area is reported at approximately 1.46 million square feet. However, this table double counts all the existing space in Tracy and the WinCo and Wal-Mart expansion, so the actual total per their criteria should have been only 921,445 square feet. Without taking any other factors into account, this error alone renders most of their subsequent analysis of impacts highly inaccurate and misleading. The CERA Report inventory also assumes 200,000 square feet of supermarket space in Mountain House by 2009, even though there will not be enough residents to support that much space at that time, and elsewhere in their report even they concede that of the retail space in Mountain House, most "will not be built until after 2009."

stores would be at risk of closure. However, if any particular store closes, the existing sales would be reallocated among the remaining outlets. If the sales are reallocated, under a cumulative scenario average sales per square foot at existing stores will recover to between the ULI benchmark levels and current levels when the three existing stores which are the poorest performers are assumed to close. The stores with the weakest performance currently are the two Save Marts and the Albertsons. As discussed above, Food Maxx, which because of its positioning as a low cost supermarket may be more directly competitive to Wal-Mart and WinCo with respect to pricing, may see an impact greater than the average for all stores. While its sales are relatively strong, Save Mart indicates that Food Maxx has a "warehouse standard" for breakeven that is considerably higher than for its Save Mart-format stores. Because this store may be disproportionately impacted and because of a higher breakeven standard, it may also be at risk of closure.

But with two stores closed and the sales redistributed evenly among the remaining existing stores, the remaining Save Mart and Albertsons would still have 2008 sales below the $275 per square foot general benchmark. Thus an additional store might be at risk of closure. If the Albertsons were closed as it will be impacted by the proximity to Raley's and the Valpico Town Center store, the redistributed sales at the remaining existing stores would approach current levels, with all stores at or near $275 per square foot.

In conclusion, the cumulative impacts are likely to lead to the closure of one to three supermarkets in Tracy, with the poorly-performing 11th Street Save Mart, which is already at risk of closure due to its poor sales, the most likely candidate for closure. The other Save Mart, the Albertsons, and the Food Maxx are also at high risk of closure, but as sales shift in the market and the stores respond in their marketing efforts, it is not possible to state with any certainty which of these three additional stores is most at risk. It is also possible that one or more of the other supermarkets may not be built as planned due to the extremely competitive conditions in Tracy.

Table 9: Cumulative Supermarket Impacts

	2006	2008	2011
Trade Area Population (a)	89,603	93,758	98,821
Supermarket Sales Potential (a) (b)	$155,372,000	$162,576,000	$171,356,000
Existing Supermarket Square Feet (a)	332,091	332,091	332,091
Wal-Mart Expansion and WinCo (c)		151,092	151,092
Valpico Town Center Supermarket (c)		36,424	36,424
Red Maple Village Raley's (c)		57,022	57,022
Total Additional SF		244,538	244,538
Estimated Supermarket Sales in New Stores (d)		$87,583,000	$89,511,000
less Capture of Sales from New Stores	$155,372,000	$74,993,000	$81,845,000
Average Annual Sales per Square Foot at Existing Stores	**$468**	**$226**	**$246**
Percent Change from 2006		**-52%**	**-47%**
Sales per Square Foot in Wal-Mart Grocery Space and WinCo (e)		$440	$440
Sales per Square Foot in Other Planned Supermarkets (f)		$226	$246
ULI Median, All Supermarkets (g)	$419		
Minimum Feasible Level (h)	$275		

(a) From Table 7.
(b) All estimates throughout table in 2006 dollars. Rounded to nearest $000.
(c) Size estimates from City of Tracy. See previous table for Wal-Mart only. Includes only the portion of Wal-Mart expansion devoted to food items, as follows. Based on sales floor area devoted to grocery sales and grocery stockroom and ancillary areas from plans submitted to City of Tracy.

Grocery Sales	33,928
Grocery Stockroom & Ancillary Spaces	21,264
Total Wal-Mart "Supermarket" Space	55,192
Total WinCo	95,900

(d) Rounded to nearest $000.
(e) Sales per square foot assumed to match area supermarket average, or Wal-Mart national average, whichever is greater. This maximum assumed may be lower than for Wal-Mart only due to competitive effects of WinCo and Wal-Mart both being in operation.
(f) Since these other supermarkets are more like the existing supermarkets than WinCo or Wal-Mart's expansion, sales per square foot assumed to match area supermarket average.
(g) See explanation, Table 7.
(h) See explanation, Table 7.

Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics; City of Tracy; Save Mart; Trade Dimensions; CA State Dept. of Finance; San Joaquin Council of Governments; Urban Land Institute; Wal-Mart 2006 Annual Report; Bay Area Economics, 2006.

Estimated Impacts of Wal-Mart Expansion on Existing General Merchandise Outlets

Only 27,512 square feet of the Wal-Mart expansion will be devoted to non-grocery items. This is a relatively insignificant addition to the Trade Area inventory of general merchandise stores, which includes Wal-Mart, Target, and other major outlets in the region-serving retail concentration north of I-205. The impacts of this space are considered below in the estimate of future demand for retail space in the Trade Area, where the space is netted out of the increased demand for space through 2015; since the expansion consists of general merchandise space, it

may absorb demand across the broad spectrum of overall retail. The general merchandise portion of the expansion constitutes only seven percent of the total square feet of overall demand, while currently general merchandise stores account for 19 percent of taxable sales in Tracy. As a result, the additional general merchandise space should be absorbed without leading to store closures.

Cumulative Impacts of Additional Retail Space in the Trade Area

While the Proposed Project includes no additional retail space, the overall Trade Area includes additional proposed projects that may affect the overall ability of the market to absorb any vacancies caused by supermarket closures. Potential for prolonged closures could result from a general oversupply of retail space in the market due to supply outstripping demand.

Demand for New Retail Space in the Trade Area. Using sales data from Appendix D as a baseline, BAE has constructed an estimate of the annual demand for retail space in the Trade Area, as shown in Table 10. It is important to note that estimated demand for food store and automotive-related retail space is excluded from this estimate. All food store square footage has been excluded, not just supermarkets, effectively making the demand estimate even more conservative. It is estimated that the Trade Area can absorb approximately 390,000 square feet of retail space from 2006 through 2015.[24] Netting out the 27,512 square feet of additional general merchandise space in Wal-Mart to account for its absorption, leaves a net demand of slightly more than 360,000 square feet, or approximately 40,000 square feet annually.

[24] This analysis is additionally conservative in that it assumes growth in Tracy will continue at 150 units per annum through 2015; it is likely that the annual cap will increase to 600 units annually in 2012 or 2013 as long-term averages in the Growth Management Ordinance are reached.

Table 10: Calculation of Future Demand for New Retail Space in Trade Area

EXCLUDES DEMAND FOR FOOD STORES AND AUTO-RELATED RETAIL

2005	
Retail Sales (a)	$557,887,451
Trade Area Population (b)	86,390
Sales per capita	$6,458
Inflation factor to express per capita sales in 2006 $ (c)	1.036
2006	
Trade Area Population (b)	89,603
Sales per capita in 2006 $	$6,690
Estimated Retail Sales (d)	$599,467,199
2015	
Trade Area Population (b)	101,321
Sales per capita in 2006 $	$6,690
Estimated Retail Sales (d)	$677,863,644
Increase in Sales, 2006-2015	$119,976,192
Sales per Square Foot, All Stores (e)	$307.66
Estimated Total Additional Non-Food Store Retail Demand in Square Feet, 2006-2015	**389,966**
Less Wal-Mart General Merchandise Space	**(27,512)**
Net Demand	**362,454**

(a) From Appendix D. Sales in 2005 dollars. Includes only taxable sales in Tracy, thus to the extent there are sales in unincorporated areas (e.g., Mountain House) this is a conservative estimate of total sales in Trade Area. Excludes automotive sector, food stores, and service stations. Food store additional sales presumed to be absorbed by existing and planned supermarket space. As estimate makes no adjustment for non-taxable sales, e.g., prescription drugs and food items, this is likely a conservative estimate of total retail sales.
(b) From Table 1.
(c) From California Consumer Price Index.
(d) Population x per capita sales.
(e) Based on median sales per square foot for all stores in community shopping centers in the West, ULI Dollars & Cents of Shopping Centers, 2004. Sales have been inflated to 2006 dollars using the California State Consumer Price Index, as follows:

$286.46	Median per ULI
1.074	Inflation factor (see Table 7).
$307.66	Revised benchmark

Sources: U.S. Census Bureau; U.S. Bureau of Labor Statistics; City of Tracy; CA State Dept. of Finance; San Joaquin Council of Governments; Urban Land Institute; Bay Area Economics, 2006.

Cumulative Impacts of Additional Retail Space. The gross absorption estimate above in Table 10 does not take into account existing space that might be currently vacant and available, or additional space currently under construction or planned that might become available. To account for net absorption, this other space outside the Proposed Project must be considered in the analysis.

Current retail real estate conditions in Tracy are very strong, with new centers under construction and limited vacancy in existing spaces. BAE's tour of the City found few vacancies, an impression confirmed by conversations with City staff and retail brokers.[25] Thus, the market can be assumed to be at stabilized occupancy currently, with no significant existing vacancies.

In Appendix F, BAE has identified slightly more than 480,000 square feet of competitive retail space coming into the market, which excludes automotive-related retail and supermarkets, which have been considered separately above.

This square footage of competitive retail space is lower than the number cited in responses to the previous BAE analysis,[26] for a number of reasons:

1. First, based on recently built existing retail and planned retail not present at the time of BAE's initial study, the Trade Area has been resized to exclude River Islands. The Trade Area never included the two major projects in Lathrop cited in those responses (the Save Mart center and Lathrop Marketplace), but they are in fact likely to attract consumers from River Islands, especially from the early phases constructed closer to Lathrop than the retail concentrations in Tracy.

2. The definition of reasonably foreseeable used here does not include projects for which no application for development has been submitted and that are highly speculative at this time, e.g., "Village Centers" in Mountain House. Currently, some of the planned space included in the responses to BAE's initial study is little more than a designation on land use maps, although at some point in the future some of it may be built as Mountain House reaches the critical mass to support local-serving retail development. There is one 82,000 square foot project (without a supermarket) in Mountain House that appears to be moving toward application and reportedly it is undergoing design and has letters of intent from key tenants; however, as of May 15, 2007, no application for development has been submitted to the County, and it has therefore been excluded from the analysis.

3. Supermarkets have been excluded, because they are considered separately as the primary focus of the impact analysis. Automotive retail primarily demands specialized space, and as such comprises a separate retail submarket and has been excluded. However, it should be noted that auto supply stores, one segment of the retail market, could be suitable as tenants of conventional retail space. By excluding them, the analysis here is more conservative. In fact, as discussed below, a former Safeway space has been re-tenanted in part by an auto parts store and an auto service business.

[25] In 2004, in the course of its initial study, BAE contacted Chris Sill of Lee & Associates, a retail broker working in Tracy, handling leasing for five major centers in the City. At that time he described Tracy as a strong retail real estate market with continuing growth, and estimated the retail space occupancy rate to be well over 93 percent. Site visits indicate that retail vacancies are still low in Tracy.

[26] The CERA Report, the Retail Strategies Letter, and other responses to the EIR.

4. It does not include projects already built, since vacancies are currently low and there is no substantial overhang of existing space waiting to be absorbed.

This total is somewhat higher than the estimated net demand from 2006 through 2015 of about 360,000 square feet. Thus over this multiyear period, some retail space in the pipeline might not be absorbed. In fact, in a slackening market, some of the space, such as the additional square footage in the WinCo project (which is approximately matched to the "surplus" space), would likely not be constructed, or construction would be postponed. There is currently no active discussion of any proposal to construct this retail space along with the WinCo, but it has been included because it is part of an active project application.[27] The other possibility is that some existing retail space would leave the inventory, i.e., it would be taken over by a non-retail use, or it would be demolished and replaced with another land use.

In considering the overall impacts of the Proposed Project, the analysis of future available supply and absorption trends needs also to take into account space that might become available through closure of existing supermarkets. If not re-tenanted as a supermarket, this space could fall into the general inventory of available retail space, with potential use for other types of retail, or even non-retail uses. As stated above, the supermarket estimated to be at greatest risk of closure is the 11th Street Save Mart. Taking into account cumulative impacts of other projects, up to three stores may be at risk of closure; the other stores most at risk are the other Save Mart, the Albertsons and the Food Maxx. The Save Mart and the Food Maxx are roughly 50,000 square feet in size, and the Albertsons is approximately 70,000 square feet, so one to three total supermarket vacancies would add an additional 50,000 to 170,000 square feet to the potential retail inventory of approximately 480,000 square feet under construction or planned and proposed, leading to a total available inventory of approximately 530,000 to 650,000 square feet if all projects are built. This is about 170,000 to 290,000 square feet more than the estimated demand of 360,000 square feet through 2015. As a result, vacancies could increase in the Trade Area, making re-use of closed supermarkets in a reasonable period of time more difficult.

Potential for Re-tenanting of Vacant Retail Spaces in the Trade Area. Given the potential for retail vacancies as stated above, the next step is to assess the strength of the overall retail real estate market, to determine the ability of the market to absorb vacancies through existing demand or future growth in demand. If the market is strong, long-term vacancies are less likely and the chain of events will end at reuse of the vacant spaces rather than long term vacancies with the potential to lead to prolonged store closures. At the time of BAE's site visits in 2004 and 2006, there were no large vacant retail properties in the Trade Area, indicating that the market is currently in equilibrium, with no need to absorb significant amounts of existing retail space.[28]

[27] In fact, there is a potential proposal for 81,000 square feet of office rather than 141,130 square feet of retail on the Northern Parcel; this proposal is currently deemed incomplete pending the approval of the rezoning for the entire Proposed Project site. If this proposal for office rather than retail space comes to pass, the total square footage of planned and proposed space would be below the net estimated demand through 2015.

[28] Because of the nearly complete lack of existing retail space in Mountain House or elsewhere in the Trade Area outside Tracy, this discussion regarding reuse of vacant retail space focuses on Tracy.

BAE's tour of the City found few vacancies, and no evidence of significant physical deterioration, an observation confirmed by conversations with City staff and retail brokers.

Even in a historically growing market such as Tracy, existing retail space is vacated due to functional obsolescence or the general cycle of retail closures and openings over time. For instance, the trend in the supermarket industry has been toward larger stores and consolidation, and in Tracy, several previous grocery stores and other anchor tenants have vacated their spaces either due to closure or relocation to a larger store. However, because of Tracy's growth and the demand for additional retail, these spaces have all been re-tenanted successfully. Table 11 shows these former stores, as well as current tenants.

These sites have been reused by a variety of tenants, including new food store tenants and non-retail uses. In some cases spaces have been subdivided. One center, the Westgate Plaza, saw turnover for two major tenants in short order. This center lost both its grocery anchor, Save Mart, and its drug anchor, Longs, several years ago. The Longs relocated to the Regency Center with the new Safeway, and the Save Mart took over the vacated former Safeway space on 11th Street across from the Regency Center. In Westgate Plaza, a 99 Cent Store occupies the former Save Mart. The vacated Longs space took over three years to fully re-tenant, with Autozone occupying approximately one-third of the space and the recently opened Smart & Final occupying the remainder. During the three-year period where at least some portion of the former Longs space remained vacant, the property was maintained and kept from physical decline as the owner sought new tenants. All these examples indicate that, historically, larger spaces in Tracy have been re-tenanted successfully without major loss of additional tenants or physical deterioration, even in cases of multiyear vacancies.

Another indicator of the type of user that might occupy a vacated supermarket space is indicated by the recent announcement by Ross Stores, an off-price retailer (primarily of apparel) that they were going to purchase 46 sites vacated recently by Albertsons following the chain's split between two ownership entities. Although the specific sites have not been announced, many of them are likely to be in northern California where a high proportion of these closures by one of the new owners occurred. Ross already has a store in Tracy; this is just an indicator of one type of potential reuse for vacated supermarkets.[29]

[29] "Ross Stores to buy 46 Albertsons stores," RetailingToday.com, October 10, 2006, www.retailingtoday.com/story.cfm?ID=83480MIM

Table 11: Retenanted Retail Anchor Spaces in Tracy

Former Store	Closing Date (a)	Current Tenants	Location
Centromart	Early 1990s	Grocery Outlet	11th St & Tracy Blvd.
Safeway	mid 1980s	Brake Masters Kragen Auto Parts	12th St & Tracy Blvd.
Fairmart	early 1990s	In-Shape Sports Club	11th St & Parker Ave.
Don Quick Market	1989	World Gym	East St. & Grant Line Rd.
Lucky	1997	Tracy Furniture	Clover & Tracy Blvd.
Save Mart	2003	99 Cent Store	11th St & Lincoln Blvd.
Longs	2002	Autozone Smart & Final	11th St & Lincoln Blvd.
Safeway	2002	Save Mart	1801 West 11th St
Kmart	1997	Ace Hardware Big Lots Factory 2-U	2681 North Tracy Blvd

(a) Closure dates are approximate

Sources: City of Tracy; Bay Area Economics, 2006

As noted above, in 2004 BAE contacted Chris Sill, of Lee & Associates, a retail broker working in Tracy and familiar with local conditions. At that time, he stated that if one of the large supermarkets went out of business, it would be more challenging to re-tenant their space than smaller spaces, but that the space would not be impossible to lease. He suggested as possible tenants another grocery store, a furniture store, or discount store. He stated that it might be necessary to subdivide the space (as happened with the former Kmart and Longs spaces) to attract tenants. However, more recently, Mr. Sill submitted a letter of clarification to the City stating that the larger spaces represented by Save Mart and Food Maxx could be more difficult to re-tenant than previously vacated supermarket spaces, and that most large retailers were gravitating toward the region-serving cluster off of I-205.[30] He also states that the loss of an anchor supermarket could lead to the loss of other tenants in the center. He thus reiterates and emphasizes his position that these spaces would be challenging to re-tenant, and states that it "could take a long time to fill the space." While not asserting that a vacant supermarket would be impossible to re-tenant, he seems to be taking a more cautionary stance regarding reuse of large supermarket spaces.

BAE also contacted Jeff Brotman of Brotman Commercial Real Estate Services, another broker listing retail space in Tracy, as it prepared this revised report. Mr. Brotman described Tracy's real estate market as strong, with potential for additional national tenants in the market if space

[30] June 20, 2006 Letter to City of Tracy, Chris Sill, Lee & Associates.

were available. He stated that re-tenanting a vacated supermarket space would not be difficult due to the lack of other "second and third generation" space available for tenants not seeking or able to afford the newer centers with their higher rents.

However, as indicated above, the combination of Tracy's growth limits, additional new space coming into the market and vacated space due to supermarket closures, might lead to an oversupply of space that would take several years to absorb.

Summary of Retail Impacts Analysis

If the Wal-Mart store opens as projected in 2008, and no other project is built (e.g., WinCo), average annual sales per square foot at Tracy's existing supermarkets would decline from current levels by an estimated 12 percent to $412 (2006 dollars), only slightly below the ULI-derived industry median. Sales per square foot would recover to an estimated $438 annually in 2011.

It is likely that any impacts would be greater on those stores targeting a similar niche in the market. The Food Maxx is the store most targeted toward discount shoppers in the Trade Area; this store is in North Tracy, relatively close to Wal-Mart. Supercenter grocery departments, though, resemble regular supermarkets more than warehouse stores in layout. As a result, this store is likely to be competitive across the full range of supermarkets in Tracy, including the two Save Marts that have poor sales currently. The Food Maxx may see significant impacts, but its sales are at a relatively high per-square foot level, indicating that it may be able to absorb losses more than the two Save Marts, which are the weak performers among Tracy Supermarkets and already at risk of closure. Even with a loss of only 12 percent of sales proportional to the overall loss in 2008, the West 11th Street store would see sales decline to $221 per square foot, while the North Tracy Boulevard store would see a decline to $257 per square foot. While sales should recover somewhat by 2011, the levels for these stores are below the estimated minimum feasible level, and the sales levels could place at least one of these stores at additional risk of closure.

The other major supermarket proposal in the City of Tracy is for a WinCo supermarket, an extremely large-format supermarket of 95,900 square feet. This project has been approved by the City, but is currently subject to litigation. Discussions with staff for the City of Tracy and San Joaquin County indicate that the only other proposed supermarkets in the Trade Area with active proposals are an unnamed market at the proposed Valpico Town Center and a Raley's at the proposed Red Maple Village. All other possible supermarkets (including those that only exist as designated future land uses in planning documents) are considered speculative.

This cumulative impacts scenario assumes an increase of nearly 75 percent in total supermarket square footage in the Trade Area. Assuming all outlets are open in 2008, average annual sales at Tracy's existing supermarkets are estimated to decline by 52 percent to $226 per square foot annually, well below the assumed minimum feasibility level of $275 per square foot. Recovery by 2011 is estimated to be to $246 per square foot, still below that minimum assumed feasibility level.

With the overall percentage loss applied to each store, the cumulative impacts are likely to lead to the closure of one to three supermarkets in Tracy, with the poorly-performing 11th Street Save Mart the most likely candidate for closure. However, if any particular store closes, the existing

sales would be reallocated among the remaining outlets. If the sales are reallocated, under a cumulative scenario average sales per square foot at existing stores will recover to between the ULI benchmark levels and current levels when the three existing stores which are the poorest performers are assumed to close. In addition to the 11th Street Save Mart the two stores with the weakest performance currently are the other Save Mart and the Albertsons. Additionally, Food Maxx, which because of its positioning as a low cost supermarket may be more directly competitive to Wal-Mart and WinCo with respect to pricing, may see an impact greater than the average for all stores. Because this store may be disproportionately impacted and because of a higher breakeven standard, it may be at risk of closure rather than the Albertsons or other Save Mart.

It is estimated that the Trade Area can absorb approximately 390,000 square feet of retail space from 2006 through 2015, excluding food retail and automotive-related retail. Netting out the 27,512 square feet of additional general merchandise space in Wal-Mart to account for its absorption, leaves a net demand of slightly more than 360,000 square feet, or approximately 40,000 square feet annually.

BAE has identified slightly more than 480,000 square feet of competitive retail space coming into the market, which excludes automotive-related retail and supermarkets, which have been considered separately above. Current retail real estate conditions in Tracy are very strong, with new centers under construction and limited vacancy in existing spaces. Thus, the market can be assumed to be at stabilized occupancy currently, with no significant existing vacancies to be absorbed.

Space that might become available through closure of existing supermarkets and not re-tenanted as a supermarket could end up in the general inventory of available retail space, with availability for other types of retail, or even non-retail uses. If one to three existing supermarkets closed due to the impacts of Wal-Mart's expansion or the cumulative impacts of all supermarket-related projects, approximately 50,000 to 170,000 additional square feet of vacant space would be added to the potential retail inventory, leading to a total available competitive inventory of approximately 530,000 to 650,000 square feet if all projects are built. This is about 170,000 to 290,000 square feet more than the estimated net demand of 360,000 square feet through 2015. Thus, while vacant retail spaces in the Trade Area, including closed supermarkets and other large stores, have in the past been re-used successfully, the combination of Tracy's growth limits, additional new space coming into the market, and vacated space due to supermarket closures might lead to an oversupply of space that would take several years to absorb.

Appendices

Appendix A: Wal-Mart Trade Area Traffic Analysis Zones

Traffic Analysis Zone	Traffic Analysis Zone
509	548
510	549
511	550
513	551
514	552
515	553
516	554
517	555
518	556
520	557
521	558
522	559
523	560
524	561
525	562
526	563
527	564
528	565
529	566
530	567
531	568
532	571
533	573
534	574
535	580
536	581
537	582
538	583
539	584
540	587
541	1037
542	1038
543	1039
544	1040
545	1041
546	1042
547	

Note: All Traffic Analysis Zones are located in San Joaquin County

Source: U.S. Census 2000; San Joaquin Council of Governments, 2004; Bay Area Economics, 2006.

Appendix B: Methodology for Population Estimates

As discussed in the previous version of this report, and as noted in the comments received in the EIR process for the Wal-Mart and WinCo proposals, many of the population estimates and projections available for Tracy and the Trade Area are problematic and potentially unreliable. This is due primarily to two underlying issues: first, the projections and estimates do not take into account Tracy's Measure A and the resulting slowing of growth in the City, particularly after projects that were already approved are built and the number of annual approvals declines to the 100 unit per year cap for market-rate units that will be in effect for several years; second, the projections do not take into account expected growth in unincorporated Mountain House and River Islands. Claritas, the major national vendor providing estimates of current population and five-year population projections, tends to trend out previous growth, with some examination of local data sources, as discussed in their methodology. As stated in *The Claritas Demographic Update Methodology*, Claritas does not just "straight line" their projections, but also reportedly takes into account current estimates from the U.S. Census, state demographers, and local sources:

> At the national, state, county, and place levels, total population and household estimates are based on estimates produced by the Census Bureau, and in some cases by state demographers. At the census tract and block group levels, change is estimated based on sources including local estimates, trends in USPS deliverable address counts, and trends in consumer counts from the Equifax TotalSource database.
>
> For 2005, national and state population estimates were based on Census Bureau estimates provided at those levels. County population estimates were based on Census Bureau county population estimates, combined with state-produced county estimates in selected states. Census tract and block group estimates were based on local estimates and post-2000 trends in USPS address counts and TotalSource consumer database households.[31]

In BAE's previous analysis, it became clear, however, that the population estimates and projections available from Claritas were not reliable for Tracy and the Trade Area.

The San Joaquin Council of Governments was the other source for population projections cited in BAE's previous analysis. However, as noted in BAE's analysis, the COG data published on their web site and available in 2004 did not take into account expected growth in unincorporated Mountain House and River Islands; in fact those same projections are still available on the COG web site,[32] even though they have been superseded by the more recent projections available in the County's Regional Transportation Plan (RTP),[33] which take into account planned growth in Mountain House and Lathrop.

Another source of local population estimates is the California State Department of Finance (DOF), which provides current estimates for incorporated places and counties, and projections at

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[31] Claritas' website, http://www.claritas.com/collateral/econnect/demomethodology05.pdf, accessed January 2006.

[32] As of September 10, 2006, see http://www.sjcog.org/sections/departments/planning/research/projections?table_id=140&section_id=36&historic=0

[33] See http://www.sjcog.org/files/uploaded/2004%20RTP%20chapter%2031.pdf, page 3-8.

the county level. However, DOF does not provide estimates for unincorporated subareas of counties (e.g., Mountain House). DOF considers actual unit completions and annexations[34] and thus their Tracy estimates should take into account recent "on-the-ground" shifts due to Measure A, and their County estimates should take into account the growth at Mountain House (as discussed in the body of the report, River Islands is not included as part of the Trade Area in this revised report). As shown in Appendix Table B-1, a comparison of COG numbers for 2005 found in the RTP and those from DOF seems to indicate that the COG numbers are likely to be underestimating the current population of Tracy, as well the County overall. For 2010, DOF does not provide a projection for the City, but the Tracy COG estimate appears to be more in line with likely growth given the current DOF population estimates for 2005 and 2006 and Tracy's Measure A constraining growth over the next several years. However, the COG projections for the County may be too low, given trends through 2006 countywide as indicated by DOF estimates.

The City of Tracy has also provided BAE with population estimates through 2010, using the January 1, 2006 population estimate from the California State Department of Finance (DOF) as a baseline and taking into account the City's Growth Management Ordinance and trends in construction of previously approved and exempt units. This estimate is also shown in Appendix Table B-1. It appears that while the COG may have underestimated the population of Tracy mid-decade, the estimates for 2010 may be too high.

Appendix Table B-1: Comparison of COG and DOF Population Estimates

	Population						
Area	**2000** (a)	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**
City of Tracy, DOF	56,929	78,516	80,461	----	----	----	----
City of Tracy, COG	56,929	70,541	----	----	----	----	85,845
City of Tracy, City	56,929	78,516 (b)	80,461 (b)	81,402	81,897	82,392	82,887
San Joaquin County, DOF	563,598	655,319	668,265	----	----	----	747,149 (c)
San Joaquin County, COG (d)	563,598	630,613	----	----	----	----	708,364

COG= San Joaquin Council of Governments
DOF=Californai State Department of Finance
(a) All 2000 numbers from U.S. Census.
(b) From DOF.
(c) From Report P-1, issued May 2004.
(d) From the estimates used in the Regional Transportation Plan.

Sources: 2000 U.S. Census; California State Department of Finance, 2006; San Joaquin County Council of Governments, 2004; City of Tracy, 2006; BAE, 2006.

One problem with these sources is that with the exception of Claritas, they do not provide subcounty estimates and projections, as would be necessary to estimate the Trade Area population

[34] For a discussion of DOF's methodology, see http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/Estimates/E5/E5-06/E-5text2.asp

including Mountain House or other unincorporated areas. To achieve this goal, BAE obtained the COG's unpublished estimates and projections of population and housing units by Traffic Analysis Zone as used for traffic modeling purposes.[35] Traffic Analysis Zones are small geographies specifically defined by the Census Bureau in cooperation with regional transportation planning agencies. These areas often follow Census Tract or Block Group boundaries, but are sometimes even smaller areas as needed for detailed traffic studies. As defined in San Joaquin County for the 2000 Census, there are 624 Traffic Analysis Zones in the County. These provide small enough areas to reasonably define the Trade Area without splitting the populations of any key portions of the Trade Area. For instance, Mountain House consists of three Traffic Analysis Zones. The entire Trade Area has been defined as 73 Traffic Analysis Zones, as listed in Appendix A. This small-geography dataset appears to be internally consistent with the COG's RTP projections by City.

As noted above, the COG data appear to understate Tracy's population in 2005, but overstate it in 2010. The other major population growth subarea of the Trade Area is Mountain House. However, an analysis of the COG data indicates discrepancies between the individual small-geography population estimates and the housing unit estimates. For Mountain House, the time series appears to understate population growth seriously (see Appendix Table B-2). The population increase does not keep pace with the housing unit increase, with household size calculations (especially for Mountain House), showing unrealistic declines in household size. Further analysis indicates that, at least for Mountain House, the housing unit counts are more in line with actual construction trends.[36] The master developer has reported growth at a rate of approximately 600 units per year,[37] and the COG estimates are for an average of 657 units annually between 2005 and 2010. BAE also contacted the San Joaquin County Community Development Department, which reported that from July 1, 2002 through June 30, 2006, 1,804 building permits had been issued in the Mountain House Community Services District.[38] In the most recent fiscal year (July through June), 806 permits were issued, far more than previous years, indicating that the pace of construction may be picking up. This pace of approximately 800 units annually would also mesh with the lower range of 20 years to buildout for the planned 16,000 total units. However, the analysis here uses the more conservative estimates from the COG.

[35] Obtained via e-mail from Lesley Miller, Regional Planner, San Joaquin County Council of Governments, on August 16, 2006.

[36] In a phone conversation on September 12, 2006, Kim Kloeb, Senior Regional Planner with the San Joaquin County Council of Governments, recommended that BAE use the COG housing unit counts and apply a household size factor to estimate population. That is the approach used here.

[37] See, for instance, "Mountain House gains a foothold," *Contra Costa Times*, June 12, 2006, http://www.contracostatimes.com/mld/cctimes/news/14798672.htm.

[38] Phone communication with Gabriel Karam, Development Manager, Mountain House Community Facilities District, San Joaquin County, August 17, 2006.

Appendix Table B-2: COG Population and Households for Mountain House and Trade Area

Area	Population 2000	2005	2010	2015
Mountain House				
Population	*375*	*1,958*	*4,976*	*8,818*
Housing Units	*115*	*1,461*	*4,746*	*7,310*
Calculated Household Size *(a)*	*3.26*	*1.34*	*1.05*	*1.21*
Trade Area				
Population	*63,924*	*78,852*	*95,633*	*113,889*
Housing Units	*20,424*	*26,415*	*34,597*	*42,045*
Calculated Household Size *(a)*	3.13	2.99	2.76	2.71

COG= San Joaquin Council of Governments
Based on the COG TAZ estimates
(a) This estimate presumes that all housing units are occupied. Since some units are always vacant, the calculation here likely understates actual household size. This calculation is shown here for illustrative purposes, to show how the population and housing unit estimates are problematic when considered together.

Sources: 2000 U.S. Census; San Joaquin County Council of Governments, 2004; BAE, 2006.

Because the COG housing unit counts seem to mesh better with current and expected trends, the population estimates used in this BAE report rely on those numbers as the baseline for population estimates for the Trade Area, rather than relying directly on the COG population estimates. However, an internal adjustment has been made for Tracy; this has been accomplished by subtracting out the City of Tracy housing unit count as estimated by the COG (RTP data) and then adding back in the more recent estimates provided to BAE by the City of Tracy. This methodology provides an estimate of total housing units in the Trade Area through 2015.

A vacancy factor is then applied to the total housing count to get an estimated number of households for the same time period. This is done using the 2000 data, which are from the U.S. Census. The number of households is then multiplied by average household size for the Trade Area to derive an estimated population. The average household size is calculated based on the total population per the 2000 Census divided by the total number of households.[39] This household size is then assumed to remain constant, and is applied to the estimated households to derive the estimates of Trade Area population through 2015.[40] The details and results of this analysis for projecting future population and households in the Trade Area are presented in Appendix Table B-3; the results of this table then feed into Table 1.

[39] Note that this will not exactly match any published household size data, since this population count does not factor out group quarters (i.e., non-household) population. There are no significant concentrations of group quarters populations in the area (e.g., in 2000, less than one percent of Tracy's population). The calculation here implicitly assumes this proportion will remain constant.

[40] The factors driving household and population growth and demand are exogenous and not dependent on looking at specific project approvals or applications. Unlike specific retail or commercial projects, this growth is reasonably foreseeable given regional demographic trends, within the constraints of land use designations, and does not depend on having project applications submitted or units already permitted and/or built.

Appendix Table B-3: Population Estimate Methodology for Trade Area

Housing Unit Estimate	Population 2000	2005	2006	2010	2015
Trade Area					
Housing Units COG TAZ Data *(a)*	*20,424*	*26,415*	*27,880 (b)*	*34,597*	*42,045*
less Tracy Housing Units, COG Data *(c)*	*-18,087*	*-22,987*	*-24,227 (b)*	*-29,896*	*-36,133*
plus Tracy Housing Units, City Estimate *(d)*	*18,087*	*24,174*	*24,976*	*25,711*	*26,461*
Revised Housing Unit Estimate	*20,424*	*27,602*	*28,628*	*30,412*	*32,373*
Households, Trade Area *(e)*	*19,818*				
Occupancy Factor *(f)*	*97.0%*	*97.0%*	*97.0%*	*97.0%*	*97.0%*
Estimated Households, Trade Area *(g)*	*19,818*	*26,783*	*27,779*	*29,510*	*31,412*
Population *(h)*	*63,924*				
Household Size *(i)*	*3.23*	*3.23*	*3.23*	*3.23*	*3.23*
Estimated Population, Trade Area *(j)*	*63,924*	*86,390*	*89,603*	*95,186*	*101,321*

COG= San Joaquin Council of Governments
(a) Based on the COG TAZ estimates. 2000 data from U.S. Census.
(b) Derived by BAE from 2005 and 2010 estimates; assumes a constant percentage rate of change from 2005 to 2010.
(c) Based on data in published Regional Transportation Plan (RTP).
(d) 2000, 2005, and 2006 data from DOF. 2010 estimate from City of Tracy, based on estimated housing unit increases per Growth Management Ordinance. See text of Appendix B for discussion. 2015 estimate is derived by assuming a continued 150 units annually through 2014. As the "cap" that restricts the number of units will likely increase to 600 sometime before 2015, this estimate is likely conservative.
(e) From Census Transportation Planning Package, Part 1 (CTPP). Derived from 2000 Census.
(f) Derived by dividing households in 2000 (i.e., occupied housing units) by total number of housing units in 2000. Assumed to remain constant.
(g) Revised Housing Unit Estimate times Occupancy Factor.
(h) From COG TAZ data; original source is CTPP.
(i) Total 2000 population divided by total 2000 households; assumed to remain constant.
(j) Estimated households times household size.

Sources: 2000 U.S. Census; California State Department of Finance, 2006; San Joaquin County Council of Governments, 2004; City of Tracy, 2006; BAE, 2006.

Appendix C: Unemployment and Labor Force Trends in Civilian Labor Force

		Tracy				San Joaquin County			
		Labor Force (a)	Employ-ment	Unemploy-ment	Unem-ployment Rate	Labor Force (a)	Employ-ment	Unemploy-ment	Unem-ployment Rate
2000		29,200	28,100	1,100	3.9%	259,000	241,000	18,000	6.9%
2001		29,900	28,700	1,200	4.1%	266,200	246,500	19,700	7.4%
2002		30,700	29,200	1,500	4.9%	275,300	251,100	24,200	8.8%
2003		31,300	29,700	1,600	5.1%	280,800	255,300	25,500	9.1%
2004		31,600	30,100	1,500	4.8%	283,000	258,600	24,400	8.6%
2005		32,100	30,700	1,400	4.3%	285,900	264,000	21,900	7.6%
8/06	(b)	32,400	31,200	1,200	3.7%	287,500	268,400	19,200	6.7%
Change, 2000-2005									
Number		2,900	2,600	300		26,900	23,000	3,900	
Percent		10%	9%	27%	10%	10%	10%	22%	10%

Notes:
(a) Civilian Labor Force refers to workers by place of residence. Sum may not equal parts due to independent rounding.
(b) Preliminary.

Sources: California Employment Development Department; Bay Area Economics, 2006.

Appendix D-1: Tracy Taxable Retail Sales Trends, 1995 to 2005 (Adjusted for Inflation)

City of Tracy Sales in 2005 $000 (a) (b)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	3Q04-2Q05
Apparel Stores	$21,241	$31,665	$34,720	$31,542	$28,104	$33,561	$38,934	$43,766	$49,600	$51,485	$50,267
General Merchandise Stores (c)	$66,149	$81,183	$91,277	$106,247	$115,289	$121,990	$127,213	$139,096	$173,112	$183,268	$186,315
Food Stores	$41,245	$44,817	$47,464	$49,740	$50,946	$54,297	$58,107	$53,877	$50,943	$48,529	$46,056
Eating and Drinking Places	$43,594	$46,693	$49,980	$50,638	$54,365	$61,709	$65,063	$69,757	$75,808	$82,162	$84,006
Home Furnishings and Appliances	$7,544	$8,845	$9,351	$11,009	$13,235	$14,983	$14,029	$13,173	$17,468	$21,842	$22,626
Building Materials and Farm Implements	$22,878	$23,059	$28,693	$32,245	$38,530	$45,280	$52,790	$90,315	$93,840	$109,455	$110,714
Auto Dealers and Auto Supplies	$57,380	$67,254	$80,266	$90,366	$116,856	$166,019	$221,916	$245,883	$270,328	$264,926	$272,680
Service Stations	$36,146	$41,639	$42,236	$38,574	$50,940	$65,143	$67,814	$65,363	$84,124	$94,477	$100,545
Other Retail Stores	$32,538	$36,516	$48,131	$54,501	$58,315	$65,942	$69,161	$87,835	$92,427	$100,545	$103,960
Retail Stores Total	**$328,714**	**$381,672**	**$432,118**	**$464,861**	**$526,580**	**$628,923**	**$715,027**	**$809,064**	**$907,650**	**$956,689**	**$977,168**

Tracy Sales per Capita in 2005 $ (a) (d)	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	3Q04-2Q05
Apparel Stores	$476	$688	$731	$644	$540	$597	$637	$662	$707	$688	$656
General Merchandise Stores	$1,483	$1,765	$1,922	$2,168	$2,217	$2,171	$2,082	$2,105	$2,469	$2,449	$2,430
Food Stores	$925	$974	$999	$1,015	$980	$966	$951	$815	$727	$648	$601
Eating and Drinking Places	$977	$1,015	$1,052	$1,033	$1,045	$1,098	$1,065	$1,056	$1,081	$1,098	$1,096
Home Furnishings and Appliances	$169	$192	$197	$225	$255	$267	$230	$199	$249	$292	$295
Building Materials and Farm Implements	$513	$501	$604	$658	$741	$806	$864	$1,367	$1,338	$1,462	$1,444
Auto Dealers and Auto Supplies	$1,287	$1,462	$1,690	$1,844	$2,247	$2,954	$3,631	$3,721	$3,855	$3,540	$3,556
Service Stations	$810	$905	$889	$787	$980	$1,159	$1,110	$989	$1,200	$1,262	$1,311
Other Retail Stores	$730	$794	$1,013	$1,112	$1,121	$1,173	$1,132	$1,329	$1,318	$1,343	$1,356
Retail Stores Total (b)	**$7,370**	**$8,297**	**$9,097**	**$9,487**	**$10,127**	**$11,191**	**$11,700**	**$12,245**	**$12,945**	**$12,783**	**$12,744**

Population (d)	**44,600**	**46,000**	**47,500**	**49,000**	**52,000**	**56,200**	**61,116**	**66,075**	**70,118**	**74,841**	**76,679**

(a) Retail sales have been adjusted to 2005 dollars using the California Consumer Price Index for All Urban Consumers, published by the State Dept. of Finance, based on data from the U.S. Bureau of Labor Statistics. Data from 3Q04-2Q05 have been adjusted using half the 2004 inflation rate.

(b) Analysis excludes all non-retail outlets (business and personal services) reporting taxable sales.

(c) For 1995 and 1996, Drug Store sales combined with Other Retail; combined with General Merchandise for all other years.

(d) Per capita sales calculated based on State Board of Equalization reported sales and annual Department of Finance population estimates benchmarked to the decennial Census. To make the series more consistent, 3Q04-2Q05 population based on average of the 2004 and 2005 estimates, representing a mid-point between the two annual estimates.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; 1990 and 2000 U.S. Census; State Department of Finance; Bay Area Economics, 2006.

Appendix D-2: San Joaquin County Taxable Retail Sales Trends, 1995 to 2005 (Adjusted for Inflation)

San Joaquin County Sales in 2005 $000 (a)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	3Q04-2Q05
Apparel Stores	$117,595	$124,207	$126,318	$121,000	$119,869	$137,363	$150,059	$152,451	$165,803	$189,978	$194,562
General Merchandise Stores	$688,752	$698,748	$734,526	$800,647	$850,733	$893,382	$913,735	$936,830	$975,066	$1,014,054	$1,030,018
Food Stores	$316,305	$314,838	$333,646	$324,675	$362,931	$391,398	$398,777	$385,278	$396,303	$415,270	$414,953
Eating and Drinking Places	$401,379	$405,552	$409,460	$419,751	$441,426	$466,062	$490,148	$511,622	$527,191	$556,493	$565,466
Home Furnishings and Appliances	$133,682	$125,811	$116,736	$129,457	$143,890	$150,146	$144,762	$153,314	$163,695	$172,049	$176,004
Building Materials and Farm Implements	$402,234	$392,229	$419,197	$457,610	$529,529	$560,125	$605,661	$639,158	$757,130	$955,916	$966,964
Auto Dealers and Auto Supplies	$765,182	$790,424	$793,117	$821,139	$973,939	$1,127,256	$1,316,525	$1,336,267	$1,344,941	$1,360,441	$1,404,678
Service Stations	$364,677	$427,506	$442,449	$403,888	$473,761	$580,479	$571,471	$562,442	$651,471	$725,855	$761,465
Other Retail Stores	$516,149	$563,294	$591,837	$614,413	$688,909	$777,680	$779,692	$872,345	$885,700	$944,089	$984,806
Retail Stores Total	**$3,705,956**	**$3,842,608**	**$3,967,285**	**$4,092,580**	**$4,584,987**	**$5,083,889**	**$5,370,829**	**$5,549,707**	**$5,867,300**	**$6,334,145**	**$6,498,917**

San Joaquin County Sales per Capita in 2005 $ (c)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	3Q04-2Q05
Apparel Stores	$227	$236	$237	$224	$218	$245	$259	$254	$268	$298	$301
General Merchandise Stores	$1,330	$1,330	$1,379	$1,482	$1,549	$1,592	$1,575	$1,562	$1,579	$1,592	$1,594
Food Stores	$611	$599	$626	$601	$661	$697	$687	$642	$642	$652	$642
Eating and Drinking Places	$775	$772	$769	$777	$804	$830	$845	$853	$854	$874	$875
Home Furnishings and Appliances	$258	$239	$219	$240	$262	$268	$250	$256	$265	$270	$272
Building Materials and Farm Implements	$777	$747	$787	$847	$964	$998	$1,044	$1,065	$1,226	$1,501	$1,497
Auto Dealers and Auto Supplies	$1,477	$1,504	$1,489	$1,520	$1,773	$2,009	$2,269	$2,227	$2,178	$2,136	$2,174
Service Stations	$704	$814	$831	$748	$863	$1,034	$985	$938	$1,055	$1,140	$1,179
Other Retail Stores	$997	$1,072	$1,111	$1,138	$1,254	$1,386	$1,344	$1,454	$1,434	$1,482	$1,524
Retail Stores Total (b)	**$7,156**	**$7,314**	**$7,449**	**$7,577**	**$8,348**	**$9,059**	**$9,258**	**$9,251**	**$9,501**	**$9,945**	**$10,058**
Population	**517,900**	**525,400**	**532,600**	**540,100**	**549,200**	**561,200**	**580,110**	**599,913**	**617,570**	**636,932**	**646,126**

(a) Retail sales have been adjusted to 2003 dollars using the annual average Consumer Price Index for All Items, published by the U.S. Bureau of Labor Statistics.
(b) Analysis excludes all non-retail outlets (business and personal services) reporting taxable sales.
(c) For 1995 and 1996, Drug Store sales combined with Other Retail; combined with General Merchandise for all other years.
(c) Per capita sales calculated based on State Board of Equalization reported sales and Department of Finance population based on 1990 and 2000 census

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; 1990 and 2000 U.S. Census; and State Department of Finance: Bay Area Economics, 2003.

Appendix E: Competing Major Supermarkets in the Trade Area

Store	Total Square Feet	Offerings	Adjacent Retail
Albertsons 875 South Tracy Boulevard	70,329	Drive Through Pharmacy Bakery/Deli 1/2 Hour Photo Bank of America	Blockbuster Video
Food Maxx 3225 North Tracy Boulevard	47,662	Bakery	Kragen Auto Parts Furniture Store
Safeway 1801 West 11th St	65,715	Bakery/Deli Prepared Foods Garden/Floral One Hour Photo Pharmacy Starbucks Gas station	OSH Longs Drugs Starbucks
Save Mart 1950 West 11th St	56,097	Deli Prepared Foods Garden/Floral Pharmacy Union Bank of California	Walgreens
Save Mart 2005 North Tracy Blvd	49,129	Floral	Dental Clinic
Costco (a) 3250 W. Grant Line Rd.	43,159	1 Hour Photo Bakery Gas Station Optical Pharmacy Tire Service Center	Wal-Mart Michael's Art Supply Staples Bank of America
Total Square Footage	**332,091**		

(a) Total square footage of Costco is 143,863 square feet. Research indicates that typically, 30 percent of Costco sales are food items; this percentage is used in allocating the proportion of the store dedicated to food sales.

Sources: City of Tracy; Bay Area Economics, 2006.

Appendix F: Planned, Proposed, and Under Construction Retail Space in the Trade Area

Location	Project Name/Site	Total Square Feet	Supermarket Square Feet	Automotive Square Feet	Remaining Square Feet	Comments
Tracy	Valpico Town Center	98,784	36,424	-	62,360	Development plan approved, no building permit applications
Tracy	Stonegate Plaza	15,568	-	-	15,568	Development plan approved, no building permit applications
Tracy	Fashion Bug (In Tracy Pavilion)	7,020	-	-	7,020	Under construction
Tracy	Les Schwab - On Grant Line	13,838	-	13,838	-	Under construction
Tracy	Texas Roadhouse - on Naglee	6,923	-	-	6,923	Under construction
Tracy	Pavilion II - 2461 Naglee	6,480	-	-	6,480	Under construction
Tracy	Padilla - at 11th & Macarthur	26,361	-	-	26,361	Development plan approved, no building permit applications
Tracy	Duong - Pavilion/Naglee	30,180	-	-	30,180	Development plan approved, no building permit applications
Tracy	Vinuh Shah	6,844	-	-	6,844	Plan submitted; no approval
Tracy	Famous Dave's - Naglee	6,600	-	-	6,600	Development plan approved, no building permit applications
Tracy	Grant Line Commons					Development plan approved, no building permit applications
	Two retail buildings	19,100	-	-	19,100	
	Bank	NA	-	-	NA	
	Chili's	6,164	-	-	6,164	
Tracy	Hampton Plaza	14,600	-	-	14,600	Development plan approved, no building permit applications
Tracy	Rite Aid	17,272	-	-	17,272	Development plan approved, building permit issued
Tracy	Kim Nguyen	8,000	-	-	8,000	Plan submitted; no approval
Tracy	WinCo Project	237,030	95,900	-	141,130	EIR Approved
Tracy	Red Maple Village	135,652	57,022	-	78,630	Plan submitted; no approval
Tracy	SE Corner Tracy & Valpico	28,061	-	-	28,061	Plan submitted; no approval
Total Non Food Store, Non-Automotive Retail Space Currently in Pipeline					**481,293**	

Sources: City of Tracy; San Joaquin County; Pegasus Development

Appendix G: Derivation of Sales Estimate for Supercenter Grocery Component

From Progressive Grocer

$98,745,400	All Wal-Mart Supercenter grocery sales, in $000
130,078	Supercenter grocery selling space (in 000s of square feet)
$759	Sales per SF of selling area

Calculation for Tracy Store

33,928	Grocery sales area
$25,755,577	Estimated sales based on national data
55,192	Gross square feet grocery area, Wal-Mart Supercenter
$467	Sales per gross square foot

Detail for Supercenter Grocery Component

33,928	Grocery Sales
21,264	Grocery Stockroom & Ancillary Spaces
55,192	Total Wal-Mart "Supermarket" Space

National data from “The Super 50,” *Progressive Grocer* , May 1, 2006.

Sources: Progressive Grocer; City of Tracy; BAE, 2006.

APPENDIX B–SATURDAY ANALYSIS

FEHR & PEERS
TRANSPORTATION CONSULTANTS

MEMORANDUM

Date: October 3, 2006

To: Alan Bell, City of Tracy
Victoria Lombardo, City of Tracy

Cc: Bill Dean, City of Tracy
Steve Noack, Design Community and Environment
Janet Palma, Pacific Municipal Consultants

From: Winnie Chung, Fehr & Peers

Subject: ***Revised: Traffic Impact Analysis for WinCo and Wal-Mart – Saturday Peak Hour***

1031-1987 / 1041-2023

This memorandum addresses the comment letter dated June 20, 2006 submitted by MRO Engineers to the City of Tracy Council members regarding the traffic impact study for the WinCo/Trask Project EIR. The commenter suggests, based on traffic count data obtained in June 2006, that baseline traffic levels in the project vicinity are higher during the weekend midday peak hour than during the weekday PM peak hour. This, coupled with expected 20% higher trip generation characteristics of the WinCo project, may result in traffic impacts and potential mitigation measures beyond those identified in the EIR.

The June 2006 traffic data collected and summarized by MRO indicate increased Saturday traffic levels on Naglee Road and on Grant Line Road west of Naglee Road. Saturday traffic levels on Pavilion Parkway were also higher during the mid-afternoon time period. Further east, near Corral Hollow Road, weekend traffic volumes were shown to be lower than weekday PM volumes.

Based on the summary data submitted by MRO, and on new traffic turning movement count data collected in August 2006, Fehr & Peers evaluated the potential cumulative traffic impacts associated with the WinCo and Wal-Mart Expansion projects for a Saturday Peak hour. The analysis focused on impacts to the ramp intersections of the I-205/Grant Line Road interchange where traffic levels were observed to be higher during Saturday midday than weekday PM peak hour.

METHODOLOGY

Saturday peak hour counts were compared with weekday PM peak hour counts at intersections 2, 3, and 4 of the EIR traffic analysis. Table 1 summarizes the differences between Saturday peak hour volumes versus weekday peak hour volumes at the approaches to the intersections.

FEHR & PEERS
TRANSPORTATION CONSULTANTS

Table 1
Saturday Peak Hour vs. Weekday Peak Hour

Intersection	Segment	Weekday PM Peak Hour Volume	Saturday Peak Hour Volume	Volume Difference
2. Grant Line Rd / Naglee Rd I-205 WB On-Ramp	Grant Line Road (west)	2,470	2,414	-56
	Grant Line Road (east)	2,559	2,726	+167
	Naglee Road (north)	1,841	1,744	-97
	I-205 WB On-Ramp (south)	110	194	+84
3. Naglee Road / Pavilion Parkway	Pavilion Parkway (west)	167	394	+227
	I-205 WB On-Off Ramps (east)	725	794	+69
	Naglee Road (north)	1,085	1,672	+587
	Naglee Road (south)	1,453	1,848	+395
4. Grant Line Road / I-205 EB On-Off Ramps	Grant Line Road (west)	2,528	2,711	+183
	Grant Line Road (east)	2,514	2,585	+71
	I-205 On-Ramp (north)	533	445	-88
	I-205 Off-Ramp (south)	493	369	-124

The volume differences summarized in Table 1 were used to adjust weekday PM peak hour cumulative baseline turning movement volumes for a Saturday peak hour at the three intersections prior to addition of WinCo and Wal-Mart project traffic.

PROJECTS TRIP GENERATION AND DISTRIBUTION

Saturday peak hour trip generation of the WinCo store, the Northern Parcel, and the Wal-Mart expansion project were estimated based on the following sources: *WinCo Foods Trip Generation & Characteristics Study (*Kittelson & Associates, September 2002), and *Trip Generation* (7th Edition, Institute of Transportation Engineers). Table 2 summarizes the estimated Saturday trip generation associated with the projects. This analysis assumes 100 percent of the calculated project trip generation are primary trips with local origins (i.e., from homes within Tracy and Mountain House). This would represent a conservative estimate of project trip generation and potential impact to the surrounding network, as no reduction for pass-by trips are considered. The resulting Cumulative plus Projects Saturday peak hour traffic volumes at the three intersections are shown on Figure 1.

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TRANSPORTATION CONSULTANTS

Table 2
Project Trip Generation

Land Use	Size	Saturday Trip Rates			Saturday Trips		
		In	Out	Total	In	Out	Total
WinCo Foods [1]	95.5 ksf	5.36	5.15	10.5	511	491	1,003
Northern Parcel [2]	141.134 ksf	Ln(T) = 0.65 Ln(X) + 3.77; 52% In, 48% Out			563	520	1,083
Wal-Mart Expansion [3]	82.704 ksf	0.57	0.53	1.1	47	44	91

Notes:

Ksf = Thousand Square Feet

1. WinCo Foods trip rate based on information contained in *WinCo Foods Trip Generation & Characteristics Study* (Kittelson & Associates, September 2002)
2. Northern Parcel trip rate based on trip generation equation from Institute of Transportation Engineers (ITE) *Trip Generation* 7th Edition regression equation for Shopping Center (Land Use Code 820).
3. Trip generation associated with the Wal-Mart expansion calculated based on Net Additional Trips using ITE rates for Discount Superstore (Land Use Code 813) applied to 208,393 square feet minus ITE rates for Discount Store (Land Use Code 815) applied to existing 125,689 square feet.

LEVEL OF SERVICE

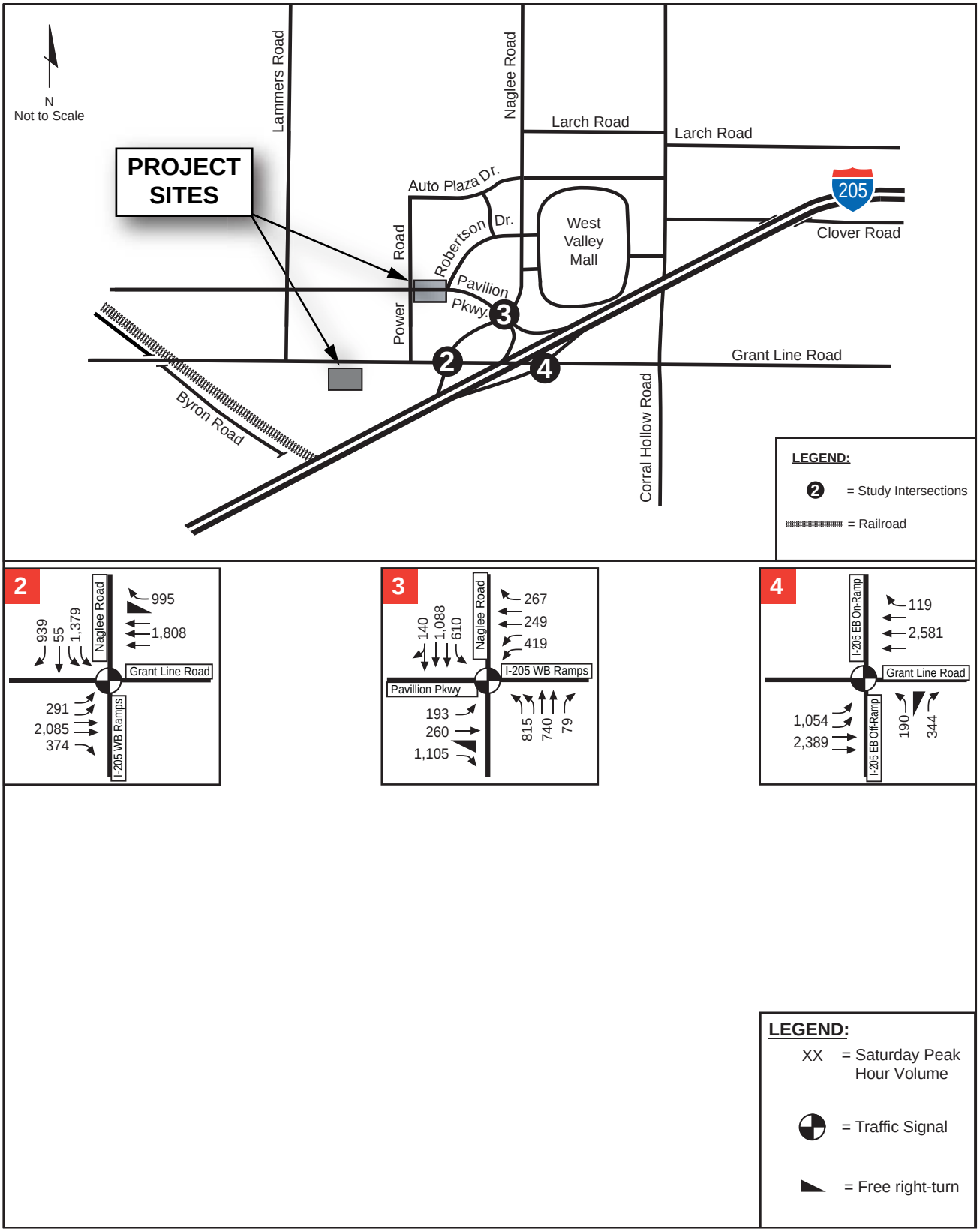
Intersection operating conditions were analyzed for Cumulative plus Project conditions during the Saturday peak hour using traffic volumes from Figure 1 and improved intersection geometries identified by the projects EIR (also shown on Figure 1). The calculated LOS for the intersections is reported in Table 3 below.

Table 3
Cumulative plus Projects Intersection Traffic Operations
Saturday Peak Hour

Intersection	Delay (seconds)	LOS
2. Grant Line Rd / Naglee Rd I-205 WB On-Ramp	53	D
3. Naglee Road / Pavilion Parkway	53	D
4. Grant Line Road / I-205 EB On-Off Ramps	51	D

CONCLUSIONS

The analysis of traffic operations at the intersections most likely to experience adverse traffic impacts during the Saturday peak hour indicates that intersection operating level of service would be at acceptable LOS D under cumulative with project conditions with implementation of the mitigation measures previously identified in the WinCo and Wal-Mart Expansion EIRs. No further impacts are identified with this analysis, nor additional mitigation required.



WinCo/Trask EIR

FEHR & PEERS
TRANSPORTATION CONSULTANTS

CUMULATIVE PLUS PROJECT TRAFFIC VOLUMES SATURDAY MIDDAY PEAK HOUR

October 2006
1031-1987A_1

Figure 1

APPENDIX C–URBAN DECAY ANALYSIS MEMO

MEMO
CITY OF TRACY
DEVELOPMENT AND ENGINEERING SERVICES

Date: July 11, 2007

To: Janet Palma, PMC Oakland Office

From: Vicki Lombardo, City of Tracy Planning Division

Subject: Urban Decay Discussion for Proposed Wal-Mart Expansion

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Gateway Plaza

This shopping center, currently anchored by Save Mart at the southeast corner of Eleventh and Corral Hollow is adjacent to one of the highest volume intersections in the City. It is across Eleventh Street from the Safeway shopping center, which also contains a Safeway gas station, Orchard Supply Hardware, Longs Drugs, Jack in the Box, and smaller retail businesses. If the Save Mart were to go out of business, the center would still be anchored by Walgreens, Wells Fargo Bank, Chevron, and McDonald's, as it was during the period of time between Safeway vacating the building and Save Mart opening for business. During that previous period when the anchor tenant was vacant, the only somewhat major tenant that vacated the site was a Whiskers pet store, possibly due to the fact that both a Petsmart and Petco were under construction and in the approval process, respectively. This center, if the anchor vacates, will arguably remain a viable shopping center, due to its proximity to high volume roadways, an adjacent major shopping center, and its remaining smaller anchor tenants. Traffic volumes for this intersection are the highest in the City at 31,809 trips per day. There are several residential neighborhoods within walking distance to the Gateway Plaza shopping center, and it is the closest shopping area to the Tracy Sports Complex.

McKinley Village

This shopping center, anchored by Save Mart is a large, linear grouping of shops that is located on the west side of Tracy Boulevard, south of Grant Line Road. Its central location has made it popular for many long-time Tracy Residents in the older areas of the City due to its proximity and easy access from several residential neighborhoods. Across from the center is the Tracy Ballpark. The Ballpark is heavily used, by numerous local and traveling sports teams. These include youth (Babe Ruth, Little league) and adult baseball and softball, for practices and games, two youth football teams, and multiple adult and youth soccer groups and teams. The significant use of the adjacent park causes both Tracy locals and residents of other nearby cities to pass by the site at large volumes on a continual basis throughout the year. The fact that the Ballpark is popular for children's sports activities will continue to promote shopping center and vicinity as an activity center that includes both shopping activities and youth sports.

Emphasizing the importance of this park and its continued draw is the improvement schedule for the fields at the Tracy Ballpark, scheduled for the repair and replacement of the fields beginning construction in 2010.

Tracy Corners

With Food Maxx (formerly Food 4 Less) as its anchor, this shopping center has experienced a good deal of change over time. The secondary anchor was once a discount store that has been replaced by a furniture store. Several other intermediate and smaller tenants have moved in and out, with tenant spaces splitting and merging to accommodate the new and different tenants over time. The center has a prime freeway visible location, adjacent to I-205 at the Tracy Boulevard exit. It is located across Tracy Boulevard from another shopping center once anchored by a Lucky's grocery store and co-anchored by a Longs Drugs that still occupies the center. The former Lucky's is currently a furniture store, and is a good example of Tracy's history of re-tenanting large stores within a shopping center.

Tracy Boulevard / Schulte Road Save Mart (formerly Albertson's)

This shopping center's location at the southern end of the City is a popular one, as the majority of residential development that has occurred within the last 10 years has been in the general vicinity. There is a high demand for grocery and other commercial services in this area, for the convenience of residents in the southern portion of the City. An application for a Raley's grocery store at the northeast corner of Tracy Boulevard and Valpico Road has recently been accepted by the City as complete, and would be the closest to the existing Save Mart in question. Interactions with citizens in the area have indicated that an additional grocery store is in high demand for the southernmost portion of the City because of the distance that people have to travel to the Save Mart for not only major shopping trips, but also for convenience items. Even with an additional grocery store that may open in the vicinity, this center has a Chevron service station and several small restaurants and other commercial services and establishments that would continue to draw patrons into the center if the grocery store were to vacate.

Three of these shopping centers (Gateway, McKinley Village, and Tracy and Schulte Save Mart) are identified in the City's General Plan as potential Village Centers. The intent is that as these properties change over time, they can be redeveloped as Village Centers with a mix of retail uses, offices and high density housing. This "Future Village Center" designation for the properties allows for them to be looked at in terms of their highest and best use if they do turn over and the need for their redevelopment arises. Because residential as well as commercial uses are allowable within the Village Center designation, new development in those centers can be viable in phases and within potentially different markets, thus encouraging their timely redevelopment, as necessary. Further emphasizing this point, the criteria for the evaluation of Residential Growth Allotment (RGA) applications within the Growth Management Ordinance Guidelines discusses Village Centers as being important geographic areas within the City. These criteria are used when considering applications for RGAs, and gives priority to residential projects that best meet and further the goals and policies of the City with regard to development and redevelopment, as the case may be.

The City's Economic Development Department has worked with shopping center owners, developers and marketing agents to assist in the re-tenanting of vacant retail spaces. These spaces have most often been replaced with new retail tenants, for example, the former K-Mart store was subdivided into three storefronts and those tenants continue to provide stability to and support the center as a whole. Another example of successful re-tenanting is the former Save Mart center at Eleventh and Lincoln. Once Save Mart moved west (into the former Safeway space), the store was quickly converted into a 99 Cent discount store. The co-anchor Longs Drugs also vacated to move further west on Eleventh Street to the Safeway center, and was replaced with a Smart & Final and Auto Zone. The other smaller tenants of these centers have remained mostly unchanged, showing that even with periods of vacancies during turnover, none of the City's shopping centers have progressed beyond temporary vacancies to a condition of urban decay. In fact, when anchor tenants leave and are re-tenanted by other operators, physical improvements to the projects often result. Often parking lots are enhanced with additional landscaping and re-striping as appropriate, and façade upgrades to the shell buildings are common. The positive effect on the community is that the current design standards in place can be applied in these situations, resulting in upgrades to the original sites.

To date the City has been very effective at the implementation of new improvements, including the installation of decorative walls and fencing, removal of temporary outdoor storage facilities, lighting improvements, screening of roof-mounted equipment, and architectural enhancements including improved fenestration along building facades. It is likely that these types of improvements would not otherwise be achieved without the change of tenants as anchors sometimes leave and centers are renewed. The Westgate Plaza (99-Cent Store) shopping center is a good example of such improvements being made when Save Mart vacated as the anchor, and was replaced by the 99-Cent Store. The project went through the City's staff-level development review process, and by working with the applicant and owner of the shopping center in that process, the exterior facades of the building were remodeled, with improvements in the fascia treatments added along of two elevations visible from the street. They also installed new landscaping in some areas, and restored deteriorated landscaping in other portions of the parking lot, unrelated to the 99-Cent Store. The secondary anchor (Long's Drugs) also vacated the shopping center, and was replaced with two tenants, an Auto Zone retail store and Smart & Final. Through the building permit process for their tenant improvements, staff was able to work with the applicants to raise the parapet walls of the building in order to screen the visible roof-mounted equipment, an architectural standard requirement that is now in place that could not have been imposed without the re-tenanting of the shopping center.

In shopping centers that have incurred longer-term vacancies, to date, urban decay has not yet occurred. This is due to the City's diligent efforts to maintain the City's character in commercial areas with combined efforts from several City departments and divisions, including Code Enforcement, Police, and Parks and Community Services (graffiti abatement). Their continued success will allow for the Economic Development Department to more successfully market and re-tenant such vacated centers before they have the opportunity to begin regression into a state of urban decay. In conclusion, the City's successful re-tenanting and redevelopment of shopping centers in the past combined with our policies and regulations leads the Planning staff to believe that any vacancies of anchor tenants in shopping centers would not lead to urban decay.