

**NOTICE OF AVAILABILITY OF THE DRAFT  
ENVIRONMENTAL IMPACT REPORT (DEIR) FOR  
PACIFIC MALL PROJECT, SCH # 20130220006**

**Date:** May 6, 2013

**Name of Project:** Pacific Mall Project

**Location:** The project is located at the intersection of McCarthy Boulevard and Ranch Drive in the City of Milpitas. The site is 37.9 acres near Interstate 880 and SR 237.

**Description of Project:** The project proposes to demolish 139,710 square feet of existing commercial space and construct 292,186 square feet of retail and 178,692 square feet of hotel space (a net increase of 152,476 square feet). The project requests site and architectural review, a tentative map for condominium purposes, a general plan and zoning amendment to allow for an overlay to accommodate the additional Floor Area Ratio.

**Lead Agency:** City of Milpitas

**Lead Agency Contact Person:** Sheldon S. Ah Sing, Senior Planner - phone: (408) 586.3278 or email: [sahsing@ci.milpitas.ca.gov](mailto:sahsing@ci.milpitas.ca.gov).

**Review Period:** Begins May 8, 2013 – Ends June 24, 2013

**Where Documents are Available for Review:**

Milpitas City Hall	Milpitas Library	City of Milpitas Website
Public Service Counter	160 N. Main St.	<a href="http://www.ci.milpitas.ca.gov/government/planning/environmental.asp">http://www.ci.milpitas.ca.gov/government/planning/en</a>
455 E. Calaveras Blvd.	Milpitas, CA 95035	<a href="http://www.ci.milpitas.ca.gov/government/planning/environmental.asp">vironmental.asp</a>
Milpitas, CA 95035		

**Where to Send Comments:** All written comments on the Draft EIR must be submitted by June 24, 2013 to:

Sheldon S. Ah Sing, Senior Planner  
Milpitas Planning Division  
455 East Calaveras Blvd.  
Milpitas, CA 95035  
[sahsing@ci.milpitas.ca.gov](mailto:sahsing@ci.milpitas.ca.gov)

**Public Comment Session:** No public hearings are scheduled for the project at this time.

**Anticipated Significant Impacts:** The proposed Plan would have significant and unavoidable impacts in the following issue area: Traffic.

Signature:



Sheldon S. Ah Sing, Senior Planner  
City of Milpitas

Date: May 6, 2013

DRAFT  
Environmental Impact Report

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**Pacific Mall**

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City of Milpitas  
May 2013

## **PREFACE**

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The document has been prepared by the City of Milpitas as the Lead Agency, in conformance with the California Environmental Quality Act (CEQA). The purpose of this Environmental Impact Report (EIR) is to inform decision makers and the general public of the environmental effects of the proposed project.

This document provides environmental review appropriate for the approval of the proposed Pacific Mall Project in accordance with CEQA Guidelines Sections 15121, 15145, and 15151.

### **Purpose of the EIR**

In accordance with CEQA, this EIR provides objective information regarding the environmental consequences of the proposed project to the decision makers who will be considering and reviewing the proposed project. The CEQA Guidelines contain the following general information on the role of an EIR and its contents:

**§15121(a). Informational Document.** An EIR is an informational document, which will inform public agency decision makers, and the public of the significant environmental effects of a project, identify possible ways to minimize the significant effects, and describe reasonable alternatives to the project. The public agency shall consider the information in the EIR, along with other information that may be presented to the agency.

**§15145. Speculation.** If, after thorough investigation, a Lead Agency finds that a particular impact is too speculative for evaluation, the agency should note its conclusion and terminate discussion of the impact.

**§15151. Standards for Adequacy of an EIR.** An EIR should be prepared with a sufficient degree of analysis to provide decision-makers with information that enables them to make a decision that intelligently considers environmental consequences. An evaluation of the environmental effects of the proposed project need not be exhaustive, but the sufficiency of an EIR is to be reviewed in light of what is reasonably feasible. Disagreement among experts does not make an EIR inadequate, but the EIR should summarize the main points of disagreement among the experts. The courts have looked not for perfection, but for adequacy, completeness, and a good-faith effort at full disclosure.

### ***Focusing the EIR***

The City of Milpitas prepared an Initial Study (provided in Appendix A of this EIR) that determined that preparation of an EIR was needed for the proposed project. The Initial Study concluded that the EIR should focus on Land Use, Transportation, Air Quality, and Greenhouse Gas Emissions. In addition to these resource issues, the EIR also analyzes energy impacts, which is not a required element of an Initial Study, but is a required element of an EIR.

Analysis of the following resources areas in the Initial Study determined that the project's impacts would be less than significant: Aesthetics, Agricultural and Forestry Resources, Geology

and Soils, Hydrology and Water Quality, Mineral Resources, Population and Housing, Public Services, Recreation, and Utilities and Service Systems. These resource areas are not addressed further in the EIR. Impacts in the following resources areas would be less than significant with mitigation measures included in the project and identified in the Initial Study and in the *Summary* of significant impacts and mitigation measures on pages iv-x of this EIR:

- Biological Resources
- Hazardous Materials
- Noise

The extent to which project alternatives would reduce significant impacts identified in both the Initial Study and EIR are also addressed in *Section 6.0. Project Alternatives*.

In accordance with Section 15082 of the CEQA Guidelines, a Notice of Preparation (NOP) was circulated to the public and responsible agencies for input regarding the analysis in this EIR. This EIR addresses those issues which were raised by the public and responsible agencies in response to the NOP where relevant. Specific responses to the comment letters are provided in Section 10.0. The NOP and copies of the comments letters received are provided in Appendix I of this EIR.

This EIR and all documents referenced in it are available for public review in the Planning Department at Milpitas City Hall, 455 E. Calaveras Boulevard, during normal business hours.

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- A – Initial Study
- B – Transportation Impact Analysis
- C – Air Quality and Greenhouse Gas Emissions Analysis
- D – Tree Survey
- E – Geotechnical Report
- F – Phase I Environmental Site Assessment
- G – Noise
- H – Notice of Preparation & Comment Letters

## SUMMARY

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The project proposes to demolish four large commercial buildings on the project site and construct a 12-story, 250 room hotel with ground floor and second floor retail, second floor hotel amenities (including a fitness room, conference facilities, and a restaurant), and one level of underground parking.

The following is a summary of the significant impacts and mitigation measures addressed within this EIR, including the Initial Study in Appendix A. The project description and discussion of impacts and mitigation measures can be found in *Section 2.0 Description of the Proposed Project*, *Section 4.0 Environmental Setting, Impacts, & Mitigation*, and *Section 5.0 Cumulative Impacts* of this EIR and Appendix A.

<b>Significant Impacts</b>	<b>Mitigation Measures</b>
<b>Transportation – Section 4.2 of the EIR</b>	
Implementation of the proposed project would cause the LOS of the McCarthy Boulevard/SR 237 WB Ramps intersection to degrade from C to E+ in the mid-day peak hour under existing plus project conditions.	McCarthy Boulevard and SR 237 WB Ramps (No. 9): Restriping the westbound through lane to a right turn lane to provide two right-turn lanes will be completed prior to issuance of occupancy permits for the proposed project. Signal modification would also occur to create a right-turn overlap phase. No right-of-way acquisition would be required. Implementation of this mitigation would result in an improvement in intersection operations in the mid-day Peak Hour. <b>Less Than Significant With Mitigation</b>
Implementation of the proposed project would cause the LOS of the McCarthy Boulevard/S. Ranch Drive intersection to degrade from D to E in the PM Peak Hour.	There are no feasible mitigation measures to reduce the impact to the McCarthy Boulevard and S. Ranch Drive intersection. <b>Significant Unavoidable Impact</b>
Implementation of the proposed project would cause the LOS of the McCarthy Boulevard/SR 237 WB Ramps intersection to degrade from D to E in the PM peak hour under background plus project conditions.	McCarthy Boulevard and SR 237 WB Ramps (No. 9): Restriping the westbound through lane to a right turn lane to provide two right-turn lanes will be completed prior to issuance of occupancy permits for the proposed project. Signal modification would also occur to create a right-turn overlap phase. No right-of-way acquisition would be required. Implementation of this mitigation would result in the intersection operations improving from LOS E to LOS C in the PM Peak Hour. <b>Less Than Significant With Mitigation</b>

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**Significant Impacts****Mitigation Measures**

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**Transportation – Section 4.2 of the EIR**

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Implementation of the proposed project would result in an increase in critical delay of 4.7 seconds and an increase in the volume to capacity ratio (V/C) of 0.013 in the PM Peak Hour at the McCarthy Boulevard/Bellew Drive intersection under background plus project conditions.

McCarthy Boulevard and Bellew Drive (No. 16): Restriping the eastbound approach of Bellew Drive to provide two left-turn lanes and one shared through/right-turn lane will be completed prior to issuance of occupancy permits for the proposed project. No right-of-way acquisition would be required. Implementation of this mitigation would result in the intersection operations improving from LOS F to D- in the PM Peak Hour. **Less Than Significant With Mitigation**

Implementation of the proposed project would result in an increase in critical delay of 15.2 seconds and an increase in the volume to capacity ratio (V/C) of 0.039 in the PM Peak Hour at the McCarthy Boulevard/Alder Drive intersection under background plus project conditions.

McCarthy Boulevard and Alder Drive (No. 17): A second southbound left-turn lane from McCarthy Boulevard to Alder Drive will be constructed prior to issuance of occupancy permits for the proposed project. Right-of-way acquisition from the property on the west side of McCarthy Drive will be required by the applicant. This improvement will result in a lengthening of the crosswalk and/or modification of signal phasing that could increase the crossing distance/time for pedestrians. The traffic engineer determined that this would have no significant impact on pedestrian facilities. Implementation of this mitigation would result in the intersection operations improving from LOS F to D in the PM Peak Hour. **Less Than Significant With Mitigation**

Implementation of the proposed project would result in an increase in critical delay of 5.4 seconds and an increase in the volume to capacity ratio (V/C) of 0.015 in the PM Peak Hour at the Tasman Drive/Alder Drive intersection under background plus project conditions.

Conversion of one southbound through lane on Alder Drive to a left-turn lane, which will result in a total of three southbound left-turn lanes, will be completed prior to issuance of occupancy permits. No right-of-way acquisition would be required. Implementation of this mitigation would result in the intersection operations improving from LOS F to E and a decrease in delay to 60.1 seconds, thereby improving the operation of the intersection compared to background conditions without the project. **Less Than Significant With Mitigation**

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**Significant Impacts****Mitigation Measures**

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**Transportation – Section 4.2 of the EIR**

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Implementation of the proposed project would result in an increase in critical delay of 6.7 seconds and an increase in the volume to capacity ratio (V/C) of 0.015 in the PM Peak Hour at the McCarthy Boulevard-O’Toole Avenue/Montague Expressway intersection under background plus project conditions.

McCarthy Boulevard/O’Toole Avenue and Montague Expressway (No. 28): Restripe northbound O’Toole Avenue approach from Rincon to Montague Expressway to provide a dedicated right-turn lane from O’Toole Avenue onto Montague Expressway. Associated traffic signal modification would also be implemented. No right-of-way acquisition would be required. With implementation of this mitigation the intersection would operate at LOS D in the AM Peak Hour, but would continue to operate at LOS F in the PM Peak Hour. **Less Than Significant With Mitigation**

Implementation of the proposed project would result in an increase in traffic volumes of more than one percent on eastbound SR 237 between McCarthy Boulevard and I-880 in the PM Peak Hour under existing plus project conditions.

There is no feasible mitigation to reduce the project’s freeway impacts to a less than significant level. **Significant Unavoidable Impact**

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**Air Quality – Section 4.3 of the EIR**

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Construction of the proposed project will result in NOx emissions in excess of the 54 pounds per day threshold, even with inclusion of Bay Area Air Quality Management District (BAAQMD) dust and exhaust control measures.

There is no additional mitigation measures, other than the aforementioned BAAQMD dust and exhaust control measures. This impact would be temporary but would remain significant. **Significant Unavoidable Temporary Impact**

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**Biological Resources – Section 4.4 of the Initial Study (Appendix A)**

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Construction activities associated with the proposed project could result in the loss of fertile eggs, nesting raptors or other migratory birds, or nest abandonment.

1. Construction shall be scheduled to avoid the nesting season to the extent feasible. The nesting season for most birds, including most raptors in the San Francisco Bay area, extends from February through August.

*Mitigation continued on next page.*

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**Significant Impacts****Mitigation Measures**

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**Biological Resources – Section 4.4 of the Initial Study (Appendix A)**

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*See Previous Page*

2. If it is not possible to schedule demolition and construction between September and January, pre-construction surveys for nesting birds shall be completed by a qualified ornithologist to ensure that no nests will be disturbed during project implementation. This survey shall be completed no more than 14 days prior to the initiation of construction activities during the early part of the breeding season (February through April) and no more than 30 days prior to the initiation of these activities during the late part of the breeding season (May through August). During this survey, the ornithologist will inspect all trees and other possible nesting habitats immediately adjacent to the construction areas for nests. If an active nest is found sufficiently close to work areas to be disturbed by construction, the ornithologist, in consultation with CDFW, will determine the extent of a construction-free buffer zone to be established around the nest, typically 250 feet, to ensure that raptor or migratory bird nests will not be disturbed during project construction.

**Less Than Significant Impact With Mitigation**

The loss of 226 trees on-site, including 50 ordinance sized trees, would be a significant impact.

1. In conformance with the City of Milpitas Municipal Code, all trees removed from the site that measure 37-inches or greater in circumference (12 inches in diameter) at 48 inches above the ground surface will be replaced at a 3:1 ratio within the project site. The species and size of the replacement trees will be determined by City staff.

2. Due to the proposed underground parking structure, it may not be possible to plant all replacement trees on-site. Trees that are removed but cannot be mitigated for on-site will be mitigated by fees paid to the City. The funds will be deposited in the City's Tree Replacement Fund and will be used to plant trees within the City of Milpitas.

**Less Than Significant Impact With Mitigation**

**Significant Impacts**

**Mitigation Measures**

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**Hazards and Hazardous Materials – Section 4.8 of the Initial Study (Appendix A)**

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Implementation of the proposed project could expose construction workers and future on-site maintenance workers to contaminated soil from historic agricultural operations on-site.

1. After demolition but prior to the issuance of grading permits, shallow soil samples shall be taken to determine if contaminated soil from previous agricultural land uses is located on-site with concentrations above established construction/trench worker thresholds. The soil sampling plan must be reviewed and approved by the Milpitas Fire Chief prior to initiation of work.
2. Once the soil sampling analysis is complete, a report of the findings will be provided to the Milpitas Fire Chief, Director of Planning and Neighborhood Services, and other applicable City staff for review.
3. If contaminated soils are found in concentrations above established thresholds, a Site Management Plan (SMP) will be prepared and implemented (as outlined below) and any contaminated soils found in concentrations above established thresholds shall be removed and disposed of according to California Hazardous Waste Regulations. The contaminated soil removed from the site shall be hauled off-site and disposed of at a licensed hazardous materials disposal site.

A SMP will be prepared to establish management practices for handling impacted groundwater and/or soil material that may be encountered during site development and soil-disturbing activities. Components of the SMP will include: a detailed discussion of the site background; preparation of a Health and Safety Plan by an industrial hygienist; notification procedures if previously undiscovered significantly impacted soil or free fuel product is encountered during construction; on-site soil reuse guidelines based on the California Regional Water Quality Control Board, San Francisco Bay Region’s reuse policy; sampling and laboratory analyses of excess soil requiring disposal at an appropriate off-site waste disposal facility; soil stockpiling protocols; and protocols to manage ground water that may be encountered during trenching and/or subsurface excavation activities. Prior to issuance of grading permits, a copy of the SMP must be approved by the SCCEHD, the City’s Director of Planning and Neighborhood Services, and the Milpitas Fire Chief.

**Less Than Significant Impact With Mitigation**

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**Significant Impacts**

**Mitigation Measures**

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**Noise – Section 4.11 of the Initial Study (Appendix A)**

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Implementation of the proposed project could expose future hotel guests to interior noise levels in excess of acceptable City and State standards.

1. A qualified acoustical consultant will review final site plans, building elevations, and floor plans prior to construction to calculate expected interior noise levels as required by City policies and state noise regulations. Project-specific acoustical analyses are required by the California Building Code to confirm that the design results in interior noise levels of 45 dBA or lower. The specific determination of what noise insulation treatments (i.e., sound rated windows and doors, sound rated wall construction, acoustical caulking, protected ventilation openings, etc.) are necessary will be conducted on a unit by unit basis. Results of the analysis, including the description of the necessary noise control treatment, will be submitted to the City along with the building plans and approved prior to issuance of any building permits.
  
2. All guest rooms will be equipped with forced-air mechanical ventilation so that windows can be kept closed at the discretion of the guests.
  
3. All noise insulation treatments identified during review of the final site plans will be incorporated into the proposed project.

**Less Than Significant Impact With Mitigation**

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**Cumulative Impacts**

Implementation of the proposed project would have a significant impact on six local intersections and one CMP intersection under cumulative with project conditions. Please see Section 5.0 of this EIR for a full discussion of the project's cumulative effects.

**Alternatives to the Proposed Project**

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*No Project Alternative:*

Because the project site is completely developed and operational, the No Project alternative would be to maintain the site as is. This would avoid the significant unmitigatable freeway impacts as well as the biological, hazardous materials, noise, and temporary air quality impacts identified but would not meet the project objectives. Please see Section 6.1 of this EIR for a full discussion of the No Project Alternative.

*Reduced Density Alternative:*

The Reduced Density Alternative would reduce the overall size of the proposed development. The proposed retail space and the hotel would have to be reduced in size by 25 percent. Specifically, the new retail space would be reduced from 292,186 square feet to 219,139 square feet and the hotel would be reduced from 250 room to 187 rooms. Alternatively, the impact freeway impact could also be avoided by keeping the retail space at 292,186 square feet, but not constructing the hotel. The reduction in the overall size of the project would reduce the identified LOS impacts as well. Please see Section 6.2 of this EIR for a full discussion of the Reduced Density Alternative.

### **Areas of Known Controversy**

There are no known areas of controversy for this project.

## **SECTION 1.0 INTRODUCTION AND PURPOSE**

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### **1.1 OVERVIEW**

The project site is currently developed with multiple retail buildings and is part of a larger retail center (McCarthy Ranch). The retail center currently contains several big-box stores, restaurants, banks, service stores (such as cellular phone stores), and two hotels. Four of the nine large retail spaces on the project site are currently vacant. The intent of the proposed project is to demolish the underutilized retail space and create a new retail space and hotel. This EIR evaluates the impacts of the currently proposed project, development of up to 292,186 square feet (a net increase of 152,476 square feet) of retail space and a 250-room hotel, on the project site.

This EIR has been prepared in accordance with the requirements of the California Environmental Quality Act (CEQA) and the City of Milpitas. The purpose of this EIR is to provide objective information regarding the environmental consequences of the proposed retail/hotel project to the decision makers who will be reviewing and considering the proposed project.

### **1.2 PROJECT LOCATION**

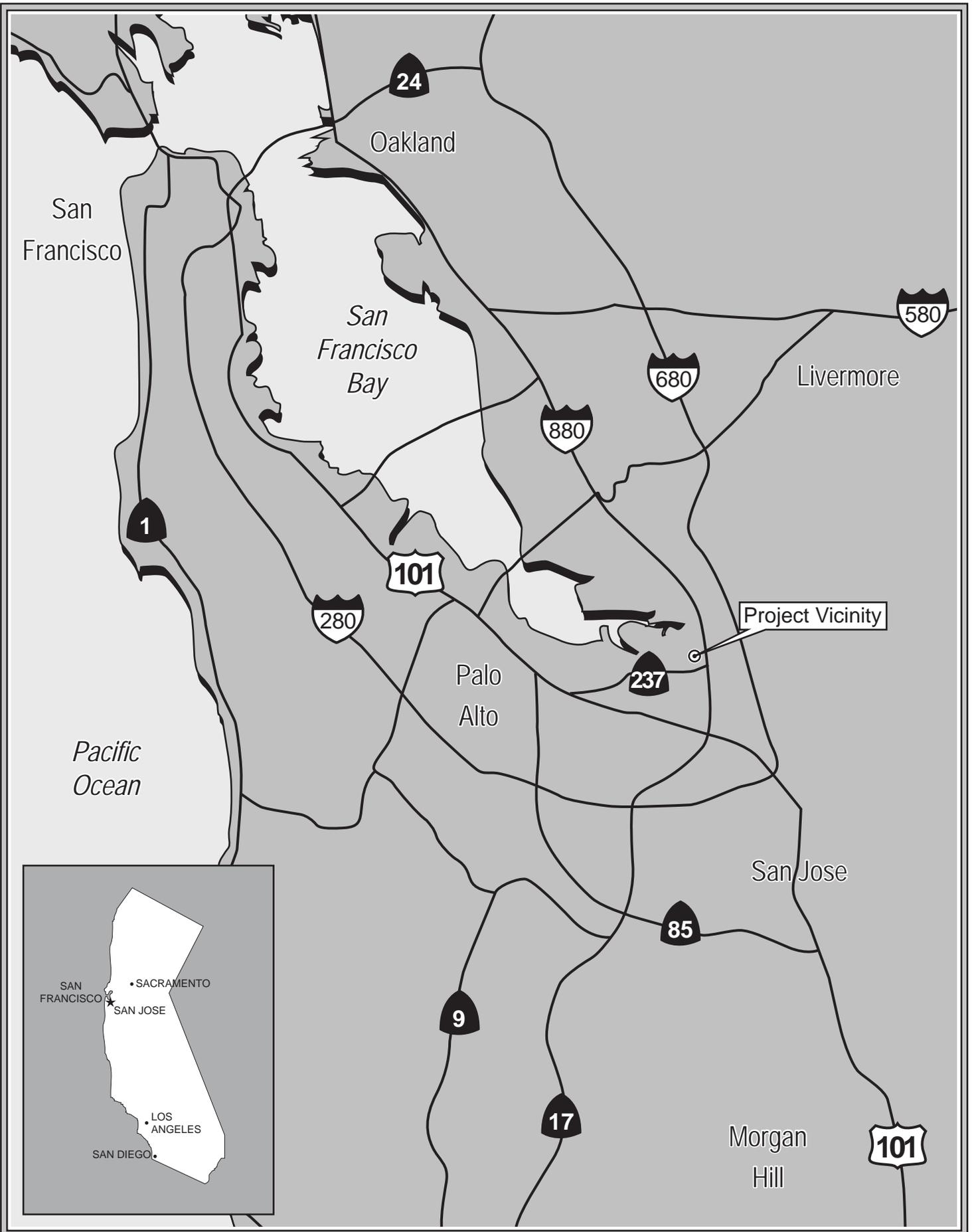
The 37.9-acre project site is comprised of four parcels (APNs 22-053-002, -003, -006, and -007) located on east side of McCarthy Boulevard just north of State Route 237 in the City of Milpitas. The site is located at the northeast corner of the southern McCarthy Boulevard/Ranch Drive intersection. (see Figures 1 and 2)

### **1.3 PROJECT OBJECTIVES**

Pursuant to CEQA Guidelines Section 15124, the EIR must identify the objectives sought by the proposed project.

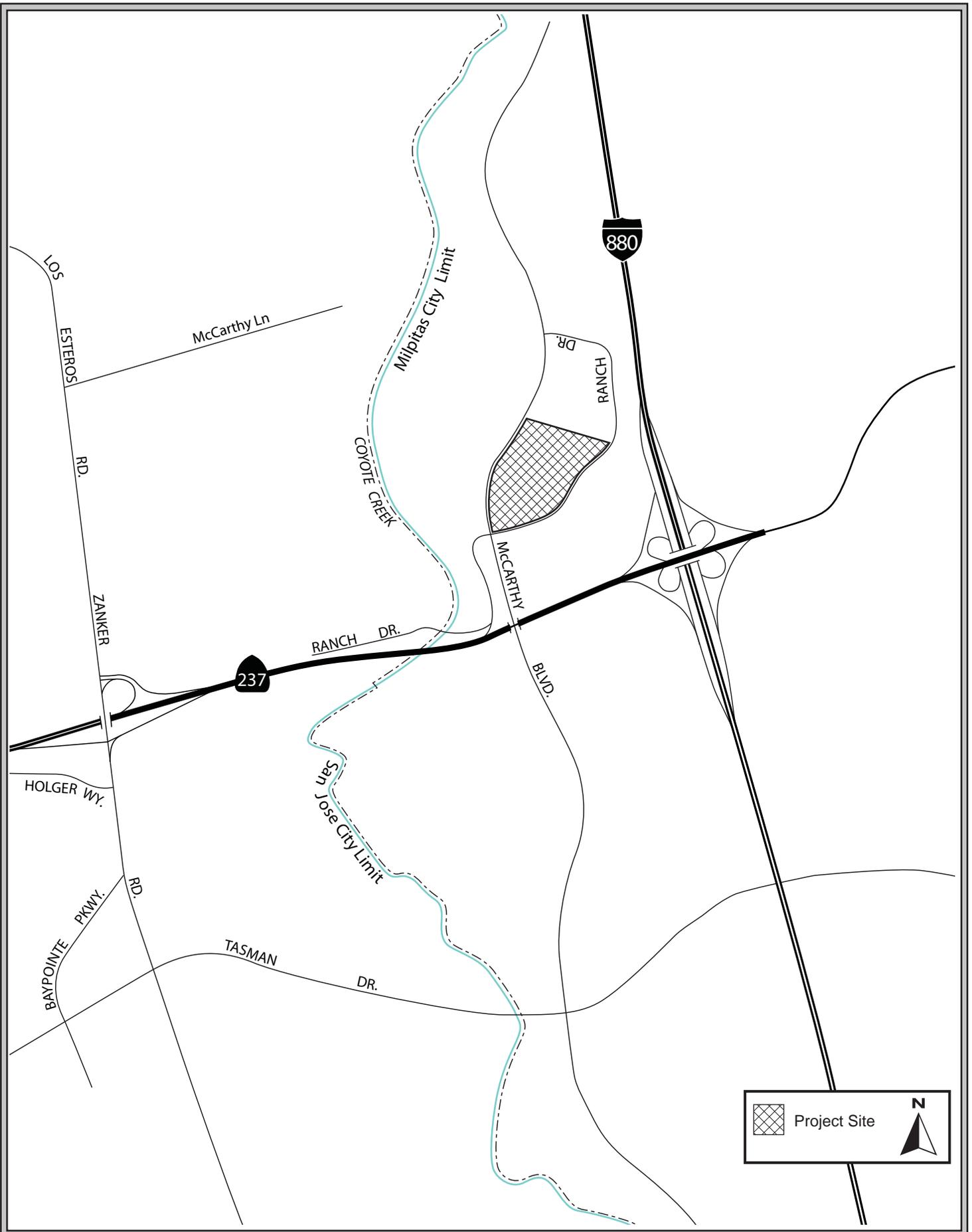
The stated objectives of the project proponent are to:

1. Redevelop approximately 140,000 square feet of 266,000 existing square feet of underutilized commercial buildings that are struggling to maintain chain retail stores, restaurants and financial services.
2. Construct, on mostly the same footprint as the existing underutilized commercial buildings, an additional approximately 145,000 net square feet of retail space.
3. Create a high quality multi-cultural indoor mall that consists of a ground floor and a partial second floor that is populated by approximately 500 small businesses.
4. Create an iconic shopping destination that will invest in the City of Milpitas, provide opportunities for small business owners and create jobs in the community.



REGIONAL MAP

FIGURE 1



VICINITY MAP

FIGURE 2

5. Provide an attractive multi-cultural, shopping and dining experience for customers that will help bring vitality to the existing mall and surrounding area.
6. Locate a vibrant mall within the City in order to reinvigorate the McCarthy Ranch shopping area and provide property and sales tax revenues to the City.
7. Develop a 12-story approximately 250-room hotel consisting of approximately 172,000 square feet that will generate transient occupancy taxes for the City.
8. Provide a wide variety of small unique retail shops, and some personal and business services, that are designed to look and feel like an open air market that encourages people to walk and browse from store to store within the shopping center.
9. Increase the floor area ratio (FAR) on the project site.
10. Further the purpose and intent of the General Commercial (C2) zoning designation and provide for a wide range of retail sales and personal and business services for general commercial needs of the City and to promote a stable, attractive commercial development which will afford a pleasant shopping environment.
11. Provide adequate additional parking through the construction of a single level of underground parking and make only minor changes to the south part of the existing surface parking to allow access to the underground parking.
12. Share parking between the mall and the hotel, which are anticipated to utilize the parking spaces at different and compatible times.
13. Encourage the use of alternative modes of transport including bicycle, shuttle and bus facilities.

#### **1.4 USES OF THE EIR**

This EIR is intended to provide the City of Milpitas, other public agencies, and the general public with the relevant environmental information needed in considering the proposed project.

The City of Milpitas anticipates that discretionary approvals by the City, including but not limited to the following, will be required to implement the project addressed in this EIR:

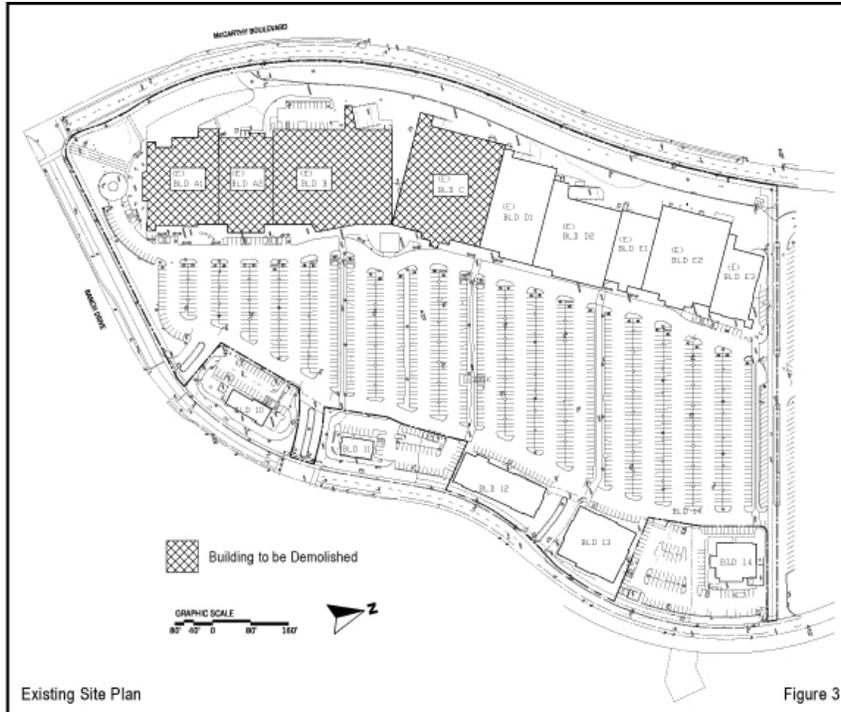
- Approval of General Plan and Zoning text amendments to allow for an overlay to increase the allowable floor area ratio on the project site
- Site and Architectural Review
- Issuance of demolition, grading, building, and occupancy permits
- Any additional necessary approvals for implementation of development of the project

**SECTION 2.0**

**DESCRIPTION OF THE PROPOSED PROJECT**

The 25.1-acre project site is comprised of four parcels (APNs 22-053-002, -003, -006, and -007) located on east side of McCarthy Boulevard just north of State Route 237 in the City of Milpitas. Of the four parcels, only two parcels (22-053-006 and 22-053-007) will be modified as part of the proposed project. The project site is currently designated *General Commercial (GCN)* in the General Plan and zoned *C2 –General Commercial*.

The project site is part of a larger irregularly shaped commercial center with shared parking that is defined by McCarthy Boulevard, Ranch Drive, and the adjacent Walmart site. The project site



(which does not include buildings 10, 11, and 14) is currently developed with 267,606 square feet of commercial buildings and a large surface parking lot. The commercial buildings are currently comprised of a mix of chain retail stores and restaurants. The project proposes to demolish four of the large commercial buildings (noted as Buildings A1, A2, B, and C on the existing site plan which total 139,710 square feet) and construct a 12-story, 250 room hotel with ground floor and second floor retail,

second floor hotel amenities (including a fitness room, conference facilities, and a restaurant), and one level of underground parking. The maximum height of the hotel would be 170 feet. The surface parking lot in front of the hotel would also be modified slightly to account for the larger footprint of the proposed building. The remaining buildings on the project site would not be modified. Figures 3 and 4 below shows the proposed site plan and building elevation. Table 1 below lists the sizes of the buildings on-site and whether or not they are included within the project boundary.

<b>Building No.</b>	<b>Building Size</b>	<b>Within Project Boundary</b>	<b>Status</b>
A1	25,000	Yes	To Be Demolished
A2	21,000	Yes	To Be Demolished
B	51,000	Yes	To Be Demolished
C	42,710	Yes	To Be Demolished
D1	23,780	Yes	To Remain
D2	25,416	Yes	To Remain

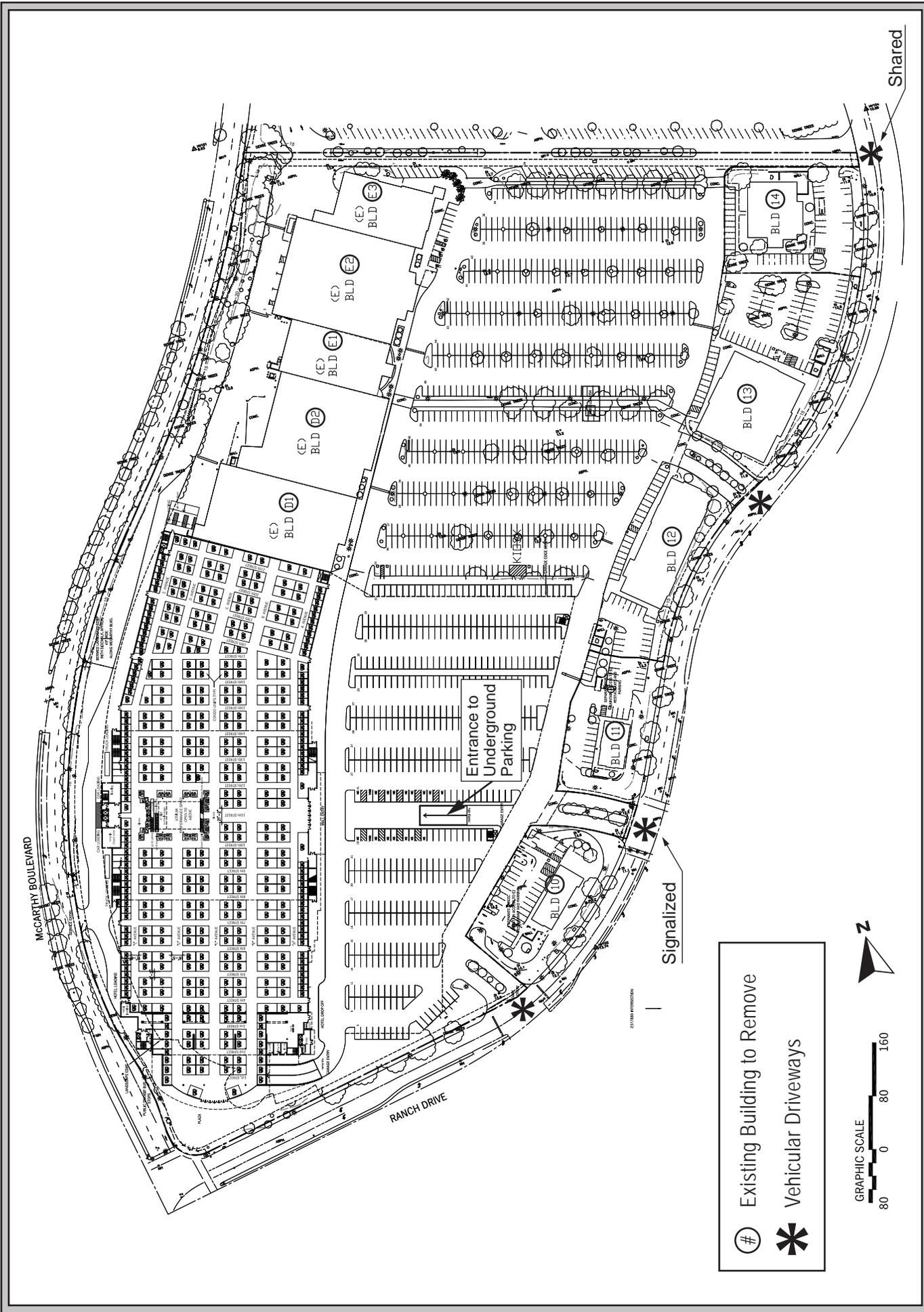
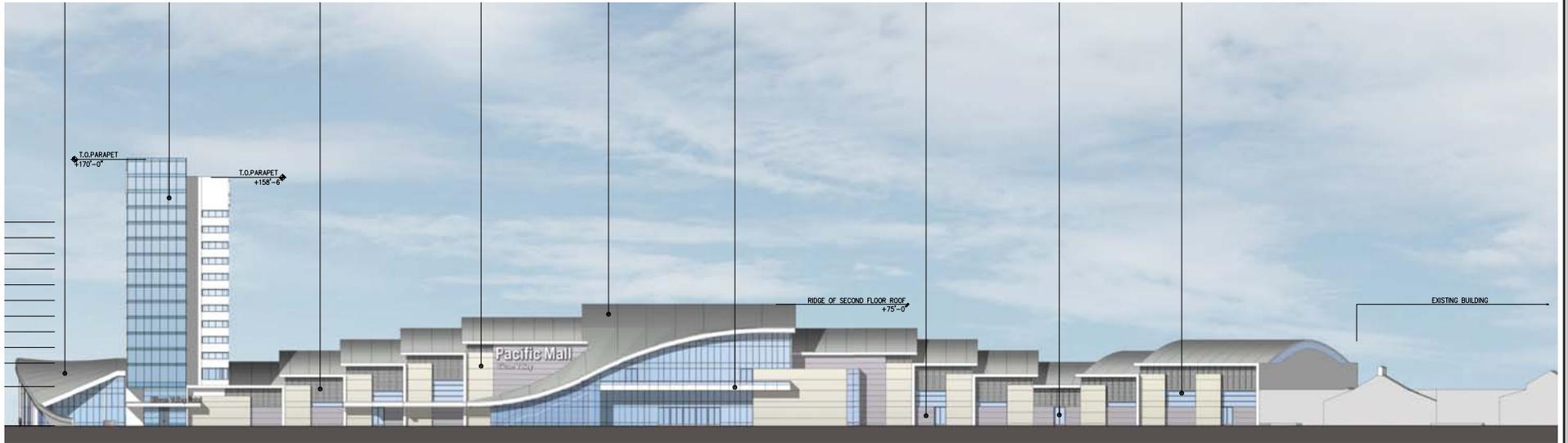


FIGURE 3

CONCEPTUAL SITE PLAN



EAST ELEVATION



SOUTH ELEVATION



NORTH ELEVATION

<b>TABLE 1 <i>Continued</i></b>			
<b>Existing Buildings On-Site</b>			
<b>Building No.</b>	<b>Building Size</b>	<b>Within Project Boundary</b>	<b>Status</b>
E1	12,000	Yes	To Remain
E2	27,100	Yes	To Remain
E3	11,000	Yes	To Remain
10	3,000	No	To Remain
11	2,000	No	To Remain
12	12,861	Yes	To Remain
13	15,529	Yes	To Remain
14	6,500	No	To Remain
Kiosk	210	Yes	To Remain
Total Existing Building Area to Remain			127,896 square feet

With the demolition of Buildings A1, A2, B, and C, the project site would have 127,896 square feet of retail/commercial space remaining. The total new retail space would be 292,186 square feet (a net increase of 152,476 square feet) and the hotel would be 178,692 square feet. When added to the existing retail space that will remain on-site, the total building area on the project site would increase to 598,774 square feet which equates to a floor area ratio (FAR) of 0.54. The current zoning designation allows an FAR of 0.50 and the project proposes a maximum allowed FAR of 0.54 in the zoning. The new retail space will not operate as traditional big-box stores but will have an open interior with more than 400 small “condo” shops laid out in a grid pattern. The “condos” would range in size from approximately 130 to 450 square feet.

The project site is currently accessed by three driveways along Ranch Drive and one driveway on McCarthy Boulevard. The site can also be accessed from the adjacent Walmart parking lot. Site access will not be altered as a result of the project.

There is currently a surface parking lot between the large commercial buildings along McCarthy Boulevard and the smaller buildings along Ranch Drive. The parking lot extends around Building A1 and dead ends near the McCarthy Boulevard/Ranch Drive intersection. There is also a small parking area behind Building B which is accessed from McCarthy Boulevard. There are additional parking areas surrounding the smaller commercial buildings at the western boundary of the site. The southern half of the main parking lot will be modified slightly to accommodate the entrance to the underground parking structure. The underground parking will be accessed by a ramp aligned with the main driveway entrance and a secondary ramp at the southeast corner of the new building. The project will include the construction of sidewalks along the western side of Ranch Drive and along the mall entry access roads consistent with the City’s General Plan to eliminate gaps in the pedestrian circulation system.

In conformance with Section 15125(d) of the CEQA Guidelines, the following section discusses the consistency of the proposed project with relevant adopted plans and policies.

### **3.1 Bay Area 2010 Clean Air Plan**

The Bay Area Air Quality Management District (BAAQMD), in cooperation with the Metropolitan Transportation Commission (MTC) and Association of Bay Area Governments (ABAG), prepared the Bay Area 2005 Ozone Strategy (Ozone Strategy). The Ozone Strategy served as a roadmap showing how the San Francisco Bay Area will achieve compliance with the State one-hour air quality standard for ozone as expeditiously as practicable and how the region will reduce transport of ozone and ozone precursors to neighboring air basins. In 2010, BAAQMD adopted a new Clean Air Plan with the intent of updating the 2005 Ozone Strategy to comply with State air quality planning requirements as codified in the California Health and Safety Code.

The Bay Area 2010 Clean Air Plan (CAP) provides a comprehensive plan to improve Bay Area air quality and protect public health. The CAP defines a control strategy that the Air District and its partners will implement to: (1) reduce emissions and decrease ambient concentrations of harmful pollutants; (2) safeguard public health by reducing exposure to air pollutants that pose the greatest health risk, with an emphasis on protecting the communities most heavily impacted by air pollution; and (3) reduce greenhouse gas (GHG) emissions to protect the climate.

**Consistency:** The project would result in an intensification of commercial development on an existing commercial site. The development would increase jobs within the City because of the increase in retail square footage and the addition of a hotel. The project would place jobs in Milpitas near existing housing and transit and would not cause substantive changes to local population projections. The project, as proposed, does include pedestrian improvements and, as a Condition of Approval, the project will be required to implement a Transportation Demand Management Program (which is called for as part of the CAP) that will reduce overall traffic trips. As a result, the proposed project would be consistent with the control measures in the CAP.

### **3.2 Santa Clara County Congestion Management Program**

The Santa Clara Valley Transportation Authority (VTA) oversees the *Santa Clara County Congestion Management Program (CMP)*. The relevant State legislation requires that all urbanized counties in California prepare a CMP in order to obtain each county's share of the increased gas tax revenues. The CMP legislation requires that each CMP contain the following five mandatory elements: 1) a system definition and traffic level of service standard element; 2) a transit service and standards element; 3) a trip reduction and transportation demand management element; 4) a land use impact analysis program element; and 5) a capital improvement element. The Santa Clara County CMP includes the five mandated elements and three additional elements, including: a county-wide transportation model and data base element, an annual monitoring and conformance element, and a deficiency plan element.

**Consistency:** The proposed project would have a significant impact on one CMP intersection (see Section 4.3, *Transportation*). Nevertheless, the impact can be mitigated and the project would place hotel and retail uses near an employment center, existing housing, and transit which could reduce overall vehicle trip lengths relative to existing commute patterns. The project is, therefore, consistent with the CMP.

### **3.3 San Francisco Bay Region Water Quality Control Plan**

The State of California's Porter-Cologne Water Control Act provides the basis for water quality regulation within California and the Act assigns primary responsibility for the protection and enhancement of water quality to the State Water Resources Control Board (SWRCB) and the nine Regional Water Quality Control Boards. These agencies are authorized to adopt regional water quality control plans, prescribe waste discharge requirements, and perform other functions concerning water quality control within their respective regions.

The Regional Water Quality Control Board (RWQCB) has developed and adopted a Water Quality Control Plan (the Plan) for the San Francisco Bay region. The Plan is a master policy document that contains descriptions of the legal, technical, and programmatic bases of water quality regulations in the San Francisco Bay region. The Plan provides a program of actions designed to preserve and enhance water quality, and to protect beneficial uses based upon the requirements of the Porter-Cologne Act. It meets the requirements of the U.S. Environmental Protection Agency (USEPA) and establishes conditions related to discharges that must be met at all times.

**Consistency:** As discussed in Appendix A, Section 4.9 of the Initial Study, *Hydrology and Water Quality*, future development or redevelopment on the site will be required to be implemented in conformance with the Municipal Regional Stormwater NPDES permit and the Construction General NPDES Permit requirements to ensure that there is no increase in erosion or sedimentation that could impact local waterways and that stormwater runoff from the site's impervious surfaces is treated prior to discharge to the stormwater system. Therefore the project is consistent with the San Francisco Bay Regional Water Quality Control Plan.

### **3.4 City of Milpitas General Plan**

The City of Milpitas's General Plan is an adopted statement of goals and policies for the future character and quality of development in the community as a whole. The following is a summary of relevant sections of the General Plan that would apply to the proposed project.

#### **3.4.1 Land Use Element**

**Policy 2.a-I-1:** New developments should not exceed the building intensity limits established in the General Plan.

**Consistency:** The project, as proposed, would exceed the allowable FAR on-site. The project proposes an overlay to increase the FAR to 0.60. While this is not a substantive increase in terms of the mass and scale of allowed development, it does exceed the building intensity limits established in the General Plan.

**Policy 2.a-I-1:** Promote development within the incorporated limits which acts to fill-in the urban fabric rather than providing costly expansion of urban services into outlying areas.

**Consistency:** The project would expand an existing retail center with additional retail uses and a hotel. Therefore, the project promotes development at an in-fill location.

### **3.4.2 Circulation Element**

**Policy 3.a-I-1:** Strive to maintain CMP LOS standards and goals for the CMP Roadway System in Milpitas.

**Consistency:** The project will have an impact to one CMP intersection. Feasible mitigation has been identified for this impact and will be required as a Condition of Approval. As a result, the project will not hinder the City's ability to maintain CMP LOS standards.

**Policy 3.b-I-1:** Require new development to pay its share of street and other traffic improvements based on its impacts.

**Consistency:** As discussed in Section 4.3, *Transportation*, the project will implement required roadway, pedestrian, and transit system improvements to reduce identified transportation impacts.

**Policy 3.b-I-2:** Require all projects that generate more than 100 peak-hour (A.M. or P.M.) trips to submit a transportation impact analysis that follows guidelines established by CMP.

**Consistency:** A transportation impact analysis was prepared consistent with the CMP guidelines for this project and is included in this EIR in Appendix B.

**Policy 3.d-I-9:** Require developers to make new projects as bicycle and pedestrian "friendly" as feasible, especially through facilitating pedestrian and bicycle movements within sites and between surrounding activity centers.

**Consistency:** The project will install sidewalks along Ranch Drive to increase pedestrian connectivity through the site and will install bicycle parking to promote bicycle use.

**Policy 3.d-I-10:** Encourage developer contributions toward pedestrian and bicycle capital improvement projects and end-of-trip support facilities.

**Consistency:** The project will install sidewalks along Ranch Drive to increase pedestrian connectivity through the site and will install bicycle parking to promote bicycle use. No specific capital improvement projects have been identified.

**Policy 3.d-I-16:** Encourage new and existing developments to provide end-of-trip facilities such as secure bicycle parking, on-site showers and clothing storage lockers, etc.

**Consistency:** The project proposes to install bicycle parking on-site. On-site showers and clothes lockers for hotel and retail employees are not proposed.

**Policy 3.d-I-27:** Require sidewalks on both sides of the street as a condition of development approval, where appropriate with local conditions.

**Consistency:** The project proposes to install sidewalks on the west side of Ranch Drive which will complete the pedestrian facilities in the immediate project area.

### **3.4.3 Open Space and Environmental Conservation Element**

**Policy 4.b-I-4:** Require a biological assessment of any project site where sensitive species are present, or where habitats that support known sensitive species are present.

**Consistency:** The project site is a developed site in an urban area and does not support any sensitive species or habitats.

**Policy 4.d-P-7:** Applicable projects shall minimize directly connected impervious area by limiting the overall coverage of paving and roofs, directing runoff from impervious areas to adjacent pervious areas, and selecting permeable pavements and surface treatments.

**Consistency:** The proposed project will be designed and constructed to comply with the requirements of the Municipal Regional Stormwater permit.

**Policy 4.d-P-8:** Applicable projects shall incorporate facilities (BMPs) to treat stormwater before discharge from the site. The facilities shall be sized to meet regulatory requirements.

**Consistency:** The proposed project will be required to comply with the requirements for best management practices in the Municipal Regional Stormwater permit.

**Policy 4.d-P-9:** Applicable projects shall control peak flows and duration of runoff where required to prevent accelerated erosion of downstream watercourses.

**Consistency:** The project site is not subject to NPDES hydromodification regulations due to its location.

### **3.4.4 Seismic and Safety Element**

**Policy 5.a-I-1:** Require all projects within the Alquist-Priolo Special Studies Zone to have geologic investigations performed to determine the locations of active fault traces before structures for human occupancy are built.

**Consistency:** The project site is not located within an Alquist-Priolo Special Studies zone.

**Policy 5.a-I-3:** Require projects to comply with the guidelines prescribed in the City's *Geotechnical Hazards Evaluation* manual.

**Consistency:** The project will be constructed consistent with the requirements of the site specific geotechnical report, the City’s *Geotechnical Hazards Evaluation* manual, and the California Building Code.

**Policy 5.b-I-1:** Ensure that new construction or substantial improvements to any existing structure result in adequate protection from flood hazards. This includes ensuring that:

- New non-residential development located the lowest floor, including basement, above the base flood elevation or incorporate flood-proofing and structural requirements as spelled out in the Municipal Code.

**Consistency:** The project site is not located within a 100-year flood zone and will be designed in accordance with the Municipal Code.

**Policy 5.c-I-1:** Maintain a response time of four minutes or less for all urban service areas.

**Consistency:** Implementation of the proposed project at an existing in-fill location will not preclude the City from maintaining four minute response times within the urban service area.

### **3.4.5 Noise Element**

**Policy 6-I-2:** Require an acoustical analysis for projects located within a “conditionally acceptable” or “normally unacceptable” exterior noise exposure area. Require mitigation measures to reduce noise to acceptable levels.

**Consistency:** A project specific acoustical analysis was prepared for the project and mitigation measures have been included for identified impacts.

**Policy 6-I-3:** Prohibit new construction where the exterior noise exposure is considered “clearly unacceptable” for the use proposed.

**Consistency:** The project does not propose any land uses that would be exposed to “clearly unacceptable” noise levels.

## **SECTION 4.0 ENVIRONMENTAL SETTING, IMPACTS, & MITIGATION**

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### **4.1 LAND USE**

#### **4.1.1 Existing Setting**

The following discussion identifies the existing conditions on and adjacent to the proposed project site.

##### **4.1.1.1 Existing Land Use**

The 37.9-acre project site is comprised of four parcels (APNs 22-053-002, -003, -006, and -007) located on the east side of McCarthy Boulevard just north of SR 237 in the City of Milpitas. The project site is located in an existing urban/commercial area and the entire site is currently developed with 267,606 square feet of commercial buildings. The buildings are a mix of chain retail stores, small shops, and restaurants. Nine large, attached stores are located along the western boundary of the site and five smaller detached stores are located along the eastern boundary. Four of the nine large buildings are currently vacant. The project site is part of a larger shopping center that extends north and east of the site (as described in Section 4.1.1.2 below).

There is a large central surface parking lot between the buildings. The parking lot extends around the southernmost building and dead ends near the McCarthy Boulevard/Ranch Drive intersection. There is also a small parking area just off McCarthy Boulevard, behind the large retail buildings. The smaller buildings along Ranch Drive have separate, designated parking lots. Three driveways on Ranch Drive provide access to the project site. The central driveway is signalized and the two remaining driveways are controlled by two-way stop signs.

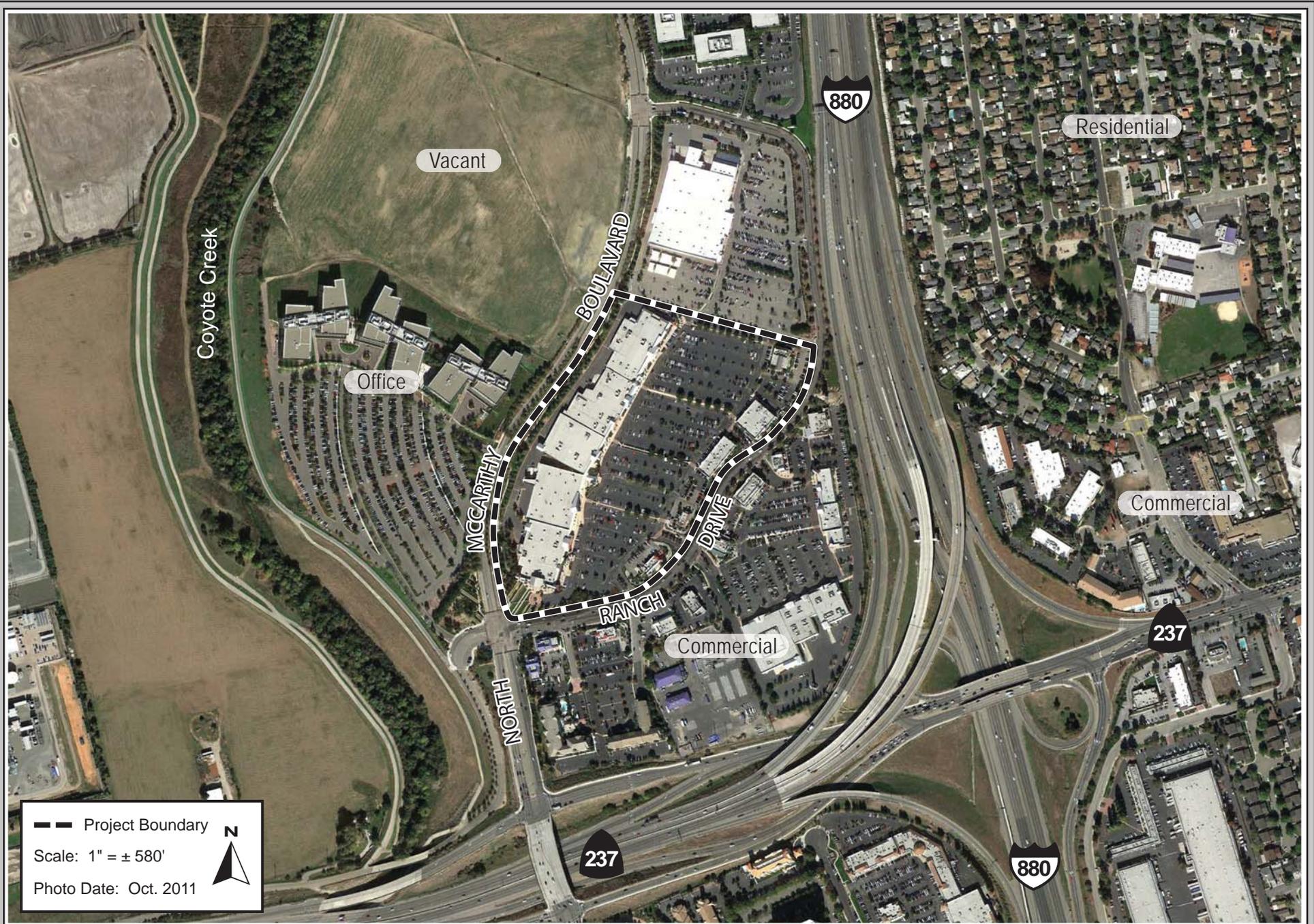
The project site does not have a sidewalk along the Ranch Drive frontage. There is a sidewalk along the western boundary of the site along McCarthy Boulevard.

Figure 5 shows an aerial of the project site and surrounding land uses.

##### **4.1.1.2 Surrounding Land Uses**

Development in the project area is mostly retail with some commercial/office land uses with building heights varying between one and four stories. Immediately north of the project site is a large, free-standing commercial building that is currently occupied by Walmart. The building is surrounded by a large surface parking lot and shares a driveway with the project site.

East and south of the project site is Ranch Drive, a four-lane roadway that loops around the project site and the Walmart and reconnects to McCarthy Boulevard north of the project site. Between Ranch Drive and I-880 is the remainder of the McCarthy Ranch shopping center. This area of the shopping center is also comprised of a mix of large and small retail buildings and includes two hotels. Immediately south of the shopping center is Calaveras Boulevard and SR 237.



AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

FIGURE 5

West of the project site is McCarthy Boulevard, a four-lane roadway with a raised landscape median. West of McCarthy Boulevard is an office development and a large vacant parcel. The office development is comprised of two three-story buildings, one two-story building, and a surface parking lot. This office development is adjacent to Coyote Creek.

#### **4.1.1.3 Existing Land Use Designation and Zoning**

The project site is currently designated *General Commercial (GCN)* in the General Plan and zoned *C2 –General Commercial*.

The *General Commercial (GCN)* designation is intended for a wide range of retail sales, and personal and business services accessed primarily by the automobile. It includes commercial uses in which shopping may be conducted by people walking to several stores as in a center, and may include uses customarily of a single-purpose character served from an adjacently parked automobile.

The *C2 –General Commercial* (Section 5.0 of the Zoning Code) is intended to provide for the wide range of retail sales and personal and business services primarily oriented to the automobile customer to provide for general commercial needs of the City and to promote stable, attractive commercial development which will afford a pleasant shopping environment. It is intended to include those commercial uses in which shopping may be conducted by people walking to several stores as in a center and may include uses customarily of a single-purpose character served from an immediately parked automobile. Special development standards are incorporated in the district regulations in order to provide for orderly development and to minimize potential traffic hazards. The *C2 District*, when appropriate, will be located along major thoroughfares in accordance with the adopted City of Milpitas General Plan. The current zoning has a maximum FAR of 0.50.

#### **4.1.2 Land Use Impacts**

##### **4.1.2.1 Thresholds of Significance**

For the purposes of this EIR, a land use impact is considered significant if the project would:

- Physically divide an established community;
- 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 an applicable habitat conservation plan or natural community conservation plan.

##### **4.1.2.2 Land Use Conflicts**

Land use conflicts can arise from two basic causes: 1) a new development or land use may cause impacts to persons or the physical environment in the vicinity of the project site or elsewhere; or 2) conditions on or near the project site may have impacts on the persons or development introduced onto the site by the new project. Both of these circumstances are aspects of land use compatibility.

Potential incompatibility may arise from placing a particular development or land use at an inappropriate location, or from some aspect of the project's design or scope. Depending on the nature of the impact and its severity, land use compatibility conflicts can range from minor irritations and nuisance to potentially significant effects on human health and safety. The discussion below distinguishes between potential impacts *from* the proposed project *upon* persons and the physical environment, and potential impacts *from* the existing surroundings *upon* the project itself.

### ***Consistency with the General Plan Land Use Designation and Zoning***

The proposed hotel and retail uses are consistent with the *General Commercial* land use designation in the City's General Plan. The project is inconsistent with the current zoning designation because the proposed FAR would exceed the maximum allowed under the C2 zone. The project proposes an overlay to allow for an increased FAR of 0.60 to allow for the demolition of 139,710 square feet of existing commercial space and construction of up to 292,186 square feet of new retail space and a 250-room hotel. With approval of the proposed overlay, the project would be consistent with all applicable City land use regulations. If the overlay is not approved, the project cannot be approved as proposed and would have to be reduced in size. **(Less Than Significant Impact)**

#### **4.1.2.3 Land Use Impacts**

The development surrounding the proposed project site is comprised of commercial/office, retail, and residential land uses. The proposed commercial land use would be the same as the existing land uses within the shopping center. Given that the existing shopping center is compatible with the surrounding land uses, the proposed project would be compatible as well.

There are no sensitive receptors immediately adjacent to the project site, but there is residential development east of the project site (on the east side of Highway 880). These residential land uses are in close proximity to existing retail and office buildings. Based on the pattern of development in the project area, it has been determined that residential land uses are compatible with the surrounding commercial/office and retail development. Because the proposed retail development is comparable to the existing development on-site and in the project area, the proposed project would also be compatible with the nearby residential development. **(Less Than Significant Impact)**

The proposed project would not physically divide an established community. In addition, the project site is in a developed urban area and is not subject to any adopted Habitat Conservation Plan (HCP) or Natural Community Conservation Plan (NCCP). **(Less Than Significant Impact)**

#### **4.1.3 Mitigation and Avoidance Measures for Land Use Impacts**

No mitigation is required or proposed.

#### **4.1.4 Conclusion**

The proposed project would be compatible with all adjacent and nearby land uses. With approval of the proposed overlay to increase the FAR, the proposed development project would comply with relevant land use policies and regulations. **(Less Than Significant Impact)**

## 4.2 TRANSPORTATION

The following discussion is based on a traffic study prepared by *Fehr & Peers* in March 2013. A copy of the report is located in Appendix B of this document.

### 4.2.1 Setting

#### 4.2.1.1 Existing Roadway Network

##### *Regional Access*

Regional access to the project site is provided via State Route (SR) 237, Interstate 680 (I-680), and Interstate 880 (I-880) as described below.

*SR 237* is a six-lane, east-west roadway located just south of the project site that extends through Milpitas and provides access to the project site via McCarthy Boulevard. In the vicinity of the project site, SR 237 has two mixed-use lanes and one high occupancy vehicle (HOV) lane in each direction, except in the westbound direction between McCarthy Boulevard and I-880 where there are three mixed-use lanes and no HOV lane. East of I-880, SR 237 becomes Calaveras Boulevard.

The SR 237 Express Lane project will eventually convert the HOV lanes to express lanes. During commute hours carpool vehicles and eligible hybrids will be able to use the express lanes with no restrictions. Single-occupant vehicles will also be eligible to use the express lanes during commute periods by paying a toll. The first phase of this project, converting the HOV lane connector ramps at SR 237/I-880 interchange to express lanes, has been completed.

*I-880* is a north-south freeway located just east of the project site that extends through Milpitas and provides access to the project site via interchanges with Dixon Landing Road, SR 237, Tasman Drive/Great Mall Parkway, and Montague Expressway. The freeway has four lanes in each direction north of SR 237 and three lanes in each direction south of SR 237.

*I-680* is a north-south freeway located at the eastern edge of Milpitas that runs parallel to I-880. The freeway has four lanes in each direction. North of SR 237, in the southbound direction, the freeway has three mixed-use lanes and one HOV lane. In the northbound direction, there are three mixed-use lanes. South of SR 237, in both directions, the freeway has four mixed-use lanes. I-680 regional provides access to the project site via interchanges with Scott Creek Road, SR 237, Montague Expressway, and Capitol Avenue.

##### *Local Access*

Roadways within the project area include McCarthy Boulevard, Ranch Drive, Dixon Landing Road, Tasman Drive/Great Mall Parkway/Capitol Avenue, and Montague Expressway, which are described below.

*McCarthy Boulevard* is a four-lane, north-south roadway that runs along the western boundary of the project site. McCarthy Boulevard provides access to the project site for private vehicles via Ranch

Drive. There is a single driveway onto the project site from McCarthy Boulevard which is restricted to service vehicles.

*Ranch Drive* runs along the eastern boundary of the project site and provides direct access to the project site. Ranch Drive varies from two to four lanes.

*Dixon Landing Road* is an east-west, four-lane roadway that extends east from McCarthy Boulevard to Milpitas Boulevard. Dixon Landing Road provides access to the project site via an interchange at I-880.

*Tasman Drive/Great Mall Parkway/Capitol Avenue* is generally a six-lane roadway in the Cities of Milpitas, San José, and Santa Clara that provides access to the project site via McCarthy Boulevard and an interchange at I-880.

*Montague Expressway* is an east-west, six- to eight-lane expressway that extends through Milpitas into San José. The expressway provides access between I-880 and I-680 and provides access to the project site via I-880, McCarthy Boulevard, and Great Mall Parkway.

#### **4.2.1.2 Existing Pedestrian and Bicycle Facilities**

##### ***Pedestrian Facilities***

Pedestrian facilities in the project area consist of sidewalks along east side of Ranch Drive and both sides of McCarthy Boulevard. There are crosswalks at all signalized intersections within one-half mile of the project site with the exception of the freeway ramps which only have crosswalks on two approaches.

##### ***Bicycle Facilities***

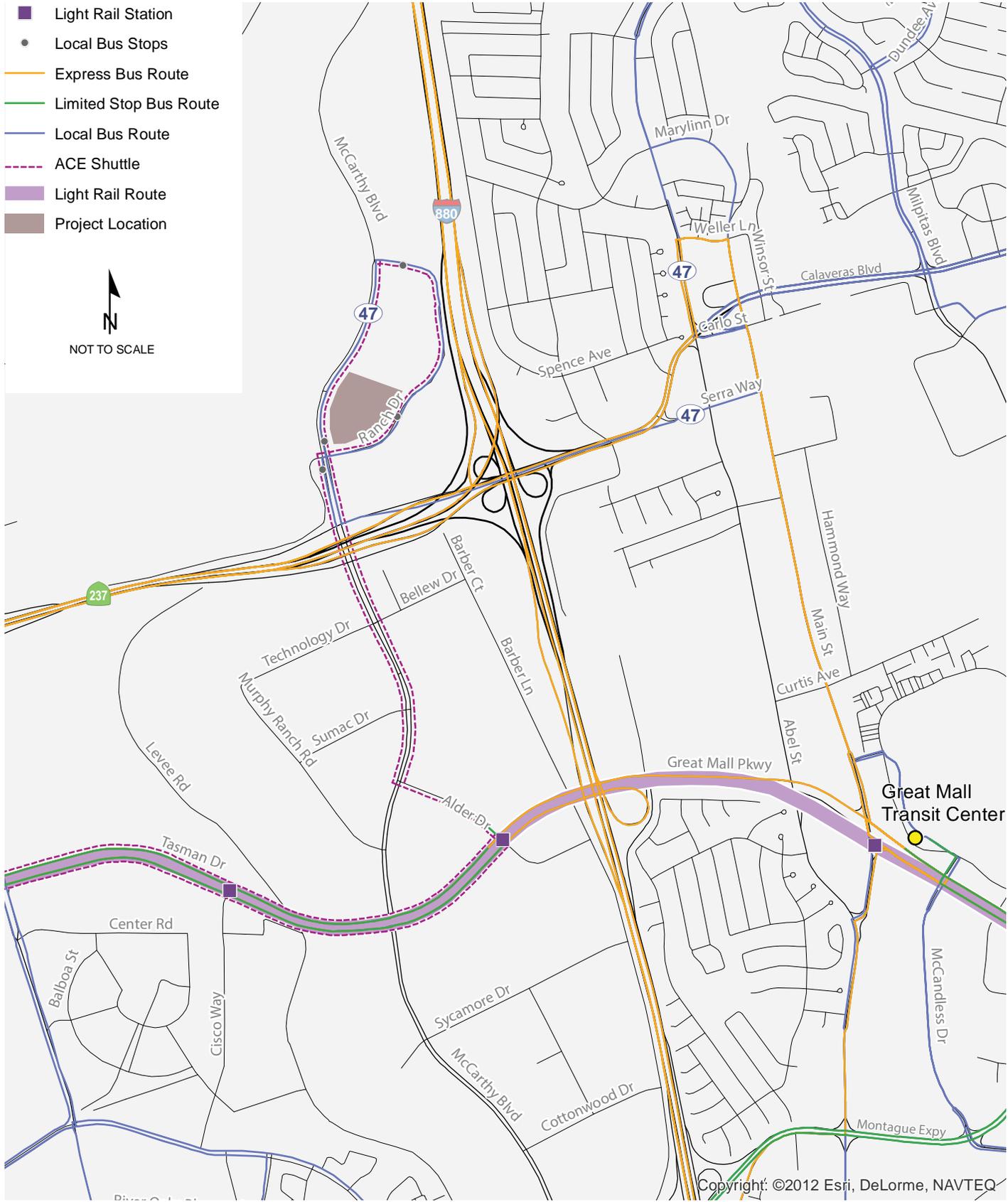
Bicycle facilities are comprised of paths (Class I), lanes (Class II), and routes (Class III). Bicycle paths are paved trails that are separate from roadways. Bicycle lanes are lanes on roadways designed for bicycle use by striping, pavement legends, and signs. Bicycle routes are roadways designated for bicycle use by signs only.

Class I facilities in the project area include the Coyote Creek Trail west of the site, and the Hetch Hetchy Trail and Berryessa Creek Trail east of I-880. Class II facilities exist on McCarthy Boulevard north of SR 237, Milpitas Boulevard, Barber Lane, Jacklin Road, Tasman Drive, and Great Mall Parkway. Class III facilities exist on McCarthy Boulevard south of SR 237, Ranch Drive, and Dixon Landing Road. Existing bicycle facilities are shown on Figure 3 of Appendix B.

#### **4.2.1.3 Existing Transit Service**

Existing transit service in the project area is comprised of Santa Clara Valley Transportation Authority (VTA) bus service and the Altamont Commuter Express (ACE) commute shuttle. All transit services are shown on Figure 6.

- Light Rail Station
- Local Bus Stops
- Express Bus Route
- Limited Stop Bus Route
- Local Bus Route
- ACE Shuttle
- Light Rail Route
- Project Location



TRANSIT SERVICES

FIGURE 6

VTA bus route 47 connects the Great Mall/Main Transit Center to McCarthy Ranch Shopping Center with 30 minute headways during commute hours. The Transit Center is served by the VTA light rail train (LRT), VTA buses, and AC transit. The ACE purple shuttle provides free shuttle service from the Great America Station in Santa Clara (which is served the ACE train) to west Milpitas via McCarthy Boulevard and Ranch Drive with 60 to 75 minute headways during commute hours.

#### 4.2.1.4 Existing Intersection Operations

##### *Methodology*

The impacts of the proposed development were evaluated following the methodologies established by the City of Milpitas and the Santa Clara County Congestion Management Program (CMP). Intersections were selected for study if project traffic would add at least 10 trips per lane per hour during one or more peak hours, consistent with adopted CMP methodology.

Traffic conditions were evaluated for existing conditions, background conditions<sup>1</sup>, existing plus project conditions, and background plus project conditions to determine if the level of service (LOS) of the local intersections in the project area would be adversely affected by the proposed project generated traffic. LOS is a qualitative description of operating conditions ranging from LOS A, or free-flowing conditions with little or no delay, to LOS F, or jammed conditions with excessive delays. The correlation between average delay and LOS is shown in Table 2.

<b>TABLE 2</b>		
<b>Intersection Level of Service Definitions Based on Delay</b>		
<b>Level of Service</b>	<b>Description</b>	<b>Average Control Delay per Vehicle<sup>2</sup></b>
A	Operations with very low delay occurring with favorable progression and/or short cycle lengths.	10.0 or less
B	Operations with low delay occurring with good progression and/or short cycle lengths.	10.1 to 20.0
C	Operations with average delays resulting from fair progression and/or longer cycle lengths. Individual cycle failures begin to appear.	20.1 to 35.0
D	Operations with longer delays due to a combination of unfavorable progression, long cycle lengths, or high V/C <sup>3</sup> ratios. Many vehicles stop and individual cycle failures are noticeable.	35.1 to 55.0
E	Operations with high delay values indicating poor progression, long cycle lengths, and high V/C ratios. Individual cycle failures are frequent occurrences. This is considered to be the limit of acceptable delay.	55.0 to 80.0
F	Operation with delays unacceptable to most drivers occurring due to over saturation, poor progression, or very long cycle lengths.	Greater than 80.0

<sup>1</sup> Background conditions are existing conditions plus approved but not yet constructed development.

<sup>2</sup> Measured in seconds.

<sup>3</sup> Volume to capacity ratio.

The traffic study analyzed AM and PM Peak Hour traffic conditions for 30 signalized intersections in the vicinity of the project site. Five of the study intersections (nearest the project site) were also evaluated during the midday Peak Hour as retail land uses tend to experience high midday traffic volumes. The study intersections are listed in Table 3 below and the locations of the study intersections are shown on Figure 7.

Based on the City of Milpitas’s policies, an acceptable operating level of service is defined as LOS D or better at all City controlled intersections. For County of Santa Clara CMP intersections, an acceptable level of service is LOS E. Because the project site is near the City boundaries with Fremont and San José, traffic trips associated with the project site would travel through Fremont and San José intersections as well as Milpitas intersections. For this reason, the analysis also took into account the acceptable LOS standard for the Cities of Fremont and San José, which are equivalent to the LOS standard established by the City of Milpitas (e.g., LOS D).

***Existing LOS of Study Intersections***

Analysis of the existing intersection operations concluded that 28 of the 30 study intersections currently operate at an acceptable LOS. The following intersections currently operate at an unacceptable LOS in one or more Peak Hours:

- No. 5 – Dixon Landing Road and Milpitas Boulevard (AM and PM Peak Hour)
- No. 25 – Capitol Avenue and Cropley Avenue/Trade Zone Boulevard (PM Peak Hour)

It should be noted that the Dixon Landing Road/Milpitas Boulevard intersection is currently experiencing higher than normal volumes of traffic due to the closure of Kato Road for the BART expansion project. Therefore, traffic volumes at the Dixon Landing Road/Milpitas Boulevard intersection in the City of Fremont are artificially high with an increase of approximately 500 vehicles in the AM Peak Hour and 300 vehicles in the PM Peak Hour. Kato Road is expected to re-open in early 2013.

The results of the existing conditions analysis are summarized in Table 3.

<b>TABLE 3</b>				
<b>Study Intersections Level of Service – Existing Conditions</b>				
<b>No.</b>	<b>Intersection</b>	<b>Peak Hour</b>	<b>Delay</b>	<b>LOS</b>
1	Dixon Landing Road and McCarthy Boulevard (F) <sup>4</sup>	AM	11.4	B+
		PM	13.1	B
2	Dixon Landing Road and I-880 SB Ramps (M)	AM	7.4	A
		PM	6.1	A
3	Dixon Landing Road and I-880 NB Ramps (M)	AM	15.0	B
		PM	16.4	B

<sup>4</sup> The City or agency that has jurisdiction over the study intersection is notated as follows: (CMP) – County, (F) – Fremont, (M) – Milpitas, (SJ) – San José.

- 1** Study Intersection
- Project Location



NOT TO SCALE



**STUDY INTERSECTIONS**

**FIGURE 7**

**TABLE 3 Continued**  
**Study Intersections Level of Service – Existing Conditions**

<b>No.</b>	<b>Intersection</b>	<b>Peak Hour</b>	<b>Delay</b>	<b>LOS</b>
4	California Circle and I-880 NB Ramps (M)	AM	10.5	B+
		PM	16.6	B
5	Dixon Landing Road and Milpitas Boulevard (M)	AM	>180	F
		PM	66.3	E
6	McCarthy Boulevard and North Ranch Drive (M)	AM	6.8	A
		Midday	13.0	B
		PM	12.7	B
7	Ranch Drive and Mall Access Driveway (M)	AM	15.9	B
		Midday	20.4	C+
		PM	11.7	B+
8	McCarthy Boulevard and South Ranch Drive (M)	AM	17.7	B
		Midday	24.1	C
		PM	30.8	C
9	McCarthy Boulevard and SR 237 WB Ramps (M)	AM	19.3	B-
		Midday	25.8	C
		PM	16.5	B
10	McCarthy Boulevard and SR 237 EB Ramps (M)	AM	17.1	B
		Midday	27.2	C
		PM	18.1	B-
11	SR 237 Ramps and I-880 SB Ramps (M)	AM	16.1	B
		PM	11.1	B+
12	SR 237 Ramps and I-880 NB Ramps (M)	AM	18.5	B-
		PM	17.3	B-
13	Calaveras Boulevard and Abel Street (CMP/M)	AM	42.2	D
		PM	45.5	D
14	Calaveras Boulevard and Milpitas Boulevard (CMP/M)	AM	48.0	D
		PM	40.5	D
15	Calaveras Boulevard and Hillview Drive (M)	AM	27.6	C
		PM	40.3	D
16	McCarthy Boulevard and Bellew Drive (M)	AM	21.7	C+
		PM	45.6	D
17	McCarthy Boulevard and Alder Drive (M)	AM	13.2	B
		PM	19.3	B-
18	McCarthy Boulevard and Tasman Drive (M)	AM	33.9	C-
		PM	35.1	D+
19	Tasman Drive and Alder Drive (M)	AM	13.4	B
		PM	40.8	D
20	Tasman Drive and I-880 SB Ramps (M)	AM	19.6	B-
		PM	17.4	B
21	Great Mall Parkway and I-880 NB Ramps (M)	AM	29.0	C
		PM	28.8	C

**TABLE 3 Continued**  
**Study Intersections Level of Service – Existing Conditions**

<b>No.</b>	<b>Intersection</b>	<b>Peak Hour</b>	<b>Delay</b>	<b>LOS</b>
22	Great Mall Parkway and Abel Street (M)	AM	40.1	D
		PM	29.8	C
23	Great Mall Parkway and Main Street (M)	AM	24.8	C
		PM	32.5	C-
24	Great Mall Parkway/ Capitol Avenue and Montague Expressway (CMP/CoSC)	AM	45.5	D
		PM	49.6	D
25	Capitol Avenue and Cropley Avenue/Trade Zone Boulevard (SJ)	AM	31.8	C
		PM	59.3	E+
26	Montague Expressway and Trimble Road (CMP/SJ)	AM	24.5	C
		PM	41.3	D
27	McCarthy Boulevard and Barber Lane (M)	AM	16.7	B
		PM	31.4	C
28	McCarthy Boulevard/O’Toole Avenue and Montague Expressway (CMP/SJ/M)	AM	33.0	C-
		PM	58.9	E+
29	SR 237 WB Ramps and Zanker Road (SJ)	AM	10.2	B+
		PM	10.2	B+
30	SR 237 EB Ramps and Zanker Road (SJ)	AM	14.5	B
		PM	11.0	B+
31	Holger Way and Zanker Road (SJ)	AM	20.0	B-
		PM	23.0	C+

#### **4.3.1.5 Background Intersection Operations**

Background traffic conditions represent conditions anticipated to exist after completion of the environmental review process but prior to operation of the proposed development. It takes into account planned transportation system improvements that will occur prior to implementation of the proposed project and background traffic volumes. Background peak-hour traffic volumes are calculated by adding estimated traffic from approved but not yet constructed development to the existing conditions (see Appendix B, Section 4 for a list of Background projects).

This traffic scenario represents a more congested traffic condition than the existing conditions scenario since it includes traffic from approved projects. The background conditions analysis is consistent with City of Milpitas policy for transportation analyses though it is not required under CEQA, as it is neither a project scenario nor cumulative analysis but represents conditions anticipated to exist at the time the project is built and operational.

Two of the study intersections have planned improvements that are expected to be implemented prior to completion of the proposed project. McCarthy Boulevard/N. Ranch Drive (No. 6) and McCarthy Boulevard/Alder Drive (No. 17) are both planned to be expanded with a new west leg. No other improvements were identified that would affect project traffic.

### **Background Intersection Level of Service**

Analysis of the background intersection operations found that six signalized intersections, listed below, will operate at an unacceptable LOS under background conditions.

- No. 5 – Dixon Landing Road and Milpitas Boulevard (AM and PM Peak Hour)
- No. 16 – McCarthy Boulevard and Bellew Drive (PM Peak Hour)
- No. 17 – McCarthy Boulevard and Alder Drive (PM Peak Hour)
- No. 19 – Tasman Drive and Alder Drive (PM Peak Hour)
- No. 25 – Capitol Avenue and Cropley Avenue/Trade Zone Boulevard (PM Peak Hour)
- No. 28 – McCarthy Boulevard/O’Toole Avenue and Montague Expressway (PM Peak Hour)

The changes in LOS from existing to background traffic volumes reflects that the environment in which the project will eventually occur is dynamic and affected by new development independent of the project. All other study intersections would operate at an acceptable LOS under background conditions in both the AM and PM Peak Hours. The results of the analysis under background conditions are summarized in Table 4 below.

No.	Intersection	Peak Hour	Existing		Background	
			Delay	LOS	Delay	LOS
1	Dixon Landing Road and McCarthy Boulevard (F)	AM	11.4	B+	14.9	B
		PM	13.1	B	18.8	B-
2	Dixon Landing Road and I-880 SB Ramps (M)	AM	7.4	A	7.5	A
		PM	6.1	A	6.5	A
3	Dixon Landing Road and I-880 NB Ramps (M)	AM	15.0	B	15.7	B
		PM	16.4	B	17.0	B
4	California Circle and I-880 NB Ramps (M)	AM	10.5	B+	10.6	B+
		PM	16.6	B	15.8	B
5	Dixon Landing Road and Milpitas Boulevard (M)	AM	>180	F	>180	F
		PM	66.3	E	84.0	F
6	McCarthy Boulevard and North Ranch Drive (M)	AM	6.8	A	20.6	C+
		PM	12.7	B	29.1	C
7	Ranch Drive and Mall Access Driveway (M)	AM	15.9	B	15.8	B
		PM	11.7	B+	11.9	B+
8	McCarthy Boulevard and South Ranch Drive (M)	AM	17.7	B	18.7	B-
		PM	30.8	C	47.0	D
9	McCarthy Boulevard and SR 237 WB Ramps (M)	AM	19.3	B-	23.5	C
		PM	16.5	B	35.6	D+
10	McCarthy Boulevard and SR 237 EB Ramps (M)	AM	17.1	B	20.5	C+
		PM	18.1	B-	23.9	C
11	SR 237 Ramps and I-880 SB Ramps (M)	AM	16.1	B	20.5	C+
		PM	11.1	B+	16.7	B

**TABLE 4 Continued**  
**Study Intersections Level of Service – Background Conditions**

No.	Intersection	Peak Hour	Existing		Background	
			Delay	LOS	Delay	LOS
12	SR 237 Ramps and I-880 NB Ramps (M)	AM	18.5	B-	23.5	C
		PM	17.3	B-	19.4	B-
13	Calaveras Boulevard and Abel Street (CMP/M)	AM	42.2	D	49.0	D
		PM	45.5	D	49.2	D
14	Calaveras Boulevard and Milpitas Boulevard (CMP/M)	AM	48.0	D	65.4	E
		PM	40.5	D	42.7	D
15	Calaveras Boulevard and Hillview Drive (M)	AM	27.6	C	28.7	C
		PM	40.3	D	43.1	D
16	McCarthy Boulevard and Bellew Drive (M)	AM	21.7	C+	26.2	C
		PM	45.6	D	81.8	F
17	McCarthy Boulevard and Alder Drive (M)	AM	13.2	B	45.9	D
		PM	19.3	B-	81.5	F
18	McCarthy Boulevard and Tasman Drive (M)	AM	33.9	C-	40.5	D
		PM	35.1	D+	37.1	D+
19	Tasman Drive and Alder Drive (M)	AM	13.4	B	18.4	B-
		PM	40.8	D	90.6	F
20	Tasman Drive and I-880 SB Ramps (M)	AM	19.6	B-	22.5	C+
		PM	17.4	B	21.6	C+
21	Great Mall Parkway and I-880 NB Ramps (M)	AM	29.0	C	39.2	D
		PM	28.8	C	31.9	C
22	Great Mall Parkway and Abel Street (M)	AM	40.1	D	42.2	D
		PM	29.8	C	31.4	C
23	Great Mall Parkway and Main Street (M)	AM	24.8	C	24.0	C
		PM	32.5	C-	32.4	C-
24	Great Mall Parkway/ Capitol Avenue and Montague Expressway (CMP/CoSC)	AM	45.5	D	51.8	D-
		PM	49.6	D	57.6	E+
25	Capitol Avenue and Cropley Avenue/Trade Zone Boulevard (SJ)	AM	31.8	C	32.4	C-
		PM	59.3	E+	67.4	E
26	Montague Expressway and Trimble Road (CMP/SJ)	AM	24.5	C	28.9	C
		PM	41.3	D	67.4	E
27	McCarthy Boulevard and Barber Lane (M)	AM	16.7	B	16.3	B
		PM	31.4	C	39.5	D
28	McCarthy Boulevard/O'Toole Avenue and Montague Expressway (CMP/SJ/M)	AM	33.0	C-	44.0	D
		PM	58.9	E+	103.3	F
29	SR 237 WB Ramps and Zanker Road (SJ)	AM	10.2	B+	13.1	B
		PM	10.2	B+	16.4	B
30	SR 237 EB Ramps and Zanker Road (SJ)	AM	14.5	B	15.8	B
		PM	11.0	B+	15.1	B
31	Holger Way and Zanker Road (SJ)	AM	20.0	B-	21.1	C+
		PM	23.0	C+	24.9	C

#### 4.2.1.6 Existing Freeway Operations

##### *Methodology*

For the purposes of this analysis, the determination of which freeway segments were included in the analysis was made based on the impacts from project traffic from the estimated trip generation, assignment, and distribution. LOS for key freeway segments in the AM and PM Peak Hours was calculated based on the traffic volumes obtained from VTA's *2011 Monitoring and Conformance Report*. Freeways are State controlled and CMP-monitored facilities and, as a result, the minimal acceptable level of service is LOS E.

##### *Existing LOS of Study Freeway Segments*

Analysis of the existing freeway operations concluded that the mixed flow lanes of 12 freeway segments currently operate at LOS F in at least one direction during at least one of the Peak Hours of traffic. These 12 freeway segments are listed below.

- Eastbound SR 237 between North First Street and Zanker Road (PM Peak Hour)
- Eastbound SR 237 between McCarthy Blvd and I-880 (PM Peak Hour)
- Westbound SR 237 between I-880 and McCarthy Blvd (AM Peak Hour)
- Westbound SR 237 between McCarthy Blvd and Zanker Road (AM Peak Hour)
- Westbound SR 237 between Zanker Road and North First Street (PM Peak Hour)
- Southbound I-680 between Montague Expressway and Capitol Avenue (PM Peak Hour)
- Southbound I-680 between Capitol Avenue and Hostetter Road (PM Peak Hour)
- Southbound I-680 between Hostetter Road and Berryessa Road (PM Peak Hour)
- Northbound I-880 between Montague Expressway and Great Mall Parkway (PM Peak Hour)
- Southbound I-880 between SR 237 and Great Mall Parkway (AM and PM Peak Hour)
- Southbound I-880 between Great Mall Parkway and Montague Expressway (PM Peak Hour)
- Southbound I-880 between Montague Expressway and East Brokaw Road (PM Peak Hour)

All other study freeway segments operate at an acceptable LOS under existing conditions. The results of the analysis are summarized in Table 5 below.

<b>Freeway</b>	<b>Segment</b>	<b>Direction</b>	<b>Peak Hour</b>	<b>LOS - Mixed Flow Lanes</b>	<b>LOS – HOV Lanes</b>
SR 237	North First Street and Zanker Road	EB	AM	D	B
			PM	F	D
		WB	AM	E	D
			PM	F	B

**TABLE 5 Continued**  
**Study Freeway Segments Level of Service – Existing Conditions**

<b>Freeway</b>	<b>Segment</b>	<b>Direction</b>	<b>Peak Hour</b>	<b>LOS - Mixed Flow Lanes</b>	<b>LOS – HOV Lanes</b>
SR 237	Zanker Road and McCarthy Blvd	EB	AM PM	D E	A C
		WB	AM PM	F E	F B
SR 237	McCarthy Blvd and I-880	EB	AM PM	A F	N/A
		WB	AM PM	F B	N/A
I-680	Berryessa Rd and Hostetter Rd	NB	AM PM	D C	N/A
		SB	AM PM	B F	N/A
I-680	Hostetter Rd and Capitol Ave	NB	AM PM	D B	N/A
		SB	AM PM	C F	N/A
I-680	Capitol Ave and Montague Expressway	NB	AM PM	D C	N/A
		SB	AM PM	B F	N/A
I-680	Montague Expressway and Yosemite Drive	NB	AM PM	C C	N/A
		SB	AM PM	D E	N/A
I-680	Yosemite Drive and SR-237	NB	AM PM	C C	N/A
		SB	AM PM	D C	N/A
I-680	SR 237 and Jacklin Road	NB	AM PM	D C	N/A
		SB	AM PM	C D	N/A
I-680	Jacklin Road and Scott Creek Road	NB	AM PM	D D	N/A
		SB	AM PM	C C	N/A
I-880	E. Brokaw Road and Montague Expressway	NB	AM PM	D D	N/A
		SB	AM PM	D F	N/A

**TABLE 5 Continued**  
**Study Freeway Segments Level of Service – Existing Conditions**

Freeway	Segment	Direction	Peak Hour	LOS - Mixed Flow Lanes	LOS – HOV Lanes
I-880	Montague Expressway and Great Mall Parkway	NB	AM PM	D F	N/A
		SB	AM PM	D F	N/A
I-880	Great Mall Parkway and SR 237	NB	AM PM	C D	N/A
		SB	AM PM	F F	N/A
I-880	SR 237 and Dixon Landing Road	NB	AM PM	C D	B C
		SB	AM PM	E C	D B

**4.2.2 Thresholds of Significance**

For the purpose of this EIR, a traffic impact is considered significant if the project would:

- Cause the level of service at any local intersection to degrade from an acceptable LOS D or better under existing or background conditions to an unacceptable LOS E or F under existing plus project or background plus project conditions; or
- At any local intersection that is already an unacceptable LOS E or F under existing or background conditions, cause the critical-movement delay at the intersection to increase by four or more seconds and the demand-to-capacity ratio (V/C) to increase by .01 or more; or
- Cause the level of service at a CMP or County intersection to degrade from an acceptable LOS E or better under existing or background conditions to an unacceptable LOS F under existing plus project or background plus project conditions; or
- At any CMP or County intersection that is already an unacceptable LOS F under existing or background conditions, cause the critical-movement delay at the intersection to increase by four or more seconds and the demand-to-capacity ratio (V/C) to increase by .01 or more; or
- Cause the level of service on any freeway segment to degrade from an acceptable LOS E or better under existing or background conditions to an unacceptable LOS F under project conditions; or
- Add more than one percent of the existing freeway capacity to any freeway segment operating at LOS F under existing conditions; or
- Conflict with adopted policies, plans, or programs regarding public transit, bicycle, or pedestrian facilities, or otherwise decrease the performance or safety of such facilities; or
- Create an operational safety hazard.

#### **4.2.2.1 Impact Criteria**

##### ***City of Milpitas – Local Signalized Intersections***

Based on City of Milpitas criteria, a project would cause a significant impact at a signalized intersection if the additional project traffic caused one of the following:

- Cause the level of service at any local intersection to degrade from an acceptable LOS D or better under existing or background conditions to an unacceptable LOS E or F under existing plus project or background plus project conditions; or
- At any local intersection that is already an unacceptable LOS E or F under existing or background conditions, cause the critical-movement delay at the intersection to increase by four or more seconds and the demand-to-capacity ratio (V/C) to increase by .01 or more.

This criterion is equivalent to the criteria used for Fremont and San José signalized intersections.

##### ***CMP and Santa Clara County Expressway Intersections***

Based on CMP criteria, a project would cause a significant impact at a CMP or County Expressway intersection if the additional project traffic caused one of the following:

- Cause the level of service at any CMP/County intersection to degrade from an acceptable LOS E or better under existing conditions to an unacceptable LOS F under existing plus project or background plus project conditions; or
- At any CMP/County intersection that is already an unacceptable LOS F under existing conditions, cause the critical-movement delay at the intersection to increase by four or more seconds and the demand-to-capacity ratio (V/C) to increase by .01 or more.

##### ***CMP – Freeway Segments***

Based on CMP criteria, a project would cause a significant impact to a freeway segment if the additional project traffic caused one of the following:

- Cause the level of service on any freeway segment to degrade from an acceptable LOS E or better under existing or background conditions to an unacceptable LOS F under existing plus project or background plus project conditions; or
- Add more than one percent of the existing freeway capacity to any freeway segment operating at LOS F under existing or background conditions.

#### **4.2.3 Transportation Impacts**

##### **4.2.3.1 Trip Generation Estimates**

While the existing retail buildings proposed for demolition are currently vacant, the buildings could be occupied at any time without discretionary approval. Therefore, the traffic trips estimated for the existing development assumes that the retail space is currently occupied. Traffic trips generated by

the proposed project were estimated using the “Shopping Center” and “Hotel” rates in the Institute of Transportation Engineers (ITE) *Trip Generation, 8<sup>th</sup> Edition*.

Reductions that reflect the mixed-use and pass-by trips for the proposed uses were made in conformance with the VTA methodology. Pass-by trips are trips to the site made by vehicles already traveling by the site on the adjacent street (i.e., these vehicles make an interim stop between their primary origin and destination). Diverted link trips are trips made by vehicles that make a detour to access the project site. For this analysis, diverted link trips consist of trips made by vehicles already traveling on I-880 and SR 237. Pass-by and diverted-link trips are included in the analysis of traffic that enters and exits the project site, but are not considered “new” trips added to the overall street system by the project. A 10 to 20 percent pass-by reduction was applied to the net new retail space depending on the analysis time period. Similarly, depending on the time period, a five to 10 percent reduction for diverted-link trips was applied to the retail use. A 10 percent mixed-use reduction between hotel and retail land uses was also applied to reflect the internalization of vehicle trips due to the complementary land uses. These trips would instead be made by patrons walking between each facility.

A summary of the project trip generation estimates is shown in Table 6 below.

Land Use	Daily Trips	AM Peak Hour			Midday Peak Hour			PM Peak Hour		
		In	Out	Total	In	Out	Total	In	Out	Total
Proposed Retail	13,620	177	113	290	993	1,119	2,112	639	665	1,304
Proposed Hotel	2,043	85	55	140	48	47	95	78	70	148
Existing Retail*	-8,440	-115	-73	-188	-606	-684	-1,290	-390	-406	-796
Mixed-Use Reduction	-408	-14	-14	-28	-10	-10	-20	-15	-15	-30
Diverted Trip Reduction	-389	-3	-2	-5	-39	-43	-82	-25	-26	-51
Pass-by Reduction	-777	-6	-4	-10	-77	-87	-164	-50	-52	-102
<b>Net New Trips**</b>	<b>5,649</b>	<b>124</b>	<b>75</b>	<b>199</b>	<b>309</b>	<b>342</b>	<b>651</b>	<b>237</b>	<b>236</b>	<b>473</b>
*Retail to be removed										
**Net new retail trips equal proposed retail minus existing retail that will be demolished as a part of the site redevelopment.										

Source: Appendix B, Table 6

#### 4.2.3.2 Existing Plus Project Intersection Operations

The LOS of the study intersections was calculated under project conditions by adding the net new project trips from the proposed development to the existing conditions. Analysis of the existing plus project intersection operations concluded that the following intersections would continue to operate at an unacceptable LOS in one or more Peak Hours:

- No. 5 – Dixon Landing Road and Milpitas Boulevard (AM and PM Peak Hour)
- No. 25 – Capitol Avenue and Cropley Avenue/Trade Zone Boulevard (PM Peak Hour)

In addition, the following intersection would operate at an unacceptable LOS in the mid-day Peak Hour:

- No. 9 – McCarthy Boulevard and SR 237 EB Ramps

All other study intersections would continue to operate at an acceptable LOS in the Peak Hours with implementation of the proposed project. The results of the existing plus project conditions analysis are summarized in Table 7 below.

No.	Intersection	Peak Hour	Existing		Existing Plus Project			
			Delay	LOS	Delay	LOS	” in Critical V/C	” in Critical Delay
1	Dixon Landing Road and McCarthy Boulevard (F)	AM	11.4	B+	11.5	B+	0.006	0.1
		PM	13.1	B	13.5	B	0.016	0.4
2	Dixon Landing Road and I-880 SB Ramps (M)	AM	7.4	A	7.3	A	0.001	0.0
		PM	6.1	A	6.2	A	0.005	0.0
3	Dixon Landing Road and I-880 NB Ramps/California Circle (M)	AM	15.0	B	15.0	B	0.000	0.0
		PM	16.4	B	16.4	B	0.012	0.1
4	California Circle and I-880 NB Ramps (M)	AM	10.5	B+	10.6	B+	0.002	0.0
		PM	16.6	B	16.7	B	0.006	0.1
5	Dixon Landing Road and N. Milpitas Boulevard (M)	AM	>180	F	>180	F	0.001	0.5
		PM	66.3	E	67.5	E	0.006	2.3
6	McCarthy Boulevard and N. Ranch Drive (M)	AM	6.8	A	7.0	A	0.006	0.5
		MID	13.0	B	13.3	B	0.023	0.3
		PM	12.7	B	12.8	B	0.018	0.2
7	Ranch Drive and Mall Access Driveway (M)	AM	15.9	B	15.7	B	0.123	0.0
		MID	20.4	C+	47.5	D	0.527	46.8
		PM	11.7	B+	16.8	B	0.329	7.6
8	McCarthy Boulevard and S. Ranch Drive (M)	AM	17.7	B	18.3	B-	0.028	1.2
		MID	24.1	C	24.8	C	0.123	1.0
		PM	30.8	C	35.2	D+	0.085	8.7
9	McCarthy Boulevard and SR 237 WB Ramps (M)	AM	19.3	B-	19.5	B-	0.054	1.4
		MID	25.8	C	55.8	E+	0.196	43.9
		PM	16.5	B	22.8	C+	0.148	8.8

**TABLE 7 Continued**  
**Study Intersections Level of Service – Existing Plus Project Conditions**

No.	Intersection	Peak Hour	Existing		Existing Plus Project			
			Delay	LOS	Delay	LOS	” in Critical V/C	” in Critical Delay
10	McCarthy Boulevard and SR 237 EB Ramps (M)	AM	17.1	B	17.3	B	0.014	0.2
		MID	27.2	C	28.2	D	0.055	2.4
		PM	18.1	B-	19.6	B-	0.058	2.2
11	SR 237 Ramps and I-880 SB Ramps (M)	AM	16.1	B	16.3	B	0.016	0.4
		PM	11.1	B+	11.1	B+	0.016	0.0
12	SR 237 Ramps and I-880 NB Ramps (M)	AM	18.5	B-	19.1	B-	0.015	0.8
		PM	17.3	B	18.2	B-	0.023	1.2
13	W. Calaveras Boulevard and S. Abel Street (CMP/M)	AM	42.2	D	42.4	D	0.007	0.4
		PM	45.5	D	45.8	D	0.012	0.6
14	E. Calaveras Boulevard and S. Milpitas Boulevard (CMP/M)	AM	48.0	D	48.8	D	0.010	1.4
		PM	40.5	D	40.6	D	0.013	0.2
15	E. Calaveras Boulevard and Hillview Drive (M)	AM	27.6	C	27.5	C	0.006	-0.1
		PM	40.3	D	40.2	D	0.011	0.3
16	McCarthy Boulevard and Bellew Drive (M)	AM	21.7	C+	21.7	C+	0.009	0.1
		PM	45.6	D	46.5	D	0.013	1.8
17	McCarthy Boulevard and Alder Drive (M)	AM	13.2	B	13.4	B	0.013	0.3
		PM	19.3	B-	20.7	C+	0.021	2.6
18	McCarthy Boulevard and Tasman Drive (M)	AM	33.9	C-	34.3	C-	0.007	0.6
		PM	35.1	D+	35.7	D+	0.027	0.3
19	Tasman Drive and Alder Drive (M)	AM	13.4	B	13.5	B	0.007	0.3
		PM	40.8	D	41.2	D	0.010	0.6
20	Tasman Drive and I-880 SB Ramps (M)	AM	19.6	B-	19.6	B-	0.002	0.0
		PM	17.4	B	17.3	B	0.009	0.1
21	Great Mall Parkway and I-880 NB Ramps (M)	AM	29.0	C	29.0	C	0.002	0.0
		PM	28.8	C	28.9	C	0.004	0.1
22	Great Mall Parkway and Abel Street (M)	AM	40.1	D	40.2	D	0.003	0.1
		PM	29.8	C	29.8	C	0.004	-0.1
23	Great Mall Parkway and Main Street (M)	AM	24.8	C	24.8	C	0.001	-0.1
		PM	32.5	C-	32.4	C-	0.003	-0.1
24	Great Mall Parkway/E. Capitol Ave and Montague Expressway (CMP)	AM	45.5	D	45.6	D	0.002	0.1
		PM	49.6	D	49.7	D	0.000	0.0
25	Capitol Ave and Cropley Ave/Tradezone Boulevard (SJ)	AM	31.8	C	31.6	C	0.010	-4.1
		PM	59.3	E+	59.5	E+	0.002	0.2
26	Montague Expressway and Trimble Road (CMP/SJ)	AM	24.5	C	24.6	C	0.000	0.0
		PM	41.3	D	40.5	D	-0.046	-0.9
27	McCarthy Boulevard and Barber Lane (M)	AM	16.7	B	16.7	B	0.002	0.0
		PM	31.4	C	33.5	C-	0.017	2.7
28	McCarthy Boulevard/O’Toole Ave and Montague Expressway (CMP/SJ/M)	AM	33.0	C-	33.4	C-	0.006	0.6
		PM	58.9	E+	61.0	E	0.014	3.0
29	SR 237 WB Ramps and Zanker Road (SJ)	AM	10.2	B+	10.2	B+	0.000	0.0
		PM	10.2	B+	10.2	B+	0.003	0.0

<b>TABLE 7 Continued</b>								
<b>Study Intersections Level of Service – Existing Plus Project Conditions</b>								
No.	Intersection	Peak Hour	Existing		Existing Plus Project			
			Delay	LOS	Delay	LOS	” in Critical V/C	” in Critical Delay
30	SR 237 EB Ramps and Zanker Road (SJ)	AM	14.5	B	14.5	B	0.000	0.0
		PM	11.0	B+	11.0	B+	0.000	0.0
31	Holger Way and Zanker Road (SJ)	AM	20.0	B-	20.0	B-	0.000	0.0
		PM	23.0	C	23.0	C	0.002	0.0

As noted above, intersections No. 5 and 25 will continue to operate at an unacceptable LOS in one or more Peak Hours. Implementation of the proposed project would not, however, have a significant impact on the aforementioned intersections under existing plus project conditions because: 1) the project will not cause the LOS to degrade to an unacceptable level, 2) the project will not increase the critical delay by more than four seconds, and 3) the project will not increase the V/C by more than 0.01. **(Less Than Significant Impact)**

Implementation of the proposed project would result in the following intersection impacts under existing plus project conditions:

- McCarthy Boulevard and SR 237 WB Ramps (No. 9) – A degradation of the LOS from C to E+ with a 0.196 increase in V/C and a 43.9 second increase in critical delay in the mid-day Peak Hour.

Implementation of the proposed project would have a significant impact on one local intersection under existing plus project conditions. **(Significant Impact)**

#### **4.2.3.3 Background Plus Project Intersection Operations**

The LOS of the study intersections was calculated under background plus project conditions by adding the new project trips from the proposed development to the background conditions. Analysis of the background plus project intersection operations concluded that eight signalized intersections, listed below, will operate at an unacceptable LOS background plus project conditions.

- No. 5 – Dixon Landing Road and Milpitas Boulevard (AM and PM Peak Hour)
- No. 8 – McCarthy Boulevard and S. Ranch Drive (PM Peak Hour)
- No. 9 – McCarthy Boulevard and SR 237 WB Ramps (PM Peak Hour)
- No. 16 – McCarthy Boulevard and Bellew Drive (PM Peak Hour)
- No. 17 – McCarthy Boulevard and Alder Drive (PM Peak Hour)
- No. 19 – Tasman Drive and Alder Drive (PM Peak Hour)
- No. 25 – Capitol Avenue and Cropley Avenue/Trade Zone Boulevard (PM Peak Hour)
- No. 28 – McCarthy Boulevard/O’Toole Avenue and Montague Expressway (PM Peak Hour)

All other study intersections would operate at an acceptable LOS. The results of the background plus project conditions analysis are summarized in Table 8 below.

**TABLE 8**  
**Study Intersections Level of Service – Background Plus Project Conditions**

No.	Intersection	Peak Hour	Background		Background Plus Project			
			Delay	LOS	Delay	LOS	” in Critical V/C	” in Critical Delay
1	Dixon Landing Road and McCarthy Boulevard (F)	AM	14.9	B	15.1	B	0.006	0.2
		PM	18.8	B-	19.9	B-	0.018	1.1
2	Dixon Landing Road and I-880 SB Ramps (M)	AM	7.5	A	7.5	A	0.001	0.0
		PM	6.5	A	6.5	A	0.005	0.0
3	Dixon Landing Road and I-880 NB Ramps/California Circle (M)	AM	15.7	B	15.7	B	0.000	0.0
		PM	17.0	B	17.1	B	0.012	0.4
4	California Circle and I-880 NB Ramps (M)	AM	10.6	B+	10.6	B+	0.002	0.0
		PM	15.8	B	15.9	B	0.003	0.0
5	Dixon Landing Road and N. Milpitas Boulevard (M)	AM	>180	F	>180	F	0.003	1.1
		PM	84.0	F	85.4	F	0.006	2.6
6	McCarthy Boulevard and N. Ranch Drive (M)	AM	20.6	C+	20.7	C+	0.001	0.0
		PM	29.1	C	30.3	C	0.029	1.8
7	Ranch Drive and Mall Access Driveway (M)	AM	15.8	B	15.8	B	0.120	0.2
		PM	11.9	B+	16.9	B	0.328	7.5
8	McCarthy Boulevard and S. Ranch Drive (M)	AM	18.7	B-	19.9	B-	0.028	2.4
		PM	47.0	D	63.4	E	0.088	29.7
9	McCarthy Boulevard and SR 237 WB Ramps (M)	AM	23.5	C	25.4	C	0.054	4.9
		PM	35.6	D+	72.3	E	0.144	53.7
10	McCarthy Boulevard and SR 237 EB Ramps (M)	AM	20.5	C+	20.7	C+	0.014	0.3
		PM	23.9	C	27.3	C	0.021	3.4
11	SR 237 Ramps and I-880 SB Ramps (M)	AM	20.5	C+	21.0	C+	0.016	0.6
		PM	16.7	B	17.4	B	0.026	1.3
12	SR 237 Ramps and I-880 NB Ramps (M)	AM	23.5	C	24.2	C	0.014	0.9
		PM	19.4	B-	18.6	B-	-0.005	-0.8
13	W. Calaveras Boulevard and S. Abel Street (CMP/M)	AM	49.0	D	49.6	D	0.007	1.1
		PM	49.2	D	50.1	D	0.012	1.4
14	E. Calaveras Boulevard and S. Milpitas Boulevard (CMP/M)	AM	65.4	E	67.1	E	0.010	2.9
		PM	42.7	D	43.0	D	0.013	0.5
15	E. Calaveras Boulevard and Hillview Drive (M)	AM	28.7	C	28.6	C	0.006	-0.1
		PM	43.1	D	43.6	D	0.018	1.2
16	McCarthy Boulevard and Bellew Drive (M)	AM	26.2	C	26.4	C	0.009	0.5
		PM	81.8	F	88.0	F	0.013	4.7
17	McCarthy Boulevard and Alder Drive (M)	AM	45.9	D	47.8	D	0.012	2.6
		PM	81.5	F	90.4	F	0.039	15.2
18	McCarthy Boulevard and Tasman Drive (M)	AM	40.5	D	41.3	D	0.007	1.2
		PM	37.1	D+	37.8	D+	0.024	0.6
19	Tasman Drive and Alder Drive (M)	AM	18.4	B-	18.7	B-	0.007	0.6
		PM	90.6	F	94.9	F	0.015	5.4

**TABLE 8 Continued**  
**Study Intersections Level of Service – Background Plus Project Conditions**

No.	Intersection	Peak Hour	Background		Background Plus Project			
			Delay	LOS	Delay	LOS	" in Critical V/C	" in Critical Delay
20	Tasman Drive and I-880 SB Ramps (M)	AM	22.5	C+	22.5	C+	0.002	0.1
		PM	21.6	C+	21.7	C+	0.007	0.8
21	Great Mall Parkway and I-880 NB Ramps (M)	AM	39.2	D	39.4	D	0.002	0.3
		PM	31.9	C	32.1	C-	0.005	0.3
22	Great Mall Parkway and Abel Street (M)	AM	42.2	D	42.3	D	0.003	0.1
		PM	31.4	C	31.4	C	0.004	0.0
23	Great Mall Parkway and Main Street (M)	AM	24.0	C	24.0	C	0.001	0.0
		PM	32.4	C-	32.3	C-	0.008	-0.1
24	Great Mall Parkway/E. Capitol Ave and Montague Expressway (CMP)	AM	51.8	D-	51.9	D-	0.002	0.2
		PM	57.6	E+	57.8	E+	0.000	0.0
25	Capitol Ave and Cropley Ave/Tradezone Boulevard (SJ)	AM	32.4	C-	32.4	C-	0.002	0.0
		PM	67.4	E	68.3	E	0.007	1.3
26	Montague Expressway and Trimble Road (CMP/SJ)	AM	28.9	C	28.9	C	0.001	0.0
		PM	67.4	E	68.0	E	0.003	0.8
27	McCarthy Boulevard and Barber Lane (M)	AM	16.3	B	16.4	B	0.002	0.0
		PM	39.5	D	47.2	D	0.029	10.1
28	McCarthy Boulevard/O'Toole Ave and Montague Expressway (CMP/SJ/M)	AM	44.0	D	45.4	D	0.006	2.0
		PM	103.3	F	108.3	F	0.015	6.7
29	SR 237 WB Ramps and Zanker Road (SJ)	AM	13.1	B	13.1	B	0.000	0.0
		PM	16.4	B	16.5	B	0.003	0.1
30	SR 237 EB Ramps and Zanker Road (SJ)	AM	15.8	B	15.8	B	0.000	0.0
		PM	15.1	B	15.0	B	0.000	0.0
31	Holger Way and Zanker Road (SJ)	AM	21.1	C+	21.1	C+	0.000	0.0
		PM	24.9	C	24.9	C	0.006	0.1

Implementation of the proposed project would result in the following intersection impacts under background plus project conditions:

- McCarthy Boulevard and S. Ranch Drive (No. 8) – A degradation of the LOS from D to E with a 0.088 increase in V/C and a 29.7 second increase in critical delay in the PM Peak Hour.
- McCarthy Boulevard and SR 237 WB Ramps (No. 9) – A degradation of the LOS from D+ to E with a 0.144 increase in V/C and a 53.7 second increase in critical delay in the PM Peak Hour.
- McCarthy Boulevard and Bellew Drive (No. 16) – A 0.013 increase in V/C and a 4.7 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under background conditions.

- McCarthy Boulevard and Alder Drive (No. 17) – A 0.039 increase in V/C and a 15.2 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under background conditions.
- Tasman Drive and Alder Drive (No. 19) – A 0.015 increase in V/C and a 5.4 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under background conditions.
- McCarthy Boulevard/O’Toole Avenue and Montague Expressway (No. 28) – A 0.015 increase in V/C and a 6.7 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under background conditions.

Implementation of the proposed project would have a significant impact on five local intersections and one CMP intersection under background plus project conditions. **(Significant Impact)**

The Dixon Landing Road/N. Milpitas Boulevard (No. 5) and Capitol Avenue/Cropley Avenue – Tradezone Boulevard (No.25) intersections would continue to operate at and unacceptable LOS in at least one Peak Hour. Project traffic will not, however, cause the LOS to degrade further or cause an increase in critical delay or V/C above the threshold. Therefore, the proposed project will have a less than significant impact on these intersections. All other study intersections would operate at an acceptable LOS. **(Less Than Significant Impact)**

#### **4.2.3.4 Existing Plus Project Freeway Segment Operations**

Freeway segments were analyzed during AM and PM Peak Hours to calculate the amount of project traffic projected to be added to the nearby freeways. For the purposes of this near-term analysis, SR 237 is assumed to have two mixed-use lanes and one HOV lane.

Analysis of the existing plus project freeway operations concluded that the proposed project would increase traffic volumes by more than one percent on one of the freeway segments previously identified (noted below) as operating at LOS F in at least one direction during at least one of the peak hours of traffic under existing conditions.

- Eastbound SR 237 between McCarthy Boulevard and I-880 (PM Peak Hour)

Therefore, implementation of the proposed project would have a significant impact on one segment of SR 237. **(Significant Impact)**

#### **4.2.3.5 Pedestrian/Bicycle Facilities and Transit Operations**

##### ***Pedestrian and Bicycle Facilities***

The proposed project will generate new demand for pedestrian and bicycle facilities in the immediate project area. While there are sidewalks and signalized crosswalks adjacent to and near the project site, there are no sidewalks along the project site frontage on Ranch Drive. The distance between the signalized intersections is greater than 800 feet which would likely preclude pedestrians from walking to a crosswalk to access the sidewalks on the south side of Ranch Drive. The existing pedestrian facilities are insufficient to accommodate increased demand resulting from the proposed

project. As a Condition of Approval, the City of Milpitas will require a minimum six-foot sidewalk along the project frontage and along the mall entry access roads to connect to adjacent pedestrian facilities consistent with General Plan Policy 3.d-I-27. **(Less Than Significant Impact)**

Based on the analysis in the TIA, the existing bicycle facilities, including bike lanes and bike routes on McCarthy Boulevard and Ranch Drive, and nearby off-street paths are sufficient to support the increased demand of the proposed project. **(No Impact)**

### ***Transit Operations***

The project site is currently served by fixed route bus services provided by the VTA. Currently the VTA bus route that serves the project area is operating below capacity. Specifically, VTA estimates 13 passengers in the AM Peak Hour and 10 passengers in the PM Peak Hour on buses that can accommodate 37 passengers. Based on average transit mode shares in Santa Clara County, the project could increase bus ridership approximately two to three percent. As a result, existing bus services can accommodate an increase in ridership demand resulting from the proposed project. The proposed project will not alter existing transit facilities or conflict with the operation of existing or planned facilities. Therefore, the proposed project will have a less than significant impact on transit operations. **(Less Than Significant Impact)**

#### **4.2.3.6 Parking and Operations**

The California Court of Appeal has upheld that parking is not part of the permanent physical environment, that parking conditions change over time as people change their travel patterns, and that unmet parking demand created by a project need not be considered a significant environmental impact under CEQA unless it would cause significant secondary effects.<sup>5</sup> Similarly, the December 2009 amendments to the State CEQA Guidelines (which were effective March 18, 2010) removed parking from the State's Environmental Checklist (Appendix G of the State CEQA Guidelines) as an environmental factor to be considered under CEQA.

Parking deficits may be associated with secondary physical environmental impacts, such as air quality and noise effects, caused by congestion resulting from drivers circling as they look for a parking space. These secondary effects are, however, a temporary condition. Therefore, any secondary environmental impacts that might result from a shortfall in parking in the vicinity of the proposed project are considered less than significant.

While a lack of parking would not have a significant environmental impact under CEQA, it could result in an operational impact. For this reason, an assessment of the parking plan for the proposed project is provided below.

Vehicle access to the project site will be provided at three existing driveways on Ranch Drive. These driveways will provide access to both surface parking and on level of underground parking.

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<sup>5</sup> *San Franciscans Upholding the Downtown Plan v. the City and County of San Francisco* (2002) 102 Cal.App.4th 656.

Based on the City’s parking requirements for retail and hotel land uses (Section 53 of the Milpitas Municipal Code), the project architect estimates that the project will be required to provide 1,496 stalls. Table 9 shows the breakdown of the parking estimate.

<b>TABLE 9 Project Parking Requirements (Based On City Code)</b>			
<b>Land Use</b>	<b>Parking Ratio</b>	<b>Size of Use</b>	<b>Parking Requirement</b>
Retail/Service	1 per 200 sf	139,927 sf	700
Restaurant – Sit Down	1 per 39 sf	6,907 sf	178
Restaurant – Take Out	1 per 2.5 seats plus 1 per 60 sf of ordering/take-out area	340 seats 12,519 sf	345
Office	1 per 240 sf	1,452 sf	7
Entertainment	1 per 200 sf	12,358 sf	14
Lodging	1 per room plus 2 per manager unit	250 rooms	252
<b>Total</b>			<b>1,496</b>

The entire project site, including the buildings not proposed for demolition, currently has 2,186 parking stalls. Of the 2,186 parking stalls, 551 parking stalls are required for the existing buildings that will remain on-site. The remaining

parking spaces will be removed and replaced with 1,300 parking spaces within an underground parking garage (835 spaces) and a reconfigured surface lot (465 spaces).

Based on the estimated parking requirement, the project will be over parked by 14 spaces. Therefore, the proposed project would comply with the City’s parking requirements. **(Less Than Significant Impact)**

#### **4.2.4 Mitigation and Avoidance Measures for Transportation Impacts**

The following mitigation measures, proposed by the project, identify roadway improvements to reduce the identified traffic impacts. The feasibility of the mitigation measures are addressed below.

##### ***City of Milpitas Intersection Impacts – Existing Plus Project***

1. McCarthy Boulevard and SR 237 WB Ramps (No. 9): Restriping the westbound through lane to a right turn lane to provide two right-turn lanes will be completed prior to issuance of occupancy permits for the proposed project. Signal modification would also occur to create a right-turn overlap phase. No right-of-way acquisition would be required. Implementation of this mitigation would result in an improvement in intersection operations in the mid-day Peak Hour.

##### ***City of Milpitas Intersection Impacts – Background Plus Project***

1. McCarthy Boulevard and SR 237 WB Ramps (No. 9): Restriping the westbound through lane to a right turn lane to provide two right-turn lanes will be completed prior to issuance of occupancy permits for the proposed project. Signal modification would also occur to create a right-turn overlap phase. No right-of-way acquisition would be required.

Implementation of this mitigation would result in the intersection operations improving from LOS E to LOS C in the PM Peak Hour.

2. McCarthy Boulevard and Bellew Drive (No. 16): Restriping the eastbound approach of Bellew Drive to provide two left-turn lanes and one shared through/right-turn lane will be completed prior to issuance of occupancy permits for the proposed project. No right-of-way acquisition would be required. Implementation of this mitigation would result in the intersection operations improving from LOS F to D- in the PM Peak Hour.
3. McCarthy Boulevard and Alder Drive (No. 17): A second southbound left-turn lane from McCarthy Boulevard to Alder Drive will be constructed prior to issuance of occupancy permits for the proposed project. Right-of-way acquisition from the property on the west side of McCarthy Drive will be required by the applicant. This improvement will result in a lengthening of the crosswalk and/or modification of signal phasing that could increase the crossing distance/time for pedestrians. The traffic engineer determined that this would have no significant impact on pedestrian facilities. Implementation of this mitigation would result in the intersection operations improving from LOS F to D in the PM Peak Hour.
4. Tasman Drive and Alder Drive (No. 19): Conversion of one southbound through lane on Alder Drive to a left-turn lane, which will result in a total of three southbound left-turn lanes, will be completed prior to issuance of occupancy permits. No right-of-way acquisition would be required. Implementation of this mitigation would result in the intersection operations improving from LOS F to E and a decrease in delay to 60.1 seconds, thereby improving the operation of the intersection compared to background conditions without the project.
5. McCarthy Boulevard and S. Ranch Drive (No. 8): There are no feasible mitigation measures available to reduce project impacts on the McCarthy Boulevard/S. Ranch Drive intersection to a less than significant level. Increasing the capacity of southbound through or right-turn movements would result in secondary effects of tree removal, lengthening of crosswalks, and/or modifications of signal phasing that could increase the crossing time and distance for pedestrians. As previously determined in the Campus at McCarthy Ranch Final EIR (March 2009), the right-of-way cannot be acquired and the secondary impacts to pedestrian and bicycle facilities are not acceptable to the City as it would impact the use of other modes of transportation. Therefore, this impact would be significant and unavoidable.

### ***CMP Intersection Impacts – Background Plus Project***

1. McCarthy Boulevard/O’Toole Avenue and Montague Expressway (No. 28): Restripe northbound O’Toole Avenue approach from Rincon to Montague Expressway to provide a dedicated right-turn lane from O’Toole Avenue onto Montague Expressway. Associated traffic signal modification would also be implemented. No right-of-way acquisition would be required. With implementation of this mitigation the intersection would operate at LOS D in the AM Peak Hour, but would continue to operate at LOS F in the PM Peak Hour. The improvement would, however, reduce the delay below background conditions, thereby improving the functionality of the intersection and reducing the projects impact to less than significant.

### ***Freeway Segment Impacts***

The mitigation for freeway impacts is typically the provision of increased capacity in the form of additional mainline or auxiliary lanes. There are no feasible mitigation measures available (such as a fair share contribution to a congestion management plan or capital improvement program for freeway improvements) to reduce project impacts on local freeway study segment to a less than significant level. It is beyond the capacity of any one project to acquire right-of-way and fully fund a major freeway mainline improvement. Freeway improvements also would require approval by Caltrans, and as such neither the project applicant nor the City can guarantee implementation of any improvement in the freeway right-of-way. Therefore, the project's impact to the McCarthy Boulevard to I-880 EB freeway segment on SR 237 would be significant and unavoidable.

#### **4.2.5 Conclusion**

With implementation of the proposed mitigation, the project would have a less than significant impact the following intersections under background plus project conditions:

- McCarthy Boulevard and SR 237 WB Ramps (No. 9)
- McCarthy Boulevard and Bellew Drive (No. 16)
- McCarthy Boulevard and Alder Drive (No. 17)
- Tasman Drive and Alder Drive (No. 19)
- McCarthy Boulevard/O'Toole Avenue and Montague Expressway (No. 28)

#### **(Less Than Significant Impact With Mitigation)**

There are no feasible mitigation measures to reduce the impact to the McCarthy Boulevard and S. Ranch Drive (No. 8) intersection. **(Significant Unavoidable Impact)**

There are no feasible mitigation measures to reduce the identified freeway segment impact. **(Significant Unavoidable Impact)**

## 4.3 AIR QUALITY

The following discussion is based, in part, on an air quality analysis prepared by *Illingworth & Rodkin* in December 2012. The report can be found in Appendix C.

### 4.3.1 Setting

Air quality is determined by the concentration of various pollutants in the atmosphere. Units of concentration are expressed in parts per million (ppm) or micrograms per kilograms ( $\mu\text{g}/\text{kg}$ ).

The amount of a given pollutant in the atmosphere is determined by the amount of pollutants released within an area, transport of pollutants to and from surrounding areas, local and regional meteorological conditions, and the surrounding topography of the air basin. The major determinants of transport and dilution are wind, atmospheric stability, terrain and, for photochemical pollutants, sun light.

Milpitas is located in the southern portion of the San Francisco Bay Area Air Basin. The proximity of this location to both the Pacific Ocean and San Francisco Bay has a moderating influence on the climate. Northwest and northerly winds are most common in the project area, reflecting the orientation of the Bay and the San Francisco Peninsula. Winds from these directions carry pollutants released by autos and factories from upwind areas of the Peninsula toward Santa Clara, particularly during the summer months. Winds are lightest on average in fall and winter. Every year in fall and winter there are periods of several days when winds are very light and local pollutants can build up.

Air quality standards for ozone are typically exceeded when relatively stagnant conditions occur for periods of several days during the warmer months of the year. Weak wind flow patterns combined with strong inversions substantially reduce normal atmospheric mixing. Key components of ground-level ozone formation are sunlight and heat. Significant ozone formation, therefore, only occurs during the months from late spring through early fall. Prevailing winds during the summer and fall can transport and trap ozone precursors from the more urbanized portions of the Bay Area. Meteorological factors make air pollution potential in the Santa Clara Valley quite high.

Pollutants can be diluted by mixing in the atmosphere both vertically and horizontally. Vertical mixing and dilution of pollutants are often suppressed by inversion conditions, when a warm layer of air traps cooler air close to the surface. During the summer, inversions are generally elevated above ground level, but are present over 90 percent of the time in both the morning and afternoon. In winter, surface-based inversions dominate in the morning hours, but frequently dissipate by afternoon.

Topography can restrict horizontal dilution and mixing of pollutants by creating a barrier to air movement. The South Bay has significant terrain features that affect air quality. The Santa Cruz Mountains and Diablo Range on either side of the South Bay restrict horizontal dilution, and this alignment of the terrain also channels winds from the north to south, carrying pollution from the northern Peninsula toward Milpitas.

The combined effects of moderate ventilation, frequent inversions that restrict vertical dilution and terrain that restrict horizontal dilution give Santa Clara a relatively high atmospheric potential for pollution compared to other parts of the San Francisco Bay Air Basin and provide a high potential for transport of pollutants to the east and south.

#### **4.3.1.1 Overall Regulatory Setting**

The significance of a pollutant concentration is determined by comparing the pollutant levels to an appropriate ambient air quality standard. The standards set the level of pollutant concentrations allowable while protecting general public health and welfare.

The Federal Clean Air Act (Federal CAA) establishes pollutant thresholds for air quality in the United States. In addition to being subject to Federal requirements, California has its own more stringent regulations under the California Clean Air Act (California CAA). At the Federal level, the U.S. Environmental Protection Agency (EPA) administers the CAA. The California CAA is administered by the California Air Resources Board (CARB) at the State level and by the Air Quality Management District's at the regional and local levels. The Bay Area Air Quality Management District (BAAQMD) regulates air quality in the nine-county Bay Area.

The U.S. EPA is responsible for establishing the National Ambient Air Quality Standards (NAAQS) which are required under the Federal CAA. The U.S. EPA regulates emission sources that are under the exclusive authority of the Federal government, such as aircraft, ships, and certain types of locomotives. The agency also established various emission standards for vehicles sold in states other than California. Automobiles sold in California must meet the stricter emission standards established by CARB.

#### ***California Air Resources Board***

As stated above, CARB (which is part of the California EPA) is responsible for meeting the State requirements of the Federal CAA, administering the California CAA, and establishing the California Ambient Air Quality Standards (CAAQS). The California CAA requires all air districts in the State to achieve and maintain CAAQS. CARB regulates mobile air pollution sources such as motor vehicles. The agency is responsible for setting emission standards for vehicles sold in California and for other emission sources, such as consumer products and certain off-road equipment. CARB has established passenger vehicle fuel specifications and oversees the functions of local air pollution control districts and air quality management districts, which in turn administer air quality activities at the regional and county level. CARB also conducts or supports research into the effects of air pollution on the public and develops approaches to reduce air pollutant emissions.

#### ***Bay Area Air Quality Management District***

BAAQMD is primarily responsible for ensuring that the national and State ambient air quality standards are attained and maintained in the Bay Area. These ambient air quality standards are levels of contaminants which represent safe levels that avoid specific adverse health effects associated with each pollutant. The ambient air quality standards cover what are called "criteria" pollutants because

the health and other effects of each pollutant are described in criteria documents. Table 10 identifies the major criteria pollutants, characteristics, health effects, and typical sources for the Bay Area.

<b>TABLE 10 Major Criteria Pollutants</b>			
<b>Pollutant</b>	<b>Characteristics</b>	<b>Health Effects</b>	<b>Major Sources</b>
Ozone	A highly reactive photochemical pollutant created by the action of sun light on ozone precursors. Often called photochemical smog.	<ul style="list-style-type: none"> <li>- Eye Irritation</li> <li>- Respiratory function impairment</li> </ul>	The major sources of ozone precursors are combustion sources such as factories and automobiles, and evaporation of solvents and fuels.
Carbon Monoxide	Carbon monoxide is an odorless, colorless gas that is highly toxic. It is formed by the incomplete combustion of fuels.	<ul style="list-style-type: none"> <li>- Impairment of oxygen transport in the bloodstream</li> <li>- Aggravation of cardiovascular disease</li> <li>- Fatigue, headache, confusion, dizziness</li> <li>- Can be fatal in the case of very high concentrations</li> </ul>	Automobile exhaust, combustion of fuels, combustion of wood in wood stoves and fireplaces.
Nitrogen Dioxide	Reddish-brown gas that discolors the air, formed during combustion.	<ul style="list-style-type: none"> <li>- Increased risk of acute and chronic respiratory disease</li> </ul>	Automobile and diesel truck exhaust, industrial processes, and fossil-fueled power plants.
Sulfur Dioxide	Sulfur dioxide is a colorless gas with a pungent, irritating odor.	<ul style="list-style-type: none"> <li>- Aggravation of chronic obstruction lung disease</li> <li>- Increased risk of acute and chronic respiratory disease</li> </ul>	Diesel vehicle exhaust, oil-powered power plants, and industrial processes.
Particulate Matter	Solid and liquid particles of dust, soot, aerosols and other matter that are small enough to remain suspended in the air for a long period of time.	<ul style="list-style-type: none"> <li>- Aggravation of chronic disease and heart/lung disease symptoms</li> </ul>	Combustion, automobiles, field burning, factories and unpaved roads. Also a result of photochemical processes.

BAAQMD is also responsible for adopting and enforcing rules and regulations concerning air pollutant sources, issuing permits for stationary sources of air pollutants, inspecting stationary sources of air pollutants, responding to citizen complaints, monitoring ambient air quality and meteorological conditions, awarding grants to reduce motor vehicle emissions, conducting public education campaigns, and many other associated activities. BAAQMD has jurisdiction over much of the nine-county Bay Area, including Milpitas.

## National and State Ambient Air Quality Standards

The ambient air quality in a given area depends on the quantities of pollutants emitted within the area, transport of pollutants to and from the surrounding areas, local and regional meteorological conditions, and the surrounding topography of the air basin. Air quality is described by the concentration of various pollutants in the atmosphere. The significance of the pollutant concentration is determined by comparing the concentration to an appropriate ambient air quality standard. The standards represent the allowable pollutant concentrations designed to ensure that the public health and welfare are protected, while including a reasonable margin of safety to protect the more sensitive individuals in the population.

As required by the Federal CAA, the NAAQS have been established for six major air pollutants; carbon monoxide (CO), nitrogen oxides (NO<sub>x</sub>), ozone (O<sub>3</sub>), respirable particulate matter (PM<sub>10</sub>), fine particulate matter (PM<sub>2.5</sub>), sulfur oxides (SO<sub>x</sub>), and lead (Pb). Pursuant to the California CAA, the State of California has also established ambient air quality standards. The CAAQS are generally more stringent than the corresponding Federal standards and incorporate additional standards for pollutants such as sulfates, hydrogen sulfide, vinyl chloride and visibility reducing particles. Both State and Federal standards are summarized in Table 11. The “primary” standards have been established to protect the public health. The “secondary” standards are intended to protect the nation’s welfare and account for adverse air pollutant effects on soil, water, visibility, materials, vegetation and other aspects of the general welfare. Because CAAQS are more stringent than NAAQS, CAAQS are used as the applicable standard in this analysis.

Pollutant	Averaging Time	California Standards	National Standards	
			Primary	Secondary
Ozone	1-hour	0.09 ppm	---	Same as primary
	8-hour	0.070 ppm	0.075 ppm	---
Carbon monoxide	1-hour	20 ppm	35 ppm	---
	8-hour	9.0 ppm	9.0 ppm	---
Nitrogen dioxide	1-hour	0.18 ppm	0.10 ppm	---
	Annual	0.030 ppm	0.053 ppm	Same as primary
Sulfur dioxide	1-hour	0.25 ppm	0.075 ppm	---
	3-hour	---	---	0.5 ppm
	24-hour	0.04 ppm	---	---
PM <sub>10</sub>	24-hour	50 µg/m <sup>3</sup>	150 µg/m <sup>3</sup>	Same as primary
	Annual	20 µg/m <sup>3</sup>	---	---
PM <sub>2.5</sub>	24-hour	---	35 µg/m <sup>3</sup>	Same as primary
	Annual	12 µg/m <sup>3</sup>	12 µg/m <sup>3</sup>	Same as primary
Lead	Calendar Quarter	---	1.5 µg/m <sup>3</sup>	Same as primary
	30-day average	1.5 µg/m <sup>3</sup>	---	---

Source: California Air Resources Board, June 2012.<sup>6</sup>

<sup>6</sup> California Air Resources Board Website. <http://www.arb.ca.gov/homepage.htm>

## ***Regional Clean Air Plans***

The BAAQMD and other agencies prepare clean air plans in response to the State and Federal CAA. The City of Milpitas also has General Plan policies that encourage development that reduces air quality impacts. In addition, BAAQMD has developed CEQA Guidelines to assist local agencies in evaluating and mitigating air quality impacts in CEQA documents. The regional clean air plan is the 2010 Bay Area Clean Air Plan (CAP). A description of this plan and the City of Milpitas's relevant General Plan policies is provided in Section 3.0, *Consistency with Plans and Policies*.

### **4.3.1.2 Existing Air Quality Conditions**

Air quality studies generally focus on five criteria pollutants that are most commonly measured and regulated: CO, ground level ozone, nitrogen dioxide (NO<sub>2</sub>), sulfur dioxide (SO<sub>2</sub>), and suspended particulate matter (PM<sub>10</sub> and PM<sub>2.5</sub>). In Santa Clara County, ozone and particulate matter are the pollutants of greatest concern since measured air pollutant levels exceed the State and Federal air quality standards concentrations at times.

#### ***Carbon Monoxide***

Carbon monoxide, a colorless and odorless gas, interferes with the transfer of oxygen to the brain. It can cause dizziness and fatigue, and can impair central nervous system functions. Highest CO concentrations measured in the South Bay Area have been well below the national and State ambient standards. Since the primary sources of CO are cars and trucks, highest concentrations would be found near congested roadways that carry large volumes of traffic. Carbon monoxide emitted from a vehicle is highest near the origin of a trip and considerably lower once the automobile is warmed up (usually five to ten minutes into a trip). This is different, however, for vehicles of different ages, where older cars require a longer warm up period.

#### ***Ozone***

While O<sub>3</sub> serves a beneficial purpose in the upper atmosphere (stratosphere) by reducing ultraviolet radiation, when it reaches elevated concentrations in the lower atmosphere it can be harmful to the human respiratory system and to sensitive species of plants. Ozone concentrations build to peak levels during periods of light winds, bright sunshine, and high temperatures. Short-term O<sub>3</sub> exposure can reduce lung function in children, make persons susceptible to respiratory infection, and produce symptoms that cause people to seek medical treatment for respiratory distress. Long-term exposure can impair lung defense mechanisms and lead to emphysema and chronic bronchitis. Sensitivity to O<sub>3</sub> varies among individuals, but about 20 percent of the population is sensitive to O<sub>3</sub>, with exercising children being particularly vulnerable. Ozone is formed in the atmosphere by a complex series of photochemical reactions that involve "ozone precursors" that are two families of pollutants: oxides of nitrogen (NO<sub>x</sub>) and reactive organic gases (ROG). Nitrogen oxides and ROG are emitted from a variety of stationary and mobile sources. While NO<sub>2</sub>, an oxide of nitrogen, is another criteria pollutant itself, ROGs are not in that category, but are included in this discussion as O<sub>3</sub> precursors. The U.S. EPA recently established a new more stringent standard for O<sub>3</sub> of 0.75 ppm for 8-hour exposures, based on a review of the latest new scientific evidence.

## ***Nitrogen Dioxide***

Nitrogen dioxide, a reddish-brown gas, irritates the lungs. Exposure to NO<sub>2</sub> can cause breathing difficulties at high concentrations. Clinical studies suggest that NO<sub>2</sub> exposure to levels near the current standard may worsen the effect of allergens in allergic asthmatics, especially in children. Similar to O<sub>3</sub>, NO<sub>2</sub> is not directly emitted, but is formed through a reaction between nitric oxide (NO) and atmospheric oxygen. Nitric oxide and NO<sub>2</sub> are collectively referred to as NO<sub>x</sub> and are major contributors to O<sub>3</sub> formation. Nitrogen oxides are emitted from combustion of fuels, with higher rates at higher combustion temperatures. Nitrogen dioxide also contributes to the formation of PM<sub>10</sub> (see discussion of PM<sub>10</sub> below). Monitored levels in the Bay Area are well below ambient air quality standards.

## ***Sulfur Oxides***

Sulfur oxides, primarily SO<sub>2</sub>, are a product of high-sulfur fuel combustion. The main sources of SO<sub>2</sub> are coal and oil used in power stations, in industries, and for domestic heating. Sulfur oxides are an irritant gas that attacks the throat and lungs. It can cause acute respiratory symptoms and diminished breathing functions in children. Concentrations of SO<sub>2</sub> in the Bay Area are at levels well below the State and national standards, but further reductions in emissions are needed to attain compliance with standards for PM<sub>10</sub>, to which SO<sub>2</sub> is a contributor.

## ***PM<sub>10</sub> and PM<sub>2.5</sub>***

Respirable particulate matter (PM<sub>10</sub>), and fine particulate matter (PM<sub>2.5</sub>) consist of particulate matter that is ten microns or less in diameter and 2.5 microns or less in diameter, respectively, and represent fractions of particulate matter that can be inhaled and cause adverse health effects. Both PM<sub>10</sub> and PM<sub>2.5</sub> are health concerns, particularly at levels above the Federal and State ambient air quality standards. Scientific studies have suggested links between fine particulate matter and numerous health problems including asthma, bronchitis, and acute and chronic respiratory symptoms such as shortness of breath and labored breathing. Children are more susceptible to the health risks of PM<sub>2.5</sub> because their immune and respiratory systems are still developing.

Both PM<sub>10</sub> and PM<sub>2.5</sub> pose a greater health risk than larger particles because these tiny particles can penetrate the human respiratory system's natural defenses and damage the respiratory tract, increasing the number and severity of asthma attacks, cause or aggravate bronchitis and other lung diseases, and reduce the body's ability to fight infections. Whereas larger particles tend to collect in the upper portion of the respiratory system, PM<sub>2.5</sub> is miniscule and can penetrate deeper into the lungs and damage lung tissues. Suspended particulates also damage and discolor surfaces on which they settle, as well as produce haze and reduce regional visibility. Most stations in the Bay Area reported exceedances of the State standard on the same fall/winter days as reported in the South Bay. This indicates a regional air quality problem.

The primary sources of these pollutants are wood smoke and local traffic. Meteorological conditions that are common during this time of the year produce calm winds and strong surface-based inversions that trap pollutants near the surface. The high levels of PM<sub>10</sub> result in not only health effects, but also reduced visibility.

## ***Air Monitoring Data***

Air quality in the region is controlled by the rate of pollutant emissions and meteorological conditions. Meteorological conditions, such as wind speed, atmospheric stability, and mixing height may all affect the atmosphere's ability to mix and disperse pollutants. Long-term variations in air quality typically result from changes in air pollutant emissions, while frequent, short-term variations result from changes in atmospheric conditions. The San Francisco Bay Area is considered to be one of the cleanest metropolitan areas in the country with respect to air quality. BAAQMD monitors air quality conditions at over 30 locations throughout the Bay Area.

As shown in Table 12, violations of State and Federal standards at the downtown San José monitoring station (the nearest monitoring station to the project site) during the 2009-2011 period (the most recent years for which data is available) include high levels of ozone, PM<sub>10</sub>, and PM<sub>2.5</sub>.<sup>7</sup> Violations of the CO standard have not been recorded since 1992.

<b>TABLE 12</b>				
<b>Number of Ambient Air Quality Standards Violations and Highest Concentrations (2009-2011)</b>				
<b>Pollutant</b>	<b>Standard</b>	<b>Days Exceeding Standard</b>		
		<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>SAN JOSÉ STATION</b>				
Ozone	State 1-hour	0	5	1
	Federal 8-hour	0	3	0
Carbon Monoxide	Federal 8-hour	0	0	0
	State 8-hour	0	0	0
Nitrogen Dioxide	State 1-hour	0	0	0
PM <sub>10</sub>	Federal 24-hour	0	0	0
	State 24-hour	0	0	0
PM <sub>2.5</sub>	Federal 24-hour	0	3	3

Source: Bay Area Management District, Bay Area Air Pollution Summary

## ***Attainment Status***

The Federal CAA and the California CAA of 1988 require that CARB, based on air quality monitoring data, designate portions of the state where Federal or State ambient air quality standards are not met as “nonattainment areas”. Because of the differences between the Federal and State standards, the designation of “nonattainment area” is different under the Federal and State legislation. Under the California CAA, Santa Clara County is a nonattainment area for O<sub>3</sub> and PM<sub>10</sub>. The County is either in attainment or unclassified for other pollutants. Under the Federal CAA, the entire Bay Area region is classified as nonattainment for the 24-hour PM<sub>2.5</sub> standard. The U.S. EPA grades the region as in attainment or unclassified for all other air pollutants, included PM<sub>10</sub>.

<sup>7</sup> PM refers to Particulate Matter. Particulate matter is referred to by size (i.e., 10 or 2.5) because the size of particles is directly linked to their potential for causing health problems.

#### **4.3.1.3 Toxic Air Contaminants**

The Federal Clean Air Act defines Hazardous Air Pollutants (HAPs) as air contaminants identified by U.S. EPA as known or suspected to cause cancer, serious illness, birth defects, or death. In California, Toxic Air Contaminants (TACs) include all HAPs, plus other contaminants identified by CARB as known to cause morbidity or mortality (cancer risk). TACs are found in ambient air, especially in urban areas, and are caused by industry, agriculture, fuel combustion, and commercial operations (e.g., dry cleaners). TACs are typically found in low concentrations, even near their source (e.g., benzene near a freeway). Because chronic exposure can result in adverse health effects, TACs are regulated at the regional, State, and Federal level.

Diesel exhaust is the predominant TAC in urban air and is estimated to represent about two-thirds of the cancer risk from TACs (based on the Statewide average). Diesel particulate matter (DPM) is of particular concern since it can be distributed over large regions, thus leading to widespread public exposure. CARB has adopted and implemented a number of regulations for stationary and mobile sources to reduce emissions of DPM. Several of these regulatory programs affect medium and heavy duty diesel trucks that represent the bulk of DPM emissions from California highways. These regulations include the solid waste collection vehicle (SWCV) rule, in-use public and utility fleets, and the heavy-duty diesel truck and bus regulations.

#### **4.3.1.4 Odors**

Common sources of odors include wastewater treatment plants, transfer stations, coffee roasters, painting/coating operations, etc. The project site is located approximately 0.75 miles west of the San José/Santa Clara Water Pollution Control Plant and approximately 1.75 miles southwest of the Newby Island Landfill.

#### **4.3.1.5 Sensitive Receptors**

There are groups of people more affected by air pollution than others. CARB has identified children under 14, the elderly over 65, athletes, and people with cardiovascular and chronic respiratory diseases as people most likely to be affected by air pollution. These groups are classified as sensitive receptors. Locations that may contain a high concentration of sensitive population groups include residential areas, hospitals, daycare facilities, elder care facilities, elementary schools, and parks. There is a single-family residential neighborhood more than 1,000 feet east of the area of the project site slated for construction. The neighborhood is separated from the project site by additional retail stores and I-880 and would not be impacted by the project site.

#### **4.3.2 Thresholds of Significance**

For the purposes of this EIR, an air quality impact is considered significant if the project would:

- Conflict with or obstruct implementation of the applicable air quality plan;
- Violate any air quality standard or contribute substantially to an existing or projected air quality violation;

- Result in a cumulatively considerable net increase of any criteria pollutant for which the project region is classified as non-attainment under an applicable Federal or State ambient air quality standard (including releasing emissions that exceed quantitative thresholds for ozone precursors);
- Expose sensitive receptors to substantial pollutant concentrations; or
- Create objectionable odors affecting a substantial number of people.

#### 4.3.2.1 CEQA Thresholds Used in the Analysis

As discussed in CEQA Guidelines Section 15064(b), the determination of whether a project may have a significant effect on the environment calls for careful judgment on the part of the Lead Agency and must be based to the extent possible on scientific and factual data. The City of Milpitas, and other jurisdictions in the San Francisco Bay Area Air Basin, often utilize the thresholds and methodology for assessing air emissions and/or health effects developed by the BAAQMD based upon the scientific and other factual data prepared by BAAQMD in developing those thresholds.

In December 2010, the California Building Industry Association (BIA) filed a lawsuit in Alameda County Superior Court challenging TACs and PM<sub>2.5</sub> thresholds adopted by BAAQMD in its 2010 CEQA Air Quality Guidelines (*California Building Industry Association v. Bay Area Air Quality Management District*, Alameda County Superior Court Case No. RG10548693). One of the identified concerns is inhibiting infill and smart growth in the urbanized Bay Area. On March 5, 2012, the Superior Court found that the adoption of thresholds by the BAAQMD in its CEQA Air Quality Guidelines is a CEQA project and BAAQMD is not to disseminate officially sanctioned air quality thresholds of significance until BAAQMD fully complies with CEQA. No further findings or rulings on the thresholds in the BAAQMD CEQA Air Quality Guidelines were made. The decision is currently being appealed to the California Court of Appeals, 1<sup>st</sup> District (case A136212).

The City understands the effect of the lawsuit to be that BAAQMD may eventually prepare an environmental review document before BAAQMD adopts the same or revised thresholds. However, the ruling in the case does not equate to a finding that the quantitative metrics in the BAAQMD thresholds are incorrect or unreliable for meeting goals in the Bay Area 2010 Clean Air Plan. Moreover, as noted above, the determination of whether a project may have a significant effect on the environment is subject to the discretion of each Lead Agency, based upon substantial evidence. Notwithstanding the BIA lawsuit, which has no binding or preclusive effect on the City of Milpitas's discretion to decide on the appropriate thresholds to use for determining the significance of air quality impacts, the City has carefully considered the thresholds previously prepared by BAAQMD and regards the thresholds listed below to be based on the best information available for the San Francisco Bay Area Air Basin and conservative in terms of the assessment of health effects associated with TACs and PM<sub>2.5</sub>. Evidence supporting these thresholds has been presented in the following documents:

- BAAQMD. *Thresholds Options and Justification Report*. 2009.
- BAAQMD. *CEQA Air Quality Guidelines*. May 2011. (Appendix D).
- California Air Pollution Control Officers Association (CAPCOA). *Health Risk Assessments for Proposed Land Use Projects*. 2009.

- California Environmental Protection Agency, California Air Resources Board (CARB). *Air Quality and Land Use Handbook: A Community Health Perspective*. 2005.

The analysis in this EIR is based upon the general methodologies in the most recent BAAQMD CEQA Air Quality Guidelines (dated May 2012) and numeric thresholds for the San Francisco Bay Basin, including the thresholds listed in Table 13.

<b>TABLE 13</b>			
<b>Thresholds of Significance Used in Air Quality Analyses</b>			
<b>Pollutant</b>	<b>Construction</b>	<b>Operation-Related</b>	
	<b>Average Daily Emissions (pounds/day)</b>	<b>Average Daily Emissions (pounds/day)</b>	<b>Maximum Annual Emissions (tons/year)</b>
<b>ROG, NO<sub>x</sub></b>	54	54	10
<b>PM<sub>10</sub></b>	82 (exhaust)	82	15
<b>PM<sub>2.5</sub></b>	54 (exhaust)	54	10
<b>Fugitive Dust (PM<sub>10</sub>/PM<sub>2.5</sub>)</b>	BMPs	None	None
<b>Risk and Hazards for New Sources and Receptors (Project)</b>	Same as Operational Threshold	<ul style="list-style-type: none"> <li>• Increased cancer risk of &gt;10.0 in one million</li> <li>• Increased non-cancer risk of &gt; 1.0 Hazard Index (chronic or acute)</li> <li>• Ambient PM<sub>2.5</sub> increase: &gt; 0.3 μ/m<sup>3</sup> [Zone of influence: 1,000-foot radius from property line of source or receptor]</li> </ul>	
<b>Risk and Hazards for New Sources and Receptors (Cumulative)</b>	Same as Operational Threshold	<ul style="list-style-type: none"> <li>• Increased cancer risk of &gt;100 in one million</li> <li>• Increased non-cancer risk of &gt; 10.0 Hazard Index (chronic or acute)</li> <li>• Ambient PM<sub>2.5</sub> increase: &gt; 0.8 μ/m<sup>3</sup> [Zone of influence: 1,000-foot radius from property line of source or receptor]</li> </ul>	
<b>Sources:</b> BAAQMD Thresholds Options and Justification Report (2009) and BAAQMD CEQA Air Quality Guidelines (dated May 2011).			

#### 4.3.2.2 Bay Area 2010 Clean Air Plan

The most recent clean air plan is the *Bay Area 2010 Clean Air Plan* that was adopted by BAAQMD in September 2010. This plan addresses air quality impacts with respect to obtaining ambient air quality standards for non-attainment pollutants (i.e., O<sub>3</sub>, PM<sub>10</sub> and PM<sub>2.5</sub>), reducing exposure of sensitive receptors to toxic air contaminants (TACs), and reducing greenhouse gas (GHG) emissions such that the region can meet AB 32 goals of reducing emissions to 1990 levels by 2020. The consistency of the proposed project with this regional plan is primarily a question of the consistency with the population/employment assumptions utilized in developing the 2010 CAP, which were based on ABAG Projections. The proposed project does not include a General Plan amendment or rezoning, the growth assumptions made under the CAP for the City of Milpitas will not be altered. Therefore, the project would not substantially affect population or traffic forecasts and would be consistent with the CAP.

The 2010 CAP includes emission control measures that are intended to reduce air pollutant emissions in the Bay Area either directly or indirectly. The control measures are divided into five categories that include:

- Measures to reduce stationary and area sources;
- Mobile source measures;
- Transportation control measures;
- Land use and local impact measures; and
- Energy and climate measures

The consistency of the proposed project was evaluated with respect to the relevant control measures. It was determined that area source emissions are controlled through BAAQMD permits and will not be significantly increased as a result of the project. For mobile source emissions, CARB has new regulations requiring the replacement or retrofit of on-road trucks, construction equipment, and other specific equipment that is diesel powered. Because construction equipment will be required to meet CARB standards, construction of the proposed project will not significantly increase emissions. Lastly, the analysis found that because the project will be required to implement a Transportation Demand Management (TDM) program per the City of Milpitas General Plan, it is consistent with the CAP. **(Less Than Significant Impact)**

#### 4.3.2.3 Impacts to Regional and Local Air Quality

Description	ROG	NO <sub>x</sub>	PM <sub>10</sub>	PM <sub>2.5</sub>
Proposed Project 2015	89	127	96	9
Existing Use 2012	82	127	78	7
<b>Net Emissions</b>	<b>7</b>	<b>0</b>	<b>16</b>	<b>2</b>
<b>BAAQMD Thresholds</b>	<b>54</b>	<b>54</b>	<b>82</b>	<b>54</b>
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

The proposed project would construct 152,746 square feet of net new retail space and a 250-room hotel. The operational criteria pollutant emissions of the proposed development were calculated using the CalEEMod model along with vehicle trip generation rates from the TIA. Tables 14 and 15 show estimated daily and annual air emissions from operation of the proposed project.

Description	ROG	NO <sub>x</sub>	PM <sub>10</sub>	PM <sub>2.5</sub>
Proposed Project 2015	16.2	23.1	17.6	1.6
Existing Use 2012	14.9	23.1	14.2	1.3
<b>Net Emissions</b>	<b>1.3</b>	<b>0</b>	<b>3.4</b>	<b>0.3</b>
<b>BAAQMD Thresholds</b>	<b>10</b>	<b>10</b>	<b>15</b>	<b>10</b>
<b>Exceeds Threshold?</b>	<b>No</b>	<b>No</b>	<b>No</b>	<b>No</b>

As shown in Tables 14 and 15, the average daily or annual emissions of ROG, NO<sub>x</sub>, PM<sub>10</sub> exhaust, and PM<sub>2.5</sub> exhaust associated with the project would not exceed the BAAQMD significance thresholds and, as a result, the project would not have a significant operational

air quality impact. **(Less Than Significant Impact)**

Carbon monoxide emissions from traffic generated by the project would be the pollutant of greatest concern at the local level. Congested intersections with a large volume of traffic have the greatest potential to cause high-localized concentrations of CO. BAAQMD screening thresholds indicate that

a project would have a less than significant impact to CO levels if project traffic would not increase traffic levels at any affected intersection to more than 44,000 vehicles per hour. The project would result in a net increase of 5,649 daily traffic trips and the intersections utilized by project traffic currently have traffic volumes of less than 10,000 vehicles per hour. Therefore, the proposed project would not result in significant CO impacts. **(Less Than Significant Impact)**

***Community Risk Impacts***

The BAAQMD recommended thresholds of significance for local community risk and hazard impacts that apply to both the siting of a new source and to the siting of a new receptor. Local community risk and hazard impacts are associated with TACs and PM<sub>2.5</sub> because emissions of these pollutants can have significant health impacts at the local level. The project does not include sensitive receptors and it would not generate TAC emissions from new stationary sources near sensitive receptors. The project would have a less than significant community risk impact. **(Less Than Significant Impact)**

**4.3.2.4 Construction Impacts**

***Criteria Pollutants Impacts***

Emissions from construction-related automobiles, trucks, and heavy equipment are a primary concern due to release of diesel particulate matter (a air toxic contaminant<sup>8</sup> due to its potential to cause cancer), organic TACs from all vehicles, and PM<sub>2.5</sub>, which is a regulated air pollutant.

Construction of the entire project is estimated by the applicant to take 17 months. Construction emissions of the proposed development were calculated using the EMFAC2011 and OFFROAD models. Table 16 shows the estimated daily air emissions from construction of the proposed project.

<b>TABLE 16</b>				
<b>Average Daily Construction Emissions (Pounds/Day)</b>				
<b>Description</b>	<b>ROG</b>	<b>NOx</b>	<b>PM<sub>10</sub></b>	<b>PM<sub>2.5</sub></b>
Off-Road Equipment	2.70	28.80	1.70	1.56
On-Road Worker Trips	0.26	0.31	0.19	0.06
On-Road Vendor Trips	0.45	8.15	0.45	0.28
On-Road Haul Trips	1.28	27.15	1.31	0.86
Architectural Coatings	17.49	NA	NA	NA
<b>Total Emissions</b>	<b>22.18</b>	<b>64.41</b>	<b>3.65</b>	<b>2.76</b>
<b>Thresholds</b>	<b>54</b>	<b>54</b>	<b>82</b>	<b>54</b>
<b>Exceeds Threshold</b>	<b>No</b>	<b>Yes</b>	<b>No</b>	<b>No</b>

Construction of the project would involve demolition of four of the existing buildings and a portion of the parking lot, excavation for the underground parking structure, site grading, trenching, paving, building construction, and architectural coatings. As shown in Table 16, the emissions of ROG, PM<sub>10</sub> exhaust, and PM<sub>2.5</sub>

exhaust associated with construction of the project would not exceed the significance thresholds. NO<sub>x</sub>, emissions would, however, exceed the threshold.

<sup>8</sup> A toxic air contaminant is a pollutant that is known or suspected to cause cancer or other serious health effects.

As a condition of approval, the project will be required to implement the following standard dust and exhaust control measures recommended by BAAQMD:

#### Dust Control Measures

- All exposed surfaces (e.g., parking areas, staging areas, soil piles, graded areas, and unpaved access roads) shall be watered two times per day.
- All haul trucks transporting soil, sand, or other loose material off-site shall be covered.
- All visible mud or dirt track-out onto adjacent public roads shall be removed using wet powered vacuum street sweepers at least once per day. The use of dry power sweeping is prohibited.
- All vehicle speeds on unpaved roads shall be limited to 15 mph.
- All roadways, driveways, and sidewalks to be paved shall be completed as soon as possible. Building pads shall be laid as soon as possible after grading unless seeding or soil binders are used.
- All construction equipment shall be maintained and properly tuned in accordance with manufacturer's specifications. All equipment shall be checked by a certified mechanic and determined to be running in proper condition prior to operation.
- Post a publicly visible sign with the telephone number and person to contract at the Lead Agency regarding dust complaints. This person shall respond and take corrective action within 48 hours. The Air District's phone number shall also be visible to ensure compliance with applicable regulations.

#### Exhaust Control Measures

- Idling times shall be minimized either by shutting equipment off when not in use or reducing the maximum idling time to two minutes. Clear signage shall be provided for construction workers at all access points.
- The project shall develop a plan demonstrating that the off-road equipment (more than 50 horsepower) to be used in the construction project (i.e., owned, leased, and subcontractor vehicles) would achieve a project wide fleet-average 20 percent NO<sub>x</sub> reduction compared to the most recent ARB fleet average. Acceptable options for reducing emissions include the use of late model engines, low-emission diesel products, alternative fuels, engine retrofit technology, after-treatment products, add-on devices such as particulate filters, and/or other options that become available.
- All construction equipment, diesel trucks, and generators shall be equipped with Best Available Control Technology for emissions reductions of NO<sub>x</sub>.
- All contractors shall use equipment that meets ARB's most recent certification standard for off-road heavy duty diesel engines.

With the inclusion of the BAAQMD dust and exhaust control measures, NO<sub>x</sub> emissions would be reduced to approximately 57.21 pounds per day. This still exceeds the threshold of 54 pounds per day. As a result, project construction activities would have a significant NO<sub>x</sub> impact. All other criteria pollutants would be below BAAQMD thresholds and would have a less than significant impact. **(Significant Impact)**

### ***Community Risk Impacts***

Grading and construction activities would result in dust generation (PM<sub>10</sub> and PM<sub>2.5</sub>) with most of the dust occurring during grading activities. The amount of dust generated would be highly variable and is dependent on the size of the area disturbed at any given time, the amount of activity, soil conditions, and meteorological conditions. Sensitive receptors can be adversely affected by dust generated during construction activities, particularly fine particulate matter (PM<sub>2.5</sub>) which can have health effects. Additionally, construction equipment and associated heavy-duty truck traffic generates diesel exhaust which is also a known TAC. The nearest sensitive receptors to the project site are the residences on the east side of I-880, more than 1,000 feet from the project site. Due to the distance between the construction activities and nearest sensitive receptors, the project will have no community risk impacts resulting from construction. **(No Impact)**

### ***Odors***

As noted in Section 4.4.1.4, the project site is located approximately 0.75 miles east of the San José/Santa Clara Water Pollution Control Plant and approximately 1.75 miles southeast of the Newby Island Landfill. The *BAAQMD CEQA Guidelines* establish project screening trigger levels for potential odor impacts. These are minimum distances that need to be provided between new sensitive receptors and various odor sources to avoid the potential for adverse odor impacts. When these minimum distances are not met, the potential for odor impacts exists.

Retail centers and hotels are not considered sensitive receptors and based upon a records check by BAAQMD, there are no previous records of odor complaints in the immediate project area. There are, however, generally complaints from the nearby residential neighborhood on the east side of I-880. The WPCP will be implementing new odor controls over the next few years. Therefore, because there have been no odor complaints on-site, the uses on-site are not considered sensitive, and the WPCP will be implementing new controls, the proposed project will not be significantly impacted by odors. **(Less Than Significant Impact)**

The project would generate localized emissions of diesel exhaust during equipment operation and truck activity. These emissions may be noticeable from time to time by adjacent businesses and customers. Odors would, however, be localized and temporary and will not affect people off-site. **(Less Than Significant Impact)**

#### **4.3.3 Mitigation and Avoidance Measures for Air Quality Impacts**

There is no feasible mitigation to reduce the temporary NO<sub>x</sub> impacts to a less than significant level.

#### **4.3.4 Conclusion**

Even with implementation of the proposed dust and exhaust control measures, construction of the proposed project would have a significant NO<sub>x</sub> impact. **(Significant and Unavoidable Temporary Impact)**

Operation of the proposed project would have a less than significant long-term impact on local and regional air quality. **(Less Than Significant Impact)**

With development and implementation of a TDM program, the proposed project would not conflict with or obstruct implementation of the 2010 CAP. **(Less Than Significant Impact)**

Construction and operation of the proposed project would have a less than significant community risk impact. **(Less Than Significant Impact)**

Operation of the proposed project would have a less than significant odor impact. **(Less Than Significant Impact)**

## 4.4 GREENHOUSE GAS EMISSIONS

The following discussion is based, in part, on a greenhouse gas emissions analysis prepared by *Illingworth & Rodkin* in December 2012. The report can be found in Appendix D.

### 4.4.1 Overview

Unlike emissions of criteria and toxic air pollutants, which have local or regional impacts, emissions of GHGs have a broader, global impact. Global warming associated with the “greenhouse effect” is a process whereby GHGs accumulating in the atmosphere contribute to an increase in the temperature of the earth’s atmosphere. The principal GHGs contributing to global warming and associated climate change are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), and fluorinated compounds. Emissions of GHGs contributing to global climate change are attributable in large part to human activities associated with the transportation, industrial, utility, residential, commercial, and agricultural sectors.

Impacts to California from climate change include shifting precipitation patterns, increasing temperatures, increasing severity and duration of wildfires, earlier melting of snow pack and effects on habitats and biodiversity. Sea levels along the California coast have risen up to seven inches over the last century, and average annual temperatures have been increasing. These and other effects would likely intensify in the coming decades and significantly impact the State's public health, natural and manmade infrastructure, and ecosystems.<sup>9</sup>

#### 4.4.1.1 State of California

##### *AB 32 and CEQA*

The 2006 Global Warming Solutions Act (Assembly Bill (AB) 32) was created to address the Global Warming situation in California. The Act requires that the GHG emissions in California be reduced to 1990 levels by 2020. In addition, the Governor of California signed Executive Order S-3-05 in 2005 which identified the California Environmental Protection Agency (CalEPA) as the lead coordinating State agency for establishing climate change emission reduction targets in California. Under Executive Order S-3-05, the State plans to reduce GHG emissions to 80 percent below 1990 levels by 2050. Additional State law related to the reduction of GHG emissions includes SB 375, the Sustainable Communities and Climate Protection Act (see discussion below).

The California Natural Resources Agency, as required under State law (Public Resources Code Section 21083.05) amended the State CEQA Guidelines to address the analysis and mitigation of GHG emissions. Under the CEQA Guidelines, Lead Agencies, such as the City of Santa Clara, retain discretion to determine the significance of impacts from GHG emissions based upon individual circumstances. Neither CEQA nor the CEQA Guidelines provide a specific methodology for analysis of GHG and under the amendments to the CEQA Guidelines, a Lead Agency may describe,

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<sup>9</sup> State of California Energy Commission. *2009 California Climate Adaptation Strategy Discussion Draft. Frequently Asked Questions*. August 3, 2009. <[www.climatechange.ca.gov/adaptation/documents/2009-07-31\\_Discussion\\_Draft-Adaptation\\_FAQs.pdf](http://www.climatechange.ca.gov/adaptation/documents/2009-07-31_Discussion_Draft-Adaptation_FAQs.pdf)>

calculate or estimate GHG emissions resulting from a project and use a model and/or qualitative analysis or performance based standards to assess impacts.

### ***Senate Bill 375- Redesigning Communities to Reduce Greenhouse Gas Emissions/Plan Bay Area***

Senate Bill 375 (SB 375), the Sustainable Communities and Climate Protection Act of 2008, requires regional transportation plans to include a Sustainable Communities Strategy (SCS) that links transportation and land use planning together into a more comprehensive, integrated process. The SCS is a mechanism for more effectively linking a land use pattern and a transportation system together to make travel more efficient and communities more livable. The result is reduced GHG emissions from passenger vehicles along with other benefits.

The target for the Bay Area is a seven percent per capita reduction in GHG emissions attributable to automobiles and light trucks by 2020 and a 15 percent per capita reduction by 2035. The base year for comparison of emission reductions is 2005. The 2013 Regional Transportation Plan, *Plan Bay Area*, will be the Bay Area's first plan that is subject to SB 375.<sup>10</sup>

#### **4.4.1.2 Regional and Local Plans**

##### ***Bay Area 2010 Clean Air Plan***

The Bay Area 2010 Clean Air Plan (CAP) is a multi-pollutant plan prepared by the Bay Area Air Quality Management District (BAAQMD) that addresses GHG emissions along with other air emissions in the San Francisco Bay Area Air Basin. One of the key objectives in the CAP is climate protection. The 2010 CAP includes emission control measures in five categories: Stationary Source Measures, Mobile Source Measures, Transportation Control Measures, Land Use and Local Impact Measures, and Energy and Climate Measures. Consistency of a project with current control measures is one measure of its consistency with the CAP. The current CAP also includes performance objectives, consistent with the State's climate protection goals under AB 32 and SB 375, designed to reduce emissions of GHGs to 1990 levels by 2020 and 40 percent below 1990 levels by 2035.

#### **4.4.1.3 City of Milpitas Climate Action Plan**

The City of Milpitas is currently preparing a Climate Action Plan and Qualified Greenhouse Gas Emissions Strategy (CAP). The CAP is a strategic planning document that identifies how the City can achieve the GHG reduction targets contained in AB 32. Specifically, the CAP identifies ways in which the community and City can reduce GHG emissions and provide guidance for adapting to the anticipated effects of climate change. The City's Draft CAP (March 2013) looks at five key sectors – energy use, vehicle miles, waste production, water usage, and off-road activities and identifies best practices based on public input to produce a blueprint for achieving GHG emission reductions in Milpitas and ultimately to comply with AB 32 and SB 375.<sup>11</sup>

<sup>10</sup>One Bay Area. "One Bay Area Fact Sheet". Accessed March 5, 2012. Available at: [http://www.onebayarea.org/pdf/SB375\\_OneBayArea-Fact\\_Sheet2.pdf](http://www.onebayarea.org/pdf/SB375_OneBayArea-Fact_Sheet2.pdf)

<sup>11</sup> City of Milpitas Website. <http://www.ci.milpitas.ca.gov/government/planning/climate.asp> Accessed March 27, 2013.

The City will implement the CAP through a variety of programs and with public involvement. The Milpitas community will collectively play a role in achieving the goals of the CAP and, in turn, a sustainable future. Throughout the public engagement process of the CAP, the City will identify and promote the most effective ways to reduce GHG emissions within the community. Through the CAP, the City will establish predictability regarding mitigation strategies to address climate change. Adoption of the CAP is anticipated to be considered by the Milpitas City Council in May 2013.

#### **4.4.1.4 Existing Conditions**

The project site is an existing retail center with some stores currently vacant. The existing land uses generate approximately 8,440 daily traffic trips and operation of these businesses uses electricity and water which results in the emission of GHGs from the site.

#### **4.4.2 Thresholds of Significance**

For the purposes of this EIR, a greenhouse gas emissions impact is considered significant if the project would:

- Generate greenhouse gas emissions, either directly or indirectly, that may have a significant impact on the environment; or
- Conflict with an applicable plan, policy or regulation adopted for the purpose of reducing the emissions of greenhouse gases.

As discussed in CEQA Guidelines Section 15064(b), the determination of whether a project may have a significant effect on the environment calls for careful judgment on the part of the Lead Agency and must be based to the extent possible on scientific and factual data.

The first threshold will be assessed using quantitative thresholds for GHG emissions identified by BAAQMD in 2009. Using a methodology that models how new land use development in the San Francisco Bay area can meet Statewide AB 32 GHG reduction goals, BAAQMD identified a significance threshold of 1,100 metric tons of CO<sub>2</sub>e per year. In addition to this bright-line threshold, an “efficiency” threshold was identified for urban high density, transit-oriented development projects that are intended to reduce vehicle trips but that may still result in overall emissions greater than 1,100 metric tons per year. This efficiency threshold is 4.6 metric tons of CO<sub>2</sub>e per service population (e.g., residents and employees) per year.

The City has carefully considered the thresholds prepared by BAAQMD<sup>12</sup> and regards the quantitative thresholds to be based on the best information available for residential and commercial development in the San Francisco Bay Area Air Basin. Evidence supporting these thresholds has been presented in the following documents:

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<sup>12</sup> In December 2010, the California Building Industry Association (BIA) filed a lawsuit in Alameda County Superior Court challenging adoption of thresholds developed by BAAQMD for its CEQA Air Quality Guidelines (California Building Industry Association v. Bay Area Air Quality Management District, Alameda County Superior Court Case No. RG10548693). On March 5, 2012, the Superior Court found that adoption of thresholds by the BAAQMD in its 2010 CEQA Air Quality Guidelines is a CEQA project and BAAQMD is not to disseminate officially sanctioned air quality thresholds of significance until BAAQMD fully complies with CEQA. No findings or rulings were made on the merit of the thresholds or the substantial evidence supporting the thresholds.

- Bay Area Air Quality Management District (BAAQMD). 2009. *CEQA Thresholds Options and Justification Report*.
- BAAQMD. 2010. *California Environmental Quality Act Air Quality Guidelines*. (Appendix D).
- California Air Resources Board. 2008. *Climate Change Scoping Plan*. (Statewide GHG Emission Targets)

The second threshold listed above will be assessed based upon a review of the project's conformance with applicable plans and policies, including those outlined in Section 4.11.1.

#### **4.4.3 Greenhouse Gas Emissions Impacts**

Given the overwhelming scope of global climate change, it is not anticipated that a single development project would have an individually discernible effect on global climate change. It is more appropriate to conclude that the GHG emissions generated by the proposed project would combine with emissions across the State, Nation, and globe to cumulatively contribute to global climate change.

Greenhouse gas emissions from the proposed project would include emissions from construction and operation of the project. The GHG emissions from the project include:

- Construction emissions;
- Emissions from the manufacture and transport of building materials;
- Mobile emissions (e.g., emissions from combustion of fossil fuels for vehicle trips to and from the site)
- Emissions from the generation of electricity to operate lighting, appliances, and HVAC on the site, and to convey water to the site.

##### **4.4.3.1 Methodology**

The CalEEMod model is used to estimate direct CO<sub>2</sub> emissions from the project and indirect mobile source emissions for both construction and operation of the project.

##### **4.4.3.2 Operational Greenhouse Gas Emissions (Long Term Emissions)**

The proposed project is anticipated to be in full operation by the year 2015. Default energy consumption rates were assumed in the model, and green buildings measures proposed by the project were factored in. The project proposes to apply for LEED Silver certification and has committed to the following specific green building measures:

- Exceed State Title 24 California Energy Code requirements;
- Install high-efficiency lighting;
- Design the project to reduce the "heat island effect";
- Inclusion of low-flow water fixtures and toilets;
- Use of water-efficient landscaping; and
- Implement a site-wide solid waste recycling program.

Table 17 shows a breakdown of the annual operational GHG emissions of the proposed project.

<b>TABLE 17</b>			
<b>Annual Project GHG Emissions in Metric Tons</b>			
<b>Source Category</b>	<b>Existing Emissions</b>	<b>2015 Emissions</b>	<b>2020 Emissions</b>
Energy	684	1,522	1,248
Mobile	12,604	15,254	12,975
Solid Waste	128	237	237
Water	49	74	63
<b>Total</b>	<b>13,465</b>	<b>17,087</b>	<b>14,523</b>
<b>Net Emissions</b>	<b>---</b>	<b>3,622</b>	<b>1,058</b>

Based on the available project data, the project would emit approximately 3,622 MT CO<sub>2</sub>e/year in the first full operational year 2015. This would exceed the bright line 1,100 MT CO<sub>2</sub>e/year significance threshold established by BAAQMD. The State of California requires compliance with emissions reduction limits/standards established in Executive Order S-3-05 and AB 32 by the year 2020. In 2020, the project would emit 1,058 MT CO<sub>2</sub>e/year which is below the bright line 1,100 MT CO<sub>2</sub>e/year significance threshold established by BAAQMD. Therefore, from the year 2020 through the useful life of the project, the project would have a less than significant impact on GHG emissions and would not preclude the State from achieving its GHG reduction goals.

GHG emission rates associated with electricity consumption were adjusted to account for Pacific Gas & Electric utility's (PG&E) projected 2012, 2015 and 2020 CO<sub>2</sub> intensity rate. These rates are based, in part, on the requirement of a renewable energy portfolio standard of 33 percent by the year 2020. As shown in Table 17, the GHG emissions of the project associated with energy use would decrease over time. This decrease would occur as more renewable sources of energy are incorporated in PG&E's energy mix and would be independent of the project.

State regulations currently in place would also reduce GHG emissions from mobile sources (vehicles) over time. These regulations include the Pavley Rule that increases fleet efficiency (reducing fuel consumption) and the low carbon fuel standard.

Although energy use and vehicle trips associated with the project could initially contribute to GHG emissions above the bright-line threshold in the near term (2015), the emissions associated with the project would drop below the threshold prior to the 2020 milestone.

The City of Milpitas is in the process of adopting a Climate Action Plan to address GHG emissions and ensure the City's compliance with State GHG reduction goals. The project will be required, as a Condition of Approval, to comply with the Climate Action Plan, including any trip reduction measures, green building measures, or other measures not already proposed by the project that the City deems necessary to reduce the 2015 GHG emissions below the bright-line threshold. Therefore, the proposed project will have a less than significant GHG impact. **(Less Than Significant Impact)**

#### **4.4.3.3 Construction Greenhouse Gas Emissions (Short Term Emissions)**

GHG emissions would occur during demolition of the existing buildings and hardscape, excavation and grading of the site, and construction of the project. Construction of the project would involve emissions associated with equipment and vehicles used to construct the project, as well as emissions associated with manufacturing materials used to construct the project.

Neither the City of Milpitas nor BAAQMD have quantified thresholds for construction activities. The OFFROAD model was used to calculate CO<sub>2</sub> emissions generated from construction of the proposed project over a period of 17 months starting in 2013 and ending in 2014. It was estimated that construction of the project would emit 1,658 MT of CO<sub>2</sub>.

Given that the emissions would be temporary and that the project is in an urban setting close to construction supplies and equipment, and that the project will implement the best management practices outlined in Section 4.3, *Air Quality*, construction of the project would not contribute substantially to GHG emissions. **(Less than Significant Impact)**

#### **4.4.4 Mitigation and Avoidance Measures for Greenhouse Gas Emissions Impacts**

No mitigation is required or proposed.

#### **4.4.5 Conclusion**

Implementation of the proposed Green Building measures, required TDM program, and consistency with the Climate Action Plan will reduce the identified year 2015 operational GHG impact to a less than significant level. In addition, the project will meet year 2020 reduction goals. Therefore, the project will have a less than significant long-term GHG impact. **(Less Than Significant Impact)**

Construction activities will have a less than significant short-term GHG impact. **(Less Than Significant Impact)**

## 4.5 ENERGY

This section was prepared pursuant to CEQA Guidelines Section 15126.4 (a)(1)(C) and Appendix F which requires that EIRs include a discussion of the potential energy impacts of proposed projects with particular emphasis on avoiding or reducing inefficient, wasteful, and unnecessary consumption of energy. The information in this section is based largely on data and reports produced by the California Energy Commission, the Bay Area Air Quality Management District (BAAQMD), and the Energy Information Administration of the U.S. Department of Energy.

### 4.5.1 Introduction and Regulatory Background

Energy consumption is analyzed in an EIR because of the environmental impacts associated with its production and usage. Such impacts include the depletion of nonrenewable resources (e.g., oil, natural gas, coal, etc.) and emissions of pollutants during both the production and consumption phases.

Energy usage is typically quantified using the British Thermal Unit (Btu).<sup>13</sup> As points of reference, the approximate amount of energy contained in a gallon of gasoline, a cubic foot of natural gas, and a kilowatt hour (kWh) of electricity are 123,000 Btus, 1,000 Btus, and 3,400 Btus, respectively. Utility providers measure gas usage in therms. One therm is approximately equal to 100,000 Btus.

Electrical energy is expressed in units of kilowatts (kW) and kilowatt-hours (kWh). One kilowatt, a measurement of power (energy used over time), equals one thousand joules<sup>14</sup> per second. A kilowatt-hour is a measurement of energy. If run for one hour, a 1,000 watt (1 kW) hair dryer would use one kilowatt-hour of electrical energy. Other measurements of electrical energy include the megawatt (1,000 kW) and the gigawatt (1,000,000 kW).

#### 4.5.1.1 Regulatory Setting

Many federal, state, and local statutes and policies address energy conservation. At the Federal level, energy standards set by the U.S. Environmental Protection Agency (EPA) apply to numerous products (e.g., the EnergyStar™ program). The EPA also sets fuel efficiency standards for automobiles and other modes of transportation. At the State level, Title 24 of the California Building Standards Code sets forth energy standards for buildings, rebates/tax credits are provided for installation of renewable energy systems, and the *Flex Your Power* program promotes conservation in multiple areas. The Title 24 standards have been revised and will be effective January 1, 2014.<sup>15</sup>

In January 2010, the State of California adopted the California Green Building Standards Code (CALGreen) that establishes mandatory green building standards for all buildings in California. The

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<sup>13</sup> The British Thermal Unit (Btu) is the amount of energy that is required to raise the temperature of one pound of water by one degree Fahrenheit.

<sup>14</sup> As defined by the International Bureau of Weights and Measures, the joule is a unit of energy or work. One joule equals the work done when one unit of force (a Newton) moves through a distance of one meter in the direction of the force.

<sup>15</sup> California Energy Commission. "Building Energy Efficiency Program." 2013. Accessed March 15, 2013. Available at: <http://www.energy.ca.gov/title24/>

code covers five categories: planning and design, energy efficiency, water efficiency and conservation, material conservation and resource efficiency, and indoor environmental quality.

At the local level, the City of Milpitas sets green building standards for new private and municipal development. Chapter 20, Title II of the Milpitas Municipal Code defines new construction of different types and sizes based on the number of residential units or for nonresidential, the gross building area of development. Under these regulations, new nonresidential projects constructing over 50,000 square feet of new development such as the proposed project are required to achieve verified LEED<sup>16</sup> Silver certification.

#### **4.5.2 Existing Setting**

Total energy usage in California was approximately 7,826 trillion Btu in the year 2010 (the most recent year for which this specific data was available).<sup>17</sup> The breakdown by sector was approximately 19 percent (1,463 trillion Btu) for residential uses, 19 percent (1,501 trillion Btu) for commercial uses, 22 percent (1,765 trillion Btu) for industrial uses, and 40 percent (3,097 trillion Btu) for transportation.<sup>18</sup> This energy is primarily supplied in the form of natural gas, petroleum, nuclear electric power, and hydroelectric power.

The four buildings to be demolished total 139,710 square feet of commercial retail space. The site also has a large surface parking lot, landscaping, and driveways. Existing energy use primarily consists of fuel for vehicle trips to and from the site, electricity for lighting and cooling, and natural gas for heating and operations within the buildings. Given the nature of land uses on the site, the remainder of this discussion will focus on the three most relevant sources of energy: electricity, natural gas, and gasoline for vehicle trips.

##### **4.5.2.1 Electricity**

Electricity supply in California involves a complex grid of power plants and transmission lines. In 2011, California produced approximately 70 percent of the electricity it consumed; it imported the remaining 30 percent from 11 western states, Canada, and Mexico. Electricity imports from the northwest states were particularly high in 2011 due to an increase in hydroelectric generation resulting from higher precipitation in the northwest.

The bulk of California's electricity comes from power plants. In 2011, 36.5 percent the state's electricity was generated by natural gas, 15.7 percent by nuclear, 13.4 percent by large hydroelectric, 8.4 percent by coal, and 11.5 percent by unspecified sources. Renewable sources such as rooftop

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<sup>16</sup> Created by the non-profit organization United States Green Building Council, LEED (Leadership in Energy and Environmental Design) is a certification system that assigns points for green building measures based on a 110-point rating scale.

<sup>17</sup> United States Energy Information Administration. "Table C4. Total End-Use Energy Consumption Estimates, 2010." Accessed March 13, 2013. Available at:

[http://www.eia.gov/beta/state/seds/data.cfm?infile=/state/seds/sep\\_sum/html/sum\\_use\\_tx.html&sid=CA](http://www.eia.gov/beta/state/seds/data.cfm?infile=/state/seds/sep_sum/html/sum_use_tx.html&sid=CA)

<sup>18</sup> United States Energy Information Administration. "Table C1. Energy Consumption Overview: Estimates by Energy Source and End-Use Sector, 2010". Accessed March 13, 2013. Available at:

[http://www.eia.gov/beta/state/seds/data.cfm?infile=/state/seds/sep\\_sum/html/sum\\_btu\\_1.html&sid=CA](http://www.eia.gov/beta/state/seds/data.cfm?infile=/state/seds/sep_sum/html/sum_btu_1.html&sid=CA)

photovoltaic systems, biomass power plants, and wind turbines, accounted for the remaining 14.5 percent of California's electricity.<sup>19</sup>

Electricity consumption in California increased by approximately 4.6 percent in the last decade, from approximately 260,408 gigawatt hours (GWh) in 2000 to approximately 272,342 GWh in 2010. Electricity consumption is forecast to increase by five to nine percent over 2010 levels by 2015, bringing total consumption to between 286,000 and 296,000 GWh.<sup>20</sup>

Pacific Gas and Electric (PG&E) provides both natural gas and electricity utility service in Milpitas for residential, commercial, industrial, and municipal uses. PG&E generates electricity at hydroelectric, nuclear, renewable, natural gas, and coal facilities. In 2011, natural gas facilities provided 25 percent of PG&E's electricity delivered to retail customers; nuclear plants provide 22 percent; hydroelectric operations provide 18 percent; renewable energy facilities including solar, geothermal, and biomass provide 19 percent; and 15 percent was unspecified.<sup>21</sup> Under the provisions of Senate Bill 107, investor-owned utilities were required to generate 20 percent of their retail electricity using qualified renewable energy technologies by the end of 2010. PG&E's 2011 electricity mix was 19 percent renewable.

Electricity usage for differing land uses varies substantially by the type of uses in a building, the type of construction materials used, and the efficiency of the electricity-consuming devices used. Electricity used in the PG&E Planning Area within which the project is located, is consumed primarily by the commercial sector (41 percent), the residential sector (33 percent), and the industrial sector (approximately 16 percent).<sup>22</sup> Based on BAAQMD's BGM User's Manual, the average annual electricity usage for retail buildings is 12.8 kWh per square foot (sf) per year.<sup>23</sup> The project proposes to demolish four of the existing buildings on-site which total 139,710 square feet. At 12.8 kWh/sf/year, the four existing buildings use approximately 1.8 kWh of electricity per year.<sup>24</sup> In 2011, Santa Clara County consumed approximately 16,384 million kWh of electricity.<sup>25</sup>

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<sup>19</sup> California Energy Commission, Energy Almanac, "Total Electricity System Power." Accessed March 13, 2013. Available at: [http://www.energyalmanac.ca.gov/electricity/total\\_system\\_power.html](http://www.energyalmanac.ca.gov/electricity/total_system_power.html)

<sup>20</sup> California Energy Commission. "2011 Integrated Energy Policy Report (CEC-100-2011-001-CMF)." Page 103. Accessed March 13, 2013. Available at: <http://www.energy.ca.gov/2011publications/CEC-100-2011-001/CEC-100-2011-001-CMF.pdf>

<sup>21</sup> PG&E. "Clean Energy Solutions." Accessed March 13, 2013. Available at: <http://www.pge.com/en/about/environment/pge/cleanenergy/index.page>

<sup>22</sup> California Energy Commission, Energy Consumption Data Management System. "Electricity Consumption by Planning Area, 2011." Accessed March 13, 2013. Available at: <http://ecdms.energy.ca.gov/elecbyplan.aspx>

<sup>23</sup> Bay Area Air Quality Management District. "Draft BAAQMD Greenhouse Gas Model User's Manual." Accessed March 13, 2013. Available at: <http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/CEQA/BGM%20Users%20Manual.aspx?la=en>

<sup>24</sup> All calculations of annual consumption treat one year as 365.25 days to account for leap years.

<sup>25</sup> California Energy Commission, Energy Consumption Data Management System. "Electricity Consumption by County." 2008 (based on 2011 data). Accessed March 15, 2013. Available at: <http://www.ecdms.energy.ca.gov/elecbycounty.aspx>

#### 4.5.2.2 Natural Gas

In 2010, approximately 12 percent of California's natural gas supply came from in-state production, while 88 percent was imported from other western states and Canada.<sup>26</sup> PG&E and two other major gas utilities provide 98 percent of the state's natural gas.<sup>27</sup> PG&E supplies Milpitas with natural gas through underground high-pressure pipes.

The most recent data from the California Energy Commission shows that between 2006 and 2011, on average, approximately 34 percent of the natural gas delivered for consumption in California was for electricity generation, 32 percent for industrial uses, 22 percent for residential uses, 11 percent for commercial uses, and less than one percent for transportation.<sup>28</sup> As with electricity usage, natural gas usage depends on the type of uses in a building, the type of construction materials used, and the efficiency of gas-consuming devices. In commercial buildings such as malls, natural gas is used for heating, ventilation, and air conditioning (HVAC) systems. Restaurants within the malls will also use natural gas for cooking.

Based on the BAAQMD BGM User's Manual, the average annual natural usage for retail buildings is 3,000 Btu per square foot, or 3.0 kBtu/sf per year.<sup>29</sup> The four existing retail buildings use approximately 419,130 kBtu, or 419.13 million Btus (MMBtu) per year. In 2011, the State of California consumed approximately 2.2 trillion cubic feet of natural gas, or 2.26 billion MMBtu.<sup>30,31</sup>

#### 4.5.2.3 Gasoline for Motor Vehicles

California accounts for more than one-tenth of the United States' crude oil production and petroleum refining capacity.<sup>32</sup> In 2010, 21.5 billion gallons of gasoline, diesel, and jet fuel were consumed in California.<sup>33</sup> According to the California Energy Commission's *2011 Integrated Energy Policy Report*, California is experiencing a downward trend in sales of gasoline, diesel, and jet fuel, primarily due to low economic growth and high unemployment. It is expected that this trend will continue in the future due to high fuel prices, efficiency gains, competing fuel technologies, and mandated use of alternative fuels.

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<sup>26</sup> California Energy Commission. "Natural Gas Supply by Region." 2011. Accessed March 13, 2013. Available at: [http://www.energyalmanac.ca.gov/naturalgas/natural\\_gas\\_supply.html](http://www.energyalmanac.ca.gov/naturalgas/natural_gas_supply.html)

<sup>27</sup> California Energy Commission. "Overview of Natural Gas in California." 2013. Accessed March 13, 2013. Available at: <http://www.energyalmanac.ca.gov/naturalgas/overview.html>

<sup>28</sup> U.S. Energy Information Administration. "Natural Gas Summary." January 31, 2013. Accessed March 13, 2013. Available at: [http://www.eia.gov/dnav/ng/ng\\_sum\\_lsum\\_dcu\\_SCA\\_a.htm](http://www.eia.gov/dnav/ng/ng_sum_lsum_dcu_SCA_a.htm)

<sup>29</sup> Bay Area Air Quality Management District. "Draft BAAQMD Greenhouse Gas Model User's Manual." Accessed March 13, 2013. Available at: <http://www.baaqmd.gov/~media/Files/Planning%20and%20Research/CEQA/BGM%20Users%20Manual.ashx?la=en>

<sup>30</sup> United States Energy Information Administration. "Which states consume and produce the most natural gas?" January 15, 2013. Accessed March 15, 2013. Available at: <http://www.eia.gov/tools/faqs/faq.cfm?id=46&t=8>

<sup>31</sup> Conversion uses 1,027 Btu per cubic foot of natural gas.

<sup>32</sup> United States Energy Information Administration. "California State Energy Profile." Available at: <http://www.eia.gov/beta/state/analysis.cfm?sid=CA>

<sup>33</sup> California Energy Commission. "2011 Integrated Energy Policy Report (CEC-100-2011-001-CMF)." Page 139. Accessed March 13, 2013. Available at: <http://www.energy.ca.gov/2011publications/CEC-100-2011-001/CEC-100-2011-001-CMF.pdf>

The average fuel economy for light-duty vehicles (autos, pickups, vans, and SUVs) in the United States has steadily increased from about 13.1 miles-per-gallon (mpg) in the mid-1970s to 22.6 mpg in 2011 (estimated).<sup>34</sup> Federal fuel economy standards have changed substantially since the Energy Independence and Security Act was passed in 2007. That standard, which originally mandated a national fuel economy standard of 35 miles per gallon by the year 2020, was subsequently revised to apply to cars and light trucks of Model Years 2011-2016.<sup>35</sup> In 2012, the Federal government raised the fuel economy standard to 54.5 miles per gallon for cars and light-duty trucks by Model Year 2025.<sup>36</sup>

The BAAQMD URBEMIS 2007 model, which takes into account the land use type, size, and location, estimates that the average length of vehicle trips to and from the existing mall for employees and customers is 7.4 miles. The four buildings that the project proposes to demolish generate approximately 8,440 daily trips (see Table 6 of TIA, Appendix B of the EIR). Thus the daily total vehicle miles travelled (VMT) to and from the four buildings on the project site is 62,397 miles. Based on the 2011 EPA estimated average fuel economy of 22.6 miles per gallon the existing retail development results in the consumption of approximately 2,761 gallons of gasoline per day. Annually, the existing 139,710 square feet of retail space accounts for the use of 1,008,428 gallons of gasoline.

#### **4.5.3 Thresholds of Significance**

Based on Appendix F of the CEQA Guidelines, and for the purposes of this EIR, a project will result in a significant energy impact if the project will:

- Use fuel or energy in a wasteful manner; or
- Result in a substantial increase in demand upon energy resources in relation to projected supplies; or
- Result in longer overall distances between jobs and housing.

#### **4.5.4 Energy Impacts**

##### **4.5.4.1 Estimated Energy Use of the Proposed Project**

Implementation of the project would result in the construction of 292,186 square feet of total new commercial retail space (a net increase of 152,476 square feet) and a 178,692 square foot hotel at the project site. Energy would be consumed during both the construction and operational phases of the proposed project. The demolition and construction phase will require energy for the manufacture and

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<sup>34</sup> U.S. Environmental Protection Agency. "Light-Duty Automotive Technology, Carbon Dioxide Emissions and Fuel Economy Trends: 1975 through 2011." March 2012. Page i. Available at: <http://www.epa.gov/otaq/cert/mpg/fetrends/2012/420r12001a.pdf>

<sup>35</sup> U.S. Department of Energy. "Energy Independence & Security Act." Accessed March 13, 2013. Available at: <http://www1.eere.energy.gov/femp/regulations/eisa.html>.

<sup>36</sup> National Highway Traffic Safety Administration. "Obama Administration Finalizes Historic 54.5 mpg Fuel Efficiency Standards." August 28, 2012. Available at: <http://www.nhtsa.gov/About+NHTSA/Press+Releases/2012/Obama+Administration+Finalizes+Historic+54.5+mpg+Fuel+Efficiency+Standards>

transportation of building materials, preparation of the site (e.g., demolition of the existing buildings and grading), and the actual construction of the buildings. The operation of the proposed hotel and retail uses would consume energy (in the form of electricity and natural gas) primarily for building heating and cooling, lighting, cooking, and water heating.

Table 18 summarizes the estimated net increase in energy use resulting from implementation of the project. Estimated energy usage was derived from the BAAQMD URBEMIS 2007 model and the BGM Model. Gasoline usage was also calculated based on the project-specific Traffic Impact Analysis and U.S. EPA 2011 fuel economy estimates of 22.6 miles per gallon.

<b>TABLE 18</b>			
<b>Annual Energy Use from the Project</b>			
<b>Type of Energy</b>	<b>Existing Energy Use at Site</b>	<b>Project Energy Use</b>	<b>Energy Use Increase</b>
Electricity	1,788,288 kWh	5,401,817 kWh	3,613,529 kWh
Natural Gas	419 MMBtu	9,276 MMBtu	8,857 MMBtu
Gasoline	1,008,428 gallons	1,684,976 gallons	676,548 gallons

<sup>1</sup>Based upon the existing and proposed square footage of the buildings and the following Average Annual Energy Use Factors from URBEMIS 2007 and BAAQMD BGM models:  
 Retail – 1.8 kWh/square foot/year and 3 kBtu/square foot/year (natural gas use)  
 Hotel/Lodging – 9.3 kWh/square foot/year (electricity use) and 47 kBtu/square foot/year (natural gas use)

<sup>2</sup>Estimated gasoline use based upon trip estimates in Table 6 of the TIA in Appendix B of this EIR and an estimated average trip length of 7.4 miles.

#### **4.5.4.2 Operational Impacts from the Proposed Project**

As shown in Table 18 above, the project would increase electricity use at the project site by approximately 3,613,529 kWh per year, natural gas usage by 8,857 MMBtu per year, and gasoline consumption by 676,548 gallons over existing conditions.

The new building would be required to build to the State CalGreen code, which includes insulation and design to minimize wasteful energy consumption. In order to comply with the City of Milpitas requirements, the project proposes to obtain LEED Silver certification, which is approximately equivalent to exceeding the State 2010 Title 24 standard by 15 percent. LEED measures a project’s sustainability through five main categories: sustainable sites, water efficiency, energy and atmosphere, materials and resources, and indoor environmental quality. A project must earn 50 to 59 points as a sum of the five categories to achieve LEED Silver certification. For each of the five categories, the following measures would contribute to its certification:

- Sustainable Sites
  - Ensure public transportation access
  - Use low-emitting and/or fuel-efficient alternative transportation vehicles
  - Reduce heat island effect (e.g. include landscaping and shade trees to reduce the heat absorbed and released by black asphalt or pavement)

- Water Efficiency
  - Use water efficient landscaping
  - Reduce water use (e.g. conservation through education and signage, low-flow toilets, etc.)
  
- Energy and Atmosphere
  - Optimize energy performance (e.g. energy efficient lighting and building design)
  - Enhance refrigeration management
  - Use green power
  
- Materials and Resources
  - Manage construction waste (e.g. waste diversion via reuse and recycling)
  - Use recycled content
  - Use regional materials
  
- Indoor Air Quality
  - Increased ventilation and air delivery monitoring
  - Implement construction indoor air quality management plan
  - Make systems controllable (e.g. lighting, temperature)
  - Ensure thermal comfort through design and verification

The project is infill development (versus a green-field site) and redevelopment of the site would not result in a need for expanded infrastructure or increase the overall distance between jobs and housing. Implementation of the proposed sustainability measures would result in efficient energy use at the project site, compliance with the CalGreen standards, and a LEED Silver certification in compliance with the City of Milpitas code. While energy use would increase over existing conditions, the addition of commercial space and a hotel at an infill location would not substantially increase demand on energy resources in relation to projected supplies or existing demand. **(Less Than Significant Impact)**

#### **4.5.5**            **Mitigation and Avoidance Measures**

No mitigation is required or proposed.

#### **4.5.6**            **Conclusion**

The project would place hotel and retail uses at an infill site within reasonable distance of existing job opportunities. With implementation of the proposed green building design features the project would not result in the wasteful use of fuel or energy. The project would not result in a substantial increase in demand upon energy resources in relation to projected supplies. **(Less Than Significant Impact)**

## SECTION 5.0

## CUMULATIVE IMPACTS

Cumulative impacts, as defined by CEQA, refer to two or more individual effects, which when combined, are considerable or which compound or increase other environmental impacts. Cumulative impacts may result from individually minor, but collectively significant projects taking place over a period of time. The CEQA Guidelines state (§15130) that an EIR shall discuss cumulative impacts “when the project’s incremental effect is cumulatively considerable.” The discussion does not need to be in as great detail as is necessary for project impacts, but is to be “guided by the standards of practicality and reasonableness.” The purpose of the cumulative analysis is to allow decision makers to better understand the potential impacts which might result from approval of past, present and reasonably foreseeable future projects, in conjunction with the proposed project. The projects included in the cumulative analysis are as follows:

<b>TABLE 19</b>	
<b>Approved and Pending Project List for Milpitas</b>	
<b>Project</b>	<b>Size</b>
<b><i>Approved Projects</i></b>	
Shea Residential	204 dwelling units
Sinclair Horizon Residential	82 dwelling units
Walmart Expansion	150,000 square feet retail
Robson Homes*	88 dwelling units
Piper Montague	942 dwelling units
Murphy Ranch Residential*	659 dwelling units
Landmark Towers Mixed Use	375 dwelling units 148,000 square feet retail
Contour	134 dwelling units
Elmwood Residential & Commercial*	722 dwelling units 180,000 square foot auto dealer
Campus at McCarthy Ranch	1,000,000 square feet office
Peery Arriaga	238,400 square feet office
<b><i>Pending Projects</i></b>	
Preston Properties	220 dwelling units
Waterstone Residential	84 dwelling units

\* Project construction is complete.

In addition to the City of Milpitas projects listed in Table 19, the cumulative analysis included relevant data from the City of San Jose’s Approved Trip Inventory (ATI). The analysis also considered approved and pending projects in the City of Fremont, the projects were determined to be too far away from the project’s area of potential impact or too small to have an effect on the overall cumulative condition. As a result, no approved or pending projects in the City of Fremont were included in the cumulative analysis.

### 5.1 Cumulative Impacts

#### 5.1.1 Thresholds of Significance

The discussions below address the following aspects of cumulative impacts:

- Would the effects of the proposed project, when combined with the effects of all past, present, and pending development result in a cumulatively significant impact on the resources in question?

- If a cumulative impact is likely to be significant, would the contribution of the proposed project to that impact be cumulatively considerable?

Based on the analysis in this EIR (including the Initial Study in Appendix A), the proposed project would result in a less than significant impact to aesthetics, agricultural/forestry resources, cultural resources, energy, geology and soils, GHG emissions, land use, mineral resources, population and housing, public services, recreation, and utilities and service systems. The degree in which the proposed project would add to existing or probable future impacts on existing land uses and/or resources would be negligible. In addition, the assessment of GHG emissions in Section 4.4 is an assessment of the project's contribution to cumulative greenhouse gas emissions. As a result, the project's contribution to a cumulatively significant impact in any of these resource areas would not be considerable.

The proposed project would result in significant air quality, biological resources, hazardous materials, noise, and transportation impacts. The air quality, biological, hazardous materials, and hydrology impacts, as well as some of the noise impacts, will result from construction of the proposed project. These impacts are temporary and will be reduced to a less than significant level with implementation of the proposed mitigation measures. Because of the temporary nature of these impacts and the fact that the impacts will be mitigated, there would be no long term cumulative effect. As a result, the projects contribution to a cumulatively significant impact in any of these resource areas would not be considerable.

The operational noise impacts will result from placing a hotel in high noise area. The identified impact will be reduced to a less than significant level with implementation of the proposed mitigation measures. Because of the nature of this impact and the fact that the impact will be mitigated, there would be no long term cumulative effect.

The project would make a cumulatively significant contribution to transportation impacts. As a result, a detailed discussion of these cumulative impacts is provided below.

### **5.1.2 Cumulative Transportation Impacts**

To determine future cumulative traffic volumes in the study area, background plus project traffic volumes were added to the estimated traffic volumes of proposed but not yet approved development projects. Pending projects included in the analysis were based on data provided by the City of Milpitas. The list of pending projects is provided in Appendix B.

The added traffic from pending developments was calculated using rates from the Institute of Transportation Engineer's (ITE) publication, *Trip Generation, 8th Edition* and assigned to the roadway network based on existing travel patterns and the locations of complementary land uses. Cumulative plus project peak hour traffic volumes were estimated by adding the additional traffic generated by the project to the cumulative traffic volumes. Cumulative plus project conditions were evaluated relative to the cumulative no project conditions.

As with existing plus project and background plus project, the proposed project would have a significant cumulative impact if it would:

- Cause the level of service at any local intersection to degrade from an acceptable LOS D or better under existing or background conditions to an unacceptable LOS E or F under existing plus project or background plus project conditions;
- Cause the level of service at any CMP/County intersection to degrade from an acceptable LOS E or better under existing or background conditions to an unacceptable LOS F under existing plus project or background plus project conditions; or
- At any local intersection that is already an unacceptable LOS E or F under existing or background conditions, cause the critical-movement delay at the intersection to increase by four or more seconds and the demand-to-capacity ratio (V/C) to increase by .01 or more.

Under the cumulative without project condition, the following intersections would operate at an unacceptable LOS in one or more Peak Hours:

- Dixon Landing Road and McCarthy Boulevard (No. 1) – AM and PM Peak Hour
- Dixon Landing Road and I-880 SB Ramps (No. 2) – AM Peak Hour
- Dixon Landing Road and N. Milpitas Boulevard (No. 5) – AM and PM Peak Hour
- McCarthy Boulevard and S. Ranch Drive (No. 8) – PM Peak Hour
- McCarthy Boulevard and SR 237 WB Ramps (No. 9) – PM Peak Hour
- McCarthy Boulevard and Bellew Drive (No. 16) – PM Peak Hour
- McCarthy Boulevard and Alder Drive (No. 17) – AM and PM Peak Hour
- Tasman Drive and Alder Drive (No. 19) – PM Peak Hour
- Capitol Avenue and Croypley Avenue/Tradezone Boulevard (No. 25) – PM Peak Hour
- McCarthy Boulevard/O’Toole Avenue and Montague Expressway (No. 28) – PM Peak Hour

All other signalized study intersections would operate at an acceptable LOS. The results of the cumulative with project conditions analysis are summarized in Table 20 below.

No.	Intersection	Peak Hour	Cumulative		Cumulative With Project			
			Delay	LOS	Delay	LOS	” in Critical V/C	” in Critical Delay
1	Dixon Landing Road and McCarthy Boulevard (F)	AM	158.9	F	161.3	F	0.008	2.4
		PM	152.7	F	157.4	F	0.018	4.7
2	Dixon Landing Road and I-880 SB Ramps (M)	AM	63.0	E	63.1	E	0.001	0.6
		PM	8.0	A	8.1	A	0.005	0.1
3	Dixon Landing Road and I-880 NB Ramps/California Circle (M)	AM	19.3	B-	19.6	B-	0.003	0.3
		PM	27.9	C	29.6	C	0.014	5.0
4	California Circle and I-880 NB Ramps (M)	AM	10.9	B+	10.9	B+	0.002	0.0
		PM	27.7	C	27.4	C	-0.002	-0.8
5	Dixon Landing Road and N. Milpitas Boulevard (M)	AM	>180	F	>180	F	0.004	1.7
		PM	97.7	F	99.2	F	0.006	2.7
6	McCarthy Boulevard and N. Ranch Drive (M)	AM	17.2	B	17.3	B	0.007	0.0
		PM	26.6	C	27.6	C	0.030	1.9

**TABLE 20 Continued**  
**Study Intersections Level of Service – Cumulative Plus Project Conditions**

No.	Intersection	Peak Hour	Cumulative		Cumulative With Project			
			Delay	LOS	Delay	LOS	” in Critical V/C	” in Critical Delay
7	Ranch Drive and Mall Access Driveway (M)	AM	15.8	B	15.8	B	0.121	0.2
		PM	11.9	B+	16.9	B	0.328	7.5
8	McCarthy Boulevard and S. Ranch Drive (M)	AM	51.9	D-	52.1	D-	0.028	1.9
		PM	83.2	F	105.9	F	0.088	41.0
9	McCarthy Boulevard and SR 237 WB Ramps (M)	AM	36.3	D+	43.3	D	0.054	19.5
		PM	78.2	E-	109.7	F	0.132	58.6
10	McCarthy Boulevard and SR 237 EB Ramps (M)	AM	20.5	C+	20.0	B-	-0.002	-0.9
		PM	23.9	C	27.6	C	0.023	3.8
11	SR 237 Ramps and I-880 SB Ramps (M)	AM	20.6	C+	21.0	C+	0.016	0.6
		PM	17.3	B	18.0	B	0.026	1.3
12	SR 237 Ramps and I-880 NB Ramps (M)	AM	30.5	C	29.1	C	-0.013	-1.6
		PM	20.2	C+	19.3	B-	-0.006	-0.9
13	W. Calaveras Boulevard and S. Abel Street (CMP/M)	AM	56.2	E+	57.3	E+	0.007	1.8
		PM	52.0	D-	53.1	D-	0.012	1.8
14	E. Calaveras Boulevard and S. Milpitas Boulevard (CMP/M)	AM	69.9	E	71.8	E	0.010	3.2
		PM	42.9	D	43.4	D	0.013	0.6
15	E. Calaveras Boulevard and Hillview Drive (M)	AM	28.6	C	28.5	C	0.006	-0.1
		PM	43.3	D	43.9	D	0.018	1.4
16	McCarthy Boulevard and Bellew Drive (M)	AM	26.2	C	26.5	C	0.009	0.5
		PM	86.6	F	95.2	F	0.013	4.7
17	McCarthy Boulevard and Alder Drive (M)	AM	47.8	D	50.8	D	0.016	4.2
		PM	84.2	F	93.2	F	0.039	15.7
18	McCarthy Boulevard and Tasman Drive (M)	AM	41.2	D	42.1	D	0.007	1.3
		PM	37.9	D+	38.6	D+	0.024	0.8
19	Tasman Drive and Alder Drive (M)	AM	18.8	B-	19.1	B-	0.007	0.6
		PM	92.6	F	96.9	F	0.015	5.5
20	Tasman Drive and I-880 SB Ramps (M)	AM	23.2	C	22.7	C+	-0.007	-0.7
		PM	22.8	C+	22.9	C+	0.007	0.9
21	Great Mall Parkway and I-880 NB Ramps (M)	AM	39.4	D	40.1	D	0.006	0.9
		PM	32.5	C-	32.7	C-	0.005	0.3
22	Great Mall Parkway and Abel Street (M)	AM	42.3	D	42.4	D	0.003	0.1
		PM	31.3	C	31.3	C	0.004	0.0
23	Great Mall Parkway and Main Street (M)	AM	23.9	C	23.9	C	0.001	0.0
		PM	32.1	C-	32.1	C-	0.008	-0.1
24	Great Mall Pkway/E. Capitol Ave and Montague Expressway (CMP)	AM	52.3	D-	52.4	D-	0.002	0.2
		PM	57.9	E+	58.1	E+	0.000	0.0
25	Capitol Ave and Cropley Ave/Tradezone Boulevard (SJ)	AM	32.4	C-	32.5	C-	0.008	0.2
		PM	68.4	E	69.4	E	0.007	1.4

**TABLE 20 *Continued***  
**Study Intersections Level of Service – Cumulative Plus Project Conditions**

No.	Intersection	Peak Hour	Cumulative		Cumulative With Project			
			Delay	LOS	Delay	LOS	" in Critical V/C	" in Critical Delay
26	Montague Expressway and Trimble Road (CMP/SJ)	AM	29.1	C	29.1	C	0.001	0.0
		PM	67.5	E	68.1	E	0.003	0.9
27	McCarthy Boulevard and Barber Lane (M)	AM	16.0	B	16.0	B	0.002	0.0
		PM	44.7	D	53.7	D-	0.030	11.7
28	McCarthy Boulevard/O'Toole Ave and Montague Expressway (CMP/SJ/M)	AM	49.6	D	51.5	D-	0.008	2.7
		PM	113.1	F	117.9	F	0.015	6.8
29	SR 237 WB Ramps and Zanker Road (SJ)	AM	13.1	B	13.1	B	0.000	0.0
		PM	17.8	B	17.9	B	0.003	0.1
30	SR 237 EB Ramps and Zanker Road (SJ)	AM	15.8	B	15.8	B	0.000	0.0
		PM	14.6	B	14.6	B	0.000	0.0
31	Holger Way and Zanker Road (SJ)	AM	21.1	C+	21.1	C+	0.000	0.0
		PM	25.0	C	25.0	C	0.006	0.1

Implementation of the proposed project would result in the following intersection impacts under cumulative with project conditions:

- Dixon Landing Road and McCarthy Boulevard (No. 1) – A 0.018 increase in V/C and a 4.7 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under cumulative conditions.
- McCarthy Boulevard and S. Ranch Drive (No. 8) – A 0.088 increase in V/C and a 41.0 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under cumulative conditions.
- McCarthy Boulevard and SR 237 WB Ramps (No. 9) – A degradation of the LOS from E- to F with a 0.132 increase in V/C and a 58.6 second increase in critical delay in the PM Peak Hour.
- McCarthy Boulevard and Bellew Drive (No. 16) – A 0.013 increase in V/C and a 4.7 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under cumulative conditions.
- McCarthy Boulevard and Alder Drive (No. 17) – A 0.039 increase in V/C and a 15.7 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under cumulative conditions.
- Tasman Drive and Alder Drive (No. 19) – A 0.015 increase in V/C and a 5.5 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under cumulative conditions.

- McCarthy Boulevard/O’Toole Avenue and Montague Expressway (No. 28) – A 0.015 increase in V/C and a 6.8 second increase in critical delay in the PM Peak Hour exacerbating the LOS F under cumulative conditions.

Implementation of the proposed project would have a significant impact on six local intersections and one CMP intersection under cumulative with project conditions. **(Significant Cumulative Impact)**

The Dixon Landing Road/N. Milpitas Boulevard (No. 5) and Capitol Avenue/Cropley Avenue – Tradezone Boulevard (No.25) intersections would continue to operate at and unacceptable LOS in at least one Peak Hour. Project traffic will not, however, cause the LOS to degrade further or cause an increase in critical delay or V/C above the threshold. Therefore, the proposed project will have a less than significant cumulative impact on these intersections. All other study intersections would operate at an acceptable LOS. **(Less Than Significant Cumulative Impact)**

### ***Cumulative Freeway Impacts***

As discussed in Section 4.2.2.5, implementation of the proposed project will result in a significant and unmitigatable impact to one freeway segments under existing plus project conditions. While the VTA TIA Guidelines only require an existing plus project freeway analysis and VTA has not yet developed guidelines for cumulative freeway analyses, the following discussion is provided to fully disclose any potential impacts resulting from the proposed project.

The existing plus project freeway analysis completed for the proposed project is based on the VTA TIA guidelines and input from City staff which requires an evaluation of freeway segments where the project volume is greater than one percent of the total segment capacity. The analysis in the TIA discloses the existing freeway operations conditions and potential freeway impacts for existing plus project conditions. The results show that the project will add traffic trips which equate to more than one percent of the freeway segment’s capacity to two segments in the PM Peak Hour. One of the segments, SR 237 EB from McCarthy Boulevard to I-880, operates at LOS F under existing conditions. The addition of project traffic would result in a significant impact to this freeway segment. This impact would remain significant under cumulative conditions.

The second freeway segment, SR 237 WB from McCarthy Boulevard to I-880, operates at LOS B under existing conditions. While the addition of project traffic would not result in a significant impact to this segment under existing plus project conditions, this analysis assumes that the LOS would degrade over time based on planned regional growth. Therefore, it is conservatively assumed that the proposed project would also result in significant impact to this freeway segment under cumulative conditions. Therefore, under Cumulative Conditions, the project would have significant impact at the two identified freeway segments. **(Significant Cumulative Impact)**

### 5.1.3 Mitigation Measures for Cumulative Transportation Impacts

#### *Intersection LOS Impacts*

For the intersections listed below, the mitigation for the cumulative impact is the same as the project level mitigation already proposed by the project.

- McCarthy Boulevard and SR 237 WB Ramps (No. 9)
- McCarthy Boulevard and Alder Drive (No. 17)
- Tasman Drive and Alder Drive (No. 19)

The proposed project-level mitigation will mitigate the effects of the project's traffic at these intersections. Therefore, with implementation of the mitigation measures included in the project, the project will not have a cumulatively considerable impact on these intersections.

For the McCarthy Boulevard and Bellew Drive intersection (No. 17), the project-level mitigation will not fully mitigate the effects of the project's traffic under cumulative conditions. In addition to the restriping of the eastbound approach to provide two left-turn lanes and one shared through/right-lane, the project would need to widen McCarthy Boulevard to three lanes in both directions. Right-of-way acquisition from the property on the west side of McCarthy Drive will be required. This improvement will result in a lengthening of the crosswalk and/or modification of signal phasing that could increase the crossing distance/time for pedestrians. The traffic engineer determined that this would have no significant impact on pedestrian facilities. Implementation of this mitigation would result in the intersection operations improving from LOS F to D in the PM Peak Hour, thereby reducing the projects cumulative contribution to a less than significant level.

For the Dixon Landing Road and McCarthy Boulevard intersection (No. 1), there are no feasible mitigation measures available to reduce the projects cumulative contribution to a less than significant level due to building and right-of-way constraints. Increasing the cycle length to 90 seconds would improve operations to LOS D in the AM peak hour and increasing the cycle length to 110 would improve operations to LOS D- in the PM peak hour and mitigate the cumulative impact to a less than significant level. Nevertheless, because the signal timing modifications are under the control of the City of Fremont and signal modifications alone are not considered acceptable mitigation, the cumulative impact at this intersection would be significant and unavoidable.

For the McCarthy Boulevard and South Ranch Drive intersection (No. 8), there are no feasible mitigation measures available to reduce the projects cumulative contribution to a less than significant level. Increasing the capacity of southbound through or right-turn movements would result in secondary effects of tree removal, lengthening of crosswalks, and/or modifications of signal phasing that could increase the crossing time and distance for pedestrians. As previously determined in the Campus at McCarthy Ranch Final EIR (March 2009), the right-of-way cannot be acquired and the secondary impacts to pedestrian and bicycle facilities are not acceptable to the City as it would impact the use of other modes of transportation. Therefore, this impact would be significant and unavoidable.

### ***Freeway Segment Impacts***

The mitigation for freeway impacts is typically the provision of increased capacity in the form of additional mainline or auxiliary lanes. There are no feasible mitigation measures available (such as a fair share contribution to a congestion management plan or capital improvement program for freeway improvements) to reduce project impacts on local freeway study segments, including a substantial contribution to an identified cumulative impact, to a less than significant level. It is beyond the capacity of any one project to acquire right-of-way and fully fund a major freeway mainline improvement. Freeway improvements also would require approval by Caltrans, and as such neither the project applicant nor the City can guarantee implementation of any improvement in the freeway right-of-way. Therefore, the project's cumulative impact to the two aforementioned freeway segments would be significant and unavoidable.

#### **5.1.4 Conclusion**

The proposed project would result in a less than significant LOS cumulative impact with implementation of identified mitigation at the McCarthy Boulevard and SR 237 WB Ramps intersection, McCarthy Boulevard and Alder Drive intersection, Tasman Drive and Alder Drive intersection, and McCarthy Boulevard and Bellew Drive intersection. **(Less Than Significant Cumulative Impact with Mitigation)**

Under the cumulative plus project scenario, the proposed project would have a significant and unavoidable cumulatively considerable impact at the Dixon Landing Road and McCarthy Boulevard intersection and the McCarthy Boulevard and South Ranch Drive intersection. **(Significant Unavoidable Cumulative Impact)**

There are no feasible mitigation measures to reduce the identified freeway segment impacts. **(Significant Unavoidable Cumulative Impact)**

Section 15126.6 of the CEQA Guidelines requires that an EIR describe a reasonable range of alternatives to the proposed project that could feasibly attain most of the project objectives while avoiding or considerably reducing any of the significant impacts of the proposed project. In addition, the No Project Alternative must be analyzed in the document.

In order to comply with the purposes of CEQA, it is necessary to identify alternatives that reduce the significant impacts that are anticipated to occur if the project is implemented while trying to meet most of the basic objectives of the project. The Guidelines emphasize a common sense approach. The alternatives shall be reasonable, shall “foster informed decision making and public participation,” and shall focus on alternatives that avoid or substantially lessen the significant impacts.

The stated objectives of the project proponent are to:

1. Redevelop approximately 140,000 square feet of 266,000 existing square feet of underutilized commercial buildings that are struggling to maintain chain retail stores, restaurants and financial services.
2. Construct, on mostly the same footprint as the existing underutilized commercial buildings, an additional approximately 145,000 net square feet of retail space.
3. Create a high quality multi-cultural indoor mall that consists of a ground floor and a partial second floor that is populated by approximately 500 small businesses.
4. Create an iconic shopping destination that will invest in the City of Milpitas, provide opportunities for small business owners and create jobs in the community.
5. Provide an attractive multi-cultural, shopping and dining experience for customers that will help bring vitality to the existing mall and surrounding area.
6. Locate a vibrant mall within the City in order to reinvigorate the McCarthy Ranch shopping area and provide property and sales tax revenues to the City.
7. Develop a 12-story approximately 250-room hotel consisting of approximately 172,000 square feet that will generate transient occupancy taxes for the City.
8. Provide a wide variety of small unique retail shops, and some personal and business services, that are designed to look and feel like an open air market that encourages people to walk and browse from store to store within the shopping center.
9. Increase the floor area ratio (FAR) on the project site.
10. Further the purpose and intent of the General Commercial (C2) zoning designation and provide

for a wide range of retail sales and personal and business services for general commercial needs of the City and to promote a stable, attractive commercial development which will afford a pleasant shopping environment.

11. Provide adequate additional parking through the construction of a single level of underground parking and make only minor changes to the south part of the existing surface parking to allow access to the underground parking.
12. Share parking between the mall and the hotel, which are anticipated to utilize the parking spaces at different and compatible times.
13. Encourage the use of alternative modes of transport including bicycle, shuttle and bus facilities.

An EIR is required to include a “No Project” alternative that “compares the impacts of approving the proposed project with the impacts of not approving the proposed project.”<sup>37</sup>

The significant impacts identified in this EIR as resulting from the proposed project include significant unavoidable freeway impacts due to increased traffic trips. Significant intersection impacts (under background conditions), noise (exterior noise levels), and biological resources (loss of trees) impacts were also identified along with mitigation measures to reduce the impacts to a less than significant level. Construction impacts included air quality, hazardous materials (exposure to contaminated soil) and biological resources (loss of nests or eggs). The construction air quality impact was found to be significant and unavoidable, but the noise and biological resources impacts will be reduced to less than significant with implementation of mitigation measures and standard measures. The logical way to reduce or avoid these impacts would be to reduce the overall size of the development. Therefore a reduced density alternative is discussed below.

There is no rule requiring an EIR to explore off-site project alternatives in every case. As stated in the Guidelines: "An EIR shall describe a range of reasonable alternatives to the project, or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." (Guidelines, § 15126.6, subd. (a), italics added.) As this implies, "an agency may evaluate on-site alternatives, off-site alternatives, or both." (*Mira Mar, supra*, 119 Cal.App.4th at p. 491.) The Guidelines thus do not require analysis of off-site alternatives in every case. Nor does any statutory provision in CEQA "expressly require a discussion of alternative project locations." (119 Cal.App.4th at p. 491 citing §§ 21001, subd. (g), 21002.1, subd. (a), 21061.)

In considering an alternative location in an EIR, the CEQA Guidelines advise that the key question is “whether any of the significant effects of the project would be avoided or substantially lessened by putting the project in another location”.<sup>38</sup> The proposed project is expansion of an existing commercial development in an established commercial zone near bus transit, major roadways, SR 237 and I- 880. It is likely that an alternative location within this area of the City would not

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<sup>37</sup> CEQA Guidelines Section 15126.6(e)(1)

<sup>38</sup> CEQA Guidelines Section 15126.6(f)(2)(A)

substantially lessen the transportation impacts of the proposed project because employees and customers would be traveling from the same locations and the traffic trips would generally use the same roadways and freeway segments. There may be opportunities to redevelop other existing shopping centers within Milpitas, but other sites would likely have the same or greater impacts than the proposed project site due to existing traffic congestion in the area. For these reasons, an alternative location was not analyzed.

## **6.1 NO PROJECT ALTERNATIVE**

The CEQA Guidelines [§15126(d)4] require that an EIR specifically discuss a “No Project” alternative, which shall address both “the existing conditions, as well as what would be reasonably expected to occur in the foreseeable future if the project is not approved, based on current plans and consistent with available infrastructure and community services.” Since the project site is completely developed, the No Project alternative would be to maintain the site as is. If the project site were to remain as is with the existing commercial development, there would be no new environmental impacts.

**Conclusion:** Implementation of the “No Project” alternative would avoid the significant unavoidable freeway impacts as well as the significant intersection impacts and temporary air quality impacts identified in this EIR. The No Project alternative would not, however, allow for the expansion of retail and a new hotel on the project site. This alternative does not meet any of the objectives of the proposed project.

## **6.2 REDUCED DENSITY ALTERNATIVE**

In an effort to avoid the significant traffic and construction impacts that would result from the proposed project but still provide new retail and hotel development on-site, this alternative proposes a reduced density development.

Under the reduced density alternative, the project would still propose construction of a new retail building and hotel with underground and surface garage parking. The basic building design and orientation would be the same as the proposed project and the project would still include all identified sustainable building design measures in an effort to achieve LEED Silver certification. This alternative would, however, reduce the size of the new retail space and hotel as necessary to avoid the significant freeway and LOS impacts that would be caused by the project. In order to reduce the significant, unmitigatable impact to the SR 237 EB segment from McCarthy Boulevard to I-880, the proposed retail space and the hotel would have to be reduced in size by 25 percent. Specifically, the new retail space would be reduced from 292,186 square feet to 219,139 square feet and the hotel would be reduced from 250 room to 187 rooms. Alternatively, the impact freeway impact could also be avoided by keeping the retail space at 292,186 square feet, but not constructing the hotel. The reduction in the overall size of the project would reduce the identified LOS impacts as well.

The reduction in square footage would result in a proportionate reduction in water use, wastewater generation, solid waste generation, and electricity use, and would likely have a reduced construction

schedule which could reduce the identified air quality impact to less than significant. All other identified impacts would be the same or less than those of the proposed project.

The reduced density alternative would meet eight of the 13 objectives of the proposed project in that it would allow for redevelopment of the existing shopping center in the same business model as is proposed by the project, but on a smaller scale.

### **C. ENVIRONMENTALLY SUPERIOR ALTERNATIVE**

The CEQA Guidelines state that an EIR shall identify an environmentally superior alternative. Based on the above discussion, the environmentally superior alternative is the Reduced Density Alternative because the project's significant unavoidable freeway segment impacts and significant LOS impacts would be avoided and no new impacts would result. The Reduced Density Alternative would achieve some of the objectives of the proposed project.

A significant unavoidable impact is an impact that cannot be mitigated to a less than significant level if the project is implemented as it is proposed. The following significant unavoidable impacts have been identified as resulting from the proposed project:

***Project Level Impacts***

- Implementation of the proposed project would degrade the LOS of the McCarthy Boulevard and South Ranch Drive (No. 8) intersection from D to E with a 0.088 increase in V/C and a 29.7 second increase in critical delay in the PM Peak Hour.
- Implementation of the proposed project would result in a freeway segment impact to Eastbound SR 237 between McCarthy Boulevard and I-880 in the PM Peak Hour.
- Construction activities will result in a temporary significant NOx impact.

***Cumulative Impacts***

- Implementation of the proposed project would have a cumulatively considerable impact at the Dixon Landing Road and McCarthy Boulevard intersection in the City of Fremont.
- Implementation of the proposed project would have a cumulatively considerable impact at the McCarthy Boulevard and South Ranch Drive intersection in Milpitas.
- Implementation of the proposed project would result in a cumulatively considerable impact to two freeway segments (SR 237 EB and WB from McCarthy Boulevard to I-880) in the PM Peak Hour.

All other significant impacts of the proposed project would be reduced to a less than significant level with the implementation of mitigation measures identified in this EIR

## **SECTION 8.0      IRREVERSIBLE ENVIRONMENTAL CHANGES AND IRRETRIEVABLE COMMITMENT OF RESOURCES**

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CEQA and the CEQA Guidelines require that an EIR address “significant irreversible environmental changes which would be involved in the proposed project, should it be implemented.” [§15126(c)]

If the proposed project is implemented, development of this site would involve the use of non-renewable resources both during the construction phase and future operations/use of the site. Construction would include the use of building materials, including materials such as petroleum-based products and metals that cannot reasonably be re-created. Construction also involves significant consumption of energy, usually petroleum-based fuels that deplete supplies of non-renewable resources. Once the new development is complete, occupants will use non-renewable fuels to heat and light the buildings. The proposed project will also consume water at a higher rate than the current land use.

The City of Milpitas encourages the use of building materials that include recycled materials and requires new buildings to be built to current codes, including the City’s adopted Green Building Ordinance, which requires insulation and design to minimize wasteful energy consumption. The proposed commercial development would be constructed to LEED Silver standards and would, as a result, use less energy for heat and light and less water than a standard design office complex. In addition, the site is an infill location and is currently served by public transportation. The proposed project will, therefore, facilitate a more efficient use of resources over the long-term than greenfield sites or sites that are not within close proximity to jobs and transit.

## **SECTION 9.0 GROWTH INDUCING IMPACTS OF THE PROJECT**

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For the purposes of this project, a growth inducing impact is considered significant if the project would:

- Cumulatively exceed official regional or local population projections;
- Directly induce substantial growth or concentration of population. The determination of significance shall consider the following factors: the degree to which the project would cause growth (i.e., new housing or employment generators) or accelerate development in an undeveloped area that exceeds planned levels in local land use plans;
- Indirectly induce substantial growth or concentration of population (i.e., introduction of an unplanned infrastructure project or expansion of a critical public facility (road or sewer line) necessitated by new development, either of which could result in the potential for new development not accounted for in local general plans).

The proposed redevelopment project is proposed on an infill site in the City of Milpitas. The site is surrounded by existing infrastructure and both existing and planned development. Development of the project will not require upgrades to the existing sanitary sewer, water, and/or storm drain lines that directly serve the project site. The project does not include expansion of the existing infrastructure that would facilitate growth in the project area, other areas of the City, or outside the urban envelope.

Redevelopment of the project site would replace existing retail with a new retail building and a hotel within an existing commercial center that is served by transit and major roadways. The proposed project would be compatible with the neighboring land uses and would not pressure adjacent properties to redevelop with new or different land uses.

Redevelopment of this site under the proposed project would result in a net increase in jobs Citywide. There is currently a shortage of available housing within the City of Milpitas compared to the number of jobs within the City. The increase in jobs will incrementally increase the overall jobs/housing imbalance within the City. The increase, however, represents a minor percentage increase in total jobs and will not be a substantial change compared to existing conditions or planned development within the City.

The project would not have a significant growth inducing impact.

## SECTION 10.0 RESPONSES TO NOTICE OF PREPARATION COMMENT LETTERS

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The City of Milpitas received four letters in response to the Notice of Preparation (NOP). Copies of these letters are provided in Appendix E of this EIR. Responses to the letters are provided below to provide information to readers regarding where or how particular issues are addressed in this Draft EIR.

### 10.1 City of San Jose, February 8, 2013

Comment 1: Pipeline projects in San Jose, such as the Water Pollution Control Plant Master Plan (PMP), should be included in the cumulative impacts review for the Pacific Mall Project EIR. The draft PMP includes an arterial roadway to connect proposed economic development lands within the PMP boundary to Dixon Landing Road in the City of Milpitas. Please contact the City of San Jose for more information regarding the PMP and a list of other pipeline projects.

Response 1: Pursuant to standard procedures, the City of San José was contacted for a list of relevant projects as well as traffic data from the TRAFFIX database and Approved Trip Inventory.

Comment 2: The EIR should follow Valley Transportation Authority's technical standards and guidelines to scope and complete a transportation impact analysis, and identify feasible mitigations or improvements. Contact the City of San Jose for the latest available traffic data for traffic analysis. All traffic data, including but not limited TRAFFIX database and Approved Trip Inventory provided by San Jose should not be altered.

Response 2: A full TIA was prepared in accordance with applicable requirements and guidelines and available traffic data. A discussion of the project's traffic impacts is provided in Section 4.2, *Transportation*. The full TIA is provided in Appendix B.

Comment 3: Impacts to San Jose's facilities should be evaluated according to San Jose's transportation impact policy, which are San Jose's adopted CEQA impact thresholds.

Response 3: A full TIA was prepared in accordance with applicable requirements and guidelines and available traffic data. City of San José thresholds for local intersections were considered in the analysis. A discussion of the project's traffic impacts is provided in Section 4.2, *Transportation*. The full TIA is provided in Appendix B.

Comment 4: The lead agency should identify feasible improvements for impacts to City of San Jose facilities. The lead agency should either construct the identified improvements or propose a fair-share mitigation contribution for the proposed improvements.

Response 4: The project does not significantly impact any transportation facilities within the City of San José (refer to Section 4.2, *Transportation*, and Section 5.0 Cumulative Impacts).

Comment 5: For impacts identified at San Jose's facilities with planned improvements, the lead agency should propose a fair share contribution to the City of San Jose.

Response 5: As shown in Tables 7 and 8 in Section 4.2, *Transportation*, and Table 19 in Section 5.0, *Cumulative Impacts*, the project does not impact any transportation facilities within the City of San José.

Comment 6: For impacts to San Jose's facilities within the North San Jose Area Development Policy boundaries, the lead agency should coordinate with San Jose to determine fair share contribution per agreed upon methodology.

Response 6: As shown in Tables 7 and 8 in Section 4.2, *Transportation*, and Table 19 in Section 5.0, *Cumulative Impacts*, the project does not impact any transportation facilities within the City of San José.

## **10.2 California Department of Transportation, February 19, 2013**

Comment 1: As the Lead Agency, City of Milpitas is responsible for all project mitigation, including any needed improvements to State highways. The project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should be fully discussed for all proposed mitigation measures.

This information should also be presented in the Mitigation Monitoring and Reporting Plan of the environmental document. Required roadway improvements should be completed prior to issuance of the Certificate of Occupancy. Since an encroachment permit is required for work in the State Right-of-Way (ROW), and Caltrans will not issue a permit until our concerns are adequately addressed, we strongly recommend that the County [sic] work with both the applicant and Caltrans to ensure that our concerns are resolved during the environmental process, and in any case prior to submittal of an encroachment permit application. Further comments will be provided during the encroachment permit process; see end of this letter for more information regarding encroachment permits.

Response 1: A full TIA was prepared in accordance with applicable requirements and guidelines and available traffic data. A discussion of the project's traffic impacts and proposed mitigation measures is provided in Section 4.2, *Transportation*. The full TIA is provided in Appendix B. All identified mitigation measures will be included in the Mitigation, Monitoring or Reporting Plan as required by CEQA.

Comment 2: One of Caltrans' ongoing responsibilities is to collaborate with local agencies to avoid, eliminate, or reduce to insignificance potential adverse impacts by local development on State highways. Please consider in your mitigation measures ways to reduce the impacts your project may have on Interstate (I-) 880 and State Route (SR) 237. We are particularly concerned about how your project will impact I-880/SR 237 interchange.

We recommend using the Caltrans Guide for Preparation of Traffic Impact Studies (TIS Guide) for determining which scenarios and methodologies to use in the analysis. The TIS Guide is a starting point for collaboration between the lead agency and Caltrans in determining when a TIS is needed.

The appropriate level of study is determined by the particulars of a project, the prevailing highway conditions, and the forecasted traffic. The TIS Guide is available at the following website address: [http://dot.ca.gov/hq/tpp/offices/ocp/igr\\_ceqa\\_files/tisguide.pdf](http://dot.ca.gov/hq/tpp/offices/ocp/igr_ceqa_files/tisguide.pdf)

The TIS should include:

1. Vicinity map, regional location map, and a site plan clearly showing project access in relation to nearby State roadways. Ingress and egress for all project components should be clearly identified. The State right-of-way (ROW) should be clearly identified. The maps should also include project driveways, local roads and intersections, parking, and transit facilities.
2. Project-related trip generation, distribution, and assignment. The assumptions and methodologies used to develop this information should be detailed in the study, and should be supported with appropriate documentation.
3. Average Daily Traffic, AM and PM peak hour volumes and levels of service (LOS) on all roadways where potentially significant impacts may occur, including crossroads and controlled intersections for existing, existing plus project, cumulative and cumulative plus project scenarios. Calculation of cumulative traffic volumes should consider all traffic-generating developments, both existing and future, that would affect study area roadways and intersections. The analysis should clearly identify the project's contribution to area traffic and any degradation to existing and cumulative LOS. Caltrans' LOS threshold, which is the transition between LOS C and D, and is explained in detail in the TIS Guide, should be applied to all State facilities.
4. Schematic illustration of traffic conditions including the project site and study area roadways, trip distribution percentages and volumes as well as intersection geometrics, i.e., lane configurations, for the scenarios described above.
5. The project site building potential as identified in the General Plan. The project's consistency with both the Circulation Element of the General Plan and the Congestion Management Agency's Congestion Management Plan should be evaluated.
6. Identification of mitigation for any roadway mainline section or intersection with insufficient capacity to maintain an acceptable LOS with the addition of project-related and/or cumulative traffic. As noted above, the project's fair share contribution, financing, scheduling, implementation responsibilities and lead agency monitoring should also be fully discussed for all proposed mitigation measures.

Response 2: A full TIA was prepared in accordance with applicable requirements and guidelines and available traffic data. A discussion of the project's traffic impacts and proposed mitigation measures is provided in Section 4.2, *Transportation*. The full TIA is provided in Appendix B. Consistency with Plans and Policies is discussed in Section 3.0.

Comment 3: Caltrans encourages you to develop Travel Demand Management (TDM) policies to encourage usage of nearby public transit lines and reduce vehicle trips on the State Highway System. These policies could include lower parking ratios, car-sharing programs, bicycle parking and showers for employees, and providing transit passes to residents and employees, among others. For

information about parking ratios, see the Metropolitan Transportation Commission (MTC) report Reforming Parking Policies to Support Smart Growth or visit the MTC parking webpage: [http://www.mtc.ca.gov/planning/smart\\_growth/parking/](http://www.mtc.ca.gov/planning/smart_growth/parking/)

*Response 3:* The project will be required, as a Condition of Approval, to implement a TDM program as discussed in Section 4.2, *Transportation*.

*Comment 4:* In addition, secondary impacts on pedestrians and bicyclists resulting from any traffic impact mitigation measures should be analyzed. The analysis should describe any pedestrian and bicycle mitigation measures and safety countermeasures that would in turn be needed as a means of maintaining and improving access to transit facilities and reducing vehicle trips and traffic impacts on State highways.

*Response 4:* A discussion of the project's impacts on existing and planned pedestrian and bicycle facilities is provided in Section 4.4, *Transportation*. The full TIA is provided in Appendix B.

*Comment 5:* Please be advised that any work, traffic control or mitigation that encroaches onto the State ROW requires an encroachment permit that is issued by Caltrans. To apply, a completed encroachment permit application, environmental documentation, and five (5) sets of plans clearly indicating State ROW must be submitted to the address below. David Salladay, District Office Chief, Office of Permits, California Department of Transportation, District 4, P.O. Box 23660, Oakland, CA 94623-0660. Traffic-related mitigation measures should be incorporated into the construction plans prior to the encroachment permit process. See the website linked below for more information. <http://www.dot.ca.gov/hq/traffops/developserv/permits>

*Response 5:* If necessary, the project will comply with all Caltrans requirements for encroachment permits.

### **10.3 City of San José, February 28, 2013**

#### **Comment 1: Bay Checkerspot Butterfly/Nitrogen Deposition**

The City of San José has recently adopted the Santa Clara Valley Habitat Plan/Natural Communities Conservation Plan (SCVHP) developed in partnership with the County of Santa Clara, the City of Morgan Hill, the City of Gilroy, the Valley Transportation Agency and the Santa Clara Valley Water District. The SCVHP establishes a framework for development projects to comply with several state and federal regulatory processes and standardized avoidance, minimization, mitigation and compensation requirements set forth in federal and state laws, including the California Environmental Quality Act (CEQA). CEQA requires that any public agency approving or carrying out a project for which there is substantial evidence of a potentially significant impact must identify measures necessary to mitigate impacts to a less-than-significant level (Pub. Res. Code § 21081).

The SCVHP establishes standardized, equitable, feasible and enforceable measures by which participating jurisdictions can mitigate impacts upon species covered by the SCVHP to a less-than-significant level. The impact and mitigation analyses in the SCVHP are based on extensive analysis and the best available science and have resulted in the identification and design of feasible mitigation that may not have been identified in prior environmental documents. The SCVHP establishes

standards for mitigation of impacts to several species that depend on serpentine soils, such as the Bay Checkerspot butterfly. Potentially significant impacts to such species include indirect, cumulative, and highly dispersed impacts such as nitrogen deposition. In the past, the effects of nitrogen deposition on special-status plants and wildlife have been underestimated or were not understood; however, this is no longer true, and nitrogen impacts are articulated in detail in the SCVHP.

Nitrogen deposition is known to have deleterious effects on many of the serpentine plants in the SCVHP area, as well as the host plants that support the Bay Checkerspot Butterfly. Nonpoint sources such as automobiles emit nitrogen compounds into the air. Because serpentine soils tend to be nutrient poor and nitrogen deposition artificially fertilizes serpentine soils, nitrogen deposition facilitates the spread of invasive plant species. Non-native annual grasses grow rapidly, enabling them to out-compete serpentine species. The displacement of these species, and subsequent decline of the several federally-listed species, including the butterfly and its larval host plants, has been documented on Coyote Ridge in central Santa Clara County (the last remaining population of butterflies). Nitrogen tends to be efficiently recycled by the plants and microbes in infertile soils such as those derived from serpentines, so that fertilization impacts could persist for years and result in cumulative habitat degradation. The invasion of native grasslands by invasive and/or non-native species is now recognized as one of the major causes of the decline of the Bay Checkerspot Butterfly.

All major remaining populations of the butterfly and many of the sensitive serpentine plant populations occur in areas subject to air pollution from vehicle exhaust and other sources throughout the Bay Area including from within your jurisdiction. Therefore, even relatively small amounts of increased nitrogen deposition resulting from new development could contribute to a cumulatively significant impact by diminishing the population sizes of serpentine species and possibly the changes of survival of the threatened butterfly and the serpentine-specific plant species within Santa Clara County.

Because CEQA requires implementation of all feasible mitigation measures, even for impacts that cannot be mitigated to a less-than-significant levels, including cumulatively significant impacts, and the mitigation program developed for the SCVHP includes feasible mitigation measures for the impacts of nitrogen deposition upon serpentine habitat and the Bay Checkerspot Butterfly, similar feasible mitigation should be developed and included for the subject project, correlated to the amount of new vehicle trips that the project is expected to generate. Given the development of feasible mitigation measures for the SCVHP, it will likely be difficult for a lead agency to adopt a Statement of Overriding Considerations if no similar mitigation measures are incorporated in the project.

*Response 1:* The City of Milpitas is not a participant in the SCVHP and respectfully disagrees with the City of San José's assertion that the proposed project will result in a significant biological resources impact to serpentine species on Coyote Ridge. The City of Milpitas acknowledges that the proposed project could draw traffic from outside of Milpitas, but it is unlikely that new vehicle trips originating or ending in San José or the south County would result in new cumulatively considerable nitrogen deposition on Coyote Ridge related to vehicle emissions. Furthermore, the area in question, Coyote Ridge, is a substantial distance from Milpitas (over 15 miles) and the City believes nitrogen emissions associated with the proposed project, due to the distance, would be deposited closer to the roads or be dispersed before reaching this habitat area.

As the project would not have a substantial impact on Bay Checkerspot Butterfly habitat, there is no nexus to require the project to pay impact fees to a mitigation program designed to mitigate environmental effects on of development outside of Milpitas. Refer to Section 4.4 of Appendix A (*Biological Resources*) and Section 4.18 of Appendix A (*Mandatory Findings of Significance*) for a discussion of the SCVHP and potential environmental effects of the project.

#### **10.4 Santa Clara Valley Transportation Authority, March 1, 2013**

The Santa Clara Valley Transportation Authority (VTA) staff have reviewed the NOP for a Draft EIR for a 240-room hotel and 145,000 net new square feet of retail space at the northeast corner of Ranch Drive and McCarthy Boulevard. We have the following comments.

Comment 1: Transportation Impact Analysis (TIA) Report

VTA's Congestion Management Program (CMP) requires a Transportation Impact Analysis (TIA) for any project that is expected to generate 100 or more new peak-hour trips. Based on the information provided on the size of this project, a TIA may be required. The updated March 2009 version of the VTA CMP TIA Guidelines should be used when preparing the TIA for this development. This document included updated procedures for the analysis of bicycle facilities, parking, site circulation and pedestrian access, as well as roadways, and may be downloaded from [http://www.vta.org/cmp/pdf/tia\\_guidelines.pdf](http://www.vta.org/cmp/pdf/tia_guidelines.pdf). For more information on the TIA Guidelines, please call Shanthi Chatradhi of the VTA Congestion Management Agency Division at 408-952-4224.

Response 1: A full TIA was prepared in accordance with applicable requirements and guidelines. A discussion of the project's traffic impacts is provided in Section 4.2, *Transportation*. The full TIA is provided in Appendix B.

Comment 2: Trip Generation Assumptions

The assumptions about the project's trip generation and any trip reductions for the existing use should be clearly documented. The proposed project is described as the removal of four retail buildings totaling 140,000 square feet, to be replaced by up to 285,000 square feet of new retail space (net increase of 145,000 square feet) and a 250-room motel. The *TIA Guidelines* provide guidance on trip generation assumptions for vacant and underutilized development, as well as an addition to an existing development project, in Section 6.3 – Methodology for Future Scenarios (page 23).

Response 2: The trip generation information is provided in Section 4.2, *Transportation*, Table 6 and in Appendix B.

Comment 3: Freeway Analysis

Based on the project's location, there may be impacts to one or more freeway segments. The DEIR and TIA should include analysis of all freeway segments that may be impacted. For guidance on analysis of freeway segments for CMP purposes, see Section 2.2.2 of the TIA Guidelines.

Response 3: The freeway analysis is provided in Section 4.2, *Transportation*, and in Appendix B.

Comment 4: Pedestrian Accommodations

VTA suggests that the DEIR and TIA identify measures that would reduce the number of single-occupant vehicle trips generated by the project and provide incentives for employees and hotel guests to walk, bike and take transit. One possibility would be to fill in gaps in the sidewalk network along Ranch Drive adjacent to the project site as a measure to improve pedestrian safety and increase pedestrian trips to and from the site.

Response 4: The information requested is provided in Section 4.2, *Transportation*, and in Appendix B.

## **SECTION 11.0 LEAD AGENCY AND CONSULTANTS**

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### **Lead Agency**

#### **City of Santa Clara**

Steven McHarris, Planning & Neighborhood Services Director  
Sheldon Ah Sing – Senior Planner

### **Consultants**

#### **David J. Powers & Associates, Inc.**

Environmental Consultants and Planners  
San José, CA

Nora Monette, Principal  
Shannon George, Senior Project Manager  
Zach Dill, Graphic Artist

#### **Concentric Ecologies**

Arborist  
San José, CA

## SECTION 12.0 REFERENCES AND PERSONS CONSULTED

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### ***Persons Consulted***

No persons outside of City staff and referenced technical consultants were consulted for this analysis.