AMENDMENT TO THE WINCO DRAFT EIR

SCH#2003102045

City of Tracy | December 29, 2006

DESIGN, COMMUNITY & ENVIRONMENT

TABLE 0-1 **PROJECT DATA**

Project Components	Specific Plan Amendment Planned Unit Development PDP/FDP Construction of a WinCo Retail Grocery Store
Project Location	In Tracy's I-205 Corridor Specific Plan Area, east of Power Road, west of Naglee Road, and north and south of Pavilion Parkway.
Assessor's Parcel Numbers	Northern Parcel: APN 212-280-15, APN 212-280-02 Southern Parcel: APN 212-280-16, APN 212-280-17
Size of Site	Approximately 18.8 acres
Existing General Plan Land Use Designation	Commercial
Existing Specific Plan Land Use Designation	Light Industrial
Existing Zoning	Planned Unit Development
Proposed Use for Northern Parcel	Proposed Specific Plan Land Use Designation
Proposed Use for Southern Parcel	95,900-square foot WinCo retail grocery store with 636 parking spaces
Required Discretionary Approvals	• Preliminary and Final Development Plan Approval • Conditional Use Permit • Encroachment Permit • Building Permit • Grading Permit
Project Applicant	Schack and Company for Community Centers of America; Judy E. Robertson, Inc., Donald J. Track & Associates
City Contact	Alan Bell, Senior Planner Development & Engineering Services City of Tracy 520 Tracy Boulevard Tracy, CA 95376

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FOREWORD

A Draft Environmental Impact Report (DEIR) for the WinCo retail grocery store was prepared by the City of Tracy and circulated for public review and comment for 45 days from October 12, 2005 to November 28, 2005, pursuant to the California Environmental Quality Act (CEQA) and its related Guidelines. The City of Tracy prepared responses to the comments received during the public review period of the DEIR. The responses were compiled in a Final EIR that was published on April 28, 2006. Responses to any comments received on this recirculated portion of the DEIR will be added to the Final EIR. Comments during the recirculation period should be limited to the recirculated materials in this document.

In the course of reviewing comments received on the DEIR, new information was generated on land use, traffic and circulation, and air quality. In addition, a new energy analysis was also prepared. Although this new information did not result in new significant impacts, the analyses leading to these conclusions were not included in the DEIR the City has decided to recirculate the DEIR. The new analysis is provided below.

This Amendment to the WinCo DEIR, in combination with the previous DEIR issued on October 12, 2005, constitute the Draft CEQA document for the proposed WinCo grocery store project.

A. Organization of this Document

The October 12, 2005 DEIR was organized into seven chapters. Chapter 4: Environmental Evaluation consisted of 12 sections, numbered Section 4.1 through Section 4.12, which evaluate the environmental impacts of the proposed project. This amendment includes only those chapters and sections which were modified from the October 12, 2005 DEIR including Land Use and Economics, Traffic and Circulation, and Air Quality. An additional Section 4.13: Energy Conservation is included in this amendment.

Each changed chapter and section is reprinted in its entirety with changes shown in double underline and ~~strikethrough~~ text. Chapter 4.1: Land Use and Economics, has been changed in its entirety and Chapter 4.13: Energy Consumption, is a new chapter not previously included in the DEIR, so they are reprinted completely, without double underline or ~~strikethrough~~ text.

B. Summary of Changes

The following is a summary of changes included in this Amendment to the WinCo DEIR.

- **Chapter 1, Introduction.** Subsection B of this chapter is modified to clarify that information related to energy conservation was added to the DEIR.
- **Chapter 2, Report Summary.** Subsection C of this chapter is modified to include changes in the Traffic and Circulation section.
- **Section 4.1, Land Use and Economics.** As a result of the City Council adoption of the 2006 General Plan, the northern parcel of the project is now designated Commercial. A discussion of policies in the 2006 General Plan addressing community character was added to this section. In addition, this section was also modified to include a revised market impact analysis subsection , including a discussion of the cumulative impacts that the proposed project will have in combination with such projects as the Wal-Mart Superstore expansion, on the trade area. No new significant impacts were identified.
- **Section 4.3, Traffic and Circulation.** Subsections C and D are modified to include Saturday traffic counts for the proposed project, and their effects on the Level of Service (LOS) for adjacent streets. No new significant impacts were identified.
- **Section 4.11, Air Quality.** Subsections A and C are modified to include updated air quality background information for the proposed project as well as the newly adopted San Joaquin Valley Air Pollution Control Dis-

trict (SJVAPC) Indirect Source Rule. Furthermore, information pertaining to project auto and area source emissions is updated. No new significant impacts were identified.

- **Chapter 4.13, Energy Conservation.** This chapter is a new chapter not previously included in the DEIR. This chapter addresses the proposed project's potential impacts as they relate to energy consumption. Energy consumption through the construction, operation and maintenance of the proposed project was analyzed as well as indirect energy consumption deriving from automobile trips to the proposed project. This information was not included in the October 12, 2005 DEIR and is now included for informational purposes. No significant impacts were identified.

C. Chapters That Have Not Been Changed

The following chapters and sections have not been changed from the DEIR published on October 11, 2005:

- Section 4.2, Community Services
- Section 4.4, Infrastructure
- Section 4.5, Hazardous Materials
- Section 4.6, Aesthetics
- Section 4.7, Cultural Resources
- Section 4.8, Geology, Seismicity and Soils
- Section 4.9, Hydrology and Flooding
- Section 4.10, Biological Resources
- Section 4.12, Noise
- Chapter 6, CEQA-Required Assessment Conclusions
- Chapter 7, Report Preparers

D. Review Process

As required by CEQA, this document is being circulated for review and comment for a 45-day review period extending from December 29, 2006 to February 12, 2007.

At the close of the comment period, the City will prepare a Final EIR responding to substantive comments on the Draft CEQA document. Please limit your comments only to the revised portions of the DEIR that are published in the Amendment to the DEIR.

E. City-Wide General Plan Update

In addition to a Winco store and a Specific Plan Amendment, the project includes a General Plan amendment, re-designating the site from Industrial to Commercial. On July 20, 2006, the Tracy City Council adopted a City-wide General Plan update resulting in a new 2006 General Plan and changes to land use designations in various parts of the City. One of the changes resulting from the 2006 General Plan is the re-designation of the site from Industrial to Commercial.

The Notice of Preparation for this EIR was issued prior to the adoption of the 2006 General Plan Therefore, the environmental effects of re-designating the site from Industrial to Commercial are also analyzed in this EIR.

Finally, it should be noted that an EIR was certified for the 2006 General Plan on July 20, 2006 ("General Plan EIR"). The project is consistent with the development density established for the site under the 2006 General Plan (Commercial), which was analyzed in the General Plan EIR. Also, the project incorporates all relevant and feasible mitigation measures contained in the General Plan EIR.

CEQA mandates that projects which are consistent with the development density established by an existing general plan for which an EIR was certified

shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site (14 Cal. Code Regs. Section 15183).

The impacts of the project are, to a large extent, covered in the General Plan EIR. However, because work on this EIR commenced before the General Plan EIR was certified, there is duplicative analysis.

1 INTRODUCTION

This chapter is amended as follows. Changes in text are shown in double underline and ~~strikethrough~~.

A. Proposed Action

Basic project data are provided in Table 0-1 on the inside front cover of this EIR. A full project description is provided in Chapter 3.

The proposed project includes five actions for 18.8 acres of a 21.3-acre vacant site in the I-205 Corridor Specific Plan area in the City of Tracy:

- A General Plan amendment to re-designate the project site from Industrial to Commercial.
- A Specific Plan amendment to re-designate the project site from Light Industrial to General Commercial.
- A Conditional Use Permit for the proposed WinCo store.
- A Planned Unit Development Preliminary and Final Development Plan for the proposed WinCo store.
- Construction of a retail grocery store on the Southern Parcel, south of Pavilion Parkway.

The development proposed for the Southern Parcel would consist of a single-story WinCo retail grocery store with a total building area of approximately 95,900 square feet, with a footprint of about 92,000 square feet. The WinCo store would include approximately 65,500 square feet of retail space, 2,900 square feet of office space, and an area committed to receiving/warehouse/service comprising approximately 27,500 square feet. The proposal includes approximately 262,400 square feet of paved area for 636 parking spaces. Additionally, 15 bicycle parking spaces would be located near the front of the store.

~~At this time, no development is proposed for the northern half of the project site (the Northern Parcel).~~ An application for an office project on the Northern Parcel has been submitted, although the application is not complete, and therefore has not been processed. However, this EIR evaluates the impacts of the type of retail development that would be allowed under the proposed ~~General Plan and~~ Specific Plan amendments.

B. EIR Scope, Issues and Concerns

The scope of this Draft EIR for the proposed ~~General Plan and~~ Specific Plan amendments and proposed WinCo retail grocery store was established by the City of Tracy after considering comments from public agencies and the community regarding the project. No Initial Study was prepared for the proposed project since it was clear that an EIR would be prepared. The City published a Notice of Preparation (NOP) on October 8, 2003. The NOP was sent to a list of persons and agencies known to be interested in the project. The NOP comment period extended from October 8 to November 7, 2003. There have been no significant changes in circumstance involving the project since then, thus no new NOP is required. One letter, from Caltrans, was received in response to the NOP. In the letter, Caltrans asked for clarification of the type of development proposed and requested to see a cumulative Traffic Impact Analysis of the Specific Plan in conjunction with the Traffic Impact Studies from other developments in and around Tracy affecting the area. Caltrans' traffic concerns are addressed in this process and in the Traffic and Circulation chapter of this EIR. The DEIR was circulated from October 12 to November 28, 2005. Comments were addressed in the FEIR dated April 28, 2006. Subsequent to certification of the FEIR, additional comments were submitted in writing, and made at the City Council hearing on June 20th, 2006. The City Council directed planning staff to prepare responses to these comments which are herein addressed in this amendment document.

Based on the scoping process, the issues addressed in this EIR are as follows:

- land use and economics
- community services
- traffic and circulation
- infrastructure
- hazardous materials
- aesthetics
- cultural resources
- geology, soils and seismicity
- hydrology and flooding
- biological resources
- air quality
- noise
- energy conservation

Several issues were excluded from the EIR through the scoping process because it was determined based on substantial evidence in the record that the project would have less-than-significant impacts or no impacts in these areas. These issues are mineral resources, population and housing. A brief discussion of each of these issues is included in Chapter 6 of this EIR. Economic impacts are analyzed in the EIR to the extent that they may result in reasonably foreseeable physical blight or other foreseeable physical impacts.

2 REPORT SUMMARY

Chapter 2 is amended as follows. Changes in text are shown in double underline and ~~strikethrough~~.

C. Significant Impacts

Under CEQA, a significant impact on the environment is defined as a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic and aesthetic significance.

The proposed project has the potential to generate significant environmental impacts in the following categories:

- traffic and circulation
- cultural resources
- geology, soils and seismicity
- biological resources
- air quality
- land use

As shown in Table 2-1, all but ~~three~~ seven of the significant impacts in these areas would be reduced to a less-than-significant level if the mitigation measures recommended in this report are implemented.

E. Unavoidable Significant Impacts

The proposed project would have three significant unavoidable impacts related to air quality. The proposed project would result in increases in emission of both ozone precursors and PM_{10}. This impact would be significant and unavoidable at the project level and cumulatively. Additionally, the proposed Specific Plan amendment and subsequent development would result in increased air emissions within an air basin that exceeds State and federal air quality standards, resulting in an unavoidable significant cumulative impact to air quality in the region. These impacts are discussed further in Section 4.11. In all three cases, potential mitigation measures are evaluated but are determined to be infeasible.

Additionally, the proposed project would have several significant unavoidable traffic impacts. The first impact listed below is project-specific, while the remaining cumulative impacts are related to traffic:

- The addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing plus Project scenario would add traffic to an already deficient intersection that is operating at LOS F with more than 50 seconds of average delay.
- The addition of project traffic increases the average delay at the Grant Line Road / Lammers Road intersection from 54 to 57 seconds, resulting in an unacceptable LOS E.
- The addition of project traffic would increase the average delay at the Grant Line Road/Corral Hollow Road intersection from 35 to 42 seconds, degrading operations to LOS D. The City of Tracy level of service standard for this intersection is LOS C.
- The addition of project traffic to Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario would add traffic to an already deficient intersection. The additional traffic would add 3 seconds of delay to the intersection.

TABLE 2-1 **SUMMARY OF POTENTIAL IMPACTS AND RECOMMENDED MITIGATION MEASURES**

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
LAND USE AND ECONOMICS			
There are no significant land use and economic impacts.			
COMMUNITY SERVICES			
There are no significant community services impacts.			
TRAFFIC & CIRCULATION			
Impact TRA-1: The addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing Plus Project scenario would add traffic to an already deficient intersection that is operating at LOS F with more than 50 seconds of average delay.	S	Mitigation Measure TRA-1: Install a signal and require signal preemption and coordination with the rail road crossing and detection system.	SU
Impact TRA-2: The addition of project traffic during the PM peak hour would increase the average delay at the Naglee Road/Pavilion Parkway intersection from 18 to over 80 seconds, shifting the level of service from LOS B to F. The City of Tracy level of service standard for this intersection is LOS D.	S	Mitigation Measure TRA-2: Add a second left turn lane on northbound Naglee Road and optimize the signal timing to reduce the average delay at this intersection to 52 seconds.	LTS

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Impact TRA-3: The addition of project traffic would increase the average delay at the Grant Line Road/Corral Hollow Road intersection from 44 to over 80 seconds, shifting the level of service from LOS D to F. The City of Tracy level of service standard for this intersection is LOS C.	S	Mitigation Measure TRA-3a: Create 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. Mitigation Measure TRA-3b: Change the existing shared through-right to an exclusive through and free-flow right-turn of 300 feet on southbound Corral Hollow Road and a receiving lane extending west of the intersection along Grant Line Road of 400 feet, and add a second left turn on westbound Grant Line Road. Mitigation Measure TRA-3c: Optimize the signal timing for Existing Plus Project traffic volumes.	LTS
Cumulative Impact TRA-4: The addition of project traffic increases the average delay at the Grant Line Road / Lammers Road intersection from 54 to 57 seconds, resulting in an unacceptable LOS E.	S	Mitigation Measure TRA-4: Optimize the signal timing for the Cumulative Plus Project traffic.	SU
Cumulative Impact TRA-5: The addition of project traffic would result in unacceptable operations at the Grant Line Road/Naglee Road/I-205 WB On-Ramp intersection, increasing the delay from 39 seconds (LOS D) to 76 seconds (LOS E).	S	Mitigation Measure TRA-5: Implement Mitigation Measure TRA-8, as described below, or implement the following improvements: ♦ Change the existing shared through-left to one exclusive left and one exclusive through on southbound Naglee Road ♦ Utilize the second eastbound left turn lane on Grant Line Road that is currently hatched out ♦ Optimize the signal timing ♦ All roadway features within Caltrans right-of-way, such as signs, pavement delineation, and pavement surface will be protected during construction or maintained in a temporary condition and restored following construction. ♦ The City of Tracy will secure all appropriate permits and associated studies necessary, at applicant's expense.	LTS

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 **SUMMARY OF POTENTIAL IMPACTS AND RECOMMENDED MITIGATION MEASURES** (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Cumulative Impact TRA-6: The addition of Project traffic results in unacceptable operations at the Naglee Road/Pavilion Parkway intersection, increasing the delay from 48 seconds (LOS D) to over 80 seconds (LOS F).	S	Mitigation Measure TRA-6: The following improvements shall be made: ♦ Add a second left turn lane from northbound Naglee Road to westbound Pavilion Parkway ♦ Optimize signal timing	LTS
Cumulative Impact TRA-7: The addition of project traffic would result in unacceptable operations at the Grant Line Road/I-205 EB Ramps intersection, increasing the delay from 51 seconds (LOS D) to 66 seconds (LOS E).	S	Mitigation Measure TRA-7: Implement Mitigation Measure TRA-8, as described below, or implement the following improvements: ♦ Change the existing right turn lane to a free right on I-205 eastbound off-ramp with a receiving/acceleration lane of 400 feet on eastbound Grant Line Road ♦ Optimize the signal timing ♦ All roadway features within Caltrans right-of-way, such as signs, pavement delineation, and pavement surface will be protected during construction or maintained in a temporary condition and restored following construction. ♦ The City of Tracy will secure all appropriate permits and associated studies necessary, at applicant's expense.	LTS
Cumulative Impact TRA-8: The addition of project traffic results in unacceptable operations at all three intersections of the Grant Line Road/I-205 interchange.	S	Mitigation Measure TRA-8: Implement the next phase of the Grant Line/I-205 interchange improvements. The next phase of the interchange consists of the following: ♦ Adding loop ramps to the interchange ♦ Re-aligning the interchange	LTS

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Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Cumulative Impact TRA-9: The addition of project traffic would increase the average delay at the Grant Line Road/Corral Hollow Road intersection from 35 to 42 seconds, degrading operations to LOS D. The City of Tracy level of service standard for this intersection is LOS C.	S	There are environmental and development constraints associated with construction of a SPUI at this intersection. An interchange could take 400 feet of right-of-way, which would affect approximately 30 homes, a drug store, and pending commercial/office development at the intersection. Additional right of way would also be required to redesign the circulation pattern at the interchange. In addition, the interchange ramps could block public views of the hills to the west, and create physical and visual barriers between points north and south of the interchange. , and The City intends on making a finding that the mitigation is not feasible, therefore the impact is significant and unavoidable..	SU
Cumulative Impact TRA-10: The addition of project traffic to Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario would add traffic to an already deficient intersection. The additional traffic would add 3 seconds of delay to the intersection.	S	There are environmental and development constraints associated with construction of a SPUI at this intersection. An interchange could take 400 feet of right-of-way, which would affect approximately 10 homes, two gas stations, a major hardware retailer, and a Caltrans maintenance yard. Additional right of way would also be required to redesign the circulation pattern at the interchange. In addition, the interchange ramps could block public views of the hills to the west, and create physical and visual barriers between points north and south of the interchange. , and The City intends on making a finding that the mitigation is not feasible, therefore the impact is significant and unavoidable.	SU

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 **SUMMARY OF POTENTIAL IMPACTS AND RECOMMENDED MITIGATION MEASURES** (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Implementation of mitigation measures for all cumulative impacts excepting **Cumulative Impacts TRA-4 TRA-9 and TRA-10.**		Mitigation Measure TRA-11: Prior to issuance of any building permit for the 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 4.3-6. The project proponents shall be subject to the fair share of the increase in costs to roadway improvements that will result from the update of the FIPs as to the roadway improvements for the intersections identified in TRA-2, TRA-3, TRA-5, TRA-6 and TRA-7. The project proponents shall pay its fair share of the increase in costs that result from the FIPs as to those intersections identified in TRA-2, TRA-3, TRA-5, TRA-6 and TRA-7.. With the exception of impacts TRA-4, TRA-9, and TRA-10 (which are significant and unavoidable), implementation of Mitigation Measures TRA-2, TRA-3, TRA-5, TRA-6 and TRA-7, (implementation of TRA-5 and TRA-7 will reduce same impacts addressed by TRA-8 to a less than significant level.	LTS
INFRASTRUCTURE			
There are no significant infrastructure impacts.			
HAZARDOUS MATERIALS			
There are no significant hazardous materials impacts.			
AESTHETICS			
There are no significant aesthetics impacts.			

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Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
CULTURAL RESOURCES			
Impact CUL-1: Subsurface or buried archaeological materials may be discovered during construction, grading, trenching or other activities associated with implementation of the proposed project. Destruction or disturbance of such undiscovered resources constitutes a potentially significant impact.	S	Mitigation Measure CUL-1a: If evidence of archeological artifacts is discovered during construction, all operations within an area at and adjacent to the discovered site shall be halted until a qualified archeologist determines the extent and significance of the finds and recommends appropriate mitigation measures and those measures are implemented. Mitigation Measure CUL-1b: If human remains are discovered during construction, all construction and excavation activity shall cease and the County coroner shall be notified, pursuant to Section 7050.5 of California's Heath and Safety Code. If the remains are of a Native American, the coroner shall notify the California Native American Heritage Com-mission within 24 hours, which in turn will inform a most likely descendent pursuant to Section 5097.98 of the State Resources Code. The descendent shall recommend the appropriate disposition of the remains and any associated grave goods.	LTS
GEOLOGY, SOILS AND SEISMICITY			
Impact GEO-1: Future development could be subjected to moderate to strong groundshaking.	S	Mitigation Measure GEO-1a: California Building Code and City of Tracy standards shall be applied as minimum standards for all construction. Mitigation Measure GEO-1b: All structures shall be designed to withstand strong seismic ground shaking. Mitigation Measure GEO-1c: Fill material shall meet requirements of City, County and State grading ordinances.	LTS
Impact GEO-2: Surficial soils on the site have a high shrink/swell potential and could result in differential settlement.	S	Mitigation Measure GEO-2: Highly expansive soils shall be removed or covered with non-expansive soils. Surface water control and specialized foundation systems shall be used.	LTS

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TABLE 2-1 **SUMMARY OF POTENTIAL IMPACTS AND RECOMMENDED MITIGATION MEASURES** (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Impact GEO-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 can reduce these potential impacts to less than significant levels.	S	Mitigation Measure GEO-3: Applicable erosion control BMPs for the construction phase of the WinCo store and the Northern Parcel shall be implemented, including: ♦ Soil stabilization techniques such as: hydroseeding and short-term biodegradable erosion control blankets. ♦ Silt fences or some kind of inlet protection at downstream storm drain outlets. ♦ Post-construction inspection of all drainage facilities for accumulated sediment. ♦ Post-construction clearing of all drainage structures of debris and sediment.	LTS
HYDROLOGY AND FLOODING			
There are no significant hydrology and flooding impacts.			
BIOLOGICAL RESOURCES			
Impact BIO-1: Development activity on either the Northern or Southern Parcel could adversely affect the burrowing owl pair nesting on the Northern Parcel, if site improvements are made during the breeding season which is between February 1 and August 31. Modifying the habitat of a species listed as a California species of special concern and a federal species of concern, and protected under the Migratory Bird Treaty Act constitutes a significant impact.	S	Mitigation Measure BIO-1: The project proponent shall consult with the CDFG on an appropriate buffer for avoiding impacts to burrowing owls during the 2005 breeding season (February 1 to August 31), if construction is proposed during that time. Alternatively, the owls shall be passively excluded by a qualified biologist, in consultation with the CDFG prior to the breeding season. If construction is proposed after the 2005 nesting season, then an additional field survey shall be conducted to determine the absence or presence of the species, prior to issuance of development permits on the property.	LTS

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Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Impact BIO-2: Development on the Northern and Southern Parcels could adversely affect Swainson's hawk foraging habitat.	LTS	The Swainson's hawk is a species covered by the SJMSCP. The proposed project is covered by the SJMSCP, which is intended to reduce impacts to biological resources, includ-ing Swainson's hawk, resulting from the project to a less-than-significant level. Therefore, no additional mitigation measure is required beyond participation in the SJMSCP, and payment of $2,100 per acre as established in City Council Resolution 91-928, which satisfies the requirements of the SJMSCP.	LTS
AIR QUALITY			
Impact AQ-1: Implementation of the proposed project would result in temporarily increased particulate matter levels in the immediate vicinity during construction.		Mitigation Measure AQ-1: The following measures are appropriate dust control strategies that shall be implemented and 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 occur-ring.	LTS

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 **SUMMARY OF POTENTIAL IMPACTS AND RECOMMENDED MITIGATION MEASURES** (CONTINUED)

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Impact AQ-2: Development of the project would result in increases in emission of both ozone precursors and PM10.	S	Mitigation Measure AQ-2: Require the following design features to be implemented: ♦ 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. ♦ Provide low NOx emitting and/or high efficiency water heaters. ♦ Appropriate easements should be reserved to provide for future improvements such as bus turnouts, loading areas, and shelters. ♦ Purchase low-emission, alternatively-fueled or electrical-driven maintenance vehicles and equipment. ♦ Promote pedestrian, bicycle and transit modes of travel through in-formational programs and provision of amenities such as transit shelters, secure bicycle parking and attractive pedestrian pathways. ♦ Designate an on site TSM coordinator. ♦ Implement carpool/vanpool program, e.g., carpool ride-matching for employees, assistance with vanpool formation, provision of vanpool vehicles, etc. ♦ Provide lockers for employees bicycling or walking to work. The suburban location and character of the proposed project limits the potential for further reducing regional air quality impacts. Available air quality mitigation strategies for commercial development are most effective on employee work trips, which comprise a very small fraction of total project trips. Parking restrictions or fees as a means of reducing vehicle trips are impractical unless imposed regionally.	SU
Cumulative Impact AQ-1: Development of the project, together with the rapid pace of development in the region would result in increases in emission of both ozone precursors and PM_{10}.	S	This impact is considered an unavoidable significant cumulative impact.	SU

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

Significant Impact	Significance Before Mitigation	Mitigation Measures	Significance With Mitigation
Cumulative Impact AQ-2: The proposed General Plan amendments and subsequent development would result in increased air emissions within an air basin that exceeds State and Federal air quality standards, resulting in an unavoidable significant cumulative impact to air quality in the region.	S	This impact is considered an unavoidable significant cumulative impact.	SU
Cumulative Impact AQ-3: Development of the project, together with the rapid pace of development in the region would result in increases in emission of ozone precursors.		This impact is considered an unavoidable significant cumulative impact.	SU
Cumulative Impact AQ-4: The proposed General Plan amendments and subsequent development would result in a contribution to increased air emissions within an air basin that exceeds State and federal air quality standards.		This impact is considered an unavoidable significant cumulative impact.	
NOISE			
There are no significant noise impacts.			
ENERGY CONSERVATION			
There are no significant energy impacts.			

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

TABLE 2-1 **SUMMARY OF POTENTIAL IMPACTS AND RECOMMENDED MITIGATION MEASURES** (CONTINUED)

LTS = Less Than Significant S = Significant SU = Significant Unavoidable Impact

4.1 LAND USE AND ECONOMICS

This section provides an overview of existing and planned land uses in the project area and identifies potential land use impacts resulting from the proposed project. 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, it should be addressed.[1] Therefore, the second part of this section describes a recent market impact analysis conducted as part of the planning process for the proposed WinCo store. Additional documents reviewed for this section include the *City of Tracy General Plan (2006)*, the Tracy Municipal Code, the *I-205 Corridor Specific Plan and Initial Study.*

A. Land Use

1. Existing Setting

This section summarizes the plans and policies that are relevant to the proposed project site.

a. Regulatory Setting

Land use in the City of Tracy and its surrounding areas is regulated through implementation of various plans, regulations and codes at the local and county level.

i. City of Tracy General Plan

a) Land Use Element

The Land Use Element of Tracy's General Plan designates the proposed project site as Commercial, which allows a relatively wide range of uses, that primarily focus on retail and consumer service activities. Office uses are allowed in areas designated for commercial development. The average FAR intensity for the Commercial designation is 1.0.[2] Figure 4.1-1 shows land use

[1] CEQA Guidelines Appendix G. Section 15382, Significant Effect on the Environment.

[2] *City of Tracy General Plan*, July 19, 2006, page 2-19.

designations from the General Plan within close proximity to the project site. The General Plan designated 755 acres within the City limits as Commercial.[3]

Land to the north of the project site is designated in the San Joaquin County General Plan as Agricultural (AG). The AG designation permits general agriculture uses and indicates that non-agriculture uses are not anticipated during the lifetime of the General Plan. It includes active agricultural use, lands that have been used for agricultural uses in the past but remain undeveloped, and grazing land, generally referred to as open space. The project site itself is not currently within an Agricultural designation and is not currently active farmland.

The Land Use Element of the Tracy General Plan identifies several goals to guide the City's decision making for land use, development, and agricultural resource issues. Several goals, policies and actions outlined in the Land Use Element are relevant to the proposed project evaluated in this EIR:

- Goal LU-1: A balanced and orderly pattern of growth in the City.
  - Objective LU-1.1: Establish a clearly defined urban form and city structure.
    - Policy P1: New development and redevelopment in existing areas shall be organized as a series of residential Neighborhoods, Employment Areas, Corridors, Village Centers, the Downtown and the I-205 Regional Commercial Area.

[3] *City of Tracy General Plan*, July 19, 2006, Table 2-2, page 2-14.

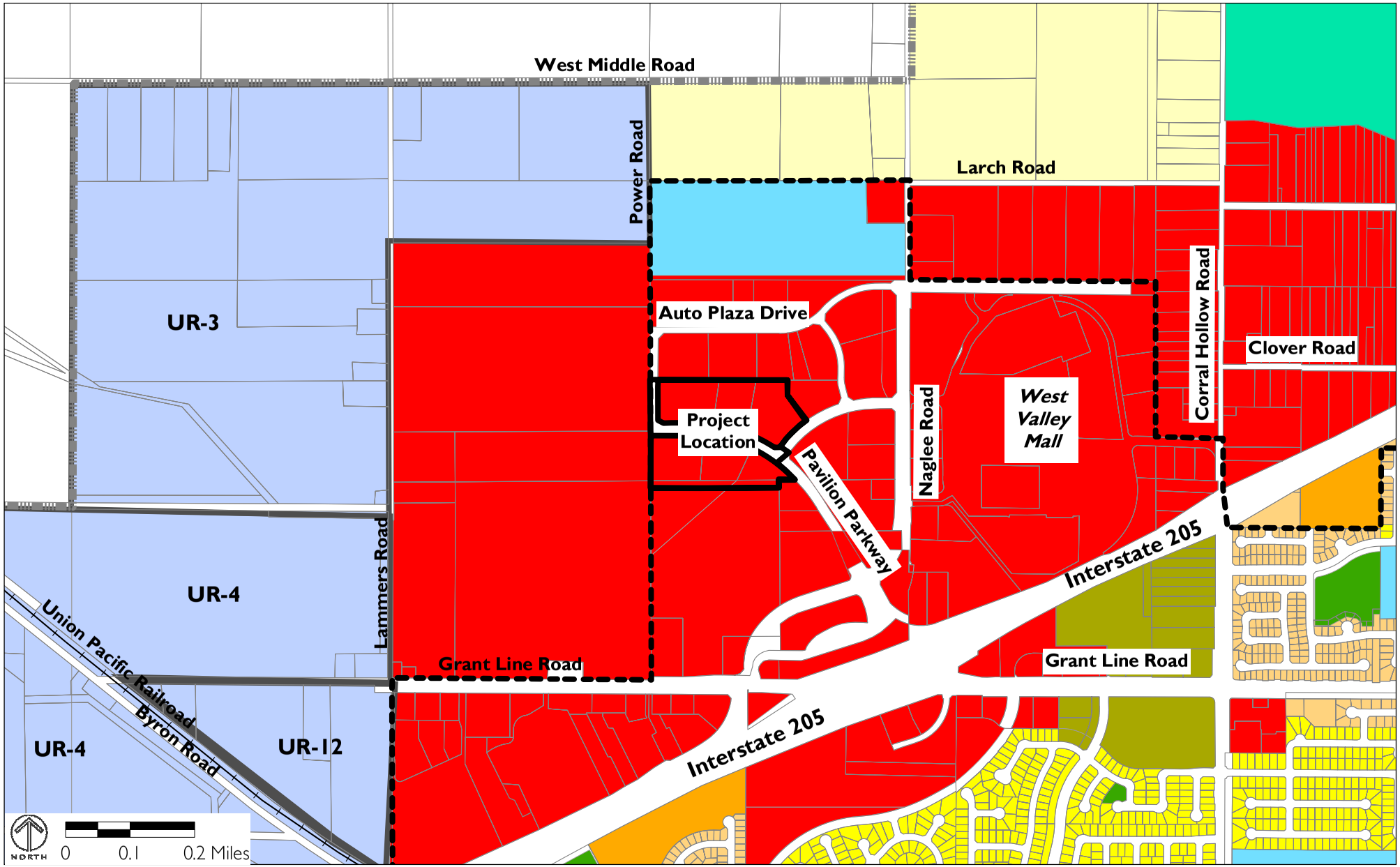


FIGURE 4.1-1

GENERAL PLAN
LAND USE DESIGNATIONS

CITY OF TRACY
AMENDMENT TO THE WINCO DRAFT EIR

- The I-205 Regional Commercial Area is a special district north of I-205 that contains big-box retail, automobile sales establishments and a large, regional shopping mall.

- Goal LU-2: Expanded economic opportunities in Tracy
  - Objective LU-2.2: Expand the City's retail base.
    - Policy P-1: Regional-scale retail development, such as shopping malls, big-box retail and auto sales shall be primarily located in the I-205 Regional Commercial Area.

b) Community Character Element

The Community Character Element of the General Plan provides guidelines on how new development should look, feel and function. The Element includes important concepts and guidelines that apply to the type, location and character of both private and public development projects for new and existing areas of the City.[4] The I-205 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. The Element notes that achieving the "home town feel" as the overarching design objective in the I-205 Regional Commercial Area is difficult due to the function of the center as a regional destination, the predominance of large scale buildings, and geographic separation from the largely residential areas to the south. The Element also states that future expansion within the area should integrate physically to existing uses and should continue to emphasize high quality architecture, landscaping and site planning.[5]

Several goals, policies and actions outlined in the Community Character Element are relevant to the proposed project evaluated in this EIR:

- Goal CC-7: High quality architecture, site planning and landscaping in the I-205 Regional Commercial Area.

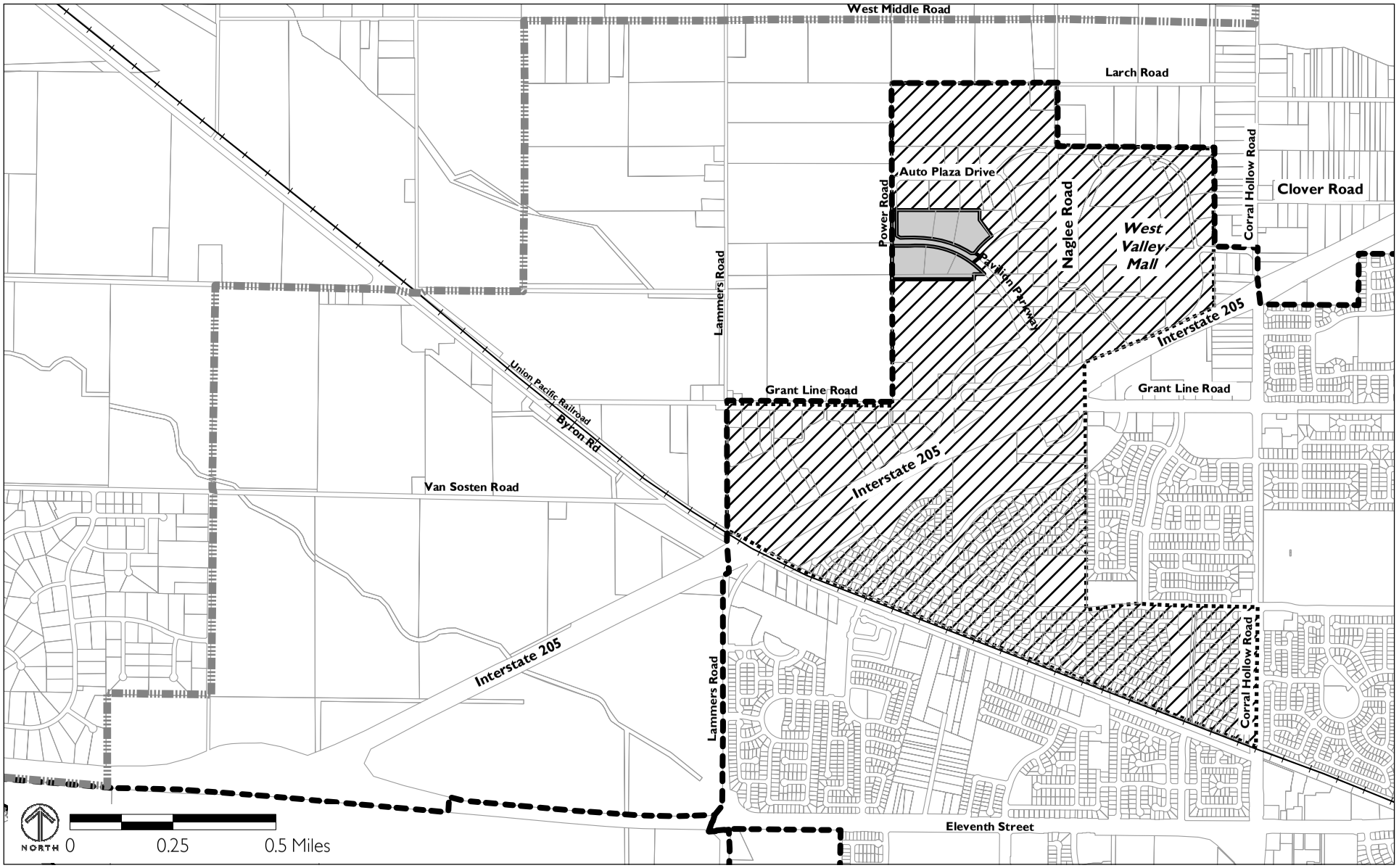
[4] *City of Tracy General Plan* July 2006, page 3-1.

[5] *City of Tracy General Plan* July 2006, page 3-11.

- 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.
  - Policy P7. Building architecture 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.

ii. I-205 Corridor Specific Plan

The I-205 Corridor Specific Plan was adopted in 1990 to promote economic development along the city's major transportation route. The plan area contains approximately 714 acres of land on the northwest and northeast sides of Tracy, adjacent to I-205. The 21.3-acre project site is located in the Specific Plan's Grant Line Planning Area in the northeast part of Tracy, as highlighted in Figure 4.1-2. The Specific Plan area is split into two sections and designated by the Specific Plan as mostly Light Industrial (LI), with commercial uses close to the intersection of Grant Line Road and I-205. In 1999, 251 of the 405-acre Grant Line Area of the Specific Plan was re-designated to develop 2,891,000 square feet of various types of commercial uses, as shown in



Source: I-205 Corridor Specific Plan

FIGURE 4.1-2

Grant Line Road Planning Area, I-205 Corridor Specific Plan Area

Sphere of Influence

City Limit

Project Location

I-205 CORRIDOR SPECIFIC PLAN BOUNDARY

Figure 4.1-3. These changes included 90 acres/835,000 square feet for the West Valley Mall, 89 acres/1,057,000 square feet for General Commercial/Retail (GC), 54 acres/834,000 square feet for Service Commercial (SC) and 18 acres/165,000 square feet for Freeway Commercial (FC). Seventy-six acres/1,688,000 square feet were maintained as Light Industrial (LI) uses, including the proposed project site that is now the last remaining LI area in the Grant Line Area of the Specific Plan. The remaining 77 acres includes public and roadway uses. The entire Specific Plan area retains a Planned Unit Development (PUD) zoning designation, explained in greater detail below.

Potential impacts from land use conflicts between the I-205 development and adjacent agricultural lands were also identified in the Specific Plan EIR. The impacts were mitigated to an acceptable level by specifying as a mitigation measure that the Specific Plan include provisions for physical separation of commercial and light industrial uses from agricultural lands.[6] Significant unavoidable impacts to agricultural resources were determined because it involved conversion of 600 acres of prime agricultural land to urban uses. As a result of this finding, mitigation measures could not be determined.[7] In order to move forward with the approval of the Specific Plan in 1990, the City adopted a Statement of Overriding Consideration (Resolution 93-226).[8]

iii. Existing Zoning Regulations

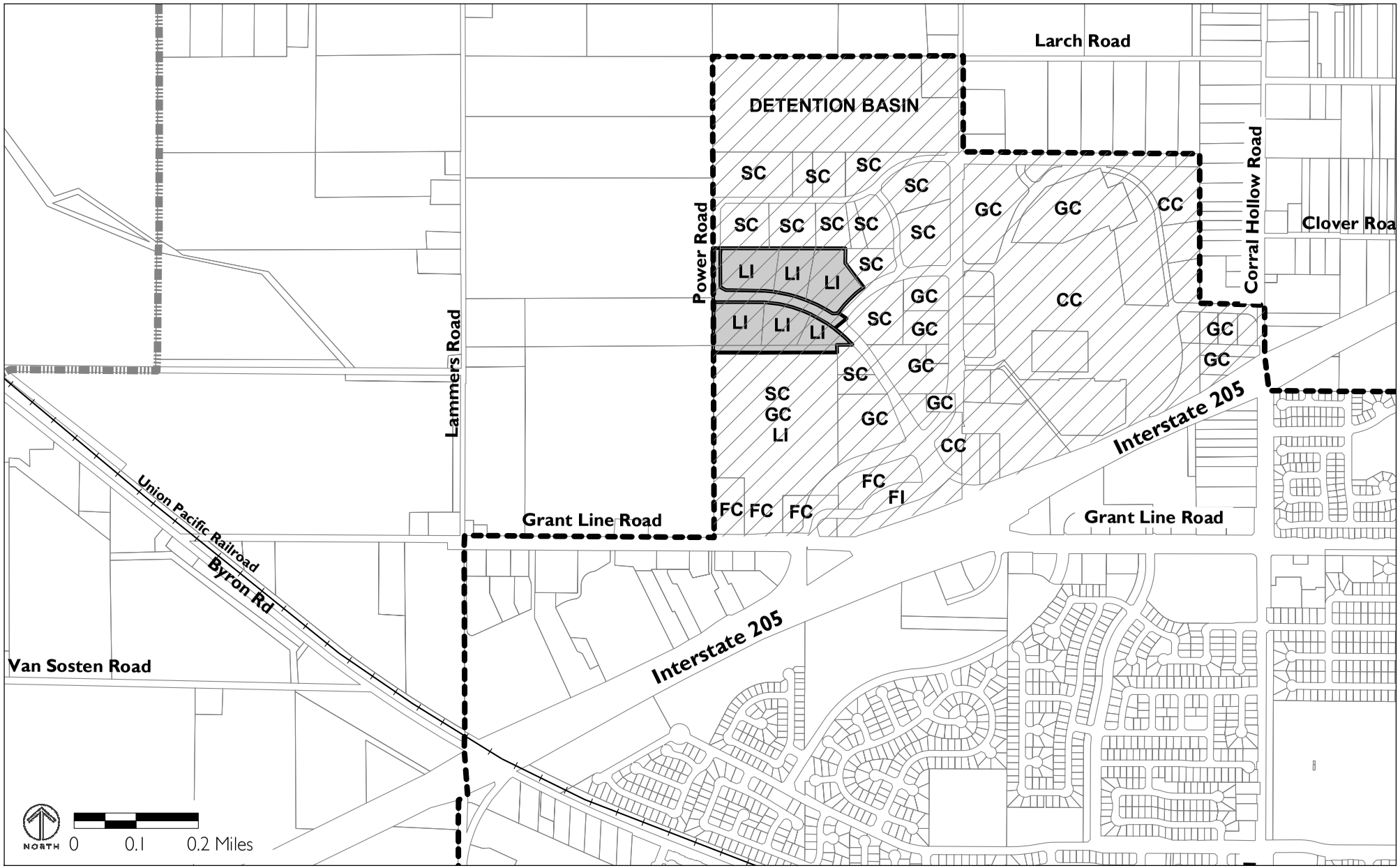
The City of Tracy uses 18 different zoning designations to classify, regulate, restrict and segregate land use, building characteristics and population densities. The PUD zone applicable to the project area is described as follows:

- **Planned Unit Development Zone (PUD).** 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. A PUD designation indicates the future location of a project planned and developed un-

[6] City of Tracy, *I-205 Corridor Specific Plan EIR*, 1990, Summary Table.

[7] City of Tracy, *I-205 Corridor Specific Plan EIR*, 1990, Summary Table.

[8] City of Tracy, *I-205 Corridor Specific Plan Amendment and General Plan Amendment Initial Study*, 1999, page 4.



Source: "Land Use Plan, Grant Line North Planning Area, I-205 Corridor Specific Plan Amendment, Figure 3.1a", Ruark and Assocatiates.

FIGURE 4.1-3

Grant Line North Planning Area Land Use Plan

Sphere of Influence

City Limit

Project Location

SC: Service Commercial

GC: General Commercial

FC: Freeway Commercial

CC: Commercial Center

FI: Freeway Interchange

LI: Light Industrial

I-205 CORRIDOR SPECIFIC PLAN
GRANT LINE AREA LAND USE DESIGNATIONS

CITY OF TRACY
WINCO DRAFT EIR

der a single ownership or control to allow greater flexibility in planning for residential, commercial, and industrial uses.[9]

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 Service Department to gain insight and advice towards the official application. Formal submittals for each step must follow guidelines outlined in Article 29 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.[10] Through the PUD process, projects are reviewed for consistency with Specific Plan policies and guidelines, including design guidelines. In the case of the I-205 Corridor Specific Plan, the Specific Plan is the PUD Concept Development Plan.

iv. San Joaquin County General Plan

Land west and north of the project site lies within San Joaquin County. The San Joaquin County General Plan designates land immediately west of the project site as General Agriculture; land to the north is designated Limited Agriculture.[11] Limited Agriculture typically includes wetlands or steep slopes that are difficult to cultivate but may be used for grazing or habitat conservation. These areas were identified as future Community Areas in the General Plan for the expansion of Tracy, and during the current General Plan update process.

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[9] City of Tracy Municipal Code. Chapter 10.08.740, Definition. http://www.ordlink.com/codes/tracy/index.htm

[10] City of Tracy Municipal Code. Chapter 10.08.1830, Establishment and development of PUD zoning. (http://www.ordlink.com/codes/tracy/index.htm)

[11] *San Joaquin County General Plan*, 2000.

v. San Joaquin County Multi-Species Habitat Conservation and Open Space Plan

The San Joaquin County Multi-Species Habitat Conservation and Open Space Plan (SJMSCP) states that its key purpose is "to provide a strategy for balancing the need to conserve Open Space and the need to Convert Open Space to non-Open Space uses while protecting the region's agricultural economy; preserving landowner property rights; providing for the long-term management of plant, fish and wildlife species, especially those that are currently listed, or may be listed in the future, under the Federal Endangered Species Act or the California Endangered Species Act; providing and maintaining multiple-use Open Spaces which contribute to the quality of life of the residents of San Joaquin County; and accommodating a growing population while minimizing costs to Project Proponents and society at large."[12]

The SJMSCP is administered by a Joint Powers Authority consisting of members of the San Joaquin County Council of Governments. The 50-year plan addresses impacts to 97 special-status plant, fish and wildlife species found in 52 vegetative communities that occur in scattered localities throughout San Joaquin County. The SJMSCP compensates for conversion of open space for a range of use, including urban development.[13]

Certain parcels of agricultural lands, including perennial and annual crops, are classified as Agricultural Habitat Lands by the SJMSCP, of which Tracy is a signatory. This classification requires a one-to-one ratio of agricultural habitat land compensation for every acre of agricultural habitat land that is developed for urban uses. Thus, for every acre of agricultural habitat land that is converted from open space, one acre must be preserved, acquired, enhanced and managed in perpetuity somewhere else in San Joaquin County. Some agricultural and range lands are classified instead as Natural Lands, which in-

[12] *San Joaquin County Multi-Species Habitat Conservation and Open Space Plan*, November 2000, page 1-1.

[13] *San Joaquin County Multi-Species Habitat Conservation and Open Space Plan*, November 2000, page 1-1.

creases the required ratio to 3 acres for every 1 acre converted from open space. In some instances an appropriate in lieu fee may be paid instead.[14]

vi. California Conservation Act (Williamson Act)

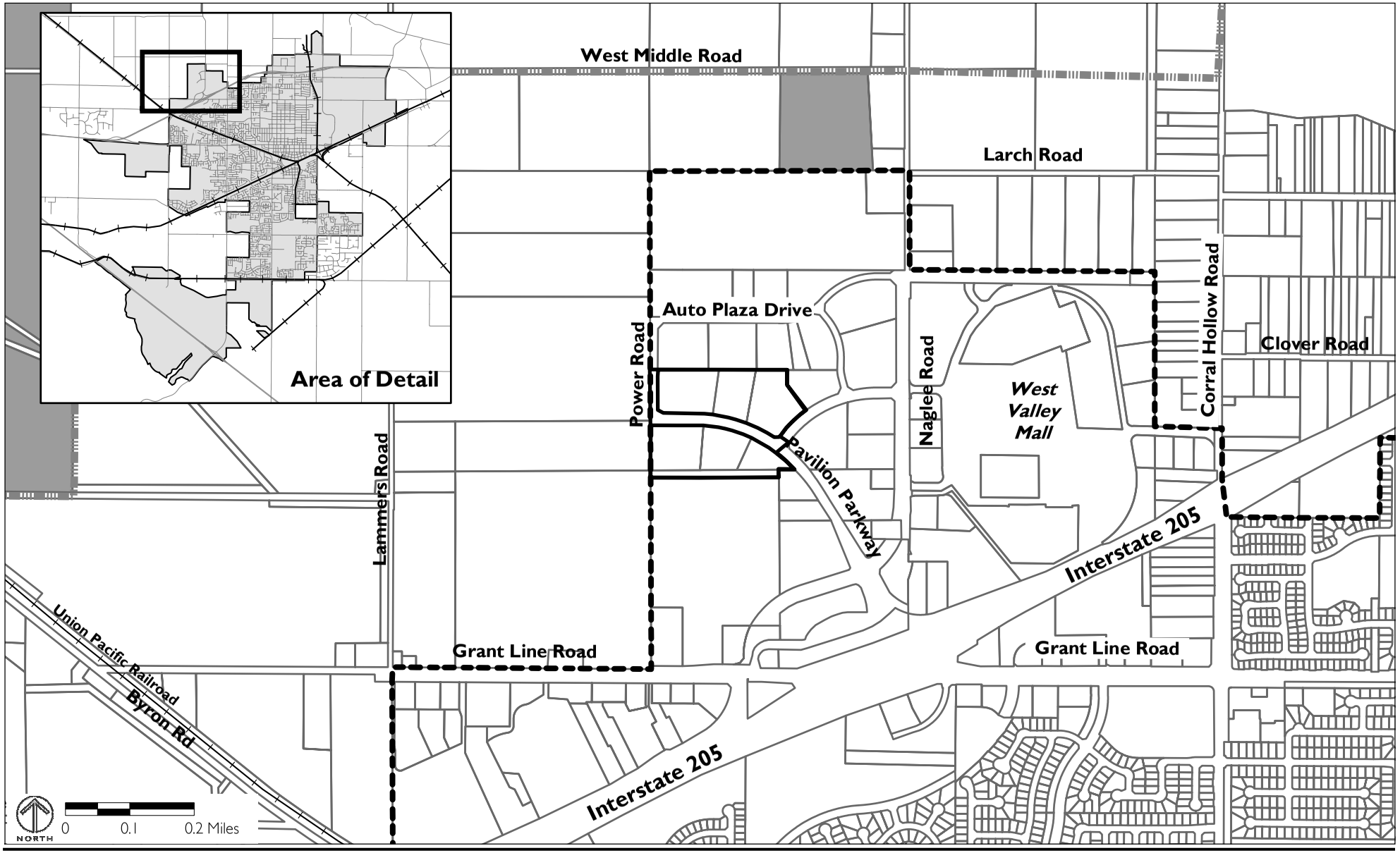
The California Land Conservation Act, more popularly known as the Williamson Act, (WA) was passed in 1965. Under the WA, an owner of agricultural land may enter into a contract with the county if the landowner agrees to restrict use of the land to the production of commercial crops for a term of not less than 10 years. The term of the contract is automatically extended each year unless notice of cancellation or non-renewal is given. Certain compatible uses are also allowed on the property. In return, the landowner is taxed on the capitalization of the income from the land, and not on the Proposition 13 value. There are currently more than 16 million acres enrolled in the Williamson Act in 54 counties in the state.[15]

According to a survey of San Joaquin County agricultural land conducted in 2000, 540,000 acres in the county were protected through WA contracts to preserve the land in agricultural use for ten years in exchange for tax benefits to the land owner. In addition, 47,000 more acres have been preserved for a twenty-five year period within Farmland Securities Zones, also referred to as Super Williamson Act contracts. As of January 2003, there were approximately 19,490 acres of agricultural lands within the Tracy Planning Area, 775 acres within the SOI and 1,360 acres within the City limits holding active WA contracts.[16] Farmland classifications and WA contract assignments are shown in Figure 4.1-4. When adopted, three parcels (173.33 acres) within the Specific Plan area were under WA contracts, but all filed for non-renewal in

[14] *San Joaquin County Multi-Species Habitat Conservation and Open Space Plan*, 2000.

[15] California Farm Bureau website, http://www.cfbf.com/issues/landuse/willamson_2003.cfm, accessed June 20, 2005.

[16] California Department of Conservation, Division of Land Resource Protection, 2003. Note that Williamson Act lands are both those in non-renewal or active contracts as of January 1, 2003.



Source: California Department of Conservation, Division of Land Resource Protection, 2003.

Williamson Act Lands

Sphere of Influence

City Limit

Project Location

FIGURE 4.1-4

WILLIAMSON ACT LANDS

1996. Therefore, none of the parcels within the Specific Plan Area are currently under WA contracts.[17]

b. Existing Land Uses on the Project Site and Vicinity

Existing land uses in the area (as of January 2005) are shown in Figure 4.1-5, including the project site which is currently vacant and fallow. The proposed WinCo store development would be located on the Southern Parcel and an application for an office project on the Northern Parcel has been submitted, although the application is not complete, and therefore has not been processed. The east side of the project site abuts Robertson Drive, which contains numerous automobile dealerships and related auto servicing businesses. The western edge aligns with the City limit line and Power Road, beyond which is County agricultural land. Three parcels are adjacent to the site's northern edge south of Auto Plaza Drive and east of Power Road. On the west parcel, along Power Road, are two recently constructed, multi-tenant buildings for various auto-related and consumer services. The center parcel is vacant with no improvements proposed at this time. The east parcel is occupied by a Honda automobile dealership and service center. Further north lies one of the city's main retention ponds. Finally, the south side of the site connects with a retail development of big-box retail businesses, including Linens n' Things, Home Depot, PetsMart and a large parking lot. An application to construct two commercial buildings totaling approximately 30,000 square feet on the vacant lot adjacent to the southeast corner of the project site was approved by the City Council in May, 2005.

c. Existing Farmland Classifications

The California Department of Conservation (CDC) defines farmland quality in four categories, explained in Table 4.1-1. In San Joaquin County, any farmland that does not meet the criteria of Prime Farmland, Farmland of Statewide Importance, or Unique Farmland is designated as Farmland of Local Importance. This could include land that is or has been used for irrigated

[17] City of Tracy, *I-205 Corridor Specific Plan Amendment and General Plan Amendment Initial Study*, 1999, page 7.

pasture, dryland farming, confined livestock or dairy facilities, aquaculture,

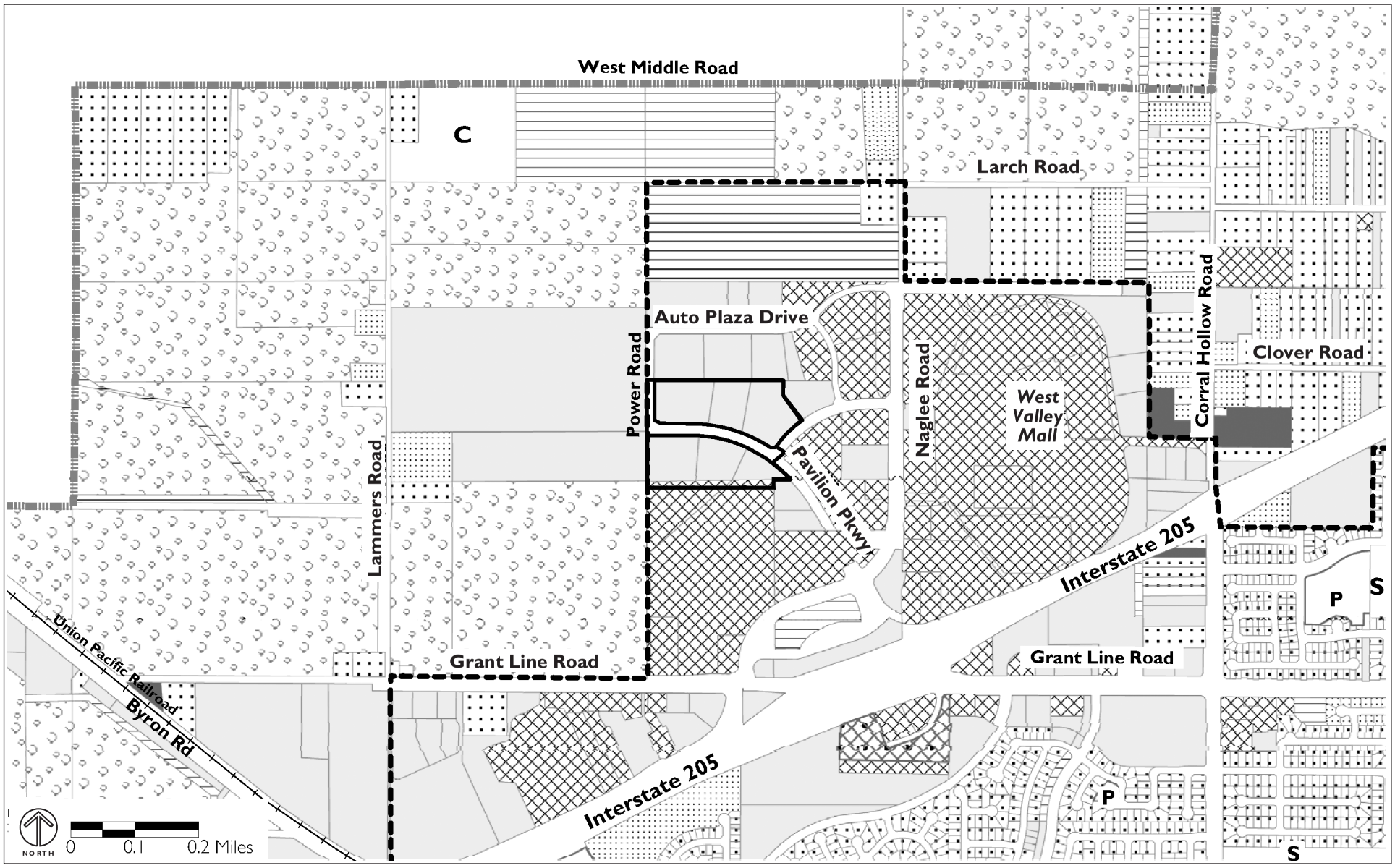


FIGURE 4.1-5

EXISTING LAND USE
IN AND AROUND THE PROJECT SITE

TABLE 4.1-1 **DEFINITIONS OF FARMLAND QUALITY TERMS**

Name	Description
Prime Farmland	Farmland with the best combination of physical and chemical features able to sustain long term agricultural production. This land has the soil quality, growing season, and moisture supply needed to produce sustained high yields. Land must have been used for irrigated agricultural production at some time during the four years prior to the mapping date.
Farmland of Statewide Importance	Farmland similar to Prime Farmland but with minor shortcomings, such as greater slopes or less ability to store soil moisture. Land must have been used for irrigated agricultural production at some time during the four years prior to the mapping date.
Unique Farmland	Farmland of lesser quality soils used for the production of the state's leading agricultural crops. This land is usually irrigated, but may include non-irrigated orchards or vineyards as found in some climatic zones in California. Land must have been cropped at some time during the four years prior to the mapping date.
Farmland of Local Importance	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.

Sources: California Department of Conservation website, http://www.consrv.ca.gov/dlrp/fmmp/ mccu/map_categories.htm.
California Department of Conservation website, "Farmland of Local Importance," http://www.consrv.ca.gov/DLRP/fmmp/pubs/Local_definitions_00.pdf, accessed August 18, 2005.

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 left idle.[18] While the land in the project area has a good combination of physical and chemical characteristics for agricultural use, it has not been used for agriculture for a 15 year period,[19] and therefore would be considered Farmland of Local Importance, rather than Prime Farmland.

2. Standards of Significance

The proposed project would create a significant land use impact if it would:

- Physically divide an established community.
- Allow development of land uses that would be incompatible with existing or planned surrounding uses.
- Conflict with any applicable land use plan, policy, or regulation of an agency with jurisdiction over the project (including, but not limited to the general plan, specific plan, local coastal program, or zoning ordinance) adopted for the purpose of avoiding or mitigating an environmental effect.
- Conflict with any applicable habitat conservation plan or natural community conservation plan.
- 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.

[18] California Department of Conservation website, available on-line (http://www.consrv.ca.gov/ DLRP/fmmp/pubs/Local_definitions_00.pdf).

[19] LeBoeuf, David R, attorney representing Robertson/Trask Associates. Letter written to Alan Bell, City of Tracy, February 7, 2005.

3. Impact Discussion

a. Specific Plan Amendment

CEQA mandates that projects which are consistent with the development density established by an existing general plan for which an EIR was certified shall not require additional environmental review, except as might be necessary to examine whether there are project-specific significant effects which are peculiar to the project or its site (14 Cal. Code Regs. Section 15183). Development of the project site for commercial uses is intended by the 2006 General Plan and EIR, and I-205 Corridor Specific Plan, and is consistent with the goals and policies of both documents.

The contiguous parcels included in the Northern Parcel are surrounded by commercial uses on three sides and agricultural lands to the west, beyond the City limit line. There is no residential development near the project site. Therefore, the proposed Specific Plan amendment would not result in development that physically divides an established community. Furthermore, agricultural land on the western edge of the site is planned for additional commercial development once it is annexed to Tracy. Thus, the adoption of the proposed Specific Plan amendments would not result in significant impacts to the compatibility of existing or planned uses in the surrounding area. Furthermore, the Specific Plan Amendment would be consistent with the 2006 General Plan designation of the site as Commercial.

Regarding agricultural resources, the land in the Northern Parcel and adjacent areas that was previously used for agriculture has been fallow since the 1990 I-205 Corridor Specific Plan, and is therefore no longer considered Prime Farmland by the State's definition, as listed in Table 4.1-1. Re-designation of the land occurred previous to this proposed project, and therefore is not an impact from this project. All lands within the project area which were previously under Williamson Act contracts filed for non-renewal in 1996, and are therefore no longer under contract.

The proposed amendment to the I-205 Corridor Specific Plan to re-designate the project site from LI to GC is also compatible with the goals and policies

established in the 1990 Specific Plan, and follows the overall conversion of land use designations in subsequent amendments and development patterns in the area. Until the City-Wide General Plan update in July 2006, the project site was the last LI-designated area within the Specific Plan Grant Line boundary, which is in keeping with the established pattern of development in the area. Also, as a result of the 1990 I-205 Corridor Specific Plan, the Northern Parcel was included in the PUD zone, which allows for additional flexibility during the development process instead of amending the Tracy Municipal Code to reflect the Specific Plan land use designations. Therefore the proposed amendment does not conflict with, or result in, adverse impacts to the established Specific Plan or the Tracy Municipal Code.

The SJMSCP does not include the project area as a habitat bank, slated as a receiving area for preservation. Therefore the implementation of the General Plan and Specific Plan amendments and resultant development does not result in a significant conflict with any applicable habitat conservation plan or natural community conservation plan. Please see Section 4.10, Biological Resources, for a detailed discussion of the active mitigation program for Swainson's hawk foraging habitat.

b. WinCo Grocery Store

The project site is located in previously vacant but developing retail commercial area, where construction of the WinCo store would not result in any impacts that physically divide any established communities. Also, as with the Northern Parcel, the WinCo development would be compatible with the existing and proposed land uses.

The WinCo Grocery Store incorporates design features that are characteristic to similar types of big box retail development in the area. These include use of similar building materials and massing similar to adjacent retail stores. The proposed landscaping plan includes street trees, shrubs and ground cover along Pavilion Parkway and a proposed canopy coverage of 40 percent within the parking lot. Therefore, the proposed site plan, building design, and landscaping would be consistent with the relevant goals and policies of the Com-

munity Character Element of the 2006 General Plan. (Note: A detailed assessment of the project's consistency with the Community Character Element of the General Plan can be found in Section 4.6 Aesthetics of the October 2005 DEIR.)

In order for the development to occur, the proposed WinCo development must be consistent with policies and regulations outlined in Tracy's General Plan, and comply with guidelines established in the I-205 Corridor Specific Plan, and PUD zoning conditions. Therefore, the proposed project would not conflict with any applicable plan, policy or regulation of an agency with jurisdiction over the project, including the Community Character Element of the General Plan.

The 1990 I-205 Corridor Specific Plan EIR determined that a significant unavoidable impact to Swainson's hawk foraging habitats would occur as a result of the project, indicating that no mitigation was possible. The WinCo development would not result in additional significant and unavoidable impacts to foraging habitats, but would reinforce the previously determined impact and must therefore follow the same guidelines as any other development to occur previously within the Plan area. The 1999 Initial Study states that the City adopted findings of overriding consideration for the loss of foraging habitat and implemented a per-acre fee to acquire and maintain open space habitat at a ratio of 0.5 acres preserved for every acre lost.[20] Please refer to Section 4.10, Biological Resources, for more detailed information.

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

[20] City of Tracy, *I-205 Corridor Specific Plan Amendment and General Plan Amendment Initial Study*, 1999, page 10 (references page 4-42 of the 1990 Specific Plan EIR).

and/or properties to deteriorate and lead to the decline of the associated or nearby real estate.

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 Food Maxx and the Save Mart on North Tracy Boulevard 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 project 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".[21] Another policy provides that "the City shall encourage the creative reuse of major obsolete structures."[22]

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

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

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

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.[23]

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.[24] 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.[25]

4. Impacts and Mitigation Measures

Since no potentially significant impacts are identified, no additional mitigation measures are required.

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

[24] Bay Area Economics *Market Impact Analysis for Proposed WinCo Store an Commercial Site in Tracy, CA*. December 2006, P. 33.

[25] 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."

4.3 TRAFFIC & CIRCULATION

Chapter 4.3 is amended as follows. Changes in text are shown in double underline and ~~strikethrough.~~

This section presents information on existing traffic and circulation conditions in the City of Tracy and near the project site and describes the potential environmental impacts that the proposed project would have on the circulation system, as well as the standards of significance by which they are evaluated.

A. Traffic Study Methodology and Background

The process for conducting the traffic analysis in this section began by identifying background traffic volumes, which were developed for the Existing No Project Conditions scenario (described below) by collecting traffic counts, and generating, distributing, and assigning approved projects trips. The Cumulative No Project Conditions scenario (also described below) was developed using the 2004 Tracy General Plan Travel Demand Model. The resulting traffic volumes were analyzed for 10 intersections plus I-205. Deficiencies caused by future development without improvements were identified. Finally, planned improvements were factored into the model 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.

1. 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 Wal-Mart is proposing an expansion to its existing store on Grant Line Road near the WinCo site, and a traffic study on the Wal-Mart expansion is being prepared concurrently with this report on

WinCo. The traffic associated with the existing Wal-Mart store is included in the existing background volumes, but as the Wal-Mart expansion is not currently an approved project, it is not included in the existing WinCo analysis. The proposed Wal-Mart expansion is, however, considered a reasonably foreseeable project, and was 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 for the same roadway system with the addition of the estimated traffic generated by the proposed WinCo store and the Northern Parcel developed with General Commercial use.
- **Scenario 3: Cumulative No Project Conditions –** This scenario looked at future forecast conditions, using the 2004 Tracy General Plan Travel Demand Model as the basis for generating regional cumulative background traffic forecasts. For this analysis, buildout of the I-205 Corridor Specific Plan, based on land use designations and maximum trips per acre allowed in the approved I-205 Corridor Specific Plan was used. Net new trips generated by the Wal-Mart expansion were included as part of the cumulative background growth.
- **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 project (WinCo store and the Northern Parcel developed with General Commercial use.)

2. Analysis Methods & Significance Criteria

The analysis methods outlined in the Transportation Research Board's *Highway Capacity Manual* (HCM) (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.

a. Signalized Intersections

At signalized intersections, traffic conditions are evaluated using the LOS method described in the 2000 HCM. 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 4.3-1 summarizes the relationship between the control delay and LOS for signalized intersections.

b. Unsignalized Intersections

In the 2000 HCM method, the LOS for unsignalized intersections (side-street or all-way stop controlled intersections) 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 4.3-2 summarizes the relationship between delay and LOS for unsignalized intersections.

c. 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. 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 4.3-3.

3. Study Intersections

Traffic conditions were studied at the study intersections listed below and shown in Figure 4.3-1. These intersections, chosen in consultation with City

of Tracy staff, represent the locations most likely to experience traffic impacts associated with the proposed project.

TABLE 4.3-1 **SIGNALIZED INTERSECTION LEVEL OF SERVICE CRITERIA**

LOS	Description	Average Control Delay (Seconds)
A	Operations with very low delay occurring with favorable traffic signal progression and/or short cycle lengths.	$\leq$ 10.0
B	Operations with low delay occurring with good progression and/or short cycle lengths.	> 10.0 to 20.0
C	Operations with average delays resulting from fair progression and/or longer cycle lengths. Individual cycle failures begin to appear.	> 20.0 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.	> 35.0 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.	> 55.0 to 80.0
F	Operations with delays unacceptable to most drivers occurring due to over-saturation, poor progression, or very long cycle lengths.	> 80.0

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

TABLE 4.3-2 **UNSIGNALIZED INTERSECTION LEVEL OF SERVICE CRITERIA**

LOS	Description	Average Control Delay Per Vehicle (Seconds)
A	Little or no delays	$\leq$ 10.0
B	Short traffic delays	> 10.0 to 15.0
C	Average traffic delays	> 15.0 to 25.0
D	Long traffic delays	> 25.0 to 35.0
E	Very long traffic delays	> 35.0 to 50.0
F	Extreme traffic delays with intersection capacity exceeded	> 50.0

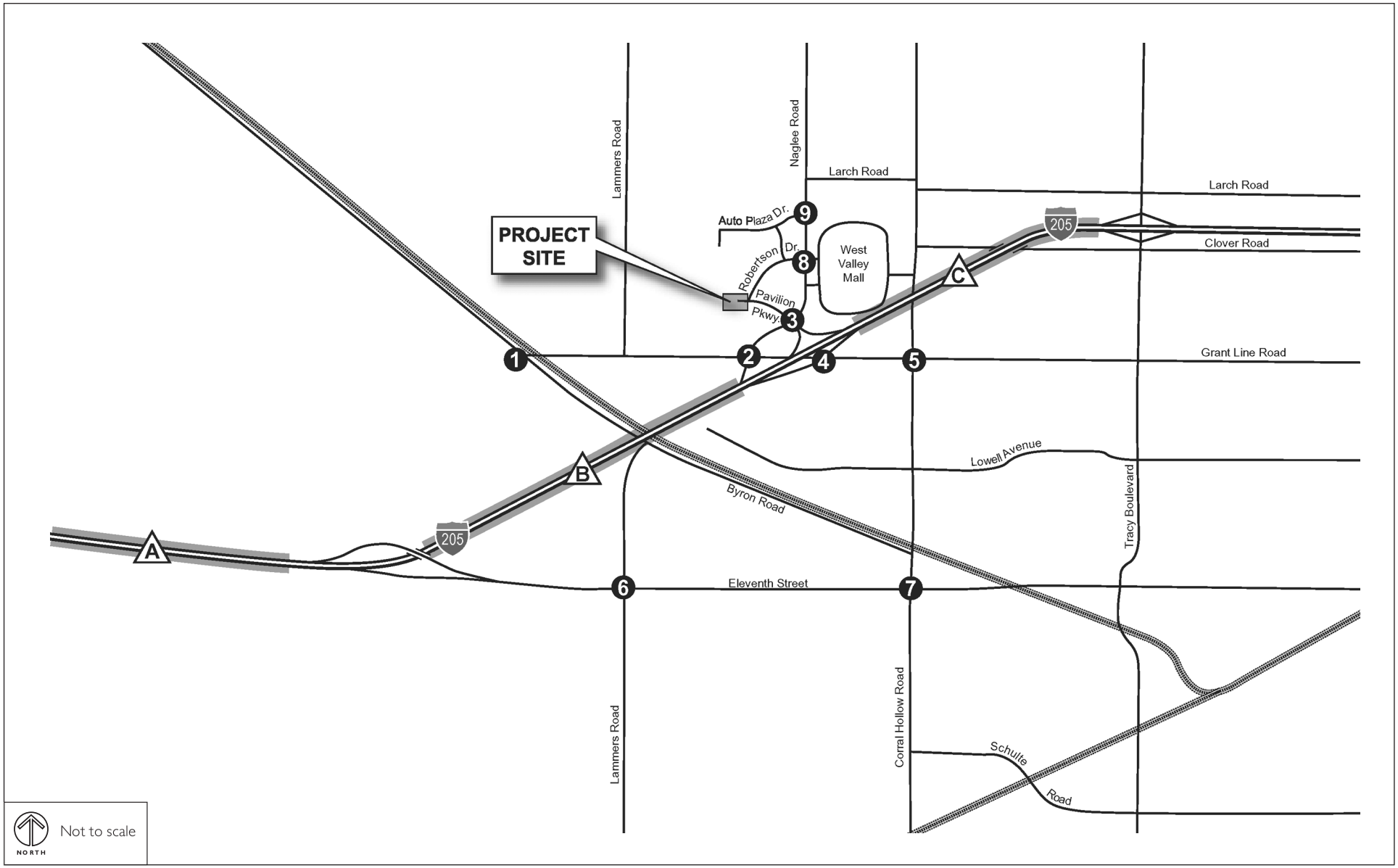
Source: Transportation Research Board, 2000, *Highway Capacity Manual*.

TABLE 4.3-3 **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

Notes:
1. Freeway mainline LOS based on a 65 mph free-flow speed.

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



Source: Fehr & Peers, 2005.

FIGURE 4.3-1

1 **Study Intersections**

X **Study Segments**

Railroad

EXISTING ROADWAY NETWORK AND STUDY LOCATIONS

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 within the Tracy City limits except the Grant Line Road/Byron Road intersection, which is in unincorporated San Joaquin County. Intersections 2 through 4 are part of the Grant Line Road/I-205 interchange.

4. 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

These freeway segments are shown in Figure 4.3-1.

B. Regulatory Setting

This section describes the regulatory framework within which transportation issues operate in Tracy.

1. City of Tracy General Plan

City policies regarding traffic and transportation are found in the Circulation Element of Tracy's General Plan. The purpose of the Circulation Element is to identify the location and extent of existing and planned circulation and

transportation facilities, consistent with the existing and planned land uses described in the UMP Land Use Element.

Policies of the Circulation Element that are relevant to the proposed project include those that require maintenance of City Level of Service standards on major streets and intersections within the General Plan Area (Policy CI 2.3); support traffic safety for all modes of transportation (Policy CI 4.1); promote inclusion of bicycle and pedestrian facilities in new development (Policy CI-5.2); and promote transit as an alternative to the automobile (Policy CI-6.1).

2. I-205 Corridor Specific Plan

The I-205 Corridor Specific Plan includes a number of policies concerning traffic and circulation within the Specific Plan Area, designed to create a roadway network that can adequately accommodate future traffic from development generated under the specific plan, as well as other anticipated development in the area. The future roadway network within the plan area is to be adequately linked with I-205 and with the rest of the City of Tracy roadway network.[1] The Specific Plan also provides design standards and cross-sections for all existing and future roadways within the Specific Plan Area. The Environmental Impact Report for the Specific Plan identifies a series of intersection improvements that would needed to mitigate traffic impacts that would occur with development allowed under the Plan.

3. 2004 Regional Transportation Plan

San Joaquin County Council of Governments (SJCOG) produced the 2004 Regional Transportation Plan (RTP). The RTP is a roadmap to guide the region's transportation development for a 20-year period. The RTP is updated every three years to reflect changes, such as changes in funding availability and growth patterns. The Plan offers a multi-modal strategy to improve congestion and provide a range of transportation choices. Since the RTP needs to take into consideration the availability of funding, projects are prioritized. Tier 1 projects are those anticipated to be financed and completed.

[1] City of Tracy, *I-205 Corridor Specific Plan Amendment*, Section 3.3.1.

Tier 1A and Tier 2 projects create a list of projects that show the shortfall of transportation needs in the area, but for which funding is not identified.

In the study area, two projects have been identified in the Tier 1 funding category:

1. The widening of I-205 to six lanes between Eleventh Street and I-5, and
2. Preliminary engineering for Phase II improvements of the I-205/Grant Line Road interchange.

4. San Joaquin County Congestion Management Program

Following approval of Proposition 111 by California state voters in June, 1990, SJCOG was named the Congestion Management Agency (CMA) for San Joaquin County in 1991. SJCOG adopted its first Congestion Management Program in November of 1991. While much of the State-mandated congestion management program has been reduced, SJCOG continues to implement the Congestion Management Program and the Federal Congestion Management system.[2]

5. San Joaquin County General Plan

The San Joaquin County General Plan includes a range of objectives and policies that address the provision of adequate roadway, transit and bicycle systems. This policy direction applies to areas outside the incorporated Tracy City limits.

6. Tracy Roadway Master Plan

In 1994, Tracy adopted a Roadway Master Plan and Conceptual Design Standards for the Master Plan. The Roadway Master Plan is the implementation tool to detail the specific improvements necessary to support the general circulation and land use plan identified in the City's General Plan. The long-range roadway plan for major facilities in the project area includes:

[2] SJCOG web site, http://www.sjcog.org/sections/about/owp/OWP0506

- Pavilion Parkway – four-lane major arterial extending west from the Grant Line/I-205 interchange to Hansen Road
- Grant Line Road – six-lane major arterial from Byron Road to Chrisman Road
- Corral Hollow Road – six-lane major arterial from Schulte Road to Grant Line Road, transitioning to four-lane major arterial north of Grant Line Road
- Lammers Road – six-lane expressway throughout its entire length, with a new interchange at I-205

7. Tracy Truck Route Ordinance

Tracy has a specific City ordinance relating to truck routes. This ordinance defines weight restrictions, specifies the ability of trucks to enter areas not designated as truck routes, and defines the truck routes within the city. Near the project area, Grant Line Road and Corral Hollow Road are designated truck routes.[3]

8. Tracy Parking Requirements

The Tracy Municipal Code includes regulations for off-street parking (Section 10.08.3440 through 3590). These regulations identify minimum parking requirements for different land uses, as well as parking design, such as parking space size and required landscaping.

9. Proposed General Plan Update

The Circulation Element of the proposed General Plan provides the general location and extent of existing and proposed roadways, bicycle and pedestrian facilities, public transit and freight movement facilities. The Element identifies a roadway hierarchy of freeways, expressways, boulevards, rural highways, major arterials, minor arterials, collectors and local streets and roads. The Element has a strong focus on increasing connectivity for vehicles, bicy-

[3] *Tracy Municipal Code:* Section 3.08.290.

cles and pedestrians. This includes developing facilities to provide direct and safe connections between residential areas and retail districts.[4]

The Element also modifies the existing level of service (LOS) policy from the existing General Plan and the Roadway Master Plan. The standard in the proposed General Plan is to strive for an LOS of C on all streets and intersections. However, an LOS of D is allowed on all streets and at intersections within ¼ of a mile of any freeway and an LOS of E is allowed in the Downtown Urban Center and the Bowtie. In addition, individual intersections may fall below the City's LOS standards in instances where construction of physical improvements would be prohibitively expensive, significantly impact adjacent properties or the environment or have a significant, adverse impact on the character of the community.[5]

10. Overview of City and Regional Transportation Funding

a. City of Tracy Finance and Implementation Plans

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 "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. FIPs are periodically updated to keep pace with construction cost increases. The project involves a FIP (GL-3B). However, since the adoption of the FIP for GL-3B in March of 1993 there have been new cumulative development scenarios relating to traffic. Therefore, in order to ensure that the project fully funds its fair share of required improvements, an update to the FIP is necessary.

[4] *City of Tracy General Plan: City Council/Planning Commission Review Draft*, October 7, 2004, pages 5-14 to 5-33.

[5] *City of Tracy General Plan: City Council/Planning Commission Review Draft*, October 7, 2004, pages 5-23 to 5-25.

b. Measure K

Measure K is a countywide ½ cent sales tax program for the purpose of funding transportation improvements within San Joaquin County. The City participates in this program. The exiting Measure K sales tax expires in the year 2011. San Joaquin Council of Governments is working with the cities and local agencies in the County to achieve voter approval for Measure K renewal beyond the year 2011. None of the required traffic improvements listed in the mitigation measures for this project are improvements which would receive Measure K funds.

c. Regional Transportation Impact Fee (RTIF)

The City is a member agency of the San Joaquin Council of Governments (SJCOG), a joint powers agency consisting of the County of San Joaquin and the seven cities situated in San Joaquin County. Acting in concert, the member agencies of SJCOG developed the RTIF Program whereby the shortfall in funds needed to expand the capacity of the Regional Transportation Network could be made up in part by a Regional Transportation Impact Fee (RTIF Program Fee) on future residential and non-residential development. The RTIF Program Fee will augment other funding sources and help assure that needed improvements to the Regional Transportation Network are completed. The City adopted this fee on January 3, 2006. Of the list of improvements identified in the Draft EIR, only the I-205 / Grantline Road interchange (cumulative traffic mitigation TRA-8) is listed as a project which will be the recipient of RTIF funds.

d. San Joaquin County Traffic Fee Program

San Joaquin County has adopted a traffic mitigation fee program for the purpose of collecting fees to finance transportation facilities needed to accommodate new development within unincorporated San Joaquin County. The program includes a fee schedule for projects that occur in the unincorporated areas around Tracy. According to the County, none of the roadway improvements mentioned in the EIR are specifically called out as identified projects that would be the recipients of funding through this program . Further-

more, this program does not apply to the City of Tracy because it only applies to unincorporated areas in the County .

f. Caltrans
No known adopted fee-based infrastructure improvement program from which to calculate a "fair share" for improvements.

C. Existing Setting

This section describes the existing roadway network, traffic volumes and lane configurations, and existing intersection operations.

1. Existing Roadway Network

Freeways and major roads in the project study area include the following:

- **I-205 –** This freeway extends through the northern portion of Tracy and provides 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 interchanges nearest the project site are located at Grant Line Road/ Naglee Road, and Eleventh Street.
- **Pavilion Parkway –** This four-lane roadway bisects and provides access to the project sites. Near the project sites, Pavilion Parkway intersects Naglee Road, Robertson Drive and Power Road. The Pavilion Parkway/ Naglee Road intersection is signalized.
- **Naglee Road –** This six-lane roadway provides access to 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.
- **Grant Line Road –** This is an east-west roadway that intersects Byron Road, Lammers Road, Naglee Road, Corral Hollow Road, and Tracy Boulevard. 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.

- **Eleventh Street –** This is 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 –** This four-lane north-south divided roadway extends 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 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** - This north-south roadway runs parallel to Corral Hollow Road serving the western portion of the developed Tracy. In the project area, Lammers Road is a two-lane road with a posted speed limit of 45 mph.
- **Byron Road** - This rural two-lane roadway runs diagonally between the northwest and southeast.

2. 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 A of the traffic report, which is included in Appendix B of this EIR.

a. 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 proposed WinCo 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 No 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 of the traffic report in Appendix B contains the approved projects list, description, and trip generation information. Figure 4.3-2 shows the location of these projects by project number. Trip distributions for the approved projects were developed using the 2004 Tracy General Plan Travel Demand Model. Because travel behavior associated with residential and commercial uses differ, approved residential and commercial projects were assigned separate trip distribution numbers. The same trip distribution numbers were used for inbound and outbound for both residential and commercial projects. These trip distribution assignments are shown in Table 5 of the traffic report in Appendix B. Figure 4.3-3 depicts the existing traffic volumes, lane configuration, and traffic control at each of the study intersections.

b. Freeway Volumes

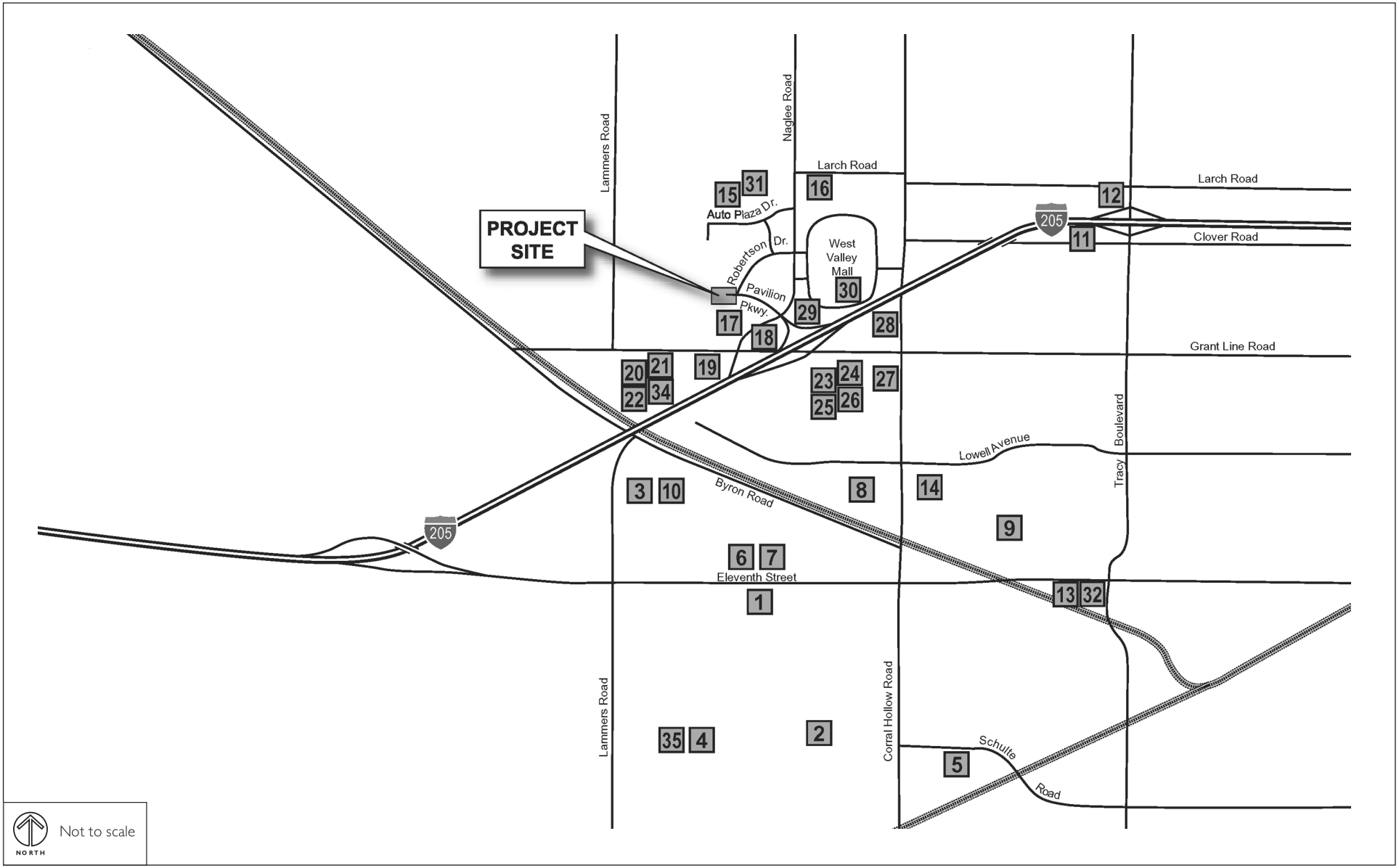
Freeway volumes were derived from count data collected by Caltrans during 2004 and summarized for the average mid-weekday (Tuesday, Wednesday, Thursday). The volumes reported on Figure 4.3-3 represent the highest hourly volume reported within the normal morning (7:00 to 9:00 AM) and evening (4:00 to 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 A of the traffic report, which is included in Appendix B of this EIR). Actual peak hour traffic volumes are up to 20 percent higher during the 5:00 AM hour than the reported volumes on Figure 4.3-3.

3. Existing Intersection Operating Conditions

For each of the study intersections, the Existing No Project intersection operating conditions were analyzed. The LOS for intersections along the Grant Line interchange was calculated for AM and PM peak hours and the LOS for all other intersections was calculated for only the PM peak hour. The PM peak hour has historically been the more critical time period for traffic impact evaluation on City of Tracy streets and intersections. The AM peak hour LOS was calculated and reported for the three Grant Line interchange intersections to meet the requirements outlined by Caltrans[6] for study locations within its jurisdiction. The AM and PM peak hour intersection LOS is shown in Table 4.3-4. Detailed LOS worksheets for the Existing No Project scenario can be found in Appendix B of the traffic report, which is included in Appendix B of this EIR.

[6] State of California Department of Transportation, 2002, *Guide for the Preparation of Traffic Impact Studies,* December.



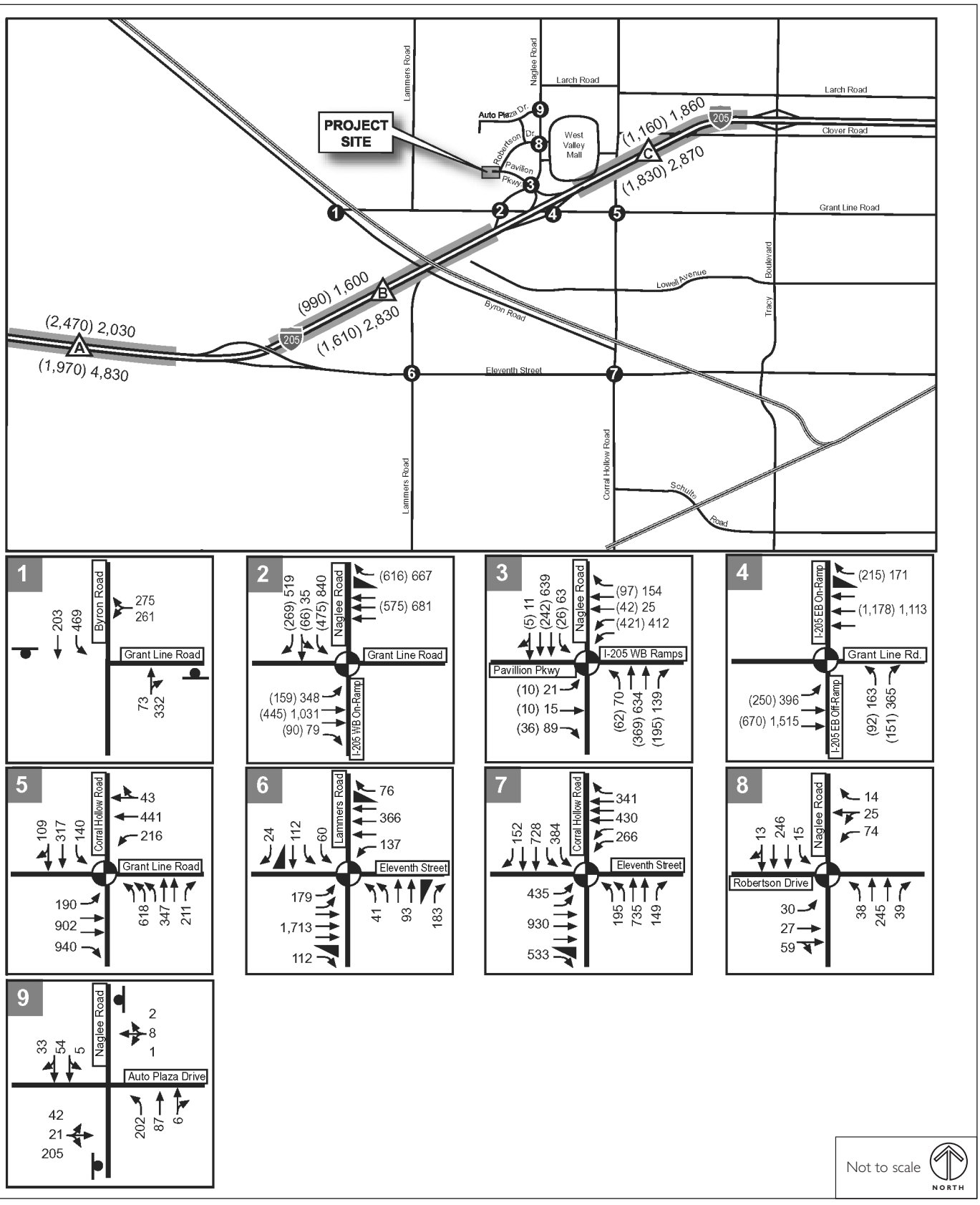
Source: Fehr & Peers, 2005.

FIGURE 4.3-2

1 **Approved Project Number (Approximate Location)**

Railroad

APPROVED PROJECTS LOCATION



Source: Fehr & Peers, August 2005

FIGURE 4.3-3

(XX) YY **(AM) PM Peak Hour**

Traffic Signal

Stop Sign

Free Right-turn

Study Intersections

Study Segments

Railroad

EXISTING PEAK HOUR TRAFFIC VOLUMES AND LANE CONFIGURATIONS

TABLE 4.3-4 **EXISTING INTERSECTION TRAFFIC OPERATIONS**

		AM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Rd / Byron Rd	SSSC[1]	n/a	n/a	**>50 (SB)** **>50**	**F** **F**
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	Signal[2]	10	B	18	B
3. Naglee Rd / Pavilion Parkway	Signal[2]	15	B	18	B
4. Grant Line Rd / I-205 EB Ramps	Signal[2]	12	B	22	C
5. Grant Line Rd / Corral Hollow Rd	Signal[2]	n/a	n/a	**44**	**D**
6. Eleventh St / Lammers Rd	Signal[2]	n/a	n/a	16	B
7. Eleventh St / Corral Hollow Rd	Signal[2]	n/a	n/a	32	C
8. Robertson Dr / Naglee Rd	Signal[2]	n/a	n/a	6	A
9. Auto Plaza Dr / Naglee Rd	SSSC[1]	n/a	n/a	14 (WB) 8	B A

Note: Bold and highlighting 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 (Transportation Research Board, 2000, *Highway Capacity Manual).*

Source: Fehr & Peers, 2005.

As shown in Table 4.3-4, all intersections operate at acceptable levels of service (LOS C or better) under Existing No Project conditions during the PM peak hour except for Grant Line Road/Byron Road and Grant Line Road/Corral Hollow Road.

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 acceptable level of service threshold is LOS D.

4. Cumulative Setting

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

a. Cumulative Development

The Cumulative No Project scenario includes reasonably foreseeable development projects in the City of Tracy. This includes commercial buildout of the following specific plan areas and projects:

- I-205 Corridor 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

City ordinance places limits on the number of residential building permits that can be issued in any given year in Tracy to an average of 600 permits per year. Residential development in the Cumulative No Project scenario was constrained to these limits for an approximate 20-year horizon, with development assumed in the following subdivisions:

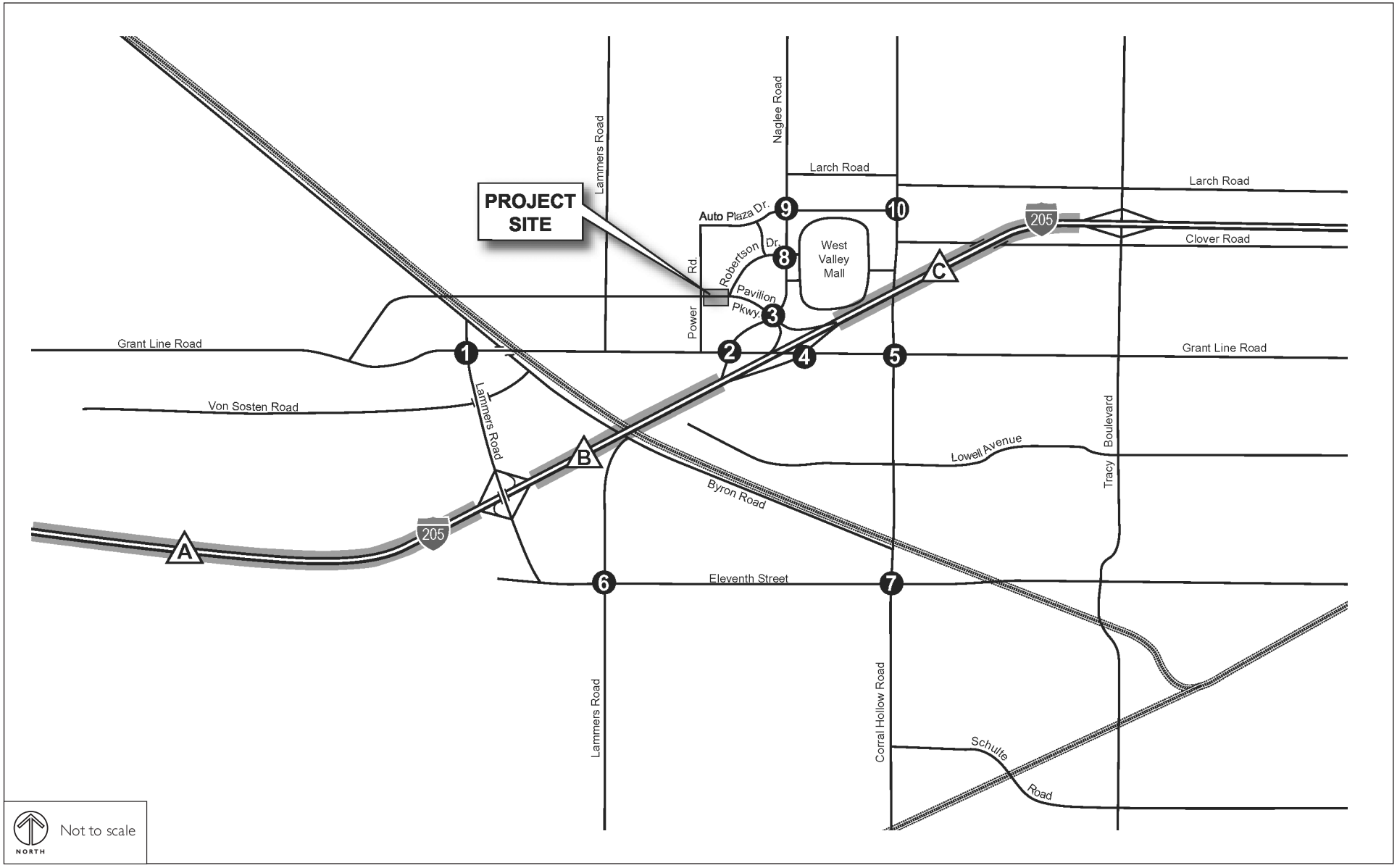
- Castro – 767 units
- Elissagaray Ranch – 433 units
- Filios – 400 units
- Kagehiro – 853 units
- Lourence Ranch – 166 units
- Moitoso II – 487 units
- Presidio – 550 units
- Saddlebrook – 385 units
- Souchek – 203 units
- South Schulte – 5,820 units
- Tracy Hills – 5,502 units

In San Joaquin County, residential and commercial development levels are consistent with SJCOG's 2004 RTP traffic model assumptions for year 2030.

b. Cumulative Roadway Network

Roadway improvements consistent with the City of Tracy's Roadway Master Plan were included in the cumulative roadway network, shown in Figure 4.3-4. The following improvements in the project 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. Extension of Pavilion Parkway west to Byron Road.
3. Connecting Power Road (2 lanes) from Auto Plaza Drive to Grant Line Road along the western city limit line.



Source: Fehr & Peers, August 2005.

FIGURE 4.3-4

Study Intersections

Study Segments

Railroad

CUMULATIVE ROADWAY NETWORK AND STUDY LOCATIONS

4. 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 project 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 following improvement in the project area is under the jurisdiction of Caltrans. The City of Tracy supports the project, and several major developments recently approved in Tracy are conditioned upon paying regional fees toward the widening and other projects of regional benefit.

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

The cumulative roadway network including these improvements is shown on Figure 4.3-4.

c. 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.

i. Cumulative Traffic Volumes

The 2004 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 Corridor Specific Plan area based on land use designations and maximum trips per acre allowed in the approved I-205 Corridor Specific Plan was assumed. Development levels in the Mountain House community in San Joaquin County are consistent with the SJCOG RTP estimates for 2030. In addition to the development described above, the net new trips generated by the planned Wal-Mart expansion on Grant Line Road

were included in the cumulative traffic volumes. For the Cumulative No Project scenario, no development was assumed on the Southern Parcel or on the Northern Parcel.

ii. Cumulative Lane Configurations

Intersection operating conditions were assessed assuming no improvements over existing configurations using the Cumulative No Project traffic volumes described above. The service levels under these conditions are shown in Table 4.3-5. The new signalized intersection at Grant Line Road/Lammers Road replaces the intersection of Grant Line Road/Byron 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 for these two intersections under existing configurations is not applicable.

Improvements at nine out of ten study intersections have been identified to accommodate additional traffic volumes associated with Cumulative growth. Table 4.3-6 summarizes these improvements. The elimination of the northbound through lane on Naglee Road at the Auto Plaza Drive/Naglee Road intersection is recommended by the consultant to avoid confusion at the new all-way stop controlled intersection. Figure 4.3-5 displays these intersection improvements, the lane configurations for the new Grant Line Road/Lammers Road and Auto Plaza Drive/Corral Hollow Road intersections and Cumulative No Project background traffic volumes.

d. Cumulative Intersection Operating Conditions

Cumulative intersection operating conditions were analyzed using the traffic volumes and intersection improvements described above. Table 4.3-7 summarizes the calculated level of service under Cumulative No Project conditions. The Grant Line Road interchange (intersections 2, 3 and 4) would operate at acceptable levels of service during the AM and PM peak hours. Other intersections would also operate at acceptable levels of service during the PM peak hour with the exception of Eleventh Street/Corral Hollow Road, which

TABLE 4.3-5 **CUMULATIVE TRAFFIC OPERATIONS WITH EXISTING CONFIGURATIONS**

		AM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Rd / Lammers Rd	Signal[1]	n/a	n/a	n/a	n/a
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	Signal[1]	26	C	**67**	**E**
3. Naglee Rd/ Pavilion Parkway	Signal[1]	49	D	**>80**	**F**
4. Grant Line Rd / I-205 EB Ramps	Signal[1]	**>80**	**F**	**>80**	**F**
5. Grant Line Rd / Corral Hollow Rd	Signal[1]	n/a	n/a	**>80**	**F**
6. Eleventh St / Lammers Rd	Signal[1]	n/a	n/a	**>80**	**F**
7. Eleventh St / Corral Hollow Rd	Signal[1]	n/a	n/a	**>80**	**F**
8. Robertson Dr / Naglee Rd	Signal[1]	n/a	n/a	7	A
9. Auto Plaza Dr / Naglee Rd	SSSC[2]	n/a	n/a	**28 (EB)** 15	**D** C
10. Auto Plaza Dr/ Corral Hollow Rd	SSSC[2]	n/a	n/a	n/a	n/a

Note: Bold and highlighting 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 (Transportation Research Board, 2000, *Highway Capacity Manual*).

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.

TABLE 4.3-6 (CONTINUED) **CUMULATIVE NO PROJECT INTERSECTION IMPROVEMENTS**

TABLE 4.3-6 **CUMULATIVE NO PROJECT INTERSECTION IMPROVEMENTS**

Location	Improvement
Retrofit Existing Locations	
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	♦ Optimize signal timing.
3. Naglee Rd / Pavilion Parkway	♦ Change existing eastbound right lane to free right on Pavilion Parkway. ♦ Optimize signal timing.
4. I-205 EB Ramps / Grant Line Rd	♦ 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.
	OR
2-4. Grant Line / I-205 Interchange	♦ Implement next phase of Grant Line/I-205 Interchange.
5. Grant Line Rd / Corral Hollow Rd	The required Cumulative configuration of this intersection to operate at LOS C/D consists of three through lanes, dual lefts and exclusive right-turn lanes on all approaches with acceleration lanes on all departures. This would involve the following modifications to the existing intersection: ♦ Modify existing right turn 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.

Location	Improvement
6. Eleventh St / Lammers Rd	The required Cumulative configuration for this intersection is a grade-separated urban intersection. This would involve the following modifications to the existing intersection: ♦ Change to single point urban interchange and signal with Lammers Road overcrossing. ♦ Modify existing free-right to permitted on westbound, northbound, and southbound approaches. ♦ Optimize signal timing.
7. Eleventh St / Corral Hollow Rd	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 would 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.
9. Auto Plaza Dr / Naglee Rd	♦ Change existing side-street stop control to an all-way stop control. ♦ Eliminate northbound through lane on Naglee Road, leaving a northbound left turn lane and a northbound shared through-right turn lane.
New Intersections	
1. Grant Line Rd / Lammers Rd	Construction of new signalized intersection with following configuration: ♦ Eastbound: • One left turn lane • Three through lanes • One free-right turn lane ♦ Westbound: • Three left turn lanes • One shared through-right lane • One right turn lane ♦ Northbound • Two left turn lanes • Three through lanes • One free right turn lane ♦ Southbound • Two left turn lanes • Two through lanes • One right turn lane
10. Auto Plaza Dr / Corral Hollow Rd	Construction of new side-street stop controlled intersection with the following configuration: ♦ Northbound • One left turn lane • Two through lanes ♦ Southbound • One through lane • One shared through right turn lane ♦ Eastbound (stop controlled) • One left turn lane • One right turn lane

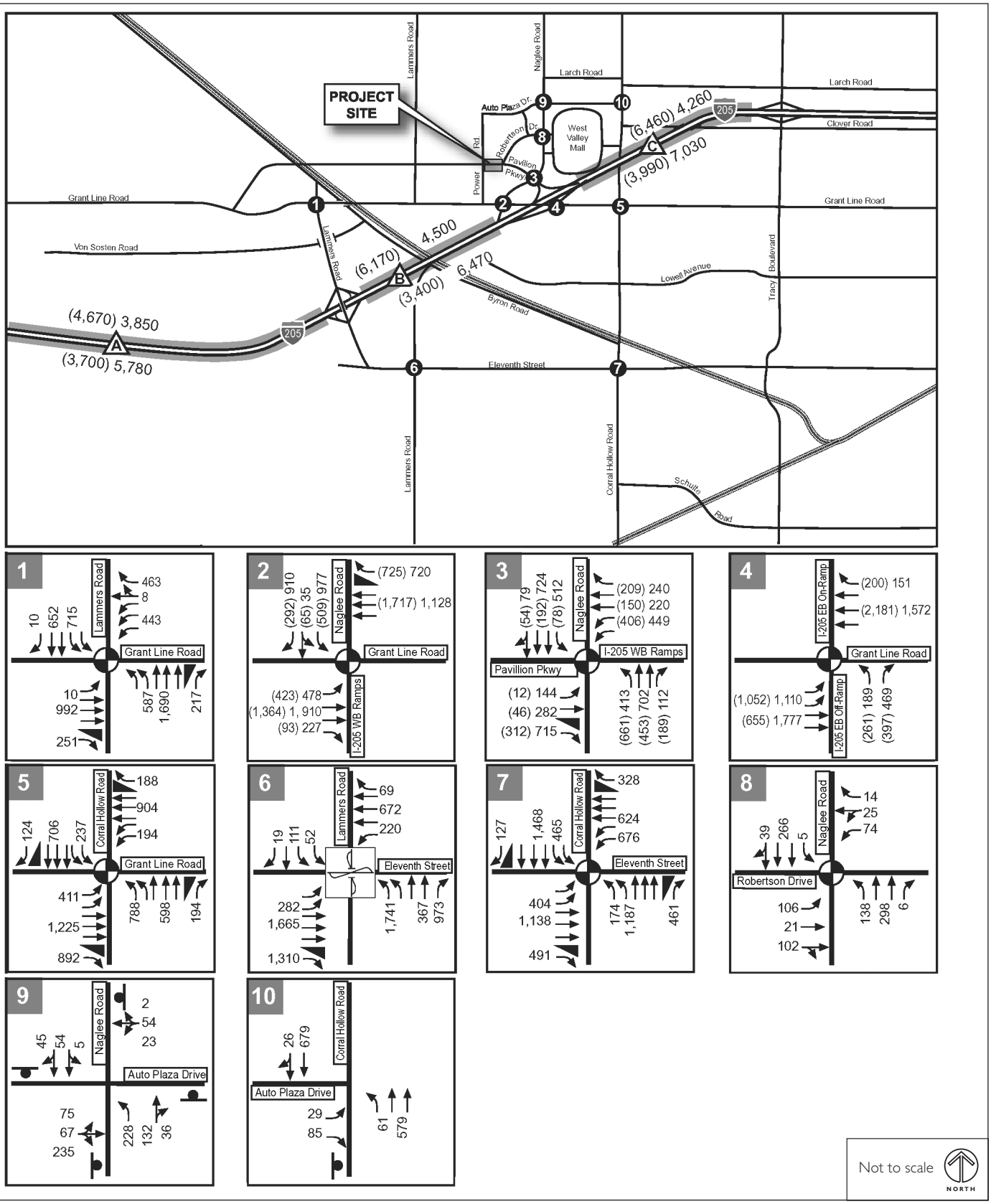
TABLE 4.3-7 **INTERSECTION TRAFFIC OPERATIONS WITH CUMULATIVE IMPROVEMENTS**

		AM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Rd / Lammers Rd	Signal[1]	n/a	n/a	54	D
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	Signal[1]	24	C	39	D
3. Naglee Rd / Pavilion Parkway	Signal[1]	25	C	48	D
4. Grant Line Rd / I-205 EB Ramps	Signal[1]	55	D	51	D
5. Grant Line Rd / Corral Hollow Rd	Signal[1]	n/a	n/a	35	C/D
6. Eleventh St / Lammers Rd	SPUI[2]	n/a	n/a	21	C
7A. Eleventh St / Corral Hollow Rd	Signal[1]	n/a	n/a	**47**	**D**
7B. Eleventh St / Corral Hollow Rd	SPUI[2]	n/a	n/a	25	C
8. Robertson Dr / Naglee Rd	Signal[1]	n/a	n/a	7	A
9. Auto Plaza Dr / Naglee Rd	AWSC[3]	n/a	n/a	12	B
10. Auto Plaza Dr / Corral Hollow Rd	SSSC[4]	n/a	n/a	15 (EB) 2	C A

Note: Bold and highlighting 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 (Transportation Research Board, 2000, *Highway Capacity Manual*).
2. Single-point urban interchange LOS based on weighted average control delay per vehicle (Transportation Research Board, 2000, *Highway Capacity Manual*).
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.



Source: Fehr & Peers, August 2005.

FIGURE 4.3-5

CUMULATIVE TRAFFIC VOLUMES AND IMPROVED LANE CONFIGURATIONS

(XX) YY **(AM) PM Peak Hour**

Traffic Signal

Free Right-Turn

Stop Sign

SPUI/Signal

Study Intersections

Study Segments

Railroad

is projected to operate at LOS D during the PM peak hour. Detailed LOS worksheets for the Cumulative No Project scenario can be found in Appendix C of the traffic report, which is Appendix B of this EIR.

5. Trip Generation

a. WinCo Grocery Store

The *WinCo Foods Trip Generation & Characteristics Study* (Kittelson & Associates, September 2002) studied trip generation for ten WinCo locations in the Western United States. Four of the ten study locations were located in California. The average trip generation rates the study found for all ten locations are shown in Table 4.3-8. The average trip generation rates for only the four California locations are shown in Table 4.3-9. There is not a substantial difference between the California average trip generation rates and the average trip generation rates for all study locations. Because they are based on a larger sample of WinCo stores, the average trip generation rates for all locations, shown in Table 4.3-8, were used to estimate trips generated by the WinCo portion of the proposed project.

The *WinCo Foods Trip Generation & Characteristics Study* also separated trips generated into primary, pass-by, and diverted linked trips. Primary trips are new trips made for the specific purpose of visiting the project. Pass-by and diverted linked trips are trips visiting the project from traffic already on the roadway network. Pass-by trips are made by traffic passing on an adjacent street and do not involve any route diversion to reach the project. Diverted linked trips are made by traffic on the roadway network near the project requiring a route diversion to visit the project. Non-primary trips (pass-by and diverted linked trips) generally do not occur during the AM peak hour.

Table 12 of the traffic report in Appendix B shows the percentage of total WinCo trips generated by trip type for the PM peak hour at all the WinCo locations in the study, and only California study locations. The percentage of primary trips generated by California locations is significantly higher than the percentage of primary trips generated by all study locations. For the proposed Tracy WinCo, the trip type percentages for California locations are

TABLE 4.3-8 **AVERAGE TRIP GENERATION RATES FOR WINCO – ALL STORES**

	Typical Weekday							Saturday			
		AM Peak Hour Rate			PM Peak Hour Rate				Midday Peak Hour Rate		
Land Use	Daily Rate	In	Out	Total	In	Out	Total	Daily Rate	In	Out	Total
WinCo	95.2	1.7	1.4	3.1	4.4	4.3	8.7	121.5	5.4	5.2	10.6

Source: Kittelson & Associates, 2002, *WinCo Foods Trip Generation & Characteristics Study*, September.

TABLE 4.3-9 **AVERAGE TRIP GENERATION RATES FOR WINCO – CALIFORNIA STORES**

	Typical Weekday							Saturday			
		AM Peak Hour Rate			PM Peak Hour Rate				Midday Peak Hour Rate		
Land Use	Daily Rate	In	Out	Total	In	Out	Total	Daily Rate	In	Out	Total
WinCo	95.9	1.9	1.4	3.3	4.2	4.1	8.3	123.4	5.1	5.4	10.5

Source: Kittelson & Associates, 2002, *WinCo Foods Trip Generation & Characteristics Study*, September.

used to separate primary and non-primary trips. Because the proposed project location is adjacent to a low-level collector road, the number of pass-by trips is considered negligible and all non-primary trips are considered diverted linked trips.

The estimated AM and PM peak hour trips generated by the WinCo portion of the proposed Project are shown in Table 13 of the traffic report in Appendix B. The proposed WinCo store would generate approximately 296 AM

peak hour trips. During the PM peak hour, a total of 831 trips are estimated; of these, 507 are primary trips and the other 324 are diverted linked trips.

b. Northern Parcel

The estimated number of trips generated by the Northern Parcel was calculated using trip generation equations associated with Land Use Code 820, Shopping Center, from the Institute of Transportation Engineers (ITE), *Trip Generation* (7th Edition). These ITE trip generation equations yield trips per 1,000 square-feet. The maximum floor-area ratio for commercial uses from the I-205 Corridor Specific Plan, 0.3, was used to convert the 10.8-acre parcel to 141,130 square-feet.

For the Northern Parcel, a 30 percent non-primary trip percentage was used to distinguish between primary and non-primary trips. This rate is based on the non-primary trip rate in the Institute of Transportation Engineers (ITE), *Trip Generation Handbook* (7th Edition), for ITE Land Use Code 820, Shopping Center. As with the proposed WinCo, all non-primary trips are considered diverted linked trips. As shown in Table 14 of Appendix B of this EIR, the Northern Parcel would generate approximately 192 AM peak hour trips, 550 PM peak hour primary trips and 236 PM peak hour diverted linked trips.

6. Trip Distribution and Assignment

The City of Tracy 2004 General Plan Travel Demand Model was used to develop trip distributions for both parts of the proposed project. The same trip distribution was used for the WinCo and the Northern Parcel. 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 model, modifications were made to the trip distributions obtained from the model. For trips to or from areas 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 4.3-10 summarizes the Existing and Cumulative project trip distributions for the WinCo and Northern Parcel.

During the PM peak hour, 324 or 39 percent of WinCo trips and 236 or 30 percent of Northern Parcel trips are diverted linked trips. 162 of WinCo diverted trips are inbound and 162 are outbound. Similarly, 118 of the Northern Parcel diverted linked trips are inbound and 118 are outbound. These trips are diverted from eastbound I-205, westbound I-205 and eastbound Grant Line Road. The routes these trips are diverted from are based on the trip distribution shown in Table 4.3-10. Tables 4.3-11 and 4.3-12 show the direction from which these trips are diverted for the Existing and Cumulative scenarios.

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 4.3-6. In the Cumulative trip distribution, a higher percentage of trips would 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 4.3-7.

Existing primary trips are assigned to the roadway network using the Existing inbound and outbound trip distribution shown in Table 4.3-10 and the Existing diverted routes in Tables 4.3-11 and 4.3-12. The Existing project trip assignment is shown in Figure 4.3-8. Similarly, Cumulative project trips are assigned to the roadway network using the Cumulative inbound and outbound trip distribution presented in Tables 4.3-10, 4.3-11 and 4.3-12. Cumulative project trip assignment is shown on Figure 4.3-9.

TABLE 4.3-10 **PROJECT TRIP DISTRIBUTION**

	Existing Distribution (%)		Cumulative Distribution (%)	
Location	**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.

TABLE 4.3-11 **WINCO DIVERTED TRIPS BREAKDOWN**

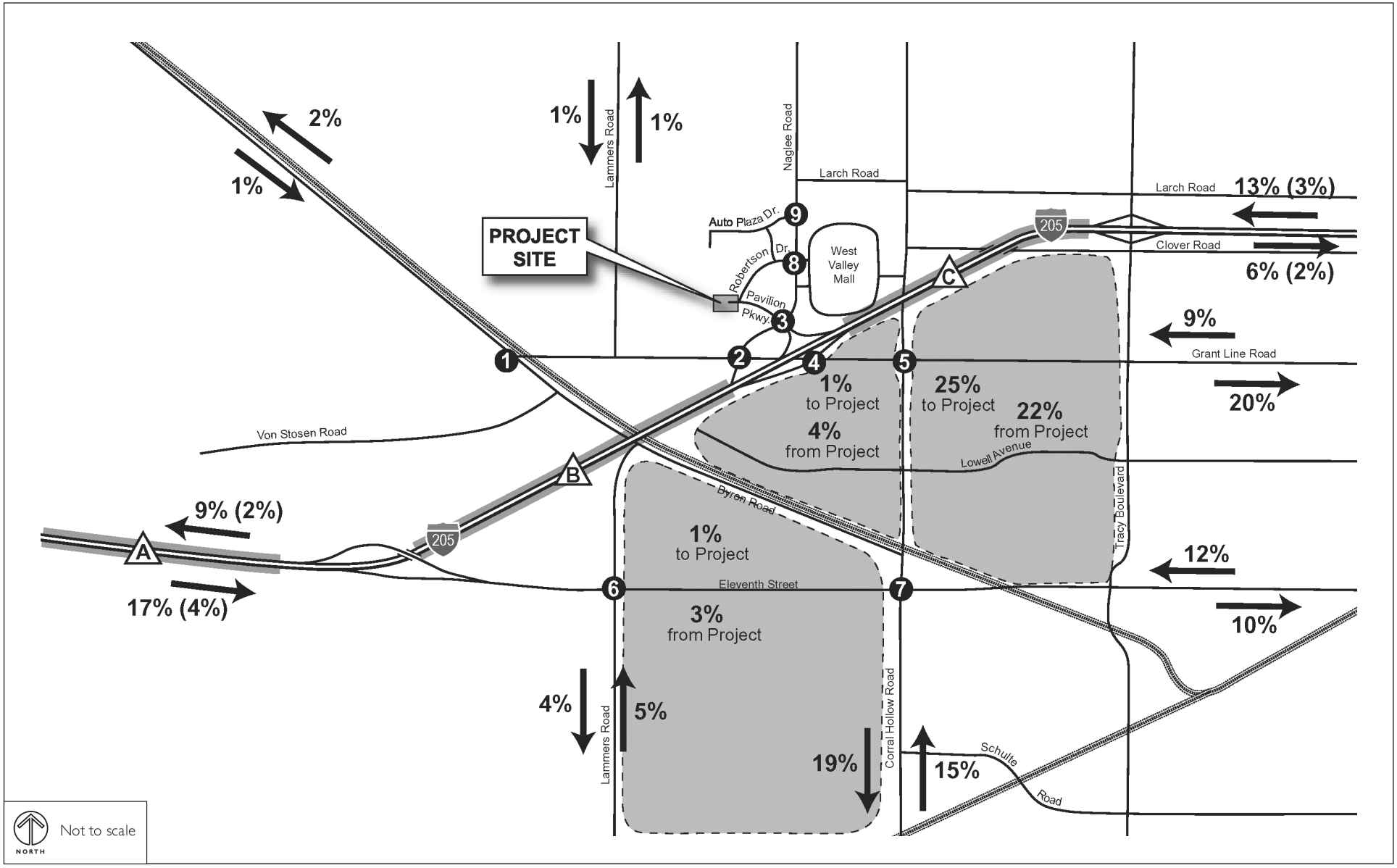
	Existing		Cumulative	
Direction	% Total Trips	Trips	% Total Trips	Trips
WB I-205	16%	66	12%	47
EB I-205	21%	86	20%	88
EB Grant Line Road	2%	10	7%	27
Total	***39%***	***162***	***39%***	***162***

Source: Fehr & Peers, 2005.

TABLE 4.3-12 **NORTHERN PARCEL DIVERTED TRIPS BREAKDOWN**

	Existing		Cumulative	
Direction	% Total Trips	Trips	% Total Trips	Trips
WB I-205	12%	48	9%	35
EB I-205	16%	63	16%	63
EB Grant Line Road	2%	7	5%	20
Total	***30%***	***118***	***30%***	***118***

Source: Fehr & Peers, 2005.



Source: Fehr & Peers, August 2005.

FIGURE 4.3-6

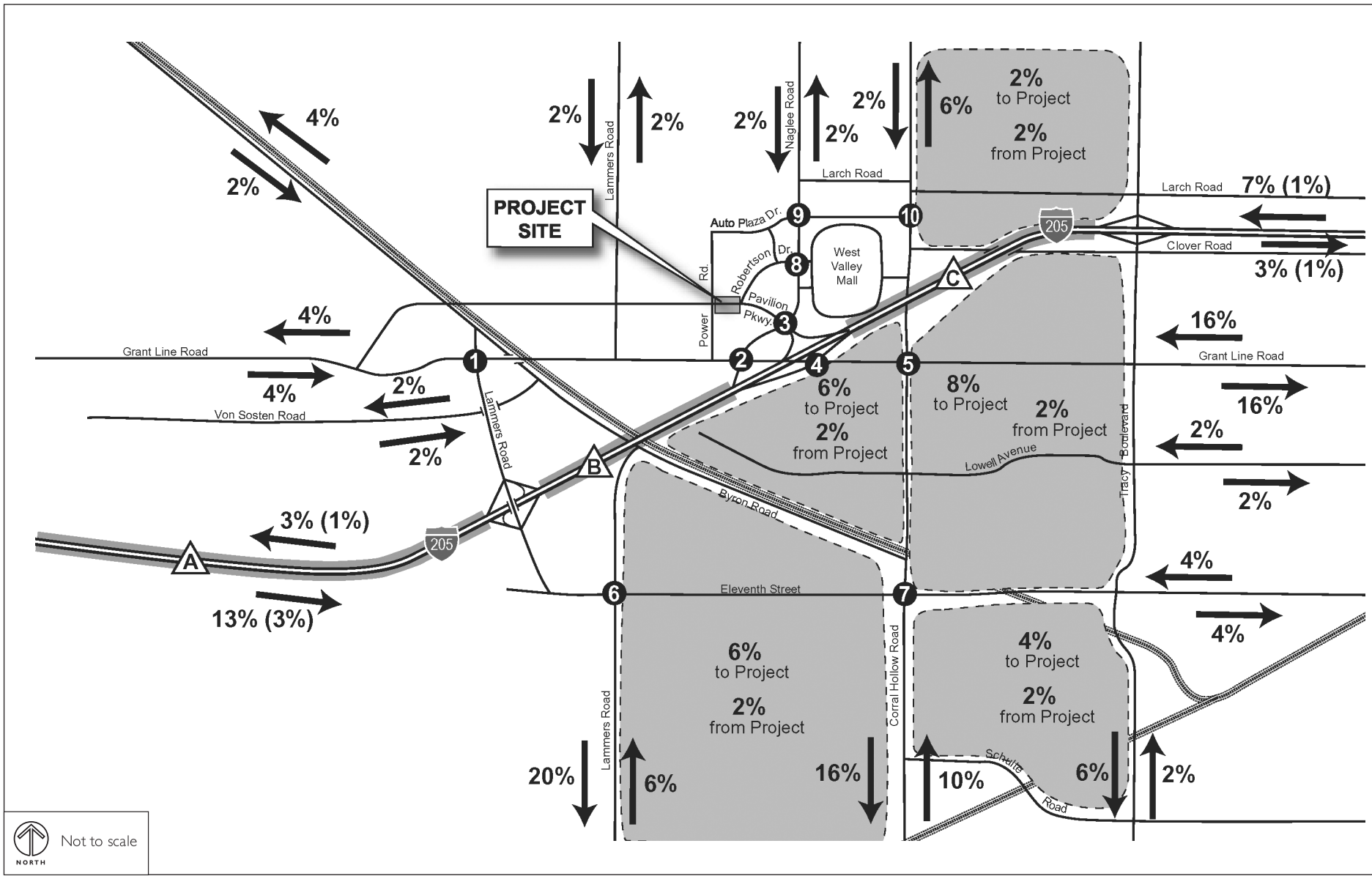
EXISTING PROJECT TRIP DISTRIBUTION

1 **Study Intersections**

X **Study Segments**

X% (Y%) **Trip Distribution % (Primary Trip %)**

Railroad



Source: Fehr & Peers, August 2005.

FIGURE 4.3-7

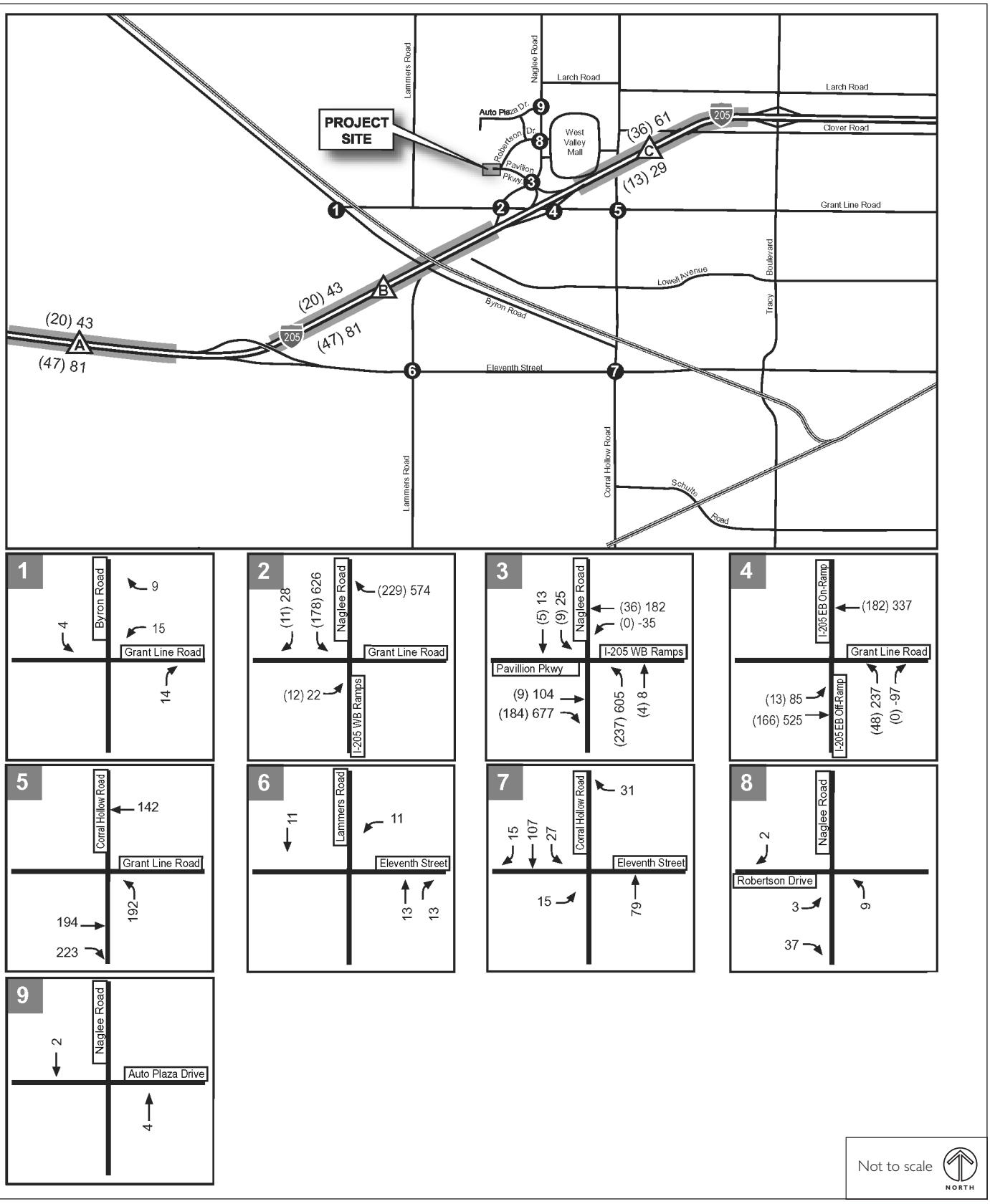
CUMULATIVE PROJECT TRIP DISTRIBUTION

Study Intersections

Study Segments

X% (Y%) **Trip Distribution % (Primary Trip %)**

Railroad



Source: Fehr & Peers, August 2005.

(XX) YY **(AM) PM Peak Hour**

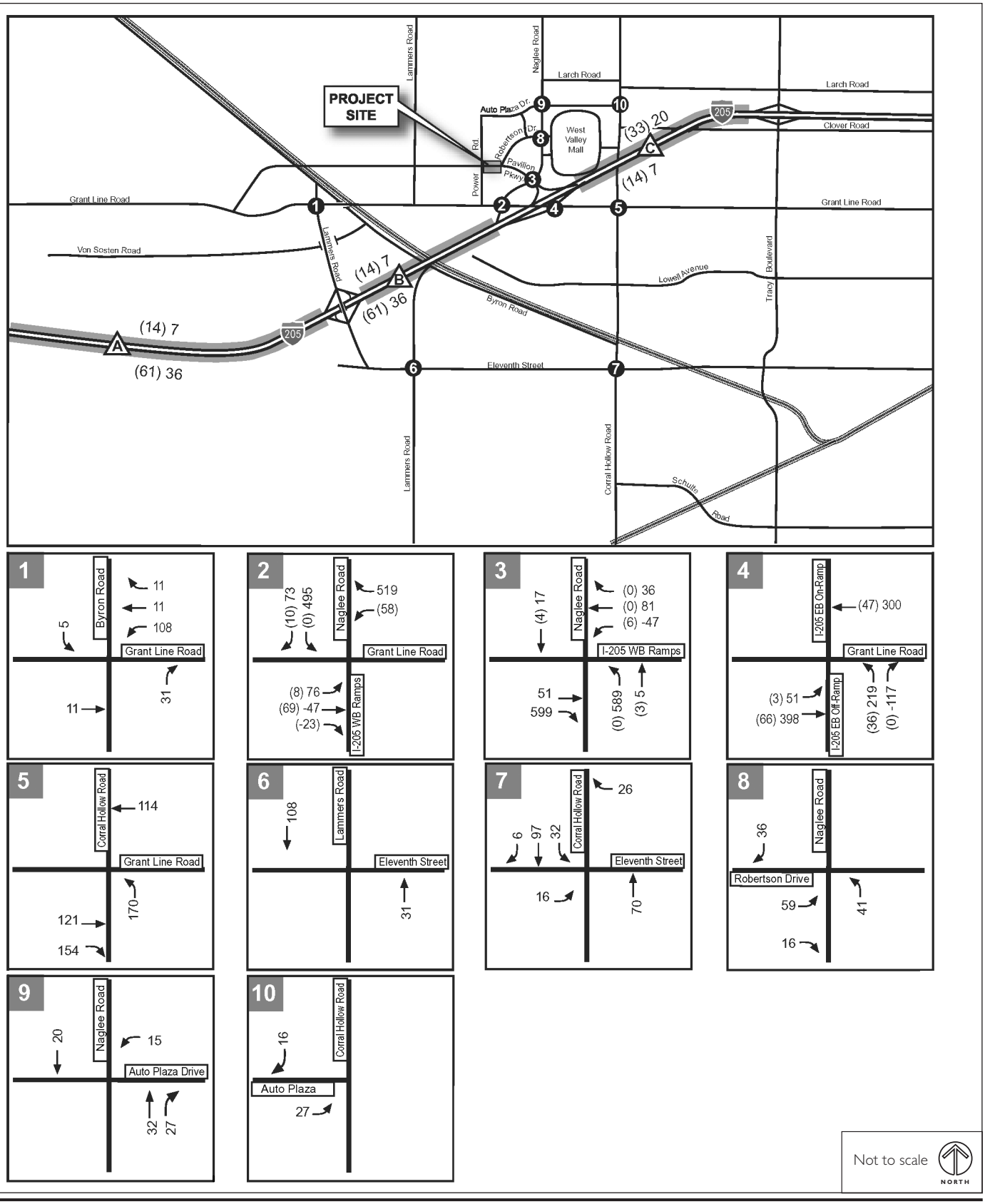
Study Intersections

Study Segments

Railroad

FIGURE 4.3-8

EXISTING PROJECT TRIP ASSIGNMENT



Source: Fehr & Peers, August 2005.

(XX) YY **(AM) PM Peak Hour**

Study Intersections

Study Segments

Railroad

FIGURE 4.3-9

CUMULATIVE PROJECT TRIP ASSIGNMENT

7. On-Site Access and Circulation

The site is currently undeveloped, and so there is no onsite circulation system in place. Circulation components proposed as part of the project are described below in Chapter 3: Project Description, and evaluated below in Section E.

8. Parking

The I-205 Corridor Specific Plan provides parking standards for various land uses allowed within the Plan Area. Retail and office uses are required to provide one off-street parking space per 250 square feet of gross leasable area. Receiving/warehouse/service uses are required to provide parking at a ratio of one space per 1,000 square feet for the first 20,000 square feet, and one parking space per 2,000 square feet for any area over 20,000 square feet.

9. Bicycle and Transit Network

The bicycle network in the vicinity of the project is relatively limited. A Class I Bicycle Path runs along Naglee Road to Grant Line Road. A bike lane is also in place along the existing section of Power Road.

Two bus lines serve the project area, although no transit routes serve the project site directly. San Joaquin Regional Transit District (SJRTD) Route 90 provides service along Grant Line Road and Naglee Road. The City-operated Tracer bus line connects from central Tracy, looping along Coral Hollow Road, Larch Road, and Naglee Road, providing service to West Valley Mall, the nearby WalMart, and the Park and Ride lot located at I-205/Naglee Road.

D. Standards of Significance

The project would result in a significant impact with regard to traffic, circulation and parking if it would:

- Individually or cumulatively cause an increase in traffic which would degrade existing level of service below LOS D for streets or intersec-

tions within one quarter mile of any freeway, or LOS C for other streets or intersections within the Tracy City limits.

- Individually or cumulatively, cause an increase in traffic which would degrade existing level of service below LOS D for streets or intersections within unincorporated San Joaquin County.
- Substantially increase hazards due to a design feature (e.g. sharp curves or dangerous intersection) or incompatible uses.
- Result in inadequate emergency access.
- Result in inadequate parking capacity.
- Conflict with adopted policies, plans or programs supporting alternative transportation.

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 LOS standards of significance for intersections and facilities within the limits of the city or county.

The LOS 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 would 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 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 five percent.

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

E. Impact Discussion

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. Numbered impacts and mitigation measures are listed in Section D: Impacts and Mitigation Measures.

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

1. Existing Plus Project

a. Summary of Intersection Operating Conditions

For the Existing Plus Project scenario, traffic generated by the proposed project (WinCo and the Northern Parcel) is added to Existing No Project traffic volumes. Existing Plus Project traffic volumes and lane configurations are shown on Figure 4.3-10.

Intersection operating conditions were analyzed for Existing Plus Project traffic volumes. The calculated LOS for the study intersections is reported in Table 4.3-13. Under Existing Plus Project conditions, the following intersections operate at unacceptable service levels:

- Intersection 1: Grant Line Road/Byron Road (San Joaquin County jurisdiction)
- Intersection 3: Naglee Road/Pavilion Parkway
- Intersection 5: Grant Line Road / Corral Hollow Road

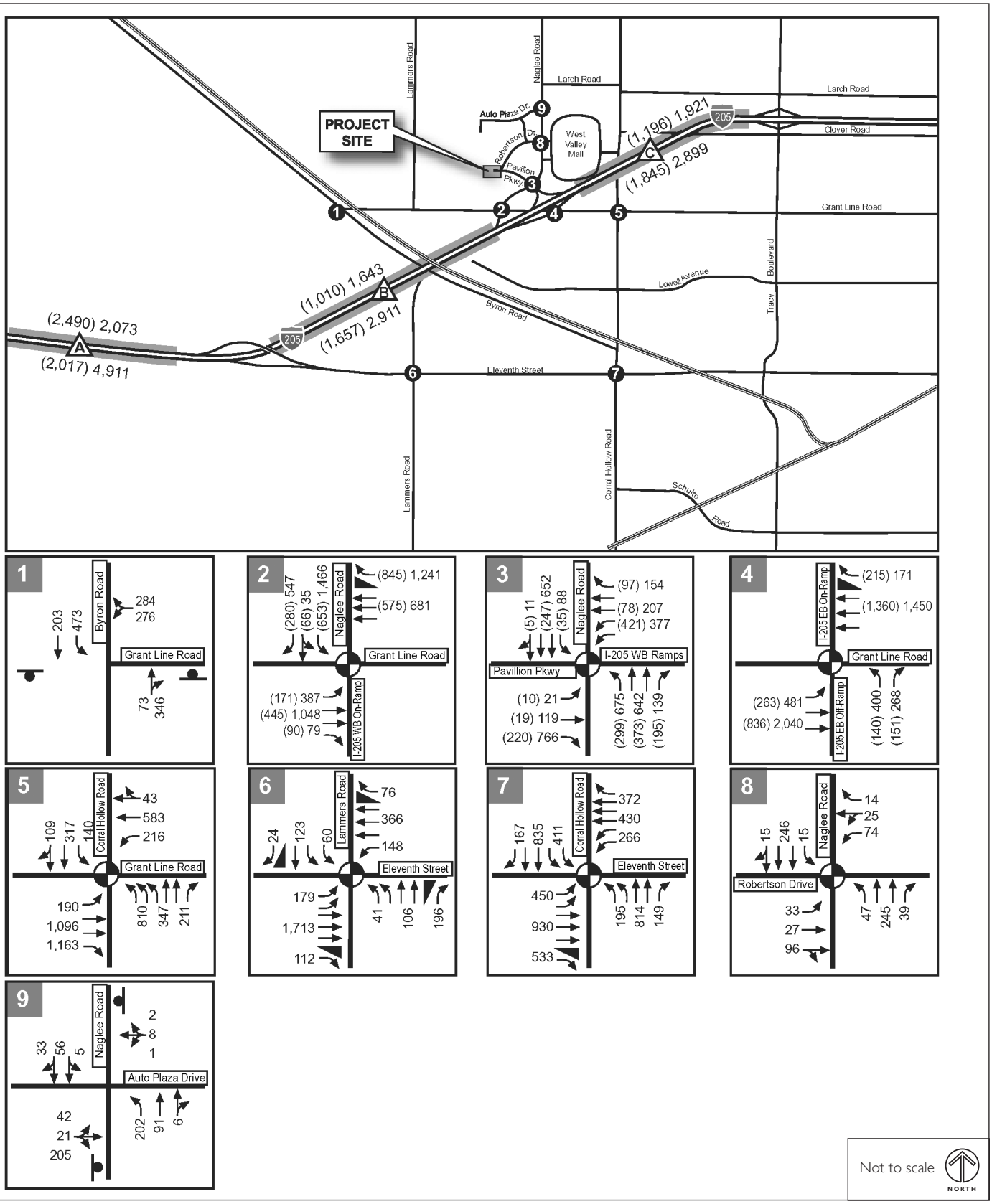
The Naglee Road/Pavilion Parkway intersection average delay would increase to over 80 seconds (LOS F) during the PM peak hour. The Grant Line Road/Corral Hollow intersection average delay would increase to over 80 seconds (LOS F) during the PM peak hour and drop below the City of Tracy standard of LOS C. Detailed LOS worksheets for the Existing Plus Project scenario can be found in Appendix B of the traffic report, which is Appendix B of this EIR.

As a side note, the Eleventh Street/Corral Hollow Road intersection delay increases to 34 seconds, just below the LOS C/D threshold of 35 seconds. All other intersections would continue to operate at acceptable levels of service.

In subsections b through d below, project impacts at each intersection that would experience unacceptable service levels under Existing Plus Project conditions are described in more detail. As discussed below, it would be necessary to mitigate the effects of adding project generated traffic at three intersections in the PM peak hour. Recommended mitigation measures are shown on Figure 4.3-11 and presented in Table 4.3-14. The traffic operations with the mitigation measures in place are summarized in Table 4.3-15. Subsection e below includes an analysis of increased traffic volumes on I-205.

b. Intersection 1: Grant Line Road/Byron Road (San Joaquin County jurisdiction)

The intersection of Grant Line Road/Byron Road currently has northbound and southbound stop controlled and westbound free to limit the queuing across the rail road tracks. The intersection currently meets the peak hour volume signal warrant with or without the addition of project traffic.



Source: Fehr & Peers, August 2005.

FIGURE 4.3-10

(XX) YY **(AM) PM Peak Hour**

Traffic Signal

Free Right-Turn

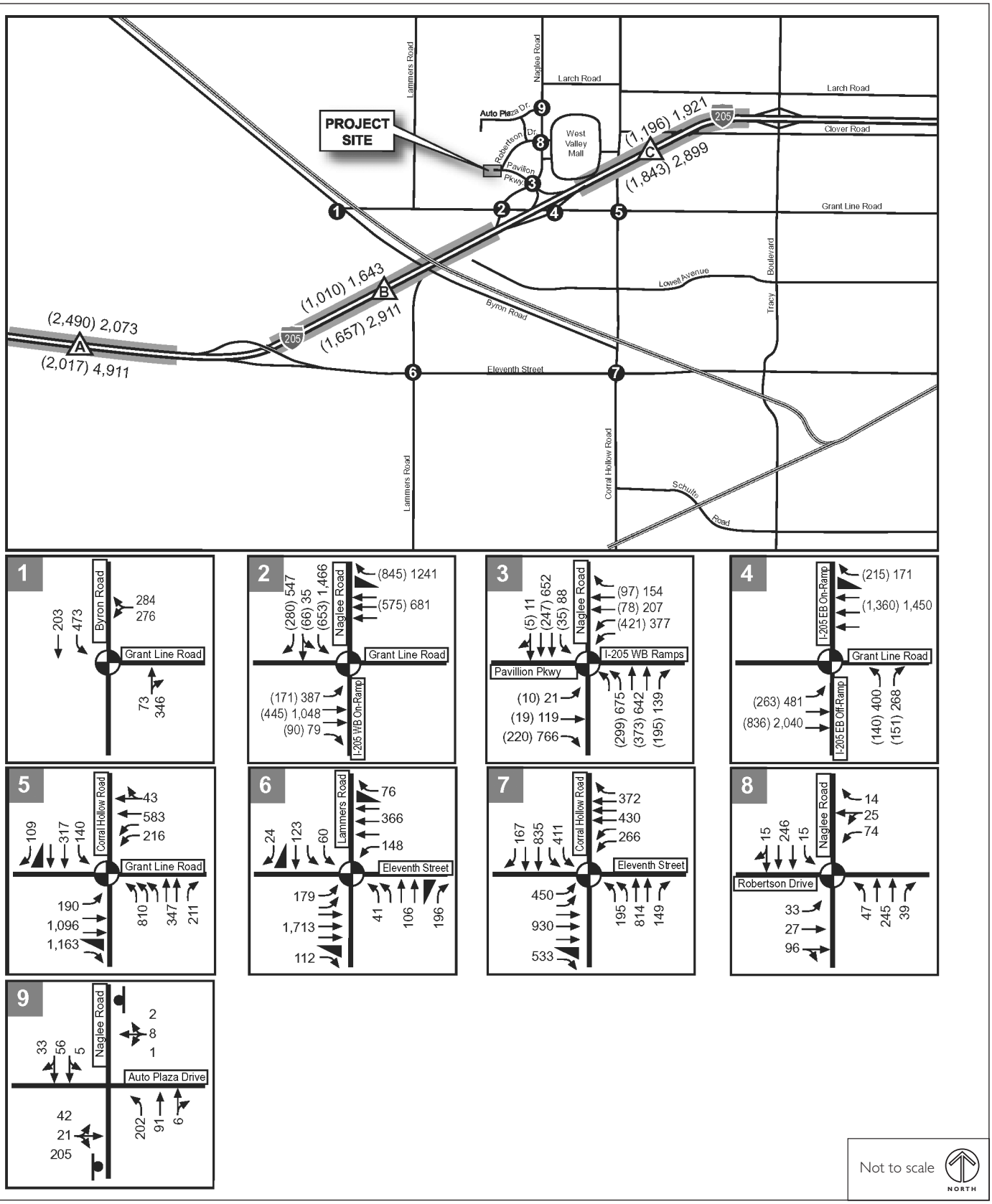
Stop Sign

Study Intersections

Study Segments

Railroad

EXISTING PLUS PROJECT TRAFFIC VOLUMES AND LANE CONFIGURATIONS



Source: Fehr & Peers, August 2005.

FIGURE 4.3-11

(XX) YY **(AM) PM Peak Hour**

Traffic Signal

Free Right-Turn

Stop Sign

Study Intersections

Study Segments

Railroad

EXISTING PLUS PROJECT TRAFFIC VOLUMES AND MITIGATED LANE CONFIGURATIONS

TABLE 4.3-13 **EXISTING PLUS PROJECT INTERSECTION TRAFFIC OPERATIONS**

		AM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Rd / Byron Rd (San Joaquin County)	SSSC[1]	n/a	n/a	**>50 (SB)** **>50**	**F** **F**
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	Signal[2]	11	B	45	D
3. Naglee Rd / Pavilion Parkway	Signal[2]	25	C	**>80**	**F**
4. Grant Line Rd / I-205 EB Ramps	Signal[2]	13	B	32	C
5. Grant Line Rd / Corral Hollow Rd	Signal[2]	n/a	n/a	**>80**	**F**
6. Eleventh St / Lammers Rd	Signal[2]	n/a	n/a	17	B
7. Eleventh St / Corral Hollow Rd	Signal[2]	n/a	n/a	34	C
8. Robertson Dr / Naglee Rd	Signal[2]	n/a	n/a	7	A
9. Auto Plaza Dr / Naglee Rd	SSSC[1]	n/a	n/a	14 (WB) 8	B A

Note: Bold and highlighting indicates intersection operating at deficient level of service. Significance criteria for County intersections (intersection 1) and City intersections within ¼ miles of inter-change 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.

TABLE 4.3-14 **RECOMMENDED PROJECT MITIGATION MEASURES**

Location	Improvement
1. Grant Line Rd / Byron Rd (San Joaquin County)	♦ Install traffic signal. ♦ Coordinate signal with rail road crossing and detection system.
3. Naglee Rd / Pavilion Parkway	♦ Add second left turn lane from northbound Naglee Road to westbound Pavilion Parkway. ♦ Optimize signal timing.
5. Grant Line Rd / Corral Hollow Rd	♦ Add free-flow right turn lane on eastbound Grant Line and receiving / acceleration lane of 400 feet on southbound Corral Hollow. ♦ Replace existing shared through/right to one exclusive through lane and one free-flow right-turn lane of 300 feet on southbound Corral Hollow and receiving / acceleration lane of 400 feet on westbound Grant Line. ♦ Add second left turn lane from westbound Grant Line Road to southbound Corral Hollow Road. ♦ Optimize signal timing.

Source: Fehr & Peers, 2005

The addition of project traffic to the Grant Line Road/Byron Road intersection in the Existing Plus Project scenario would add traffic to an already deficient intersection that is operating at LOS F with more than 50 seconds of average delay. This is considered a *significant* impact.

By signalizing the intersection the average delay is reduced to 35 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.

TABLE 4.3-15 **EXISTING PLUS PROJECT MITIGATED INTERSECTION TRAFFIC OPERATIONS**

		Unmitigated		Mitigated	
		PM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (sec)	LOS	Delay (sec)	LOS
1. Grant Line Rd / Byron Rd	SSSC/ Signal	**>50 (SB)** **>50**	**F** **F**	35	C
3. Naglee Rd / Pavilion Parkway	Signal	**>80**	**F**	52	D
5. Grant Line Rd / Corral Hollow Rd	Signal	**>80**	**F**	34	C

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

Source: Fehr & Peers, 2005

The County of San Joaquin would be responsible for construction of the intersection improvement. Currently, there is no identified plan or project to implement this improvement, nor is there a financing plan in place to fund the improvements. Therefore, since the mitigation measure cannot be implemented, the impact is *significant and unavoidable.*

c. Intersection 3: Naglee Road/Pavilion Parkway

Under existing conditions, the signalized Naglee Road/Pavilion Parkway intersection operates at LOS B with an average delay of 18 seconds in the PM peak hour. The addition of the proposed project traffic would increase the average intersection delay to over 80 seconds, shifting the level of service from LOS B to F. The City of Tracy level of service standard for this intersection is LOS D. This is considered a *significant* impact.

Adding a second left turn lane on northbound Naglee Road and optimizing the signal timing would reduce the average delay at this intersection to 52 seconds. This change in signal control would mitigate the impact of the project, improving the service level to LOS D.

The City of Tracy would be responsible for the acquisition of right-of-way and intersection improvement, both of which would be funded by the proposed project. The first development on the proposed project site (WinCo or the Northern Parcel) would be responsible for the intersection improvement as a project traffic impact mitigation measure. With implementation of this mitigation, project impacts would be reduced to less-than-significant.

d. Intersection 5: Grant Line Road/Corral Hollow Road

Under existing conditions, the signalized Grant Line Road/Corral Hollow Road intersection operates at an unacceptable LOS D with an average delay of 44 seconds during the PM peak hour. However, project-generated traffic would increase the average delay to over 80 seconds, resulting in an unacceptable LOS F. (The City of Tracy level of service standard for this intersection is LOS C.) Although the City of Tracy does not have a defined policy on determining what constitutes a project impact on an intersection that operates at deficient levels under baseline conditions, the addition of over 36 seconds of delay caused by the project is typically considered to be a significant impact. Thus, this is considered a *significant* impact.

To mitigate the impact on the Grant Line Road/Corral Hollow Road intersection, 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. Additional mitigation measures include changing the existing shared through-right to an exclusive through and free-flow right-turn of 300 feet on southbound Corral Hollow and a receiving lane extending west of the intersection along Grant Line of 400 feet, and adding a second left turn on westbound Grant Line. Optimizing the signal timing for Existing Plus Project

traffic volumes is also recommended. These mitigations are expected to reduce the average intersection delay to 34 seconds in the PM peak hour, improving the intersection operation to LOS C.

The WinCo project would be responsible for the intersection improvement as a project traffic impact mitigation measure. 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 would be reduced to less-than-significant.

e. Interstate 205 Traffic

The addition of project traffic would increase the volume on I-205. 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 81 trips. This represents about two percent of the total eastbound volume on the freeway during this time period, which is below the significance threshold of five percent. No mitigation is proposed since project impacts are *less-than-significant*.

2. Cumulative Plus Project

This section describes the Cumulative Plus Project intersection operations and I-205 traffic volumes and proposed mitigation measures. Numbered impacts and mitigation measures are listed in Section F: Impacts and Mitigation Measures.

a. Summary of Intersection Operating Conditions

Cumulative Plus Project traffic volumes were obtained by adding the trips generated by WinCo and the Northern Parcel to Cumulative No Project background traffic volumes. Using these volumes and the intersections with cumulative improvements identified in Table 4.3-6, AM and PM peak hour

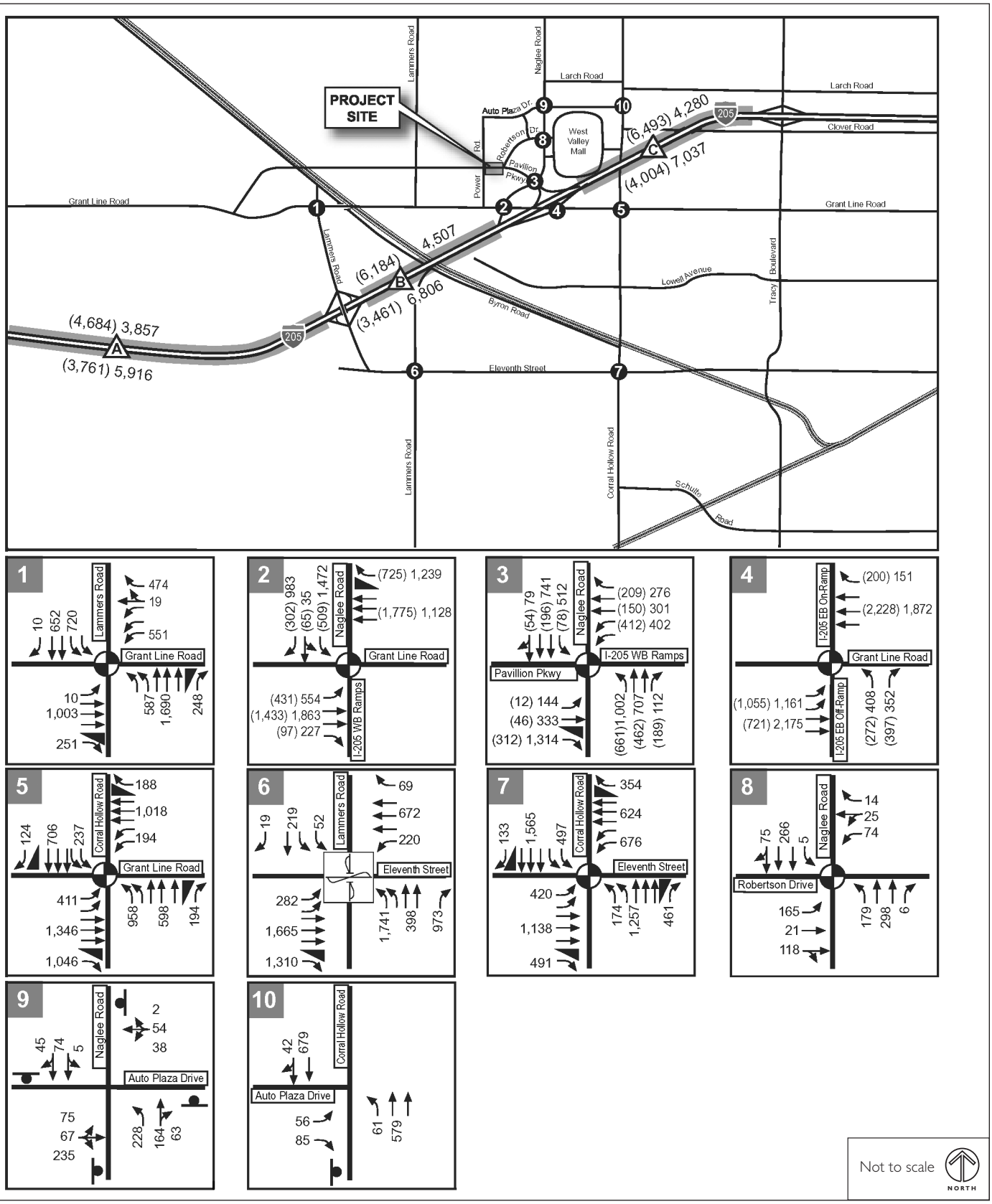
service levels for the study intersections were calculated. Cumulative Plus Project traffic volumes and lane configurations are shown on Figure 4.3-12.

Intersection operating conditions were analyzed for Cumulative Plus Project traffic volumes. The calculated LOS for the study intersections is reported in Table 4.3-16. Detailed LOS worksheets for the Cumulative Plus Project scenario can be found in Appendix C of the traffic report, (which is Appendix B of this EIR.)

Under Cumulative Plus Project conditions, the Grant Line Road/I-205 EB Ramps intersection operates at an unacceptable LOS E in both the AM and PM peak periods with an average intersection delay of 59 seconds and 66 seconds, respectively. In addition, five intersections operate at unacceptable conditions in the PM peak hour:

- The **Grant Line Road/Lammers Road (San Joaquin County jurisdiction)** intersection average delay increases to 57 seconds (LOS E)
- The **Grant Line Road/Naglee Road / I-205 WB On-Ramp** intersection average delay would increase to 76 seconds (LOS E)
- The **Naglee Road/Pavilion Parkway** intersection average delay would increase to over 80 seconds (LOS F) dropping the I-205/Grant Line interchange below the City of Tracy standard of LOS D
- 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 50 seconds (LOS D).

All other intersections would continue to operate at acceptable levels of service. The Cumulative Plus Project impacts for each of the above intersections are discussed below. The mitigation measures associated with each impact are summarized in Table 4.3-17.



Source: Fehr & Peers, August 2005.

(XX) YY **(AM) PM Peak Hour**

Traffic Signal

Free right-turn

SPUI/Signal

Study Intersections

Study Segments

Railroad

FIGURE 4.3-12

CUMULATIVE PLUS PROJECT TRAFFIC VOLUMES AND LANE CONFIGURATIONS

TABLE 4.3-16 **CUMULATIVE PLUS PROJECT INTERSECTION TRAFFIC OPERATIONS**

		AM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (seconds)	LOS	Delay (seconds)	LOS
1. Grant Line Rd / Lammers Rd (San Joaquin County)	Signal[1]	n/a	n/a	**57**	**E**
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	Signal[1]	36	D	**76**	**E**
3. Naglee Rd/ Pavilion Parkway	Signal[1]	25	C	**>80**	**F**
4. Grant Line Rd / I-205 EB Ramps	Signal[1]	**59**	**E**	**66**	**E**
5. Grant Line Rd / Corral Hollow Rd	Signal[1]	n/a	n/a	**42**	**D**
6. Eleventh St / Lammers Rd	SPUI[2]	n/a	n/a	26	C
7A. Eleventh St / Corral Hollow Rd	Signal[1]	n/a	n/a	**50**	**D**
7B. Eleventh St / Corral Hollow Rd	SPUI[2]	n/a	n/a	26	C
8. Robertson Dr / Naglee Rd	Signal[1]	n/a	n/a	8	A
9. Auto Plaza Dr / Naglee Rd	AWSC[3]	n/a	n/a	13	B
10. Auto Plaza Dr / Corral Hollow Rd	SSSC[4]	n/a	n/a	19 (EB) 2	C A

Note: Bold and highlighting 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, High-way 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 4.3-17 **CUMULATIVE PLUS WINCO INTERSECTION MITIGATION MEASURES**

Location	Mitigation Measure
1. Grant Line Rd / Lammers Rd (San Joaquin County)	♦ Optimize signal timing.
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	♦ Change existing shared through left to exclusive left and through on southbound Naglee Road. ♦ Utilize second left turn lane on eastbound Grant Line Road that is currently hatched out. ♦ Optimize signal timing. OR ♦ Implement next phase of Grant Line/I-205 Interchange.
3. Naglee Rd / Pavilion Parkway	♦ Add second left turn lane on northbound Naglee Road. ♦ Optimize signal timing. OR ♦ Implement next phase of Grant Line/I-205 Interchange.
4. I-205 EB Ramps / Grant Line Rd	♦ 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 ♦ Implement next phase of Grant Line/I-205 Interchange.
5. Grant Line Rd / Corral Hollow Rd	The required Cumulative configuration for this intersection to be fully mitigated is a grade-separated urban intersection. This would 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 St / Corral Hollow Rd	The required Cumulative configuration for this intersection to be fully mitigated is a grade-separated urban intersection. This would 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

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 4.3-17 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 project involves a FIP (GL –3B). To date, $130,156 dollars have been deposited into the FIP account for GL –3B.

However, since the adoption of the FIP for GL-3B in March 1993, there have been new cumulative development scenarios relating to traffic. Therefore, in order to ensure that the Winco/Trask project fully funds its fair share of required improvements, an update to the FIP is necessary.

b. Intersection 1: Grant Line Road / Lammers Road (San Joaquin County jurisdiction)

In the Cumulative No Project scenario, the Grant Line Road / Lammers Road intersection is projected to operate at LOS D with an average delay of 54 seconds. The County level of service threshold is LOS D. The addition of project traffic adds 3 seconds of delay, causing the intersection operations to degrade to LOS E. This is considered a *significant* impact.

Optimizing the signal timing for the Cumulative Plus Project traffic would reduce the intersection delay to 53 seconds, an acceptable LOS D. The County would be responsible for modifying the signal timing. With implementation of this mitigation, project impacts would be reduced to less-than-significant.

c. Intersection 2: Grant Line Road / Naglee Road / I-205 WB On-Ramp

In the Cumulative No Project scenario, the Grant Line Road / Naglee Road / I-205 WB On-Ramp intersection is projected to operate at LOS D with an average delay of 39 seconds. The addition of project traffic increases the average delay at the intersection to 76 seconds, reducing the LOS to E. This is considered a *significant* impact.

Several modifications, including changing the existing shared through-left to one exclusive left and one exclusive through on southbound Naglee, utilizing the second eastbound left turn lane on Grant Line Road that is currently hatched out, and optimizing the signal timing would decrease the average intersection delay from an unacceptable 76 seconds, to an acceptable 51 seconds (LOS D).

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 would be reduced to less-than-significant.

d. Intersection 3: Naglee Road/Pavilion Parkway

In the Cumulative No Project scenario, Naglee Road/Pavilion Parkway intersection is projected to operate at LOS D with an average delay of 48 seconds. The addition of project traffic would increase the average delay at the intersection to over 80 seconds, reducing the LOS to F. This is considered a *significant* impact.

Adding a second left turn lane on northbound Naglee Road and optimizing the signal timing would decrease the average intersection delay to an accept-

able 47 seconds (LOS D). The City of Tracy would be responsible for the intersection improvement and acquisition of right-of-way. With implementation of this mitigation, project impacts would be reduced to less-than-significant.

e. Intersection 4: I-205 EB Ramps/Grant Line Road

In the Cumulative no Project scenario, the I-205 EB Ramps/Grant Line Road/ intersection is projected to operate at LOS D with an average delay of 51 seconds. The addition of project traffic would increase the average delay at the Grant Line Road/I-205 EB Ramps intersection by 15 seconds to 66 seconds, reducing the LOS to E. This is considered a *significant* impact.

Changing the existing right turn lane to a free right on I-205 eastbound off-ramp with a receiving/acceleration lane of 400 feet on eastbound Grant Line Road and optimizing the signal timing would decrease the average intersection delay from an unacceptable 66 seconds, to an acceptable 54 seconds (LOS D).

The City of Tracy would be responsible for the intersection improvement and acquisition of right-of-way. With implementation of this mitigation, project impacts would be reduced to less-than-significant.

f. Grant Line Road/I-205 Interchange

The addition of project traffic would result in unacceptable operations at all three intersections of the Grant Line Road/I-205 interchange. This is considered a *significant* impact.

Implementing the next phase of the Grant Line/I-205 interchange improvements would result in acceptable operations at all three intersections. The next phase of the interchange consists of the following:

- Adding loop ramps to the interchange
- Re-aligning the interchange

A summary of these configuration changes can be found in Figure 4.3-13 and are summarized in Table 4.3-17. Table 4.3-18 shows the intersection operating conditions with the recommended changes.

The City of Tracy would be responsible for the interchange improvement and acquisition of right-of-way. The City of Tracy would be responsible for determining fair-share responsibilities and administering the Finance and Implementation Plan for intersections within its jurisdiction, and the project would be responsible for funding the Finance and Implementation Plan. With implementation of this mitigation, project impacts would be reduced to less-than-significant.

g. Intersection 5: Corral Hollow Road/ Grant Line Road

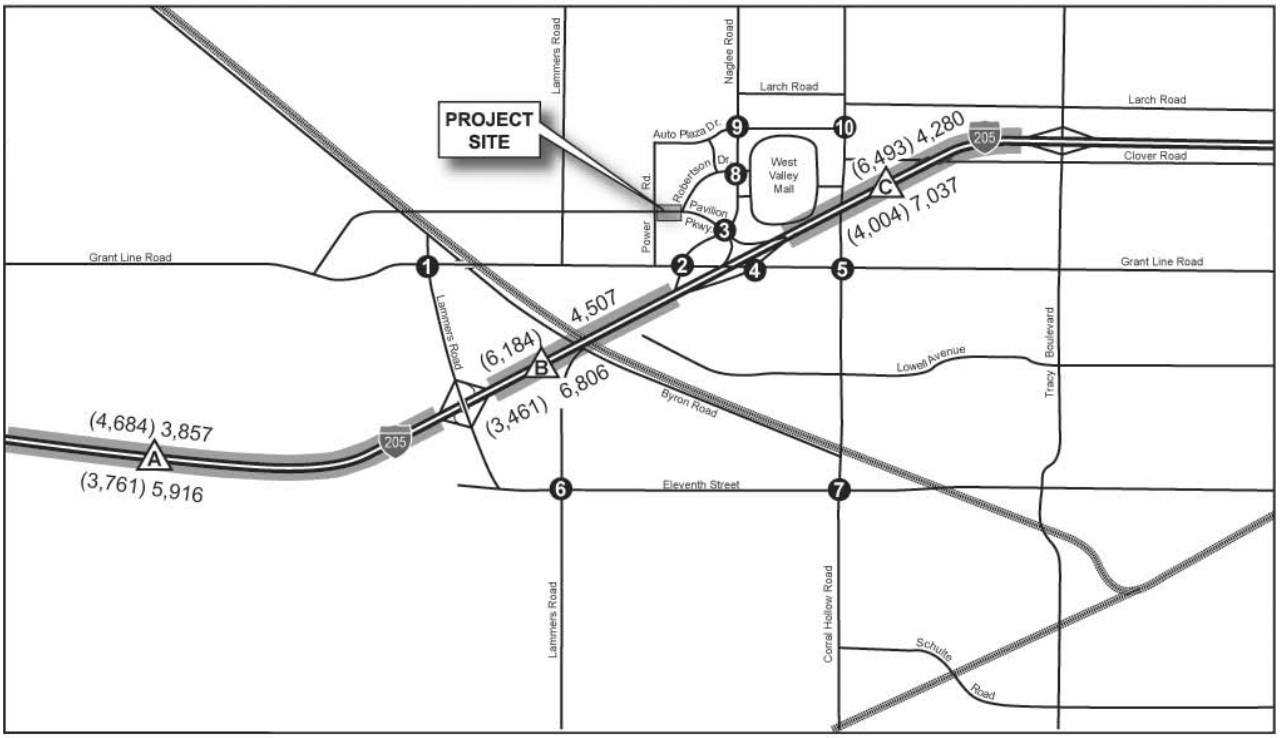
In the Cumulative No Project scenario, the Corral Hollow Road/ Grant Line Road intersection is signalized and operates at an acceptable LOS C/D with an average delay of 35 seconds in the PM. However, addition of the proposed project traffic would increase the average delay to 42 seconds, degrading the operations to unacceptable LOS D. The City of Tracy level of service standard for this intersection is LOS C. This is considered a *significant* impact.

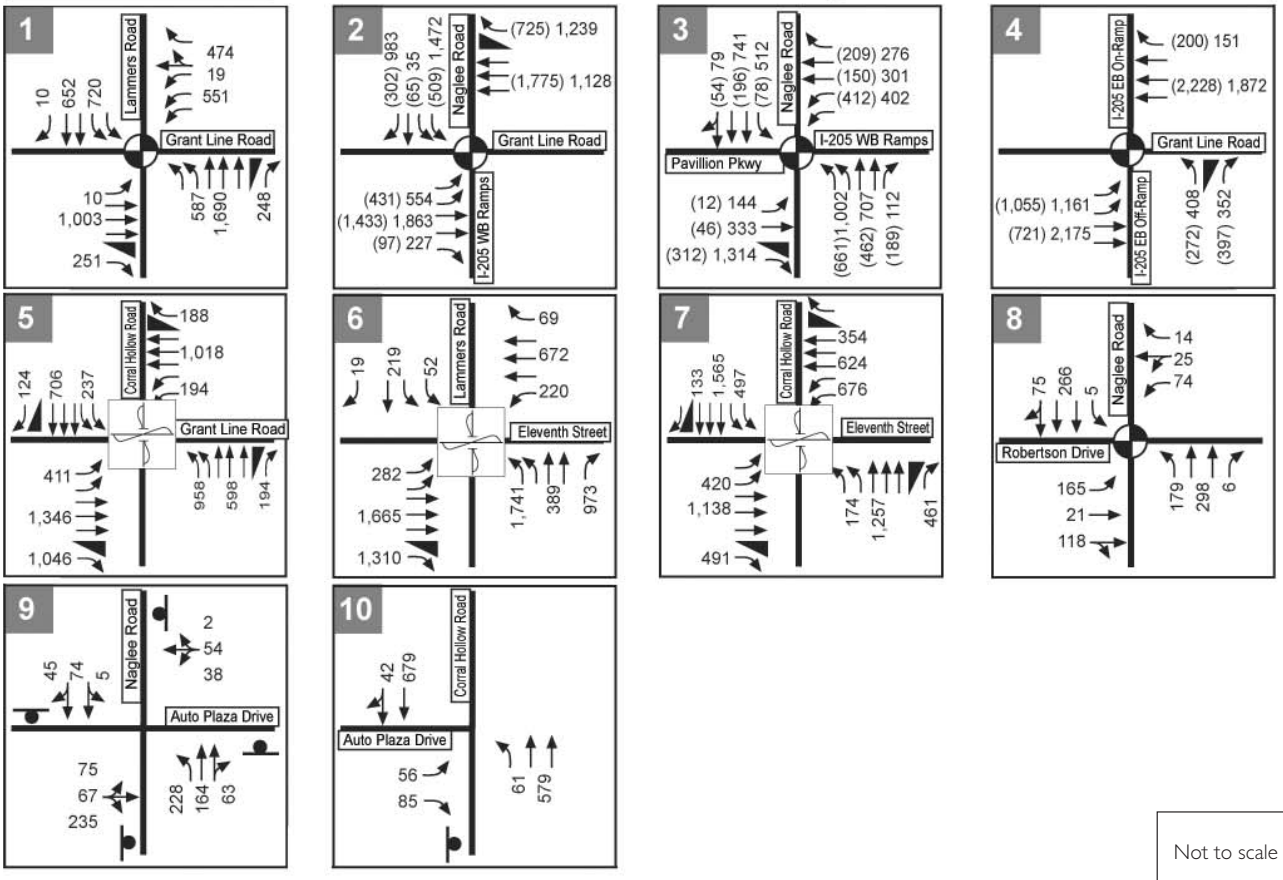
To mitigate the projects impacts, a single-point urban interchange (SPUI) is recommended, with the through traffic being grade separated to allow for free-flow along Grant Line Road. By grade separation of Grant Line Road, the average delay would be reduced to an acceptable 22 seconds.

There are environmental and development constraints associated with construction of a SPUI at this intersection, and the City intends on making a finding that the mitigation is not feasible, therefore the impact is *significant and unavoidable.*

h. Intersection 7: Corral Hollow Road/ Eleventh Street

With the addition of project traffic, the delay at the Corral Hollow Road/ Eleventh Street intersection is projected to increase from 47 seconds to 50 seconds, but the level of service would remain LOS D. Although the City





Not to scale

NORTH

Source: Fehr & Peers, August 2005.

FIGURE 4.3-13

(XX) YY **(AM) PM Peak Hour**

Traffic Signal

Free right-turn

SPUI/Signal

Study Intersections

Study Segments

Railroad

CUMULATIVE PLUS PROJECT TRAFFIC VOLUMES AND MITIGATED LANE CONFIGURATIONS

TABLE 4.3-18 **CUMULATIVE PLUS PROJECT MITIGATED INTERSECTION TRAFFIC OPERATIONS**

		Unmitigated				Mitigated			
		AM Peak Hour		PM Peak Hour		AM Peak Hour		PM Peak Hour	
Intersection	Traffic Control	Delay (sec)	LOS	Delay (sec)	LOS	Delay (sec)	LOS	Delay (sec)	LOS
1. Grant Line Rd / Lammers Rd	Signal	n/a	n/a	**57**	**E**	n/a	n/a	53	D
2. Grant Line Rd / Naglee Rd / I-205 WB On-Ramp	Signal	36	D	**76**	**E**	17	B	51	D
3. Naglee Rd/Pavilion Parkway	Signal	25	C	**>80**	**F**	19	B	47	D
4. I-205 EB Ramps/Grant Line Rd	Signal	**59**	**E**	**66**	**E**	53	D	54	D
5. Grant Line Rd / Corral Hollow Rd	Signal/ SPUI	n/a	n/a	**42**	**D**	n/a	n/a	22	C
7. Eleventh St / Corral Hollow Rd	Signal/ SPUI	n/a	n/a	**50**	**D**	n/a	n/a	26	C

does not have a policy on determining what constitutes a project impact when an intersection is currently deficient, the additional 3 seconds of delay caused by the project may be considered to be a *significant* impact.

To mitigate the project's impacts, a single-point urban interchange (SPUI) is recommended with the through traffic being grade separated allowing for free-flow along Eleventh Street. By grade separation of Eleventh Street, the average delay is reduced to an acceptable 26 seconds (LOS C).

There are environmental and development constraints associated with construction of a SPUI at this intersection, and the City intends on making a finding that the mitigation is not feasible, therefore the impact is *significant and unavoidable.*

i. Saturday Traffic Counts[7]

This sub-section evaluates the potential cumulative traffic impacts allocated with the project, together with the proposed Wal-Mart project for a Saturday peak hour. The analysis focuses 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 during the weekday PM peak hour. Table 4.3-19 summarizes the differences between Saturday peak hour volumes versus weekday peak hour volumes at the approaches to the intersections.

[7] Fehr & Peers, *Revised Traffic Impact Analysis for WinCo and Wal-Mart-Saturday Peak Hour*, October 3, 2006.

TABLE 4.3-19 **SATURDAY PEAK HOUR VERSUS WEEKDAY PEAK HOUR**

Intersection	Segment	Weekday PM Peak Hour Volume	Saturday Peak Hour Volume	Volume Difference
2. Grant Line Road / Naglee Road 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

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

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 4.3-20 summarizes the estimated Saturday trip generation associated with the projects. This analysis assumes 100 percent of the calculated project trips generated, 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. Pass-by trips are automobile trips on roadways adjacent to the proposed project that would occur regardless of the proposed project, which would enter the parking lot of the proposed project then exit. Pass-by trips do not lend to any traffic-related impacts as they would take place in any case. The resulting Cumulative Plus Projects Saturday peak hour traffic volumes at the three intersections are shown in Figure 4.3-14.

i. Saturday LOS

Intersection operating conditions were analyzed for Cumulative Plus Project conditions during the Saturday Peak hour using traffic volumes from Figure 4.3-13 and improved intersection geometries. The calculated LOS for the intersections is reported in Table 4.3-21.

TABLE 4.3-20 **ESTIMATED SATURDAY PROJECT TRIP GENERATION**

		Saturday Trip Rates			Saturday Trips		
Land Use	**Size**	**In**	**Out**	**Total**	**In**	**Out**	**Total**
WinCo Foods[a]	95.5 ksf	5.36	5.15	10.5	511	491	1,003
Northern Parcel[b]	141.134 ksf	Ln(T) = 0.65 Ln(X) + 3.77; 52% In, 48% Out			563	520	1,083
Wal-Mart Expansion[c]	82.704 ksf	0.57	0.53	1.1	47	44	91

Notes: Ksf = Thousand Square Feet

[a] WinCo Foods trip rate based on information contained in *WinCo Foods Trip Generation & Characteristics Study* (Kittelson &Associates, September 2002)

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

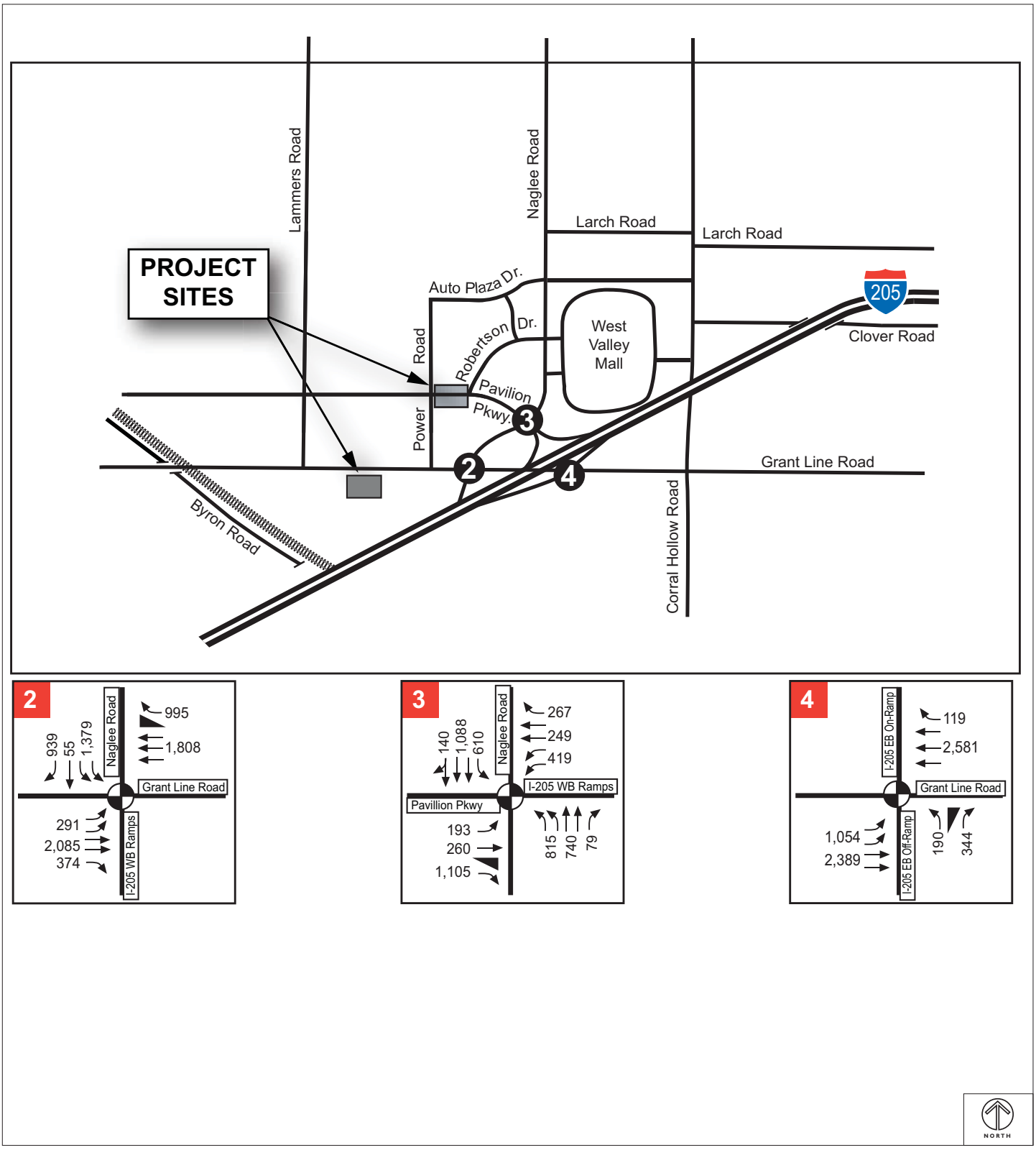
[c] Trip generation associated with the Wal-Mart expansion calculated based on Net Additional Trips using ITE rates for Discount Superstore (Land Use Code 813) applied to 208,393 square feet minus ITE rates for Discount Store (Land Use Code 815) applied to existing 125,689 square feet.

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

TABLE 4.3-21 **CUMULATIVE PLUS PROJECTS INTERSECTION TRAFFIC OPERATIONS SATURDAY PEAK HOUR**

Intersection	Delay (Seconds)	LOS
2. Grant Line Road / Naglee Road 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

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



LEGEND:

XX = Saturday Peak Hour Volume

= Traffic Signal

= Free right-turn

2 = Study Intersections

= Railroad

FIGURE 4.3-14

CUMULATIVE PLUS PROJECT TRAFFIC VOLUMES SATURDAY MIDDAY PEAK HOUR

F. Impacts and Mitigation Measures

1. Cumulative Project Impacts and Mitigations

a. Saturday Traffic Mitigation Measures

The analysis of traffic operations at the intersections most likely to experience adverse traffic impacts during the Saturday Peak hour indicated that the intersection operating level of service would be at acceptable LOS D under cumulative with project conditions with implementation of the mitigation measures identified in this chapter as well as in the Wal-Mart Expansion EIR. No further impacts are identified with this analysis, thus no additional mitigation is required.

b. Interstate 205 Traffic Volumes

The addition of project traffic would increase the traffic volume on I-205. I-205 through the City of Tracy is expected to operate at LOS F during the peak hour. Currently, 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 36 trips. This represents less than one percent of the total eastbound volume on the freeway during this time period, which is below the significance threshold of five percent. No mitigation is proposed, as project impacts are *less-than-significant*.

2. Emergency Access

a. General Plan and Specific Plan Amendments

The design of any future project on the Northern Parcel is unknown at this point, and so is impossible to provide specific analysis in regard to emergency access. However, as noted Chapter 4.2, all development in Tracy, including development that would occur under the proposed General Plan and Specific Plan Amendments would be subject to review by the City of Tracy Fire Department in order to ensure adequate emergency vehicle access. .

b. WinCo Grocery Store

The access and on-site circulation would provide adequate driveway width and turning radii for large delivery trucks up to 60 feet in length. This would also provide adequate access for emergency vehicles, and impacts to emergency vehicle access would be less than significant.. Furthermore, as noted above, the project would be subject to review by the Tracy Fire Department to ensure that adequate emergency vehicle access would be provided. Therefore, impacts to emergency vehicle access would be less than significant.

3. Parking

a. General Plan and Specific Plan Amendments

The proposed amendments would result in less-than-significant parking impacts, since all future development, regardless of type or intensity, would be required to provide adequate on-site parking, per the standards set forth in the I-205 Corridor Specific Plan. Therefore any parking impacts would be less than significant.

b. WinCo Grocery Store

Based on the standards described in the I-205 Corridor Specific Plan, a total of 298 parking spaces would be required for the project's retail, office and warehouse/receiving components. The project would construct a total of 636 parking spaces, more than double the required amount. Parking impacts would therefore be less than significant.

4. Pedestrian, Bicycle and Transit Facilities

a. General Plan and Specific Plan Amendments

The proposed amendments would result in less-than-significant impacts with regard to pedestrian, bicycle and transit facilities, since any development on the Northern Parcel would be similar in type and intensity to that on the Southern Parcel.

b. WinCo Grocery Store

The proposed WinCo store would have 15 bicycle parking spaces located at the front of the store, which would meet the City's standard of five percent of required automobile parking spaces.

Pedestrian and bicycle access to the site would be from Pavilion Parkway and from the south via a connection to the existing commercial development. Pedestrian walkways would also be provided around the sides and front of the retail store. Since no transit route currently serves the project site, no transit facilities have been provided in association with the proposed project. There would be a less-than significant impact with regard to pedestrian, bicycle and transit facilities.

G. Impacts and Mitigation Measures

1. Existing Plus Project

a. Intersection 1: Grant Line Road / Byron Road (San Joaquin County jurisdiction)

Impact TRA-1: The addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing Plus Project scenario would add traffic to an already deficient intersection that is operating at LOS F with more than 50 seconds of average delay. This is considered a *significant* impact.

Mitigation Measure TRA-1: Install a signal and require signal preemption and coordination with the rail road crossing and detection system.

Significance after Mitigation: This mitigation measure is within the jurisdiction of San Joaquin County, which can and should complete such improvements. Until the improvements are made, the impact is *significant and unavoidable.*

(Please also review to new Section B 10 d above, for information on San Joaquin County's Traffic Fee Program.)

b. Intersection 3: Naglee Road/Pavilion Parkway

Impact TRA-2: The addition of project traffic during the PM peak hour would increase the average delay at the Naglee Road/Pavilion Parkway intersection from 18 to over 80 seconds, shifting the level of service from LOS B to F. The City of Tracy level of service standard for this intersection is LOS D. This is considered a *significant* impact.

Mitigation Measure TRA-2: Add a second left turn lane on northbound Naglee Road and optimize the signal timing to reduce the average delay at this intersection to 52 seconds.

Significance after Mitigation: This change in signal control mitigates the impact of the project, improving the service level to LOS D and reducing the impact to a *less-than-significant* level.

c. Intersection 5: Grant Line Road/Corral Hollow Road

Impact TRA-3: The addition of project traffic would increase the average delay at the Grant Line Road/Corral Hollow Road intersection from 44 to over 80 seconds, shifting the level of service from LOS D to F. The City of Tracy level of service standard for this intersection is LOS C. This is considered a *significant* impact.

Mitigation Measure TRA-3a: Create 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.

Mitigation Measure TRA-3b: Change the existing shared through-right to an exclusive through and free-flow right-turn of 300 feet on southbound Corral Hollow Road and a receiving lane extending west of the intersection along Grant Line Road of 400 feet, and add a second left turn on westbound Grant Line Road.

Mitigation Measure TRA-3c: Optimize the signal timing for Existing Plus Project traffic volumes.

Significance after Mitigation: These mitigations are expected to reduce the average intersection delay to 34 seconds in the PM peak hour. These mitigations would reduce the impact to a *less-than-significant* level.

2. Cumulative Project Impacts and Mitigations

The significance after mitigation for all cumulative impacts is summarized in subsection h. below.

a. Intersection 1: Grant Line Road / Lammers Road (San Joaquin County jurisdiction)

Cumulative Impact TRA-4: The addition of project traffic increases the average delay at the Grant Line Road / Lammers Road intersection from 54 to 57 seconds, resulting in an unacceptable LOS E. This would be a *significant* impact.

Mitigation Measure TRA-4: Optimize the signal timing for the Cumulative Plus Project traffic.

Significance after Mitigation: This mitigation measure is within the jurisdiction of San Joaquin County, which can and should complete such improvements.

(Please also refer to new Section B 10 d above, for information on San Joaquin County's Traffic Fee Program.)

b. Intersection 2: Grant Line Road / Naglee Road / I-205 WB On-Ramp

Cumulative Impact TRA-5: The addition of project traffic would result in unacceptable operations at the Grant Line Road/Naglee Road/I-205 WB On-Ramp intersection, increasing the delay from 39 seconds (LOS D) to 76 seconds (LOS E). This would be a *significant* impact.

Mitigation Measure TRA-5: ~~The following improvements shall be made:~~ Implement Mitigation Measure TRA-8, as described below, or implement the following improvements:

- Change the existing shared through-left to one exclusive left and one exclusive through on southbound Naglee Road
- Utilize the second eastbound left turn lane on Grant Line Road that is currently hatched out
- Optimize the signal timing
- All roadway features within Caltrans right-of-way, such as signs, pavement delineation, and pavement surface will be protected during construction or maintained in a temporary condition and restored following construction.
- The City of Tracy will secure all appropriate permits and associated studies necessary, at applicant's expense.

c. Intersection 3: Naglee Road/Pavilion Parkway

Cumulative Impact TRA-6: The addition of Project traffic results in unacceptable operations at the Naglee Road/Pavilion Parkway intersection, increasing the delay from 48 seconds (LOS D) to over 80 seconds (LOS F). This would be a *significant* impact.

Mitigation Measure TRA-6: The following improvements shall be made:

- Add a second left turn lane from northbound Naglee Road to westbound Pavilion Parkway
- Optimize signal timing

d. Intersection 4: Grant Line Road/I-205 EB Ramps

Cumulative Impact TRA-7: The addition of project traffic would result in unacceptable operations at the Grant Line Road/I-205 EB Ramps intersection, increasing the delay from 51 seconds (LOS D) to 66 seconds (LOS E). This would be a *significant* impact.

Mitigation Measure TRA-7: ~~The following improvements shall be made:~~ Implement Mitigation Measure TRA-8, as described below, or implement the following improvements:

- Change the existing right turn lane to a free right on I-205 eastbound off-ramp with a receiving/acceleration lane of 400 feet on eastbound Grant Line Road
- Optimize the signal timing
- All roadway features within Caltrans right-of-way, such as signs, pavement delineation, and pavement surface will be protected during construction or maintained in a temporary condition and restored following construction.
- The City of Tracy will secure all appropriate permits and associated studies necessary, at applicant's expense.

e. Grant Line Road/I-205 Interchange

Cumulative Impact TRA-8: The addition of project traffic results in unacceptable operations at all three intersections of the Grant Line Road/I-205 interchange. This would be a *significant* impact.

Mitigation Measure TRA-8: Implement the next phase of the Grant Line/I-205 interchange improvements. The next phase of the interchange consists of the following:

- Adding loop ramps to the interchange
- Re-aligning the interchange
- All roadway features within Caltrans right-of-way, such as signs, pavement delineation, and pavement surface will be protected during construction or maintained in a temporary condition and restored following construction.
- The City of Tracy will secure all appropriate permits and associated studies necessary, at applicant's expense.

(Note: Implementation of Mitigation Measure TRA-8 would supersede Mitigation Measures TRA-5 and TRA-7, which are part of the same interchange.

f. Intersection 5: Grant Line Road/Corral Hollow Road

Cumulative Impact TRA-9: The addition of project traffic would increase the average delay at the Grant Line Road/Corral Hollow Road intersection from 35 to 42 seconds, degrading operations to LOS D. The City of Tracy level of service standard for this intersection is LOS C. This would be a *significant* impact. There are environmental and development constraints associated with construction of a SPUI at this intersection. An interchange could take 400 feet of right-of-way, which would affect approximately 30 homes, a drug store, and pending commercial/office development at the intersection. Additional right of way would also be required to redesign the circulation pattern at the interchange. In addition, the interchange ramps could block public views of the hills to the west, and create physical and visual barriers between points north and south of the interchange. ~~, and~~ The City intends on making a finding that the mitigation is not feasible, therefore the impact is *significant and unavoidable.*

g. Intersection 7: Eleventh Street/Corral Hollow Road

Cumulative Impact TRA-10: The addition of project traffic to Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario would add traffic to an already deficient intersection. The additional traffic would add 3 seconds of delay to the intersection. This would be a *significant* impact, There are environmental and development constraints associated with construction of a SPUI at this intersection. An interchange could take 400 feet of right-of-way, which would affect approximately 10 homes, two gas stations, a major hardware retailer, and a Caltrans maintenance yard. Additional right of way would also be required to redesign the circulation pattern at the interchange. In addition, the interchange ramps could block public views of the hills to the west, and create physical and visual barriers between points north and south of the interchange. ~~, and~~ The City intends on

making a finding that the mitigation is not feasible, therefore the impact is *significant and unavoidable.*

h. Implementation of Mitigation Measures for All Cumulative Impacts excepting **Cumulative Impacts TRA-4 TRA-9 and TRA-10**.

> Mitigation Measure TRA-11: Prior to issuance of any building permit for the 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 4.3-6. The project proponents shall be subject to the fair share of the increase in costs to roadway improvements that will result from the update of the FIPs as to the roadway improvements for the intersections identified in TRA-2, TRA-3, TRA-5, TRA-6 and TRA-7. The project proponents shall pay its fair share of the increase in costs that result from the FIPs as to those intersections identified in TRA-2, TRA-3, TRA-5, TRA-6 and TRA-7. ~~update prior to issuance of any building permit.. However, if such fees are not fully paid prior to issuance of a building permit, the project proponents 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.~~ With the exception of impacts TRA-4, TRA-9, and TRA-10 (which are *significant and unavoidable)*, implementation of Mitigation Measures TRA-2, TRA-3, TRA-5, TRA-6 and TRA-7, (implementation of TRA-5 and TRA-7 will reduce same impacts addressed by TRA-8 to a *less than significant level*. ~~TRA-5 through TRA-8 impacts are *less than significant*~~.

4.11 AIR QUALITY

Chapter 4.11 is amended as follows. Changes in text are shown in double underline and ~~strikethrough~~.

This section describes the impacts of the proposed project on local and regional air quality. This section was prepared using ~~methodologies and assumptions recommended within the air quality impact assessment guidelines of the San Joaquin Valley Air Pollution Control District (SJVAPCD). In keeping with these recommendations,~~ the latest version of the URBEMIS2002 model (version 8.7) and the latest model templates developed by the San Joaquin Valley Air Pollution Control District (SJVAPCD). The SJVAPCD recently adopted the Indirect Source Review Rule that would apply to the project. The rule requires that the 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 describes existing air quality, construction-related impacts, direct and indirect emissions associated with the project, the local and regional impacts of these emissions, and mitigation measures warranted to reduce or eliminate any identified significant impacts.

A. Existing Setting

The project is located in the San Joaquin Valley 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.[1]

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 Fahrenheit, with lows in the 60's. In winter daytime temperatures are usually in the 50's, with lows around 35 degrees. Radiation fog, ground fog caused by cooling of the earth's surface, 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.[2]

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.

1. Regulatory Setting

This section summarizes the federal, State and local regulations affecting air quality.

a. Federal and State Regulations

The following section describes ambient air quality standards for common pollutants, as established by the United States Environmental Protection Agency (EPA) and the California Air Resources Board (CARB).

[1] San Joaquin Valley Unified Air Pollution Control District (SJVAPCD), 1998, *Guidance for Assessing and Mitigating Air Quality Impacts*.

[2] CARB, 1974, *Climate of the San Joaquin Valley Air Basin*.

i. Ambient Air Quality Standards

These ambient air quality standards represent safe levels of contaminants 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.[3]

Federal and State of California ambient air quality standards for important pollutants are summarized in Table 4.11-1. The updated federal and State ambient standards were developed independently with differing purposes and methods, although both processes shared the goal of avoiding health related effects.

As a result, the federal and State standards differ in some cases. In general, the State standards are more stringent, particularly for ozone and particulate matter ($PM_{2.5}$ and PM_{10}) pollutants.

Ground-level ozone is the principal component of smog. Ozone is not directly emitted into the atmosphere, but instead forms through a photochemical reaction of reactive organic gases (ROG) and nitrogen oxides (NO_x), which are known as ozone precursors. Ozone levels are highest from late spring through autumn when precursor emissions are high and meteorological conditions are warm and stagnant. Motor vehicles create the majority of reactive organic gas and nitrogen oxide emissions in the northern San Joaquin Valley. 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 indicate that significant harmful health effects could occur among both adults and children if exposed to levels above these standards.

[3] CARB, *Ambient Air Quality Standards*, May 6, 2005. (http://www.arb.ca.gov.aq./aaqs2.pdf)

TABLE 4.11-1 **FEDERAL AND STATE AMBIENT AIR QUALITY STANDARDS**

Pollutant	Averaging Time	Federal Primary Standard	State Standard
Ozone	1-Hour	0.12 ppm	0.09 ppm
	8-Hour	0.08 ppm	0.07 ppm
Carbon Monoxide	8-Hour	9.0 ppm	9.0 ppm
	1-Hour	35.0 ppm	20.0 ppm
Nitrogen Dioxide	Annual	0.05 ppm	--
	1-Hour	--	0.25 ppm
Sulfur Dioxide	Annual	0.03 ppm	--
	24-Hour	0.14 ppm	0.04 ppm
	1-Hour	--	0.25 ppm
PM_{10}	Annual	50 ug/m^3	20 ug/m^3
	24-Hour	150 ug/m^3	~~50 ug/m^3[a]~~
$PM_{2.5}$	Annual	15 ug/m^3	12 ug/m^3
	24-Hour	35 ug/m^3[a]	--
Lead	30-Day Average	--	1.5 ug/m^3
	3-Month Average	1.5 ug/m^3	--

[a] U.S. EPA established a new 24-hour $PM_{2.5}$ standard and revoked the annual PM_{10} standard in September 2006

Notes: ppm = parts per million; ug/m3 = Micrograms per Cubic Meter.

Source: CARB 2005

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.

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. Particles 10 microns or less in diameter are defined as "respirable particulate matter" or "PM_{10}." Fine particles are 2.5 microns or less in diameter ($PM_{2.5}$) and can contribute significantly to regional haze and reduction of visibility. Inhalable particulates come from smoke, dust, aerosols, and metallic oxides. Although particulates are found naturally in the air, most particulate matter found in the San Joaquin Valley are emitted either directly or indirectly by motor vehicles, wood burning, industry, construction, agricultural activities, and wind erosion of disturbed areas. Most $PM_{2.5}$ is comprised of combustion products such as smoke or vehicle exhaust. Particulate matter is unhealthy to breathe and has been associated with premature mortality and other serious health effects. ~~Particles smaller than 10 micrometers in diameter (~~PM_{10}~~)~~ poses a health concern because ~~they~~ these particulates can be inhaled into and accumulate in the respiratory system. ~~Particles smaller than 2.5 micrometers in diameter (~~$PM_{2.5}$~~) are referred to as "fine" particles and are~~ is believed to pose the greatest health risks. Because of their small size (approximately three percent of the average width of a human hair), fine particles can lodge deeply into the lungs. Extensive research reviewed by CARB indicates that exposure to outdoor PM_{10} and $PM_{2.5}$ levels exceeding current ambient air quality standards is associated with increased risk of hospitalization for lung and heart-related respiratory illness, including emergency room visits for asthma. PM exposure is also associated with increased risk of premature deaths, especially in the elderly and people with pre-existing cardiopulmonary disease. In children, studies have shown associations between PM exposure and reduced lung function and increased respiratory symptoms and illnesses. Besides reducing visibility, the acidic portion of PM (e.g., nitrates and sulfates) can harm crops, forests, aquatic and other ecosystems. ~~Particulate matter includes a variety of natural and human made substances, including sulfates, nitrates, metals, carbon, sea salt, soil, and organic material, which come from a variety of industrial and mobile sources.~~

The State of California regularly reviews scientific literature regarding the health effects of exposure to particulate matter and other pollutants. On July 5, 2003, the CARB adopted new standard for particulate matter, 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).

In addition to the criteria pollutants discussed above, Toxic Air Contaminants (TACs) are another group of pollutants of concern. 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.

ii. Ambient Air Quality

The 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 two pollutants as well as carbon monoxide and PM_{10}. Data from these monitoring sites are shown in Table 4.11-2. Air quality in Tracy and San Joaquin County

TABLE 4.11-2 **AIR QUALITY DATA SUMMARY FOR TRACY AND STOCKTON, 2002-2004**

			Number of Annual Violations		
Pollutant	**Standard**	**Monitoring Site**	**2002**	**2003**	**2004**
Ozone	State 1-Hour	Stockton (Hazelton)	2	3	1
		Stockton (E. Mariposa)	5	-	-
		Tracy	11	5	4
Ozone	Federal 1-Hour	Stockton (Hazelton)	0	0	0
		Stockton (E. Mariposa)	0	-	-
		Tracy	0	0	0
Ozone	Federal 8-Hour	Stockton (Hazelton)	0	0	0
		Stockton (E. Mariposa)	1	-	-
		Tracy	3	2	1
$\underline{PM_{10}}$~~PM_{10}~~	State 24-Hour	Stockton (Hazelton)	10	3	3
		Stockton (Wagner Holt)	6	3	0
$\underline{PM_{10}}$~~PM_{10}~~	Federal 24-Hour	Stockton (Hazelton)	0	0	0
		Stockton (Wagner Holt)	0	0	0
$\underline{PM_{2.5}}$~~$PM_{2.5}$~~	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)	0	0	0
		Tracy	0	0	0

Source: CARB 2005.

generally meets the State and federal ambient air quality standards except for ozone and PM_{10}.

iii. Attainment Status

Federal and State air quality laws require identification of areas not meeting the ambient air quality standards. All such 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 for ozone (1-hour and 8-hour), PM_{10} and $PM_{2.5}$. The Air Basin is either in attainment or unclassified for other ambient standards.

b. Regional Air Quality Plans

To meet the federal Clean Air Act requirements described above, the SJVAPCD has adopted an Ozone Attainment Demonstration Plan and in June 2003 adopted the 2003 PM_{10} Plan. The most recent federal ozone plan[4] determined that federal ozone standards could not be met by the required date of November 15, 2005. In December 2003, the SJVAPCD requested that the US EPA downgrade the Valley's ozone status from "severe" to "extreme" non-attainment, and in April 2004 the US 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.

On April 28, 2004, the EPA approved of provisions of the SJVAPCD's *2003 PM_{10} Plan and Plan Amendments* as meeting the Clean Air Act requirements for serious PM_{10} non-attainment areas. Provisions of the Plan include, among other measures, 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. While inclusion of a planning process for PM_{10}, similar to that in place for ozone, has been considered, at present, such a requirement is not in place.

c. 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

[4] Amended 2002 and 2005 Rate of Progress Plan for San Joaquin Valley Ozone, December 2002.

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 2003 PM_{10} Plan and Extreme Ozone Attainment Demonstration Plan (Plans), which identify the need to reduce PM10 and NOx in order to reach the ambient air-pollution standards on schedule. New projects that would generate 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 this rule will reduce NOx and PM_{10} emissions by 10 tons per day throughout the San Joaquin Valley.

d. City of Tracy General Plan

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

The policies of the Air Quality Element that are most relevant to the proposed project focus on reducing air pollutant emissions by recommending that new development and related support services for employees are within walking, biking distance or accessible by transit, thereby reducing the need for auto trips.

The Air Quality Element of the General Plan provides policies intended to address improving air quality at the local and regional levels. The Element includes policies; recommend land use, site planning and transportation planning that reduce need for auto trips, since that is identified as the greatest contributor to air pollution in the region. There are many policies relating to promoting development that minimizes air pollutant emissions and their impact on sensitive receptors, including assessing air quality impacts using the latest CEQA and SJVAPCD guidelines; recommendations of implementing

best management practices and energy efficient design features; and supporting coordination with regional air quality efforts.[5]

2. Sensitive Receptors

"Sensitive receptors" are defined as facilities where sensitive population groups, such as children, the elderly, the acutely ill and the chronically ill, are likely to be located. These land uses include residences, schools, playgrounds, child care centers, retirement homes, convalescent homes, hospitals and medical clinics. The closest sensitive receptors to the project site are residences a substantial distance to the south fronting Grant Line Road and further south on the far side of I-205.

B. Standards of Significance

The proposed project would have a significant air quality impact if it would meet the following standards of significance established by the SJVAPCD:[6]

- Result in estimated carbon monoxide concentrations exceeding the California Ambient Air Quality Standard of 9 parts per million (ppm) averaged over 8 hours and 20 ppm for 1-hour.
- Result in new direct or indirect emissions of ozone precursors (ROG or nitrogen oxide (NOx)) in excess of 10 tons per year.
- Have the potential to frequently expose members of the public to objectionable odors.
- Have the potential to expose sensitive receptors (including residential areas) or the general public to substantial levels of TACs.

[5] *City of Tracy General Plan: Air Quality Element*, July 20, 2006, pages 10-11 to 10-15.

[6] San Joaquin Valley Unified Air Pollution Control District (SJVAPCD), 1998, *Guidance for Assessing and Mitigating Air Quality Impacts*.

While SJVAPCD CEQA guidance recognizes that PM_{10} and $PM_{2.5}$ are major air quality issues in the basin, to date it has not established numerical thresholds of significance for either PM_{10} or $PM_{2.5}$. 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 for particulate matter. This emission is the SJVAPCD threshold level at which new stationary sources requiring permits from the District must provide emissions "offsets." This threshold of significance for PM_{10} is consistent with the District's ROG and NOx thresholds of ten tons per year, which are also the offset thresholds established in SJVAPCD Rule 2201: New and Modified Stationary Source Review Rule.

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

C. Impact Discussion

1. General Plan and Specific Plan Amendments

The General Plan and Specific Plan amendments would have little effect on future construction emissions associated with the project site. Construction emissions for development of commercial uses would be very similar to those for light industrial uses.

As shown in Section 4.3, the General Plan and Specific Plan amendments would increase trip generation from the site, increasing indirect emissions from vehicles. Projected emissions increases due to the General Plan and Specific Plan amendments are shown in Table 4.11-3. The amendments would also be inconsistent with existing regional air quality plans, which are par

TABLE 4.11-3 **PROJECT AUTO AND AREA-SOURCE EMISSIONS (TONS PER YEAR)**

	ROG	NOx	PM10~~PM10~~
WinCo Grocery:			
Auto Emissions	~~13.22~~11.48	~~15.38~~15.41	~~10.29~~6.58
Area Source	0.~~20~~13	0.17	0.00
Subtotal	~~13.42~~11.61	15.~~55~~58	~~10.30~~6.58
Northern Parcel:			
Auto Emissions	~~9.38~~4.15	~~11.56~~5.73	~~7.92~~2.48
Area Source	~~0.29~~0.10	0.~~25~~13	0.00
Subtotal	~~9.67~~4.25	~~11.81~~5.86	~~7.92~~2.48
Grand Total*	~~23.09~~15.86	~~27.35~~21.44	~~18.22~~9.05
SJVAPCD Significance Threshold	10.00	10.00	15.00

* Does not include required ISR mitigation.

tially based on City/County estimates of growth as reflected in existing General Plan and Specific land use designations. Since the amendments would result in new emissions not accounted for in regional air quality plans, attainment of the air quality standards could be delayed. This would be a *potentially significant* impact.

2. WinCo Grocery Store

The project would result in new sources of emissions both during construction and operation. During construction, gaseous and particulate emissions would be released by equipment and vehicles on the site, trucks bringing materials to the site, and construction employee vehicles. During portions of the construction period, fugitive particulate emissions (PM_{10} and $PM_{2.5}$) would occur due to the action of vehicles/equipment and wind on unpaved areas.

The operation of the project land uses would include area sources (e.g., combustion of natural gas for heating), but the overwhelming source of emissions

would be vehicle trips generated by project patrons and employees. Estimates of regional emissions generated by project traffic and on site area sources were made using the modeling application URBEMIS 2002 (Version 8.7). URBEMIS 2002 is a computer program that estimates the emissions that result from various land use development scenarios. Land use projects 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, 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 URBEMIS2002 input file template was obtained from the SJVAPCD website. The analysis year was ~~2005~~ 2008. A detailed summary of the URBEMIS 2002 output is included in Appendix C of the DEIR.

a. Construction Impacts

Construction would result in numerous activities that would generate dust. The fine, silty soils in the project area and frequently-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 of these activities would be localized and variable and 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 be greatest during early stages of construction when disturbance of soil is greatest. The temporary increase in particulate matter levels during construction would be a *significant* impact.

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 (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 SJVAPCD regulates construction emissions through its Regulation VIII. Regulation VIII sets forth a number of requirements pertaining to construction activities:

- 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 work day or once every 24 hours from public paved roads, shoulders and access ways adjacent to the site.

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

b. Traffic-Related Impacts

Project traffic would increase concentrations of carbon monoxide, a colorless, odorless, poisonous gas, 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 is automo-

bile 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 for this Draft EIR examined Level of Service (LOS) for intersections affected by the project. As noted in Section 4.4 of this EIR, 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.

c. Diesel Truck Impacts

The proposed WinCo grocery store would result in 14 to 20 new diesel powered trucks accessing the receiving docks on the building's west side each week. There are no sensitive receptors in proximity to the receiving dock; surrounding land uses are commercial and agricultural.

In 1998, the CARB identified particulate matter from diesel-fueled engines as a TAC. The CARB has completed a risk management process that identified potential cancer risks for a range of activities using diesel-fueled engines.[7] High volume freeways, stationary diesel engines, and facilities attracting

[7] California Air Resources Board, 2000, *Risk Reduction Plan to Reduce Particulate Matter Emissions from Diesel-Fueled Engines and Vehicles*.

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 hoteling at ports and train idling.[8]

Because of the relatively low level of truck activity associated with the project, lack of extended truck idling on the project site, 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.

d. Regional Air Quality Impacts

Table 4.11-3 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, and also indicate the SJVAPCD's thresholds of significance.

As noted in the table, the SJVAPCD has established a threshold of significance for ozone precursors of 10 tons per year. As described in Section B, 15 tons per year has been assumed to represent a significant impact for PM_{10}. Unmitigated ~~P~~project-related emissions would exceed the thresholds of significance for ozone precursors ~~and PM_{10}~~,. 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 reduce 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 ap-

[8] South Coast Air Quality Management District, 2003, *Health Risk Assessment Guidelines for Analyzing Cancer Risks from Mobile Source Diesel Idling Emissions for CEQA Air Quality Analysis*.

plication 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 latest URBEMIS2002 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 PM_{10} would be less than significant and would be reduced further than the levels reported in Table 4.11-3 through application of the ISR. Emissions of ozone precursor emissions (i.e. ROG and NOx) would also be reduced with the required ISR mitigation; however, the total project emissions are predicted to remain above the SJVAPCD thresholds for ozone precursor emissions. ~~so p~~ Project impacts on regional air quality, with respect to elevated ozone, ~~individually~~ would be *significant* since project emissions would contribute to region-wide emissions that cause exceedances of the State and federal ozone standards.~~.~~

D. Impacts and Mitigation Measures

Impact AQ-1: Implementation of the proposed project would result in temporarily increased particulate matter levels in the immediate vicinity during construction.

Mitigation Measure AQ-1: The following measures are appropriate dust control strategies that shall be implemented and 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.

Significance after Mitigation: Less than Significant.

Impact AQ-2: Development of the project would result in increases in emission of both ozone precursors and PM_{10}.

Mitigation Measure AQ-2: Require the following design features to be implemented:

- 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.
- Provide low NOx emitting and/or high efficiency water heaters.
- Appropriate easements should be reserved to provide for future improvements such as bus turnouts, loading areas, and shelters.
- Purchase low-emission, alternatively-fueled or electrical-driven maintenance vehicles and equipment.
- Promote pedestrian, bicycle and transit modes of travel through informational programs and provision of amenities such as transit shelters, secure bicycle parking and attractive pedestrian pathways.
- Designate an on site TSM coordinator.

- Implement carpool/vanpool program, e.g., carpool ride-matching for employees, assistance with vanpool formation, provision of vanpool vehicles, etc.
- Provide lockers for employees bicycling or walking to work.

The suburban location and character of the proposed project limits the potential for further reducing regional air quality impacts. Available air quality mitigation strategies for commercial development are most effective on employee work trips, which comprise a very small fraction of total project trips. Parking restrictions or fees as a means of reducing vehicle trips are impractical unless imposed regionally.

Significance after Mitigation: Significant and Unavoidable.

E. Cumulative Impacts

The project is part of a pattern of rapid urbanization occurring in 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. Additionally, the project involves a General Plan and Specific Plan amendments that would result in increased trip generation from the site and the amendments would also be technically inconsistent with existing regional air quality plans, which are partially based on city/county estimates of growth and current land use designations. Since the amendments would result in new emissions not accounted for in regional air quality plans, attainment of the air quality standards could be delayed. The project would therefore have a *significant cumulative* impact on regional air quality.

The additional emissions that would result from the project would be occurring in an air basin that has severe air quality problems and that currently exceeds the State/federal ambient air quality standards. The State/federal ambient standards are health-based thresholds, so the project would cumula-

tively contribute to the known adverse health effects associated with exceedances of the ambient air quality standards, and contribute to the health effects associated with mobile-source TACs.

Cumulative Impact AQ-3: Development of the project, together with the rapid pace of development in the region would result in increases in emission of ~~both~~ ozone precursors ~~and PM_{10}.~~ and is considered an *unavoidable significant cumulative* impact.

Cumulative Impact AQ-4: The proposed General Plan amendments and subsequent development would result in a contribution to increased air emissions within an air basin that exceeds State and federal air quality standards, resulting in an *unavoidable significant cumulative* impact to air quality in the region.

4.13 ENERGY CONSERVATION

Energy is consumed during the construction, operation and maintenance of projects, both directly and indirectly. This section describes the existing energy resources, derived from petroleum products, electricity and natural gas available within the project area and analyzes the impacts related to these resources that would result from the implementation of the proposed project.

A. Environmental Setting

This section addresses the City of Tracy's energy sources, as well as the local efforts to conserve energy and use energy more efficiently. Although these terms are used interchangeably, it is useful to differentiate between energy efficiency and energy conservation. Energy efficiency means using less energy/electricity to perform the same function. Conservation means "doing without" in order to save energy rather than using less energy to do the same thing. For example, turning off lights, turning down the air conditioner, and making fewer vehicle trips are all conservation measures. Installing lighting that uses less electricity, installing additional insulation, and switching to a vehicle with better gas mileage are energy efficiency measures.[1]

1. California Energy Supply

California's major sources of energy are petroleum products (i.e., gasoline, diesel and oil), electricity, and natural gas. The California Energy Commission (CEC) indicates that California petroleum resources in 2005 came from in-state (37.22 percent), foreign sources (41.79 percent), and Alaska (20.99 percent). In 2004, natural gas resources in California came from the Southwest (36.2 percent), Canada (24 percent), in-state (15.5 percent), and the Rocky Mountains (24.3 percent). Electricity production by resource type in California in 2005 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. Imports from the northwest and southwest added 7.04 percent and

[1] State of California Governor's Office of Planning and Research, *State of California General Plan Guidelines 2003*, page 112, Sacramento; State of California. (http://www.opr.ca.gov/planning/PDFs/General_Plan_Guidelines_2003.pdf).

14.63 percent, respectively, while geothermal was 5 percent, biomass was 2.1 and solar and wind accounted for 1.7 percent.[2]

2. California Energy Use Patterns

Detailed information about energy use in the project area is limited; therefore, state-level and county trends are relied upon to characterize energy consumption at the local level.

Currently, the top three fossil fuels, coal, oil and natural gas, currently provide more than 85 percent of all the energy consumed in the United States, nearly two-thirds of our electricity, and virtually all of our transportation fuels. Petroleum products themselves supply more than 40 percent of our total energy demands and more than 99 percent of the fuel we use in our cars and trucks. As for electricity, more than half of the amount generated in the United States derives from coal. It is estimated that for the foreseeable future, coal will continue to be the dominant fuel used for electric power production. The next biggest fuel source of electricity is nuclear power, which supplies about 20 percent of the electricity produced in the United States. On the other hand, natural gas is the fastest growing fuel. More than 90 percent of the power plants to be built in the next 20 years will likely be fueled by natural gas; virtually all of which will be domestically produced.[3]

In California, total statewide energy consumption was 7,984 Trillion BTU[4] for 2002. Petroleum use accounted for approximately 47 percent of all energy consumption, of which approximately 52 percent was for motor vehicle fuel. Motor gasoline use accounted for about 24 percent of total use, or 1,924.7 Trillion BTU. The electric power sector accounted for about 24 percent of all energy consumption, while natural gas accounted for about 28 percent of

[2] State of California Energy Commission's website. http://www.energy.ca.gov/html/energysources.html, accessed on August 16, 2006.

[3] U.S. Department of Energy's website. http://www.energy.gov/energysources/index.htm, accessed on August 17, 2006.

[4] Btu is defined as the quantity of energy necessary to raise the temperature of 1 lb. of water 1° Fahrenheit.

all energy consumption. By end-use sectors, transportation was by far the biggest energy consumer, which accounted for approximately 39 percent of all energy consumption. The other three sectors, industrial, commercial and residential, were about equal consumers accounting for approximately 24 percent, 18 percent and 18 percent of all energy consumption, respectively.[5] Table 4.13-1 and 4.13-2 illustrates both California electricity deliveries and State natural gas demand.

B. Regulatory Framework

This section summarizes the federal, State and local laws and regulations applicable to energy resources and energy use.

1. Federal Agencies

Federal agencies regulate energy production, transmission and consumption through various regulations and programs. Federal agencies, such as the Environmental Protection Agency (EPA), the U.S. Department of Energy (USDOE), and the U.S. Department of Transportation (USDOT) affect energy consumption in the transportation sector through fuel economy standards, funding for transportation infrastructure and funding for energy related research and development projects. The USDOE also promotes a diverse supply and delivery of reliable, affordable and environmentally sound energy. The Federal Energy Regulatory Commission (FERC) is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. FERC also reviews proposals to build liquefied natural gas (LNG) terminals and interstate natural gas pipelines as well as licensing hydropower projects.

[5] U.S. Department of Energy's website. http://www.eia.doe.gov/emeu/states/_seds.html, accessed on August 17, 2006.

TABLE 4.13-1 **CALIFORNIA UTILITY ELECTRICITY DELIVERIES FOR 2000**

	Residential		Nonresidential		Total	
County	Number of Accounts	kWh[a] (million)	Number of Accounts	kWh (million)	Number of Accounts	kWh (million)
San Joaquin	180,552	1,572	29,126	3,534	209,678	5,106
Sutter	27,591	244	6,945	337	34,536	581
Sacramento	459,607	4,294	63,845	6,065	523,452	10,359
Stanislaus	159,486	1,489	26,771	3,054	186,257	4,544
Merced	59,551	511	13,742	1,422	73,293	1,933

[a] kilowatt-hour (kWh): The most commonly-used unit of measure telling the amount of electricity consumed over time, which is one kilowatt (1,000 watts) of electricity supplied for one hour.
Source: California Energy Commission's website. http://www.energy.ca.gov/electricity/electricity_by_county_2000.html, accessed on August 22, 2006.

TABLE 4.13-2 **CALIFORNIA NATURAL GAS DEMAND FOR 2004 (MILLION CUBIC FEET PER DAY – MCFD)**

Sector	PG&E	SoCal Gas	SDG&E	Utility Sum	Non Utility	Total
Residential	556	733	88	1,377	0	1,377
Commercial	231	298	48	577	0	577
Industrial	415	427	10	852	321	1,173
Electric Gen	798	833	202	1,833	1,023	2,856
Storage	454	344	0	798	0	798
Losses	148	45	11	204	63	267
State Total	2,601	2,681	358	5,640	1,407	7,047

Source: California Energy Commission's website. http://www.energy.ca.gov/naturalgas/statistics/natural_gas_demand.html, accessed on August 22, 2006.

a. Federal Regulations[6]

i. Energy Policy Act of 2005 (EPACT)

The EPACT is intended to establish a comprehensive, long-range energy policy, and the USDOE is responsible for its implementation. It provides incentives for traditional energy production as well as newer, more efficient energy technologies and conservation. Those incentives come in the form of 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.

ii. Power Plant and Industrial Fuel Use Act

The Power Plant and Industrial Fuel Use Act is administered by the USDOE. In summary, the purpose of the Act is to reduce the importation of petroleum and increase the Nation's capability to use indigenous energy resources of the United States to the extent such reduction and use further the goal of national energy self-sufficiency and otherwise are in the best interests of the United States; to encourage and foster the greater use of coal and other alternate fuels, in lieu of natural gas and petroleum, as a primary energy source; and to the extent permitted by the Act, to encourage the use of synthetic gas derived from coal or other alternate fuels.[7]

iii. Transportation Equity Act for the 21st Century (TEA-21)

TEA-21 builds on the initiatives established in the *Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA)*, which was the last major authorizing legislation for surface transportation. TEA-21, enacted on June 9, 1998, authorizes highway, highway safety, transit, and other surface transportation programs for a six year period (1998-2003). However, because Congress could

[6] Federal Energy Regulatory Commission's website. http://www.ferc.gov/legal/maj-ord-reg/fed-sta.asp, accessed on August 18, 2006.

[7] Cornell Law School, United States Code Collection. http://www4.law.cornell.edu/uscode/html/uscode42/usc_sup_01_42_10_92.html. Accessed on October 10, 2006.

not agree on funding levels, the Act has continued past 2003 by means of temporary extensions.[8] TEA-21 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. TEA-21 also provides for investment in research and its application to maximize the performance of the transportation system through, for example, deployment of Intelligent Transportation Systems, to help improve operations and management of transportation systems and vehicle safety.

2. State and Local Agencies

a. California Energy Commission (CEC)

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.[9]

b. California Public Utilities Commission (PUC)

The PUC regulates privately owned electric, telecommunications, natural gas, water and transportation companies, in addition to household goods movers

[8] Transportation Equity Act for the 21st Century. http://en.wikipedia.org/wiki/Transportation_Equity_Act_for_the_21st_Century. Accessed on October 10, 2006.

[9] California Energy Commission's website. http://www.energy.ca.gov/commission/index.html, accessed on August 18, 2006.

and rail safety. The PUC 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.[10]

i. State and Local Regulations

a) State of California Energy Action Plan (EAP)

Administered by the California Energy Commission, the EAP was initially created in 2003 and updated in 2005. The EAP established 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. Also incorporated in the EAP are specific actions reflecting the importance of transportation fuels to California's economy and the need to mitigate the environmental impacts caused by their use, as well as the importance of taking actions in the near term to mitigate California's contributions to climate change from the electricity, natural gas and transportation sectors.[11]

b) California's Energy Efficiency Standards for Residential and Nonresidential Buildings of 2005 (Title 24 Building Standards)

Also administered by the California Energy Commission, Title 24 Building Standards were established in 1978 in response to a legislative mandate to reduce California's energy consumption. Last updated in October 2005, the standards are updated periodically to allow consideration and possible incorporation of new energy efficiency technologies and methods.[12]

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[10] California Public Utilities Commission's website. http://www.cpuc.ca.gov/static/aboutcpuc/pucmission.htm, accessed on August 18, 2006.

[11] California Energy Commission's website. http://www.energy.ca.gov/energy_action_plan/index.html, accessed on August 18, 2006.

[12] California Energy Commission's website. http://www.energy.ca.gov/title24/, accessed on August 18, 2006.

c) City of Tracy General Plan[13]

Through the Open Space and Conservation Element of the City's General Plan, the City ensures for the efficient use of energy resources throughout the City of Tracy (Goal OSC-5). Several policies are implemented by the City under this goal, which include the following:

- **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.
- **OSC-5.2, P5 –** Future development projects shall consider the following design features, during the Specific Plan, PUD, subdivision and design development review: solar access and orientation, natural ventilation, energy efficient landscaping and energy efficient and conserving building design and technologies.
- **OSC-5.1, P8 –** The City shall support land use patterns that maximize energy efficiency, both by minimizing transportation and by making use of existing capital improvements.

C. Standards of Significance

The proposed project would have a significant energy impact if it would result in:

- Wasteful, inefficient and unnecessary usage of energy; or

[13] City of Tracy General Plan. Adopted July 20, 2006.

- Placement of a significant demand on regional energy supply or requirement of substantial additional capacity.

D. Impact Discussion

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 California Energy Commission adopted new Energy Efficiency Standards for Residential and Nonresidential Buildings that went into effect on October 1, 2005. Among the reasons that the Energy Commission 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 Commission 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.

In terms of energy consumption related to vehicle use, the location of the proposed project would focus the destination of vehicle trips and benefit fuel consumption. A large grocery store located within close proximity to the West Valley Mall and Tracy Pavilion would encourage multi-purpose shopping trips and reduce fuel consumption by reducing the number of trips some people might otherwise make between different stores.

1. Direct Consumption

a. Electricity and Gas Usage (Operation and Maintenance)

The proposed project would consist of 95,900 square feet of building area, with a footprint of approximately 92,000 square feet. In order to estimate the amount of gas and electric that the proposed project would consume during operation, the WinCo store in Brentwood, California was used as an example. Like the proposed project, the WinCo store in Brentwood would consist of 65,500 square feet of retail space, 2,900 square feet of office space and 27,500 square feet of warehouse, receiving and shipping space.

As is shown in Table 4.13-3 below energy records of the Brentwood WinCo were taken monthly, over a period of one year from July 9, 2005 through July 11, 2006. The trend shows that direct energy consumption was highest (761,400 and 652,800 kilowatts respectively) during the autumn and winter months and lower the rest of the year. According to Gordon Davis, WinCo Owner's Representative, the proposed project would be inline with the Brentwood WinCo's direct energy consumption numbers during its operational activities.[14] The proposed project would also mimic the Brentwood

[14] Personal email communication with Gordon Davis, WinCo Owner's Representative and Jose Moreno, DCE on August 29, 2006.

TABLE 4.13-3 **WINCO-BRENTWOOD ENERGY AND GAS CONSUMPTION (2005-2006)**

Service Dates		Electricity and Gas Usage			
From	*To*	*KwH Usage (per month)*	*Total KwH (per year)*	*Reactive* KwH Usage (per month)*	*Total Reactive (per year)*
7/9/2005	**8/8/2005**	445,500			
8/9/2005	**9/8/2005**	426,600			
9/9/2005	**11/7/2005**	761,400			
11/8/2005	**12/8/2005**	365,700			
12/9/2005	**2/3/2005**	652,800	**4,527,300**	378,600	**1,381,500**
2/8/2006	**3/9/2006**	343,500		176,400	
3/10/2006	**4/7/2006**	328,500		195,000	
4/8/2006	**5/9/2006**	384,000		188,400	
5/10/2006	**6/2/2006**	296,700		158,100	
6/3/2006	**7/11/2006**	522,600		285,000	

*Reactive power is measured as "volt-amperes, reactive", (VARh) in kilovars-hours. It may help to think of reactive power as power that is "reflected" from a load, because the load cannot immediately use all the power provided by the distribution system. http://en.wikipedia.org/wiki/Electricity_meter. Accessed on October 10, 2006.
Source: Gordon Davis, WinCo Owner's Representative

facilities in that it would incorporate specific energy conservation features into the design of the proposed project. These features are as follows:[15]

[15] Information pertaining to energy conservation design features provided by Engineering Consultants, Incorporated on October 5, 2006 by Mint Peterson and Cathy Miler. Personal memo communication.

i. General

According to the Engineering Consultants Incorporated, the proposed project would exceed the Code required energy efficiency standards detailed in the California 2005 Building Energy Efficiency Standards by more than 25 percent. This 25 percent plus savings would be a result of the overall building performance including the exterior envelope and the mechanical and electrical systems.

ii. Building's Envelope

The buildings exterior construction would be built with energy efficiency in mind utilizing the following elements:

- The roof would have a white single-ply surface to optimize reflection and minimum heat gain to the building.
- The building would utilize skylights to provide natural daylighting and reduce power consumption by the lighting.
- The concrete block walls would have insulation in the ungrouted cells.
- Exterior windows would be limited to the front entrance in order to minimize heat loss and heat gain through exterior glazing.

iii. Mechanical

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. This would ensure that the minimum energy usage would be required to heat and cool the outside air for the largest systems in the building. This would be especially important since WinCo is open 24 hours per day and the ventilation requirements for make-up air and occupants would be small during night time operating hours. This feature won a First Place American Society of

Heating, refrigeration and Air Conditioning Engineers (ASHRAE) Regional Technology Award in 2000.[16]

The mechanical systems which would serve the sales floor include dehumidification capabilities in order to dehumidify the air when the outside air has a high relative humidity. This would reduce overall energy usage of the building because the refrigeration cases would not be required to operate in their defrost modes. Thus, the total energy that would be required to dehumidify the air would be less than the energy that would be required by the refrigeration cases to defrost the refrigeration coils, due to high relative humidity conditions inside the building.[17]

The mechanical systems which would serve perimeter departments and office space would include economizers for less expensive cooling.

The mechanical systems would be zones to optimize energy efficiency by keeping departments and support areas with different heating and cooling needs on different systems. This would limit expending energy by over-cooling or over-heating spaces. For example, the pizza preparation department in the front of the store would be served by its own system and programmable thermostat. These spaces would have cooling and heating needs that would be different throughout the day and evening, thus serving them with different systems would result in energy savings. The same separation of zones would be carried out throughout the building.

iv. Refrigeration

The refrigeration system would consist of Hussman's Protocol System. This system utilizes smaller compressor systems at the refrigeration case locations,

[16] Personal memo communication pertaining to energy conservation design features provided by Engineering Consultants, Incorporated on October 5, 2006 by Mint Peterson and Cathy Miler.

[17] Personal memo communication pertaining to energy conservation design features provided by Engineering Consultants, Incorporated on October 5, 2006 by Mint Peterson and Cathy Miler.

thus reducing energy losses due to long pipe runs from a more-conventional central refrigeration machine room. This system also reduces the amount of refrigerant required for charging the system both at start-up and for repairs.[18]

v. Electrical

WinCo Food's lighting system would utilize efficient T8 fluorescent lighting with 10 percent electronic dimming ballast to harvest day light. This lighting would be utilized in all areas except in preparation areas, office areas, and coolers. Continuous dimming would be utilized in order to maximize energy savings. This would result in more energy savings that the stepped dimming systems typically utilized for lighting controls with skylights.

The Standard Lighting Power Density allowed by the 2005 Building Energy Efficiency Standard is 1.459 watts per square foot (w/sq.ft.), which would include wattage for display wall and exterior lighting and signage. WinCo's lighting is 1.1 w/sq.ft. and 0.861 w/sq.ft. adjusted for control credits obtained from dimming and motion sensors.

Energy efficiency would be achieved with the exterior lighting system by controlling the site lighting with a photocell and time clock. This would ensure that the lighting is off when the ambient lighting is high enough.

As a result of the proposed project's compliance to and exceedance[19] of the 2005 California Building Energy Efficiency Standards, direct energy consumption by the proposed project would not result in a significant impact.

[18] Personal memo communication pertaining to energy conservation design features provided by Engineering Consultants, Incorporated on October 5, 2006 by Mint Peterson and Cathy Miler.

[19] Personal memo communication pertaining to energy conservation design features provided by Engineering Consultants, Incorporated on October 5, 2006 by Mint Peterson and Cathy Miler.

b. Electricity and Gas Usage

i. Construction

Construction-related energy consumption would result from project construction and the use of secondary facilities. A secondary facility is defined as any facility that would produce any construction materials that would be used during the construction and maintenance of the proposed project. Energy consumed for project construction would be that used during the construction of the grocery store, and for the transportation of build materials and equipment to and from the work site.

The construction period for WinCo is estimated at seven months, and as a result, any energy consumption from construction and transportation of build materials and equipment to and from the work site will be minimal. No significant impacts are expected.

ii. Secondary facilities

It is assumed that secondary facilities, such as those that would produce construction materials for the proposed project would utilize all reasonable energy conservation practices in order to minimize the costs associated with energy use. As such, it can be assumed that construction-related energy consumption by secondary facilities during the construction 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 energy consumption during the construction phase.

2. Indirect Consumption

According to Chapter 4.3: Traffic and Circulation, the proposed project would generate approximately 296 AM peak hour trips and 831 trips, during the PM peak hour. [20] Of these 831 trips during the PM peak hour, 507 are

[20] City of Tracy, WinCo Draft EIR, Appendix B: Traffic Impact Analysis, Table 13, Page 28.

estimated to be primary trips and the other 324 are estimated to be diverted linked trips.[21]

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.[22] The Tracy Pavilion project area is located to the south of the proposed project site and includes retail stores, such as Home Depot and Linens N' Things. The West Valley Mall is located due east of the proposed project site, which includes 122 commercial, retail and financial establishments; as well as various eateries and restaurants.

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 to the south and east. It is likely that people who visit the West Valley Mall and/or the Tracy Pavilion project area would also visit the proposed project in order to complete their errands. In fact, due to the proposed project site's location, it is likely that local residents would become more efficient with respect to gas consumption as they would not have to go elsewhere to complete their errands after visiting the West Valley Mall and/or the Tracy Pavilion project area.

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 without 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

[21] City of Tracy, WinCo Draft EIR, Appendix B: Traffic Impact Analysis, Table 13, Page 28.

[22] City of Tracy, WinCo Draft EIR, Appendix B: Traffic Impact Analysis. Table 12, Page 27.

regional energy supply or requirement of substantial additional capacity with regards to project generated traffic. No significant impacts are expected.

E. Impacts and Mitigation Measures

No impacts were identified, thus no mitigation measures are required.

6 CEQA-REQUIRED ASSESSMENT CONCLUSIONS

The following subsection of Chapter 6 CEQA-Required Assessment Conclusions is amended as follows. Changes in text are shown in double underline and ~~strikethrough~~.

A. Unavoidable Significant Impacts

Under CEQA, a significant impact on the environment is defined as a substantial, or potentially substantial, adverse change in any of the physical conditions within the area affected by the project, including land, air, water, minerals, flora, fauna, ambient noise, and objects of historic and aesthetic significance.

The proposed project would have three significant unavoidable impacts related to air quality:

- Development of the project would result in increases in emission of both ozone precursors and PM_{10} beyond what is anticipated by existing air quality plans. This would be significant at the project level.
- The above impact would be significant at the cumulative level as well.
- The proposed project would also result in increased air emissions within an air basin that exceeds State and federal air quality standards, resulting in an unavoidable significant cumulative impact to air quality in the region.

Additionally, the proposed project would have several significant unavoidable traffic impacts. The first impact listed below is project-specific, while the remainder are cumulative traffic impacts:

- The addition of project traffic to the Grant Line Road / Byron Road intersection in the Existing Plus Project scenario would add traffic to an already deficient intersection that is operating at LOS F with more than 50 seconds of average delay.

- The addition of project traffic increases the average delay at the Grant Line Road / Lammers Road intersection from 54 to 57 seconds, resulting in an unacceptable LOS E.
- The addition of project traffic would increase the average delay at the Grant Line Road/Corral Hollow Road intersection from 35 to 42 seconds, degrading operations to LOS D. The City of Tracy level of service standard for this intersection is LOS C.
- The addition of project traffic to Eleventh Street/Corral Hollow Road intersection in the Cumulative plus Project scenario would add traffic to an already deficient intersection. The additional traffic would add 3 seconds of delay to the intersection.

APPENDIX A

MARKET IMPACT ANALYSIS

Bay Area Economics

MARKET IMPACT ANALYSIS FOR PROPOSED WINCO STORE AND COMMERCIAL SITE IN TRACY, CA

Prepared for:
City of Tracy

Prepared by:
Bay Area Economics

December, 2006

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Table of Contents

Introduction

Background and Study Purpose

The City of Tracy (the "City") has received a proposal for development of a WinCo Foods store at the southeast corner of Pavilion Parkway and Power Road. This proposal also includes approvals for additional commercial space on a parcel directly to the north of the WinCo site. Together, these two components comprise the Proposed Project. In addition, Wal-Mart has proposed expanding their existing Tracy store to a Supercenter format, which will include a large area dedicated to food items. As part of its evaluation of the Proposed Project, the City has retained Design, Community & Environment ("DC&E") 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 Wal-Mart expansion and other retail developments are completed. It does not consider the impacts of the Wal-Mart expansion 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 EIR process, additional information has been received that requires revisions to this market analysis component of the 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 consists of two components. One component is the construction of a new WinCo Foods store at the southeast corner of Pavilion Parkway where it terminates at Power Road (which is not yet completed to the north of Pavilion Parkway), on a parcel of approximately 10.5 acres (the Southern Parcel). The proposed store is a very large-format full-service supermarket of 95,900 square feet. The other component of the Proposed Project is on an approximately 10.8-acre parcel directly to the north of Pavilion Parkway (the Northern Parcel). This component is designated as a hypothetical commercial use with 141,130 square feet of building area. While there is currently an application pending for a use of the site consisting

primarily of offices,[1] the EIR and this market impact analysis assume a more intensive retail use. This designation of the Northern Parcel at its maximum allowable zoned intensity is deemed to be a conservative methodology most suitable for an EIR, effectively presenting a "worst case scenario" for potential market impacts from retail development.

The two parcels making up the Proposed Project are currently vacant, but are near the large concentration of region-serving retail clustered around the West Valley Mall to the north of Interstate 205. The Wal-Mart is located nearby.

Report Organization

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

[1] This application is deemed incomplete at this time pending the change in General Plan designation and zoning being requested as part of the current planning process for the Proposed Project.

Profile of WinCo Foods

The first WinCo (then known as Waremart) was opened in 1967 in Boise, Idaho. Current CEO Bill Long led an employee takeover in 1985 when courts approved the sale to employees for $10 million.[2] The company is still employee-owned. Since the takeover, the company's Employee Stock Ownership Plan (Pension Plan) has grown at a 21.2 percent annual compound growth rate.[3]

WinCo's sales for 2006 are projected at $2.7 billion. Headquartered in Boise, Idaho, WinCo's operations currently encompass over 54 stores and 8,000 employees in Washington, Oregon, Idaho, Nevada, and California.[4] (By way of comparison, Safeway operates 1,770 stores,[5] Wal-Mart operates approximately 1,800 Supercenters and 1,200 regular discount stores,[6] and Raley's operates 138 stores.[7]) The company maintains full distribution centers in Woodburn, Oregon, and Ceres, California. There are 18 WinCo stores in California, with plans for expansion in Tracy and elsewhere. Existing store sizes range from 65,000 to 96,000 square feet. The proposed store in Tracy is slated to be 95,900 square feet.

By combining large store size, low everyday prices, broad inventory, and additional services, WinCo has positioned itself in a niche distinct from its competitors. WinCo identifies its target market as the "soccer mom demographic," which it defines as households with slightly higher than average income, lower than average per capita income (because of the number of children), and slightly higher than average levels of education. By focusing on extremely large stores with low prices, WinCo is targeting shoppers interested in "pantry loading" rather than convenience shoppers buying only a few items. WinCo shoppers may continue to frequent other local stores for these convenience purchases.

WinCo Foods stores have delis and large bulk-food sections, as well as bakery, meat, pizza, and fish departments. WinCo Foods stores do not have pharmacies.

Bay Area Economics' site tours of the Brentwood, Antelope, Redding, and Eureka stores show a store larger in scale than any other grocery operation in Northern California, with an ambience combining elements of a food warehouse, a large discount general merchandise outlet such as Wal-Mart, and a large-format supermarket such as a Safeway Marketplace.

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[2] "Bill Long Breaks the Rule on Planning: Some Can't Take It," *The Wall Street Journal*, January 1, 1998.

[3] http://www.wincofoods.com/history.html

[4] Ibid, and correspondence from WinCo.

[5] As of June 17, 2006. http://shop.safeway.com/superstore/sixframeset.asp?page=investors

[6] Wal-Mart *2006 Annual Report to Shareholders*.

[7] http://www.raleys.com/aboutus/history/history_ra.jsp?chain=ra

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 WinCo's proposed new store 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 WinCo store 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 WinCo Trade Area

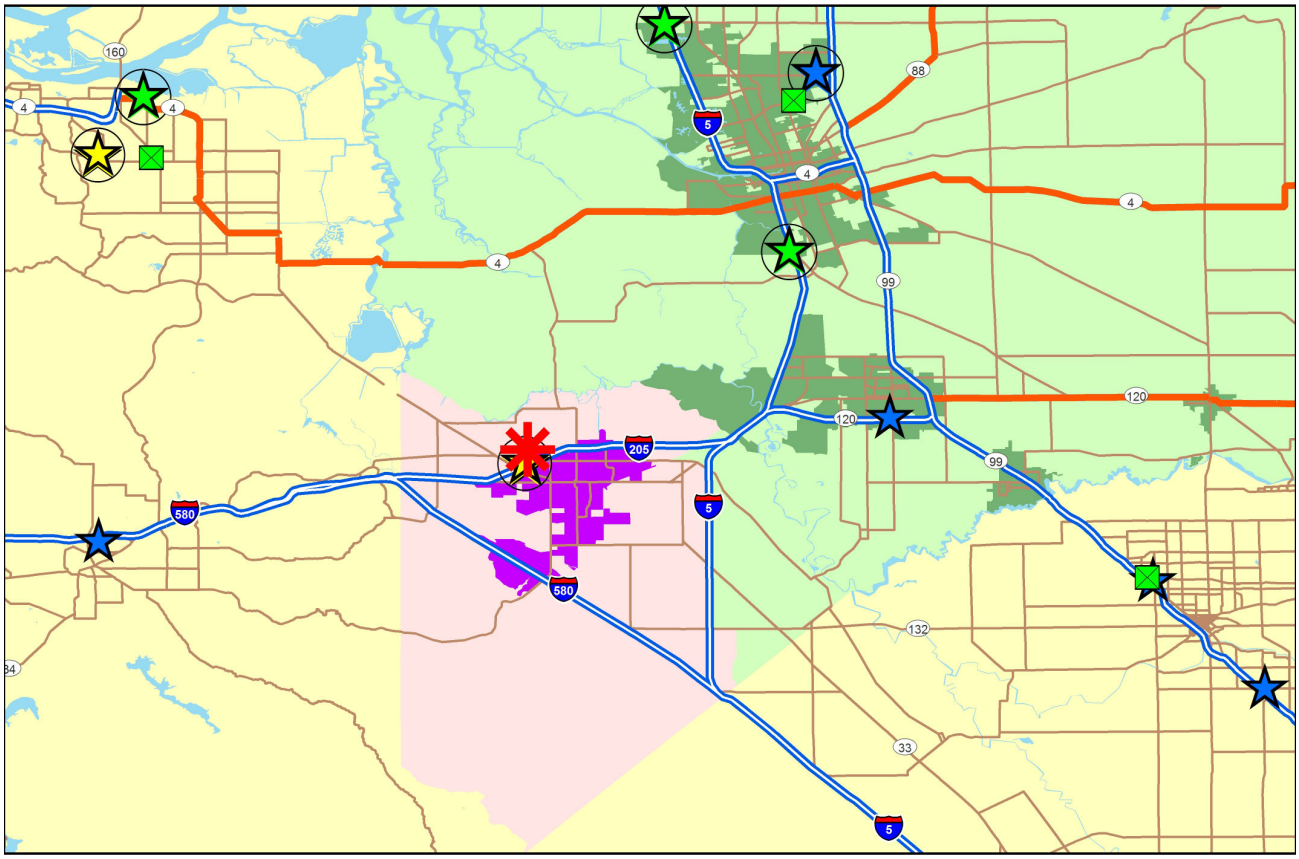
A trade area is the geographic region that encompasses most of a retail outlet's customers, or can be defined as including all the outlets that serve a particular market niche. For WinCo, the Trade Area has been defined as the City of Tracy and some surrounding areas (see Figure 1).

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 WinCo stores, on the presumption that potential WinCo shoppers will go to the closest WinCo outlet. WinCo currently has stores in Brentwood, Stockton, and Modesto, effectively covering the major population centers around Tracy, so the new store in Tracy will primarily serve Tracy residents and the developing new community of Mountain House to the west. Traffic congestion and distance across the Altamont Pass is likely to preclude substantial shopping trips from Livermore and other Alameda County communities, which in any case may ultimately be served by another WinCo store as the chain continues to expand.

This same Trade Area is similarly 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.[8] 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 proposed Wal-Mart Supercenter in Tracy is conservatively assumed to have the same Trade Area as WinCo even absent a Manteca Supercenter as a foreseeable project.

[8] 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.

Figure 1: WinCo 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 WinCo and Wal-Mart 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.[9]

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.

[9] 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.

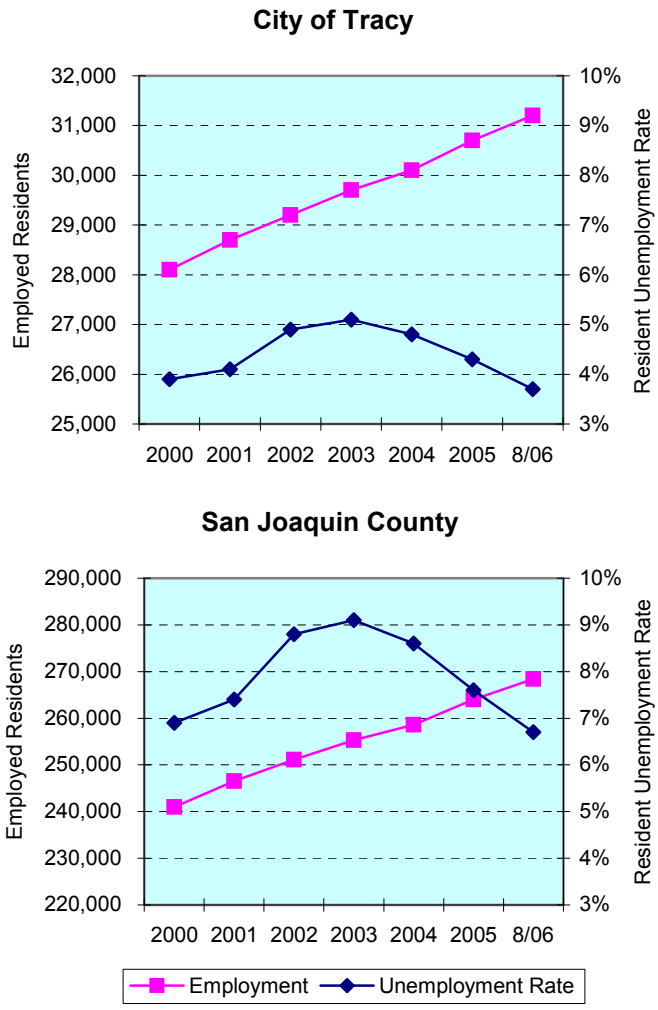
Sources: U.S. Census, 2000 SF3 and 2005 American Community Survey; Bay Area Economics, 2006.

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 WinCo, 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 WinCo stores, on the presumption that potential WinCo shoppers will go to the closest WinCo outlet. This same Trade Area is similarly surrounded by proposed or potential Wal-Mart Supercenters in nearby cities.

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

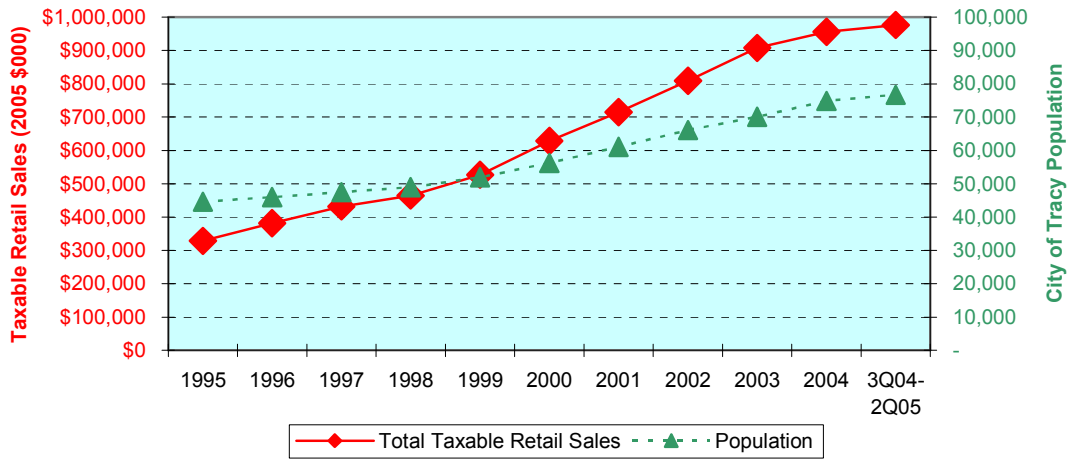
This section provides an inventory of competing supermarkets in the Trade Area, examines retail trends in Tracy and San Joaquin County, and then focuses on the key sector of food stores, examining the performance of supermarkets in the Trade Area.

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.[10] 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



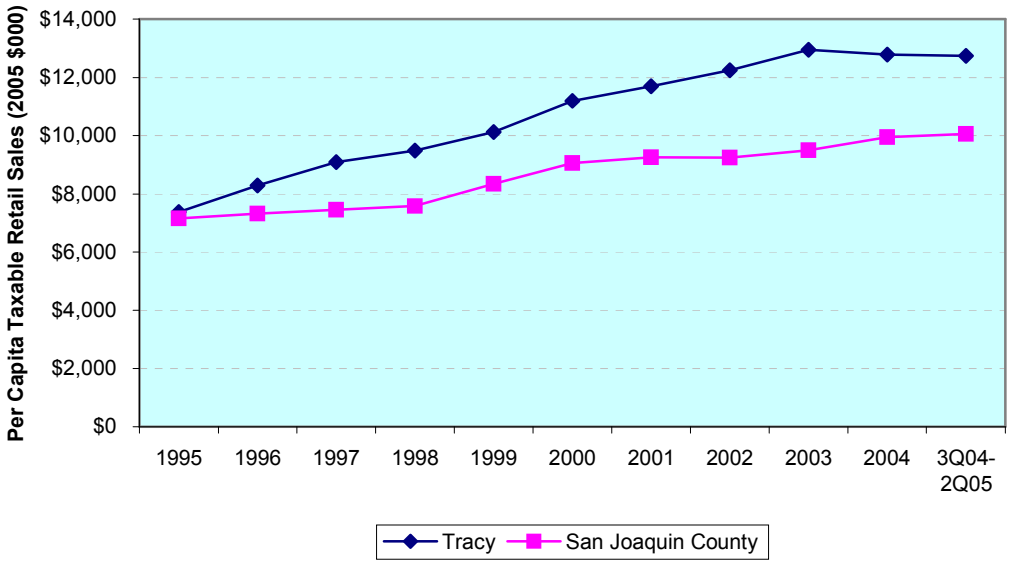
Notes: Population data from State Department of Finance. May vary from other sources. Sales here are taxable sales only, and exclude most food sales as well as prescription drugs and certain other items. Sales are presented in 2005 dollars. For details, see Appendix D.

Sources: State Board of Equalization; U.S. Bureau of Labor Statistics; State Department of Finance; BAE, 2006.

[10] 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



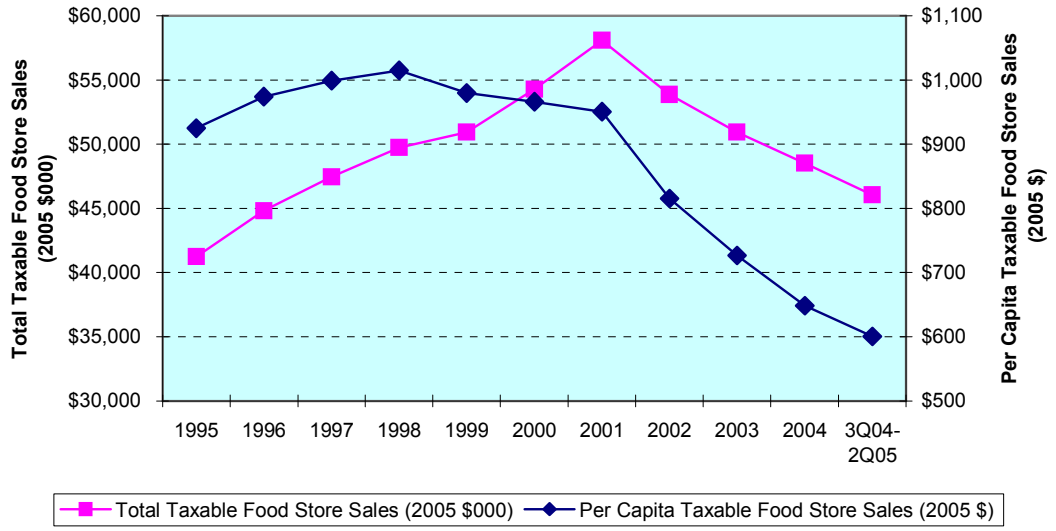
Notes: Population data from State Department of Finance. May vary from other sources. Sales here are taxable sales only, and exclude most food sales as well as prescription drugs and certain other items. Sales are presented in 2005 dollars. For details, see Appendix D.

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 5). 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 5: 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.

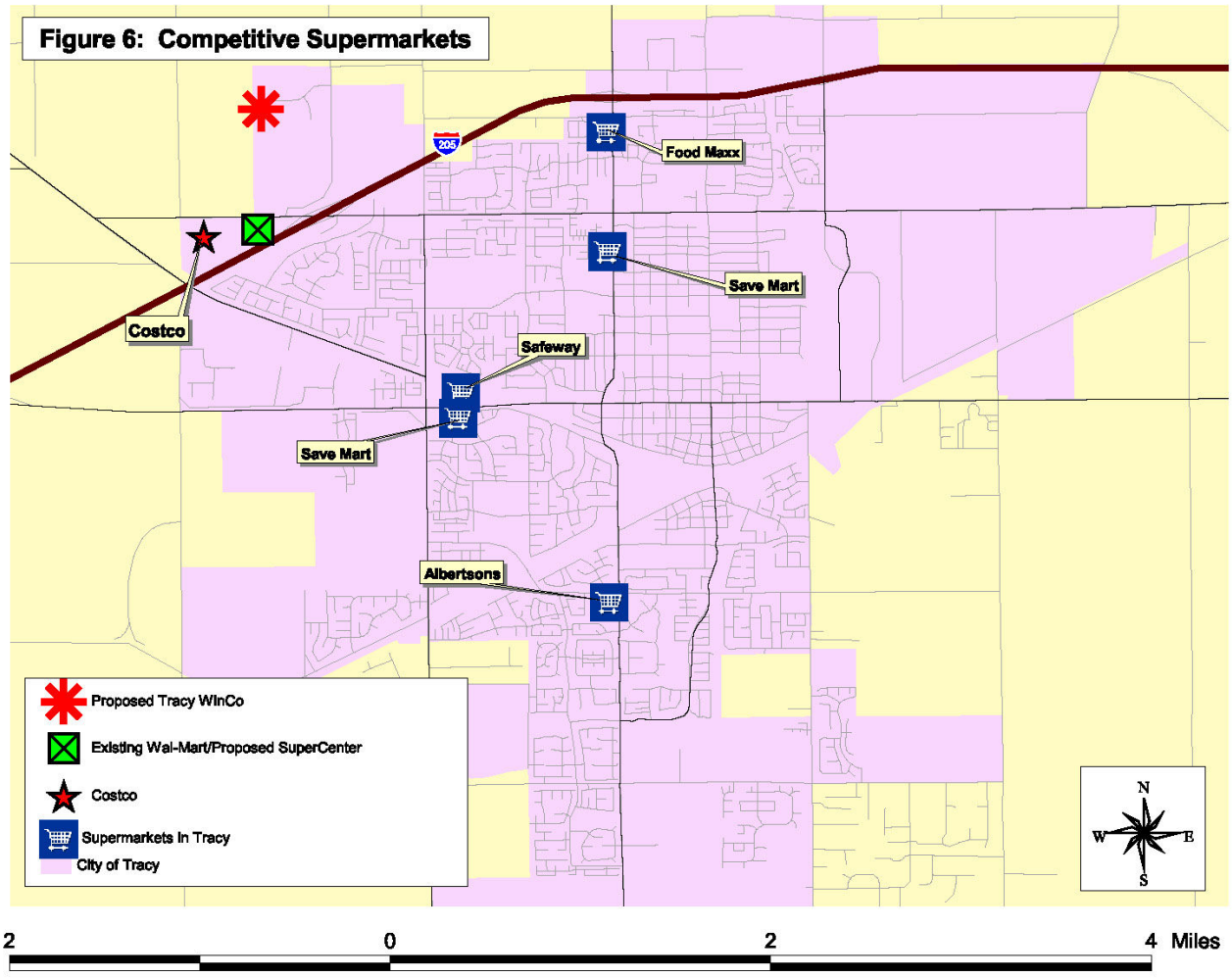
Inventory of Competitive Supermarket Outlets

WinCo is a large-format supermarket, so its principal competitors will be other supermarkets in the Trade Area. 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. The five stores and the Costco (excluding the Grocery Outlet) total approximately 332,000 square feet.[11]

Following Figure 6 are brief descriptions of each of these stores. Additional detail can be found in Appendix E.



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

[11] 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.

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 it was recently announced that Save Mart was buying out the remaining 132 Albertsons stores in northern California.[12] Albertsons declined to respond to BAE requests regarding potential impacts of the WinCo and Wal-Mart Supercenter 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. While Save Mart declined to provide sales data to BAE following inquiries in 2004, after the release of the original Final EIR for WinCo in 2006, Save Mart reported annual sales of $493 per square foot for this store, or approximately $23.5 million, in 2005.[13]

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.[14] 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.

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.[15]

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

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[12] "Save Mart buys Albertsons," Tracy Press, November 29, 2006, http://tracypress.com/content/view/5915/2/

[13] 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.

[14] Safeway, Inc. *2005 Annual Report*.

[15] Trade Dimensions, City of Tracy, and Joe Neri, former owner of the Tracy Food 4 Less.

in California, and concentrated in the Central Valley), under the Save Mart, S-Mart, and Food Maxx names.[16] 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 WinCo Draft EIR. Subsequent to closure of the comment period for the Draft EIR and following first publication of the Final 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.[17] 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 WinCo's opening or Wal-Mart's expansion.

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 WinCo or Wal-Mart 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 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

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[16] www.savemart.com, http://www.ciwmb.ca.gov/WRAP/search.asp?VW=APP&BIZID=2647&YEAR=2004&CNTY=

[17] 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.

the store,[18] 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.[19] 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).[20] 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 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

[18] For instance, see Costco *Annual Report 2005*, where food sales comprise slightly over 30 percent of total sales.

[19] BAE's use of individual store data from Trade Dimensions is covered by nondisclosure agreements.

[20] 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.

$358 per square foot.[21] 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.[22] 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.[23]

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.

[21] 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.

[22] 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).

[23] All future sales estimated in 2006 dollars.

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.[24] 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.[25]

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.

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.

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[24] 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.

[25] 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.

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 WinCo store and Wal-Mart expansion 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.

In addition to the analysis of WinCo's impacts, the analysis also looks at the additional 141,300 square feet of potential retail in the Proposed Project. This space reflects a land use designation rather than a specific project, and thus the impacts on any particular retail sector or location are unknown. The analysis considers the impacts in light of the Trade Area's ability to absorb additional retail space. According to City staff, there is a potential commercial project proposal for this site that consists primarily of non-retail uses, but this application cannot be approved until land use changes have been approved by the City to make it an appropriate use for the site. Because this particular non-retail use is still somewhat speculative, the impacts analysis here assumes a retail use.

As noted above, WinCo's primary competition is other large supermarkets, so the analysis of WinCo's 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.

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 WinCo and Wal-Mart Supercenters 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 WinCos and potential Supercenters in communities outside but near the Trade Area, few grocery shoppers 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 WinCo 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 WinCo.

- 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 WinCo 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 WinCo's entry into the market, along with cumulative impacts from the proposed Wal-Mart expansion and other projects. The analysis in this section starts by examining aggregate store performance. One key assumption is that the proposed WinCo store'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., Wal-Mart), this estimate may overstate the impacts on the supermarkets.[26] It is also possible that because 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 WinCo store 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.

[26] 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. As currently proposed, the new Tracy WinCo store is sized at 95,900 square feet, which is far larger than any of the existing supermarkets; this large format is typical of newer WinCo stores. 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 23 percent to $362, somewhat below the ULI-derived industry median (see Table 8). By 2011, annual sales per square foot are estimated to recover to $389.

Table 8: Impacts of New WinCo Store on Sales at Existing Supermarkets in Trade Area

	No WinCo 2006	WinCo 2008	WinCo 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
WinCo (c)		95,900	95,900
Estimated Supermarket Sales in WinCo (d)		$42,196,000	$42,196,000
Sales in Existing Outlets		$120,380,000	$129,160,000
Average Annual Sales per Square Foot at Existing Stores	**$468**	**$362**	**$389**
Percent Change from Existing, 2006		**-23%**	**-17%**
Sales per Square Foot in WinCo (e)		$440	$440
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, or Wal-Mart national average, whichever is greater.
Wal-Mart national average, sales per square foot: $440 derived from 2006 Annual Report
(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; 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. In Tracy, the existing store most like WinCo in terms of market concept is Food Maxx; this store is in North Tracy, relatively close to the proposed WinCo site. While Costco typically offers large sizes for a limited number of products, WinCo caters to a different target market, offering a broad range of sizes and items carried. WinCo and Costco stores exist in close proximity in some markets (e.g., Fresno and Clovis, CA and Tigard, OR), and

with some adjustments in product mix to eliminate overlap, the two stores can 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. Assuming that each of these Save Marts suffered a loss of 23 percent of its sales based on the overall estimate percent change in 2008, the West 11th Street store would see sales decline to $11.7 million, or $209 per square foot, while the North Tracy Boulevard store would see a decline to $11.9 million, or $243 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 risk of closure.

Cumulative Impacts on Supermarkets

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 which have been submitted up to the commencement of this revised analysis on July 1, 2006.

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 an expansion of the existing Wal-Mart to the Supercenter format, which includes an area dedicated to a full line of food items typically found in a full-service supermarket. If the project is built, likely in the same time frame as the WinCo, it will add an additional 55,192 square feet of new space associated with food sales to the Trade Area inventory.

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 63,000 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. However, City staff indicated that the Raley's application was deemed incomplete over two years ago, with no additional materials received from the applicant since that time to continue processing the application; thus

no complete application has ever been received for this project and there is no complete application currently pending; given the lack of activity, this project has been deemed not to be reasonably foreseeable at this time.

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,[29] with approximately 1,500 units current completed. However, the potential approvals for WinCo and the Wal-Mart expansion 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 only the Wal-Mart expansion and the supermarket at the Valpico Town Center. All other possible supermarkets (including those that only exist as designated future land uses in planning documents) are considered speculative.[30]

Overall Impacts. As indicated in Table 9, this cumulative impacts scenario assumes a total of 187,516 square feet of supermarket space is added to the existing 332,091 square feet, an increase of over 50 percent. Assuming all outlets are open in 2008, average annual sales at Tracy's existing supermarkets are estimated to decline by 44 percent to $261 per square foot annually, below the assumed minimum feasibility level of $275 per square foot. Recovery by 2011 is estimated to be to $285 per square foot, slightly above that minimum feasibility level.

Individual Store Impacts. Like WinCo, Wal-Mart positions itself as a low-price supermarket alternative, but with a greater amount of items for bulk shoppers. BAE staff has visited existing Supercenters in Stockton and Gilroy as well as in other states, and found that Wal-Mart, while not carrying as many items in its inventory as WinCo, does carry 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 WinCo and Wal-Mart target a more regional

[29] 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.

[30] 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."

market than a typical supermarket in a community shopping center. The smaller market at Valpico Town Center is likely to be more local serving (although this could vary depending on the store format), and its 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. The subsequent analysis below indicates that using this assumption, the stores most impacted are likely the same as if a greater impact was assumed for the most direct competitors, with a similar conclusion.

With the overall percentage loss applied to each store, the 11th Street Save Mart would see sales decline to $150 per square foot in 2008, rebounding to $164 per square foot in 2011. Sales at the other Save Mart would also decline to below $200 per square foot. However, if one Save Mart closes, the other store might pick up a significant portion of the sales from the closed store, to the extent that customers have brand loyalty and prefer to shop at Save Mart. Thus the closure of the 11th Street Save Mart could offset the losses at the North Tracy Boulevard store. As discussed above, Food Maxx, because its location and positioning are more directly competitive to WinCo and Wal-Mart, 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. If this store is disproportionately impacted, it may also be at risk of closure. As with the 11th Street Save Mart, if the store closes, its sales may be spread among the remaining supermarkets, mitigating the impacts on the remaining stores.

In conclusion, the cumulative impacts are likely to lead to the closure of at least one supermarket 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 and the Food Maxx are also at risk of closure, but these closures are less certain as the Trade Area's population increases and the sales from the first closed Save Mart are spread among the remaining stores, thus mitigating the cumulative impacts of the WinCo and other projects entering the market.

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
Winco and Wal-Mart Expansion (c)		151,092	151,092
Valpico Town Center Supermarket (c)		36,424	36,424
Total Additional SF		187,516	187,516
Estimated Supermarket Sales in New Stores (d)		$75,979,000	$76,846,000
less Capture of Sales from New Stores	$155,372,000	$86,597,000	$94,510,000
Average Annual Sales per Square Foot at Existing Stores	**$468**	**$261**	**$285**
Percent Change from 2006		**-44%**	**-39%**
Sales per Square Foot in WinCo and Wal-Mart Grocery Space (e)		$440	$440
Sales per Square Foot in Valpico Town Center (f)		$261	$285
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 Winco. 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

(d) Rounded to nearest $000.
(e) Sales per square foot assumed to match area supermarket average, or Wal-Mart national average, whichever is greater.
(f) Since this is 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.

Impacts of Additional Retail Space in Proposed Project

As noted above, the Proposed Project includes the potential for an additional 141,130 square feet of retail/commercial space on the Northern Parcel. There are no prospective retail tenants at this time and no schedule for development, so the potential impacts of this space can best be considered in light of overall retail conditions in Tracy and the Trade Area, including the Trade Area's ability to absorb additional space over time. Any potential for prolonged closures would result primarily 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, or approximately 43,000 square feet annually.[31] At this rate, it would take slightly over three years for the market to absorb the additional 141,130 square feet of non-WinCo retail space slated for the Proposed Project.

Table 10: Calculation of Annual 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**

(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.

[31] This analysis is 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.

Cumulative Impacts of Additional Retail Space. The gross absorption estimate above in Table 10 does not take into account other space that might be currently vacant and available, or additional space currently under construction or planned that might become available. The new retail space in the Proposed Project would be competing with any such space for tenants. 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.[32] Thus, the market can be assumed to be at stabilized occupancy currently, with no significant vacancies competitive with the Proposed Project.

In Appendix F, BAE has identified slightly more than 220,000 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 considerably lower than the number cited in responses to the previous BAE analysis,[33] 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 August 31, 2006, no application for development has been submitted to the County, and it has therefore been excluded from the analysis.

[32] 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.

[33] The CERA Report, the Retail Strategies Letter, and other responses to the EIR.

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.

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.

Combined with the new non-supermarket space included in the Proposed Project, the square footage in process totals approximately 360,000 square feet, slightly below the estimated demand from 2006 through 2015 of about 390,000 square feet. Thus over a multiyear period, the new retail space in the pipeline would be absorbed. In fact, in a slackening market, some of the space, such as that at the Proposed Project, would not be constructed, or construction would be postponed. There is currently no active discussion of any proposal to construct retail space on the Northern Parcel.[34]

Combined Impacts of Supermarket Space and Additional Square Footage

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, mainly the Wal-Mart expansion, either the other Save Mart or the Food Maxx could also be at risk. These stores are all roughly 50,000 square feet in size, so one to three total supermarket vacancies would add an additional 50,000 to 150,000 square feet to the potential retail inventory of approximately 360,000 square feet under construction or planned and proposed, leading to a total available inventory of approximately 410,000 to 510,000 square feet if all projects are built. This is about 20,000 to 120,000 square feet more than the estimated demand of 390,000 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.

[34] 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.

Potential for Re-tenanting of Vacant Retail Spaces in the Trade Area

Additional retail space in the Northern Parcel for the most part should be absorbed as the demand for retail space grows in the Trade Area. However, the availability of the Northern Parcel space could result in additional vacancies scattered throughout Tracy as retailers relocate to the new center or as they face closure due to competition with the space in the Proposed Project.[35] In the absence of a defined tenant mix, any attempt to identify such potential vacancies or closures would be speculative.

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 urban decay. 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. 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.

However, 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, physical deterioration, or urban decay 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

[35] 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.

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.[36]

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.[37] 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

[36] "Ross Stores to buy 46 Albertsons stores," RetailingToday.com, October 10, 2006, www.retailingtoday.com/story.cfm?ID=83480MIM

[37] June 20, 2006 Letter to City of Tracy, Chris Sill, Lee & Associates.

"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 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.

Without the additional square footage of the Proposed Project in the Northern Parcel and the other retail space in the pipeline, it is likely that vacant supermarket spaces could be absorbed, albeit perhaps over a period of several years, and they would not necessarily be re-tenanted as supermarkets. There could be turnover of other tenants, but because of the overall demand for space in the Trade Area, reuse would be likely in the long term, as indicated by the successful history of re-use for previously vacated supermarkets and other large spaces. However, the combination of Tracy's growth limits and additional space, including the potential retail space for the Northern Parcel of the Proposed Project, might lead to an oversupply of space that would take several years to absorb.

Summary of Retail Impacts Analysis

If the WinCo store opens as projected in 2008, and no other project is built (e.g., Wal-Mart Supercenter), average annual sales per square foot at Tracy's existing supermarkets would decline from current levels by an estimated 23 percent to $362 (2006 dollars), somewhat below the ULI-derived industry median. Sales per square foot would recover to an estimated $389 annually in 2011.

It is likely that any impacts would be greater on those stores targeting a similar niche in the market. In Tracy, the existing store most like WinCo in terms of market concept is Food Maxx; this store is in North Tracy, relatively close to the proposed WinCo site. While the Food Maxx may see significant impacts, its sales are relatively strong, 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. Assuming a proportional loss equal to the estimated overall loss of sales of 23 percent at existing supermarkets, sales at the West 11th Street store would decline $209 per square foot, while the North Tracy Boulevard store would see a decline to $243 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 risk of closure.

The other major proposal now before the City of Tracy is an expansion of the existing Wal-Mart to the Supercenter format, which includes an area dedicated to a full line of food items typically found in a full-service supermarket. If the project is built, likely in the same time frame as the WinCo, it will add an additional 55,192 square feet of new space associated with food sales to the Trade Area inventory.

The analysis of additional cumulative impacts on supermarkets thus considers only the Wal-Mart expansion and the supermarket at the Valpico Town Center. 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 over 50 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 44 percent to $261 per square foot annually, below the assumed minimum feasibility level of $275 per square foot. Recovery by 2011 is estimated to be to $285 per square foot, slightly above that minimum feasibility level.

With the overall percentage loss applied to each store, the cumulative impacts are likely to lead to the closure of at least one supermarket in Tracy, with the poorly-performing 11th Street Save Mart the most likely candidate for closure. The other Save Mart and the Food Maxx may also be at risk of closure, but these closures are less certain as the Trade Area's population increases and the sales from the first closed Save Mart are spread among the remaining stores, thus mitigating the cumulative impacts of the WinCo and other projects entering the market.

The Proposed Project includes the potential for an additional 141,130 square feet of retail/commercial space on the Northern Parcel. There are no prospective retail tenants at this time and no schedule for development, so the potential impacts of this space can best be considered in light of overall retail conditions in Tracy and the Trade Area, including the Trade Area's ability to absorb additional space over time. Any potential for urban decay and physical impacts would result primarily from a general oversupply of retail space in the market due to supply outstripping demand.

Excluding food store and auto-related demand, BAE estimates that the Trade Area can absorb approximately 390,000 square feet of retail space from 2006 through 2015, or approximately 43,000 square feet annually. At this rate, it would take slightly over three years for the market to absorb the additional 141,130 square feet of non-WinCo retail space slated for the Proposed Project.

However, this gross absorption estimate does not take into account other space that might be currently vacant and available, or additional space currently under construction or planned that might become available. The new retail space in the Proposed Project would be competing with this space for tenants. To account for net absorption, BAE has identified slightly more than 220,000 square feet of competitive retail space coming into the market, excluding 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, so the market can be assumed to be at stabilized occupancy, with no significant vacancies competitive with the Proposed Project.

Combined with the new non-supermarket space included in the Proposed Project, the square footage in process totals approximately 360,000 square feet, slightly below the estimated demand from 2006 through 2015 of about 390,000 square feet. Thus over a multiyear period, the new retail space in the pipeline would be absorbed. In fact, in a slackening market, some of the space,

such as that at the Proposed Project, would not be constructed, or construction would be postponed. There is currently no active discussion of any proposal to construct retail space on the Northern Parcel.

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, one or more supermarkets are at risk of closure due to the cumulative impacts of the WinCo and other proposed projects. These stores are all roughly 50,000 square feet in size, so one to three total supermarket vacancies would add an additional 50,000 to 150,000 square feet to the potential retail inventory of approximately 360,000 square feet under construction or planned and proposed, leading to a total available inventory of approximately 410,000 to 510,000 square feet if all projects are built. This is about 20,000 to 120,000 square feet more than the estimated demand of 390,000 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.

Appendices

Appendix A: WinCo Trade Area Traffic Analysis Zones

Traffic Analysis Zone	Traffic Analysis Zone
509	548
510	549
511	550
513	551
514	552
515	553
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517	555
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525	562
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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 WinCo and Wal-Mart 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.[39]

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,[40] even though they have been superseded by the more recent projections available in the County's Regional Transportation Plan (RTP),[41] 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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[39] Claritas' website, http://www.claritas.com/collateral/econnect/demomethodology05.pdf, accessed January 2006.

[40] As of September 10, 2006, see http://www.sjcog.org/sections/departments/planning/research/projections?table_id=140&section_id=36&historic=0

[41] 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[42] 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

[42] 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.[43] 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.[44] The master developer has reported growth at a rate of approximately 600 units per year,[45] 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.[46] 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.

[43] Obtained via e-mail from Lesley Miller, Regional Planner, San Joaquin County Council of Governments, on August 16, 2006.

[44] 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.

[45] See, for instance, "Mountain House gains a foothold," *Contra Costa Times*, June 12, 2006, http://www.contracostatimes.com/mld/cctimes/news/14798672.htm.

[46] 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.[47] 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.[48] 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.

[47] 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.

[48] 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; State Department of Finance; Bay Area Economics, 2006.

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	Wal-Mart Expansion	82,704	55,192	-	27,512	In process, Draft EIR submitted
Total Non Food Store, Non-Automotive Retail Space Currently in Pipeline					**221,112**	

Sources: City of Tracy; San Joaquin County; Pegasus Development