

FINAL
ENVIRONMENTAL IMPACT REPORT

**THE CAMPUS
AT McCARTHY RANCH**

City of Milpitas

November 2008

PREFACE

This document, together with the DEIR, constitutes the Final Environmental Impact Report (FEIR) for the Campus at McCarthy Ranch Office Project. The DEIR was circulated to affected public agencies and interested parties for a 45-day review period from September 2 to October 16, 2008. This volume consists of comments received by the Lead Agency on the DEIR during the public review period, responses to those comments, and revisions to the text of the DEIR.

In conformance with the CEQA Guidelines, the FEIR provides objective information regarding the environmental consequences of the proposed project. The FEIR also examines mitigation measures and alternatives to the project intended to reduce or eliminate significant environmental impacts. The FEIR is used by the City and other Responsible Agencies in making decisions regarding the project. The CEQA Guidelines require that, while the information in the FEIR does not control the agency's ultimate discretion on the project, the agency must respond to each significant effect identified in the DEIR by making written findings for each of those significant effects. According to the State Public Resources Code (Section 21081), no public agency shall approve or carry out a project for which an environmental impact report has been certified which identifies one or more significant effects on the environment that would occur if the project is approved or carried out unless both of the following occur:

- (a) The public agency makes one or more of the following findings with respect to each significant effect:
 - (1) Changes or alterations have been required in, or incorporated into, the project which will mitigate or avoid the significant effect on the environment.
 - (2) Those changes or alterations are within the responsibility and jurisdiction of another public agency and have been, or can and should be, adopted by that other agency.
 - (3) Specific economic, legal, social, technological, or other considerations, including considerations for the provision of employment opportunities of highly trained workers, make infeasible the mitigation measures or alternatives identified in the environmental impact report.
- (b) With respect to significant effects which were subject to a finding under paragraph (3) of subdivision (a), the public agency finds that specific overriding economic, legal, social, technological, or other benefits of the project outweigh the significant effects on the environment.

In accordance with City policy, the FEIR will be made available to the public for ten days prior to certification of the Environmental Impact Report.

TABLE OF CONTENTS

PREFACE..... i

I. LIST OF AGENCIES AND ORGANIZATIONS TO WHOM
THE DRAFT EIR WAS SENT..... 1

II. LIST OF THE COMMENT LETTERS RECEIVED ON THE DRAFT EIR.....2

III. RESPONSES TO COMMENTS RECEIVED ON THE DRAFT EIR
AND COPIES OF COMMENT LETTERS.....3

IV. REVISIONS TO THE TEXT OF THE DRAFT EIR.....20

V. COPIES OF COMMENT LETTERS RECEIVED ON THE DRAFT EIR..... 22

I. LIST OF AGENCIES AND ORGANIZATIONS TO WHOM THE DRAFT EIR WAS SENT

State Agencies

Department of Transportation
State Clearinghouse – Office of Planning and Research
U.S. Army Corps of Engineers

Regional Agencies

Association of Bay Area Governments
Bay Area Air Quality Management District
Department of Roads and Airports
Department of Toxic Substances Control
Metropolitan Transportation Commission
San Francisco Public Utilities Commission
Santa Clara Valley Transportation Authority
Santa Clara Valley Water District

Cities

City of Fremont – Planning Department
City of San José – Department of Transportation
City of San José – Environmental Services Department
City of San José – Planning Department
City of Santa Clara – Planning Department

Organizations/Businesses

Center Partners LLC
McCarthy Ranch, Inc.
McCarthy Ranch Marketplace
Pacific Gas & Electric
Real Estate Investors LLC
Richard I Trustee et al
SBC Telephone
Wal-Mart Stores, Inc.
Water Pollution Control Plant

II. LIST OF COMMENTS LETTERS RECEIVED ON THE DRAFT EIR

State Agencies

- | | | |
|----|--|--------------------|
| A. | Department of Toxic Substances Control | September 30, 2008 |
| B. | Department of Transportation | October 14, 2008 |
| C. | Department of Transportation | November 5, 2008 |

Regional and Local Agencies

- | | | |
|----|---|------------------|
| D. | Santa Clara Valley Transportation Authority | October 16, 2008 |
| E. | Santa Clara Valley Water District | October 16, 2008 |

Cities

- | | | |
|----|------------------|------------------|
| F. | City of San José | October 15, 2008 |
| G. | City of Fremont | October 15, 2008 |

Companies

- | | | |
|----|--------------------------|------------------|
| H. | Pacific Gas and Electric | October 14, 2008 |
|----|--------------------------|------------------|

III. RESPONSES TO COMMENTS RECEIVED ON THE DRAFT EIR

The following section includes all the comments on the DEIR that were received by the City in letters, emails, and phone calls during the advertised 45-day review period. The comments are organized under headings containing the source of the comment and the date submitted. The specific comments have been excerpted from the letters and are presented as “Comment” with the response directly following. Each of the letters submitted to the City of Milpitas is also contained in its entirety in Section V of this document.

CEQA Guidelines Section 15086 requires that a local lead agency consult with and request comments on the Draft EIR prepared for a project of this type from responsible agencies (government agencies that must approve or permit some aspect of the project), trustee agencies for resources affected by the project, adjacent cities and counties, and transportation planning agencies. Section I of this document lists all of the recipients of the DEIR.

The eight comment letters below are from public agencies. The CEQA Guidelines require that:

A responsible agency or other public agency shall only make substantive comments regarding those activities involved in the project that are within an area of expertise of the agency or which are required to be carried out or approved by the responsible agency. Those comments shall be supported by specific documentation. [§15086(c)]

Regarding mitigation measures identified by commenting public agencies, the CEQA Guidelines state that:

Prior to the close of the public review period, a responsible agency or trustee agency which has identified what the agency considers to be significant environmental effects shall advise the lead agency of those effects. As to those effects relevant to its decisions, if any, on the project, the responsible or trustee agency shall either submit to the lead agency complete and detailed performance objectives for mitigation measures addressing those effects or refer the lead agency to appropriate, readily available guidelines or reference documents concerning mitigation measures. If the responsible or trustee agency is not aware of mitigation measures that address identified effects, the responsible or trustee agency shall so state. [§15086(d)]

None of the comment letters received from public agencies includes any performance objectives for mitigation measures.

A. RESPONSE TO COMMENTS FROM DEPARTMENT OF TOXIC SUBSTANCES CONTROL, SEPTEMBER 30, 2008

Comment A1: The Department of Toxic Substances Control (DTSC) has reviewed the Draft Environmental Impact Report (DEIR), dated August 28, 2008, for the subject project. The due date to submit comments is October 14, 2008. Based on a review of the DEIR, DTSC would like to provide the following comments:

1. The project proposes to retain the existing building and parking lot and construct six new office buildings.

Response A1: The characterization of the project in Comment A1 is correct.

Comment A2: 2. Since the site has previously been used for agricultural purposes, pesticides (e.g., DDT, DDE, toxaphene) and fertilizers (usually containing heavy metals) commonly used as part of agricultural operations are likely to be present. These agricultural chemicals are persistent and bio-accumulative toxic substances. DTSC recommends that these environmental concerns be investigated and possibly mitigated, in accordance with the “Interim Guidance for Sampling Agricultural Soils (Third Revision), dated August 2008.” This Guidance should be followed for sampling agricultural properties where development is anticipated.

Response A2: As stated on page 49 of the DEIR, based on recent soil sampling the level of soil contamination on-site from agricultural chemicals does not exceed the Commercial/Industrial Primary Remediation Goals. Nevertheless, a risk assessment was prepared to determine the possible exposure risk to construction workers. The assessment used the more restrictive residential exposure thresholds and concluded that the cancer risk was less than 1×10^{-7} . This level of risk is well below the US Environmental Protection Agency (USEPA) acceptable risk threshold of 1×10^{-4} . Even with the low level of risk to construction workers, the project still proposes mitigation that includes additional soil sampling prior to commencement of construction activities and the development of a Soil Management Plan (SMP). All additional sampling will be completed using the same methodology as the previously collected samples.

Comment A3: 3. If demolition of old structures will occur on site, lead based paint and organochlorine pesticides from termiticide applications may be potential environmental concerns at the site. DTSC recommends that these environmental concerns be investigated and possibly mitigated, in accordance with DTSC’s “*Interim Guidance, Evaluation of School Sites with Potential Soil Contamination as a Result of Lead from Lead-Based Paint, Organochlorine Pesticides from Termiticides, and Polychlorinated Biphenyls from Electrical Transformers*, dated June 9, 2006.”

Response A3: As stated on page 5 of the DEIR, the project proposes to retain all buildings on-site. As a result, no demolition would occur that could result in on-site contamination from lead based paint or organochlorine pesticides from termiticide applications.

**B. RESPONSE TO COMMENTS FROM DEPARTMENT OF TRANSPORTATION,
OCTOBER 14, 2008**

Comment B1: Thank you for continuing to include the California Department of Transportation (Department) in the environmental review process for the proposed project. We have reviewed the DEIR and have the following comments to offer.

Highway Operations

On February 27, 2008, we requested in our letter, during the review period of the Notice of Preparation of the DEIR, the Traffic Impact Analysis and the Technical Appendices. This documentation was not included with the DEIR and was again requested on subsequent occasions and to date has not yet been received. We are very concerned with the significant impacts to State Route 237, Interstate (I)-680, I-880, US 101 and other potentially impacted state facilities. Until we have an opportunity to review this documentation we are not satisfied with the determination of significance and unavoidable impacts. Therefore, we need to review the Technical Appendices. Please submit these for our review.

Response B1: The TIA, which was provided to Caltrans during the public review period, was included in the DEIR was Appendix E.

Caltrans freeway facilities were analyzed, and impacts identified, using the VTA's *Transportation Impacts Analysis Guidelines*, which is the adopted methodology for Santa Clara County. The analysis is provided, in full, in the TIA.

Comment B2: *Traffic Forecasting – Size of Existing Office*

Page 15, Figure 5: The Aerial Photograph appears to show a small portion of the project site is used for other than agricultural use. Office land use is not clearly shown. We recommend that the report include an additional land use map for the project site to include a distinction of land use by color coding. It should identify agricultural, existing office, and new proposed office land use and include the size of each.

Response B2: The aerial photograph (Figure 5 in the DEIR) of the project area has been revised to better reflect the project boundary and the surrounding land uses. Please see 20 of this document for the proposed revisions to Figure 5.

Comment B3: *Conservative Trip Generation*

Page 68, Table 12: Project Trip Generation Estimates indicate the AM and PM peak hour generated trips are derived from the San Diego Association of Governments (SANDAG) method. However, when compared to the Institute of Transportation Engineers (ITE) Trip Generation, 7th Edition, we find a significant under-estimation of generated office traffic between the two methods. The ITE method shows AM and PM peak hour generated office traffic as 2,195 vehicles per hour (vph) (=1416*1.55) and 2,110 vph (=1416*1.49), respectively, while the SANDAG method demonstrates AM and PM peak generated office traffic as 1,685 and 1,586 vph. The Department recommends the traffic study adopt the ITE Trip Generation, 7th Edition method for a conservative approach. The updated trip generation table should show the size of the proposed and existing office use and apply AM and PM peak rates contained in the ITE Trip Generation, 7th Edition to derive the conservative peak hour traffic.

Response B3: In accordance with City of Milpitas policy, the SANDAG trip generation rates were used to estimate the total automobile trips that would be generated by the proposed project. The SANDAG rates are used because they are based on surveys of projects in California as opposed to ITE trip generation rates which are reflective of nationwide surveys.

Comment B4: Inbound/Outbound Traffic through Project Driveways

Page 61, Figure 10: Study Intersection Locations and Figure 9C, Project Trip Distribution, have inconsistent traffic counts. The inbound/outbound AM (PM) traffic from intersections 109 and 110, shown as project driveways, do not match the current generated AM (PM) inbound/outbound traffic demonstrated in Table 12, Project Trip Generation Estimates. Please include an additional diagram and table showing all of the project driveways AM (PM) inbound/outbound traffic using the conservative and updated inbound/outbound AM (PM) generated traffic.

Response B4: Figure 10 of the TIA (Appendix E of the DEIR) shows the location of the signalized study locations. The proposed project includes several unsignalized driveways which are not shown on Figure 10. While the unsignalized driveways are not shown on Figure 10, the driveway level of service calculations are included in the TIA. The traffic volumes presented on the calculation sheets in the TIA and on Figure 10 should reflect the project's total inbound and outbound traffic.

**C. RESPONSE TO COMMENTS FROM DEPARTMENT OF TRANSPORTATION,
NOVEMBER 5, 2008.**

Comment C1: Thank you for continuing to include the California Department of Transportation (Department) in the environmental review process for the proposed project. We have reviewed the DEIR and TIA-TA, received October 15, 2008 and have the following comments to offer.

Highway Operations

1. Please include the intersections (I/S) of Interstate (i)-680/Calaveras Boulevard (State Route (SR)-237) and the Calaveras Blvd (SR-237)/Abbott Avenue in the TIA for our review and comment as these are critical locations.

Response C1: The list of study intersections was selected in consultation with the City of Milpitas staff and the traffic consultant based on estimated traffic patterns and for consistency with the adjacent McCarthy Ranch development project. It was decided that only major intersections on Calaveras would be studied, thereby excluding the Calaveras Boulevard/Abbott Avenue intersection. Furthermore, the Calaveras Boulevard/Abbott Avenue intersection was evaluated in the Transit Area Plan and was found to operate at an acceptable level of service even with a substantial increase in traffic.

The I-680/Calaveras Boulevard interchange does not have any signal controls and traffic is free flowing both entering and existing the freeway. Therefore, there is no intersection to evaluate and no data available for analysis.

Comment C2: 2. Queues for the following ramps exceed the pocket or ramp lengths:

- a. I/S #1 McCarthy Blvd and SR-237 westbound (WB) ramps: the WB SR-237 off-ramp right turn to northbound (NB) McCarthy Blvd.
- b. I/S #4 Calaveras Blvd and I-880 NB ramps: the NB I-880 off-ramp right turn to eastbound (EB) Calaveras Blvd.
- c. I/S #5 Calaveras Blvd (SR-237)/Abel St.: the WB SR-237 off-ramp left turn to NB Abel St.
- d. I/S #14 Great Mall Parkway and I-880 NB ramps: the NB I-880 off-ramp right turn to EB Great Mall Parkway.

Please provide mitigation measures as these queues will impact the freeway mainlines.

Response C2: Three of the four ramps (No. 1, No. 4, and No. 5) already exceed the pocket or ramp length under background conditions without the project. The level of service calculations for the project show that the project will not have a significant queuing impact because the additional project traffic is only expected to increase the queue length by one vehicle. At intersection No. 14, signal coordination with adjacent intersections was identified as the primary method of improving operations and reducing queue spillback. The project impact at this intersection will, however, be significant and unavoidable even with signal coordination. There is no other feasible mitigation at this time.

Comment C3: *Encroachment Permit*

Work that encroaches onto the State right of way (ROW) requires an encroachment permit that is issued by the Department. 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. Traffic-related mitigation measures should be incorporated into the construction plans during the encroachment permit process.

Office of Permits
California DOT, District 4
P.O. Box 23660
Oakland, CA 94623-0660

See the website link below for more information.

<http://www.dot.ca.gov/hq/traffops/developserv/permits/>

Response C3: This comment is acknowledged. All necessary permits will be obtained prior to start of construction.

**D. RESPONSE TO COMMENTS FROM SANTA CLARA VALLEY
TRANSPORTATION AUTHORITY, OCTOBER 16, 2008**

Comment D1: Santa Clara Valley Transportation Authority (VTA) staff have reviewed the Draft EIR for 424,814 square feet of office space on an existing office campus at the northwest corner of McCarthy Boulevard and Ranch Road. We have the following comments.

Site Design and Land Use Density – VTA supports the proposed increase in development intensity on the project site to the FAR of 0.50 allowed by the current General Planning and zoning designations. This aspect of the design is consistent with the principles of VTA’s Community Design & Transportation Manual, which encourages compact development along corridors served by transit. We concur with the assessment in Section 3.0 (page 12) of the DEIR that “the project would intensify jobs in an established job center near housing and transit, which is consistent with the goals of the CMP.”

Response D1: This comment is acknowledged.

Comment D2: Transportation Demand Management – VTA supports the measures to encourage alternative modes of transportation that are proposed in Section 4.8.3.11 of the DEIR. We encourage the City of Milpitas to require these measures and other related Transportation Demand Management (TDM) measures as a condition of approval of the project. In addition, VTA suggests that the City consider requiring the project applicant to provide financial incentives to take transit (for instance through the EcoPass program) as a condition of approval.

Response D2: The recommendation to expand the Transportation Demand Management program as a condition of approval for the proposed project will be forwarded to the Director of Planning for consideration.

The project does not currently include programs such as EcoPass because no occupant has yet been identified and financial incentive programs would be specific to the building occupant.

Comment D3: VTA supports the inclusion of bicycle storage and changing rooms on site as a part of the effort to achieve LEED Silver certification, as noted in Section 2.0 of the DEIR.

Response D3: This comment is acknowledged.

Comment D4: Project Impacts and Mitigation Measures (Section 4.8.2.2 – Project Impacts of Transportation and Circulation section and Appendix E – Final Transportation Impact Analysis (TIA) Report) – VTA recommends early coordination in the planning process between the Lead Agency and the affected jurisdictions, specifically VTA and the California Department of Transportation (Caltrans), in addressing the identified *significant and unavoidable traffic impacts* to the Congestion Management Program (CMP) and Caltrans intersection and roadway facilities.

Response D4: The project applicant and the City of Milpitas will coordinate with the VTA as necessary through the development process should the project be approved.

Comment D5: VTA supports the City of Milpitas' current policy that requires developers to pay their fair share of the improvement costs to mitigate the anticipated cumulative impact of traffic from new developments on future deficient roadways as cited on Page v of the Final TIA Report. In addition, VTA also supports the City of Milpitas in their development of a city wide deficiency plan to identify local and regional transportation improvements as stated on page vi of the Final TIA.

Response D5: This comment is acknowledged.

Comment D6: Bus Service – There are two existing bus duckouts, along McCarthy Ranch Boulevard, which were conditioned as part of the original roadway plan for the area and should be maintained as part of this project.

Response D6: The project does not propose to modify the existing roadway configuration including the existing bus stops, driveways, and sidewalks.

E. RESPONSE TO COMMENTS FROM SANTA CLARA VALLEY WATER DISTRICT, OCTOBER 16, 2008

Comment E1: The Santa Clara Valley Water District (District) has reviewed the subject document, received September 2, 2008.

The District has a number of concerns regarding the projects reliance on the City of Milpitas (City) Storm Drain Master Plan, July 2001. For further detail please see the District's letter dated October 19, 2007 (enclosed). We continue to have concerns with the use and reliance on this Storm Drain Master Plan that does not appear to have been adopted by the City, nor been subject to review for impacts under CEQA.

Response E1: The conclusion in the DEIR was not based solely on the City of Milpitas Storm Drain Master Plan (July 2001). As stated in Sections 4.4.2.3 and 4.11.2.4 of the DEIR, the existing storm drainage system serving the project site was sized to accommodate full build out of the project site under the existing land use designation. Under the proposed project, approximately 23 percent of the project site will remain pervious. The remaining area will drain into 32 drainage areas (27 landscape treatment areas and five mechanical treatment systems) which have been appropriately sized based on the City's C.3 requirements.

As discussed in Section 4.4.2.4 of the DEIR, the system has been designed with 27 landscape treatment areas to allow a significant amount of runoff to infiltrate into the ground, thereby reducing the total volume of water entering the storm drainage system. Therefore, with capacity of the existing system and the proposed stormwater treatment plan, the City concluded that implementation of the proposed project would not impact the existing storm drainage system.

Comment E2: The project is not located on District property or easement, nor does it directly affect a District owned or operated facility. However, it is located next to Coyote Creek. Although a District construction/encroachment permit is not required for the project, the project should be designed consistent with the "Guidelines and Standards for Land Use near Streams" developed by the Water Resources Protection Collaborative. This document is available under the Permits heading in the Business & Permits section of the District's website at www.valleywater.org.

Response E2: The Water Resources Protection Collaborative *Guidelines and Standards for Land Use near Streams* will be referenced during the final design of the project as necessary.

Comment E3: Levees located along the westerly property line protect the surrounding area in the event of a 100-year flood. With increased scrutiny by the U.S. Army Corps of Engineers (CORPS), the District has been tasked to work with the community/cities to ensure the integrity of the levee is not compromised by the adjacent developments. When available, plans should be sent to the District for review for consistency with the Corps Engineering Manual.

Response E3: The project will coordinate with the District as necessary to ensure consistency with the Army Corps of Engineers Manual.

Comment E4: In accordance with the District Ordinance 90-1, the owner should show any existing well(s) on the plans. If a well is located on the site during construction activities, it must be protected or properly destroyed in accordance with the District's standards. Property owners or their representatives should call the Wells and Water Production Unit at (408) 265-2607, extension 2660, for more information regarding well permits and registration or destruction of any wells.

Response E4: The project applicant will be required by the City of Milpitas as a condition of approval to comply with District Ordinance 90-1 during all phases of construction.

Comment E5: Please reference File No. 23428 on further correspondence regarding the project.

Response E5: This comment is acknowledged.

F. RESPONSE TO COMMENTS FROM CITY OF SAN JOSÉ, OCTOBER 15, 2008

Comment F1: On August 29, 2008, the City of San José received a CD version the Draft Environmental Impact Report (EIR) from the City of Milpitas for The Campus at McCarthy Ranch project. The project proposes to add 424,814 SF of office space to an existing office campus located on the west side of McCarthy Blvd, at the northwest corner of McCarthy Blvd and Ranch Road in Milpitas. The site includes 469,494 SF of existing built office out of 991,000 entitled previously for the site. Essentially, the project proposes increasing the FAR for the site from 0.35 to 0.50.

The City of San José appreciates the opportunity to review and provide comments on the Draft EIR and offers the following comments:

1. Since this development is in proximity to the San José/Santa Clara Water Pollution Control Plant, the EIR must acknowledge the proximity of odor generating uses and hazardous materials at the Plant. The proposed development is within proximity to the Plant emergency planning zone, which is based on a computer model, which identifies a worst-case accidental release scenario of hazardous materials used at the Plant. The Hazards and Hazardous Materials section of the EIR should include an evaluation of an accidental release scenario, as requested by San José in our NOP comment letter to Milpitas, dated February 26, 2008. Discussion of model results and other issues related to safety and chemical releases at the Plant can be found in the Plant's Risk Management Plan (RMP). Questions about possible releases and the RMP can be addressed to the ESD Safety Officer at (408) 945-5481.

Response F1: The proposed project is the expansion of an existing use which is already located within the worst-case release scenario emergency planning zone, along with two residences and various industrial and commercial land uses including a hotel. Future occupants of the project site will need to prepare a response plan for a worst-case release scenario and have it approved by the City of Milpitas prior to issuance of occupancy permits.

Comment F2: 2. One of the air quality impact thresholds identified in the Draft EIR states that “any project with the potential to frequently expose members of the public to objectionable odors would be deemed to have a significant impact.” Yet, the Draft EIR does not provide an adequate odor impact analysis evaluating potential odor impacts on future site office workers. The EIR should also indicate that future components of the project would not include any day care centers or learning centers, due to their sensitivity to odor impacts.

Response F2: An analysis of odor impacts is provided in Section 4.9.2.4 of the DEIR. The City concluded in this section that because there are existing office buildings on-site with no previous records of odor complaints, employees of industrial/office buildings are not considered sensitive receptors, and office uses with ventilation systems are not typically impacted by outdoor odors, the proposed project would not be impacted by the nearby water pollution control plant or Newby Island Landfill.

Based on the detailed project description provided in Section 2.0 of the DEIR, the project does not propose any uses such as day care centers or learning centers as part of the project. If any future occupant of the project site were to propose a day care center or other type of facility that would be occupied by sensitive receptors, the City would require additional CEQA review.

Comment F3: In addition, the Draft EIR incorrectly identifies the project site location in proximity to the San José/Santa Clara Water Pollution Control Plant lands. The project site is located east (not west) of the Plant, with active Plant bio-solids drying beds located as close as 200 to 400 feet to the west of the project site. Although most objectionable odors in the area originate at the Newby Island recycling facility, the Plant lands are most often perceived as the primary odor emitter in the area.

Response F3: While the location of the project site relative to the water pollution control plant is correct throughout most of the document, the commentor is correct that it was inaccurately stated in Section 4.9.2.4. The text has been revised accordingly. Please see page 20 of this document for the proposed text revision.

Comment F4: 3. The association between the proposed project and the existing trail system should be enhanced in such a way as to encourage future office workers to use and enjoy the trail and to facilitate bicycle commuters reaching their work site. In September 2007, the City of San José documented nearly 1,000 trail users along the Guadalupe River Trail with almost 40% commuting to work sites in North San José. This year's Trail Count is on-going and we are seeing a significant increase in the number of trail users. The Silicon Valley casual work style and support for green initiatives should serve as encouragement to the developer to enhance the trail/business park interface.

Development of the Bay Trail within San José's jurisdiction will include paving a pathway along Highway 237 between Coyote Creek and Zanker Road. This project will improve continuity between the Highway 237 Bikeway and the project site.

Response F4: There is currently a designated trail entrance immediately south of the project site at the Ranch Road cul-de-sac which provides easy access to the trail for all future employees. The City of Milpitas does not intend to require any trail improvements as a condition of approval for this project.

Comment F5: 4. Figure 3 (Project Vicinity) of the EIR should be revised to show the location of the six acres of land owned by the City of San José adjacent to the project site, generally referred to as the McCarthy Strip. That strip of land currently contains two residences, which would be considered sensitive receptors in terms of air quality, noise, construction activities, etc. Those relevant sections of the Draft EIR should be revised to reflect the sensitive residential land uses adjacent to the project site, and include appropriate environmental impact analysis.

Response F5: The Vicinity Map (listed as Figure 2 in the DEIR) is a general map of the project area and does not specifically call out any land uses in the project area. Figure 3 (listed as the Assessors Parcel Map) only shows the project site. The aerial of the project area (Figure 5 in the DEIR) does incorrectly show the adjacent agricultural land as being within the project site boundary. Please see page 20 of this document for the proposed revisions to Figure 5.

The residences referred to in Comment F5 are identified in the Land Use section under Section 4.1.1.2. The only impacts identified to the existing residences from the project would be temporary impacts associated with construction activities. The DEIR includes mitigation measures for construction related air quality impacts in Section 4.9.3 (based on BAAQMD guidelines) which would reduce the temporary impacts to a less than significant level. The

proposed project will also have to comply with all relevant City code requirements for construction activities such as time limits and standard noise suppression techniques which would avoid temporary noise impacts. Therefore, the DEIR concluded that the proposed project would not have a significant impact on any sensitive receptors.

Comment F6: 5. The intersection of Dixon Landing Road and McCarthy Ranch Road is primarily used for heavy industrial uses accessing the Newby Island Landfill. The north parcel is planned for retail and may cause use conflicts between the trucks accessing the landfill and cars existing off of I-880. This conflict of uses should be minimized to the maximum extent practicable.

Comment F6: It is assumed that the comment is referring to the intersection of Dixon Landing Road and McCarthy Boulevard. This intersection is approximately 1.5 miles from the northern boundary of the project site. The proposed project has no connection to any retail development proposed near this intersection.

G. REPONSE TO COMMENTS FROM CITY OF FREMONT, OCTOBER 15, 2008.

Comment G1: After reviewing the Draft EIR, the City of Fremont has identified a substantial lack of information regarding the project's transportation impacts in combination with background and interim cumulative projects. The EIR specifies that San José and Milpitas projects are included in the analysis, but neglects involvement of the City of Fremont despite the readily available citywide development project status information on the City's website and the NOP response letter invitation to contact our Transportation Division staff for pending and approved projects.

Response G1: The City of Milpitas did not receive a letter from the City of Fremont in response to the NOP for the Campus at McCarthy Ranch project. Also, please see Response F2.

Comment G2: While it is not entirely clear what the separation threshold of background traffic from interim cumulative traffic is in the DEIR, the DEIR articulates on page 105 that projects known to the City of Milpitas at the time of the circulation of the EIR (August 2009) are included in the interim cumulative analysis. This indicates that the project of greatest concern to the City in the area, Creekside Landing, should be included in this analysis due to its pending status since the Fall of 2007 and its Notice of Preparation circulation in May of 2008. The two principal components of the project that should be included in the analysis are:

- A) New four-way intersection for Fremont Boulevard/McCarthy Boulevard/Dixon Landing Road
- B) Creekside Landing 524,000 square foot shopping center at the new four-way intersection

We also offer that the I-880 corridor improvements between Mission Boulevard and HWY 237 are scheduled to be completed later this year and will be operational under the project condition.

Response G2: It is assumed that the comment meant to say circulation of the EIR in August 2008. At the start of the TIA for the proposed project, the City of Fremont was contacted by Hexagon Transportation Consultants (who were preparing a study for an adjacent project and working in conjunction with Fehr & Peers) to obtain information on approved and pending projects that would add traffic to the project area. The Creekside Landing project was not identified by Fremont staff at that time. In addition, the City of Fremont did not ask that the Creekside Landing project be included in the TIA during the NOP comment period in February 2008. The traffic analysis in the TIA, which is based on the NOP for the proposed project, includes the network link of Fremont Boulevard between Lakeview Boulevard and Dixon Landing Road in the long-term cumulative analysis. The NOP for the Creekside Landing project was released after the proposed project's NOP in May 2008 and, therefore, the City of Milpitas did not include the Creekside Landing project as a reasonably foreseeable project and did not include the project in the cumulative analysis of the TIA.

Comment G3: We look forward to reviewing the Final EIR when it is available. In addition, we are requesting public hearing notice of the project's consideration and a copy of the Notice of Determination (NOD) at the time action is taken on the proposed project. Please send future correspondence and copies care of Kelly Diekmann, Senior Planner, City of Fremont.

Response G3: This comment is acknowledged.

H. RESPONSE TO COMMENTS FROM PACIFIC GAS AND ELECTRIC LAND SERVICES, OCTOBER 14, 2008

Comment H1: Thank you for the opportunity to comment on the Notice of Availability (NOA) of a Draft Environmental Impact Report (DEIR) for the Campus at McCarthy Ranch Project.

Information provided in the NOA of the DEIR did not specifically indicate the direct impacts on our gas and electric facilities. However, since PG&E has an obligation to provide the public with a reliable and safe energy supply as mandated by the California Public Utilities Commission (CPUC) and to comply with the guidelines outlines in General Orders 95 and 112. PG&E should be consulted during the development of the plan to ensure that the capacity, operational and maintenance requirements for its gas and electric facilities are taken into consideration prior to approval of the final plan.

Response H1: Pacific Gas and Electric will be consulted, as necessary, on the proposed project through all phases of final design and construction.

Comment H2: Early involvement will allow us to assess cumulative impacts to our systems and to identify facilities that may need to be installed, relocated and or realigned as a result of the proposed general plan revision. Because engineering and construction of our facilities may require long lead times, we encourage you to consult with us during the initial stages of your planning process.

Response H2: Please see Response G1.

Comment H3: We would like to note that expansion of utility facilities is a necessary consequence of growth and development. As development occurs, the cumulative impacts of new energy load growth use up available capacity in the utility system. In addition to adding new distribution feeders, the range of electric system improvements needed to accommodate growth may include upgrading existing substations and building new substations and interconnecting transmission line. Comparable upgrades or additions would be required for our gas system as well. Environmental impacts associated with new and or relocated gas or electric facilities as a result of the proposed project should be fully addressed in the Final EIR and, if appropriate, mitigation measures to minimize or eliminate such impacts should be incorporated into the document as well.

Response H3: Section 4.12 of the DEIR addresses the increase demand for energy that would result from implementation of the proposed project. The DEIR concluded that the proposed project would have a significant impact on energy consumption. It was estimated that the new buildings would result in a net increase in consumption of approximately 17.0 million kilowatt hours of electricity and 27.4 million cubic feet of natural gas per year. The City has, however, required specific mitigation measures (listed in Section 4.12.4 of the DEIR) that would reduce the project's impact to a less than significant level. No new facilities or upgrades to existing facilities would be required to meet the projected demand of the project.

Comment H4: To promote the safe and reliable maintenance and operation of these utility facilities, the California Public Utilities Commission (CPUC) has mandated specific clearance requirements between utility facilities and surrounding objects or construction activities. To ensure compliance with these standards, project proponents should coordinate with PG&E early in the development of

their project plans. Any proposed development plans should provide for unrestricted utility access and prevent easement encroachments that might impair the safe and reliable maintenance and operation of PG&E's facilities.

Response H4: Please see Response G1.

Comment H5: Developers will be responsible for the costs associated with the relocation of existing PG&E facilities to accommodate their proposed development. Because these facilities relocations require long lead times and are not always feasible, developers should be encouraged to consult with PG&E as early in their planning stages as possible.

Relocations of PG&E's electric transmission lines and related facilities is a necessary consequence of growth and development. In addition to adding new distribution feeders, the range of electric system improvements needed to accommodate growth may include upgrading existing substation and transmission line equipment, expanding existing substations to their ultimate buildout capacity, and building new substation and interconnecting transmission lines. Comparable upgrades or additions needed to accommodate additional load on the gas system could include facilities such as regulator stations, odorizer stations, value lots, distribution and transmission lines."

Response H5: It is acknowledged that the developer will be responsible for the cost associated with the relocation of existing PG&E facilities if required during project construction. Pacific Gas and Electric will be consulted, as necessary, on the proposed project through all phases of final design and construction.

Comment H6: We would like to recommend that environmental documents for proposed development projects include adequate evaluation of cumulative impacts to utility systems, the utility facilities needed to serve those development and any potential environmental issues associated with extending utility service to the proposed project. This will assure the project's compliance with CEQA and reduce potential delays to the project schedule.

Response H6: As stated in Section 6.1 of the DEIR, the City determined that the proposed project would not have a cumulatively considerable impact on electrical facilities because the project level impacts can be mitigated to a less than significant level.

Comment H7: We encourage the City to include information about the issue of electric and magnetic fields (EMF) in the EIR. It is PG&E's policy to share information and educate people about the issue of EMF.

EMFs are invisible fields of force created by electric voltage (electric fields) and by electric current (magnetic fields). Wherever there is a flow of electricity, both electric and magnetic fields are created; in appliances, homes, schools and offices, and in power lines. There is no scientific consensus on the actual health effects of EMF exposure, but it is an issue of public concern. PG&E relies on organizations and health agencies such as the California Department of Health Services, U.S. Environmental Protection Agency and the Electric Power Research Institute to review research on EMF and provide a foundation for developing policies.

Because there is concern about the possible health effects of exposure to EMF, we support and fund medical, scientific, and industry research on EMF. It is PG&E policy to consider EMF in the design, planning and construction of new and upgraded facilities.

Response H7: Currently there are no significance thresholds for analyzing impacts to persons from EMF exposure. The City will, however, take the issue under consideration for future projects which may cause people to be affected by EMF exposure.

Comment H8: PG&E remains committed to working with the City to provide timely, reliable and cost effective gas and electric service to Brentwood area. We would also request that we be copied on future correspondence regarding this subject as this project develops and that we be placed on the list to review the DEIR and FEIR.

Response H8: It is unclear what the specific comment is as the project is not located in the Brentwood area and the comment letter is in response to the DEIR.

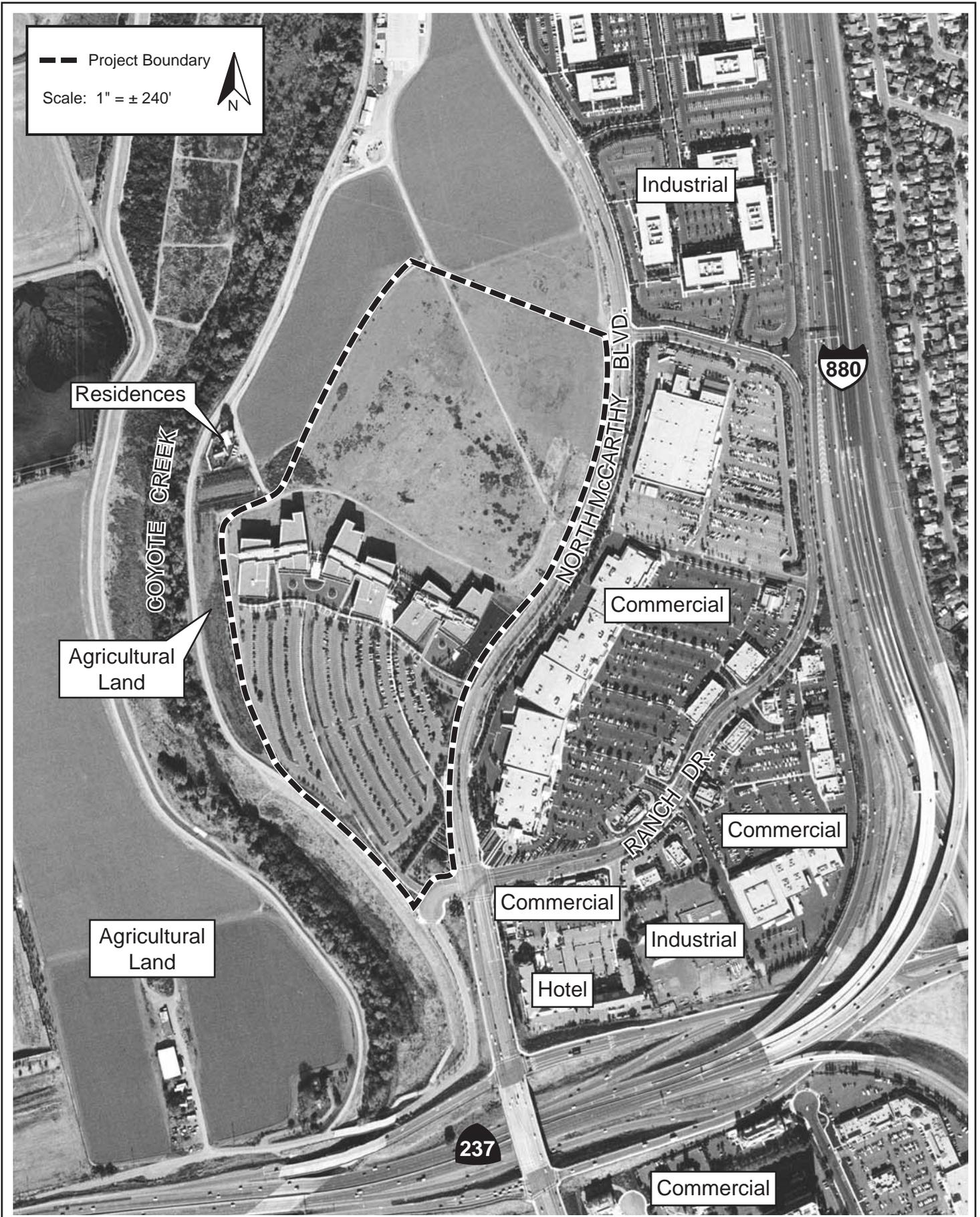
IV. REVISIONS TO THE TEXT OF THE DRAFT EIR

The following section contains revisions to the text of the *Draft Environmental Impact Report, The Campus at McCarthy Ranch*, dated August 2008. Revised or new language is underlined. All deletions are shown ~~with a line through the text~~.

Page 15 Figure 5 will be revised. Please see page 21 of this document for the revised graphic.

Page 86 The first paragraph under Section 4.9.2.4 will be revised as follows:

The project site is located approximately 0.78 miles due ~~west~~ east of the San José/Santa Clara Water Pollution Control Plant and approximately 1.8 miles southwest of the Newby Island Landfill. *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 (i.e., residents, children, elderly persons) and various odor sources to avoid the potential for adverse odor impact. When these minimum distances are not met, the potential for odor impact exists.



AERIAL PHOTOGRAPH

FIGURE 5 (REVISED)

V. COPIES OF THE COMMENT LETTERS RECEIVED ON THE DRAFT EIR



Linda S. Adams
Secretary for
Environmental Protection



Department of Toxic Substances Control

Maureen F. Gorsen, Director
9211 Oakdale Avenue
Chatsworth, California 91311



Arnold Schwarzenegger
Governor

September 30, 2008

Mr. Sheldon S. Ah Sing (sahsing@ci.milpitas.ca.gov)
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95036

**DRAFT ENVIRONMENTAL IMPACT REPORT FOR CAMPUS AT MCCARTHY
RANCH, MILPITAS, SANTA CLARA COUNTY, CALIFORNIA (SCH 2008022007)**

Dear Mr. Ah Sing:

The Department of Toxic Substances Control (DTSC) has reviewed the Draft Environmental Impact Report (DEIR), dated August 28, 2008, for the subject project. The due date to submit comments is October 14, 2008. Based on a review of the DEIR, DTSC would like to provide the following comments:

- 1 The project proposes to retain the existing building and parking lot and construct six new office buildings.
- 2 Since the site has previously been used for agricultural purposes, pesticides (e.g., DDT, DDE, toxaphene) and fertilizers (usually containing heavy metals) commonly used as part of agricultural operations are likely to be present. These agricultural chemicals are persistent and bio-accumulative toxic substances. DTSC recommends that these environmental concerns be investigated and possibly mitigated, in accordance with the "Interim Guidance for Sampling Agricultural Soils (Third Revision), dated August 2008." This Guidance should be followed for sampling agricultural properties where development is anticipated.
3. If demolition of old structures will occur on site, lead based paint and organochlorine pesticides from termiticide applications may be potential environmental concerns at the site. DTSC recommends that these environmental concerns be investigated and possibly mitigated, in accordance with DTSC's *"Interim Guidance, Evaluation of School Sites with Potential Soil Contamination as a Result of Lead From Lead-Based Paint, Organochlorine Pesticides from Termiticides, and Polychlorinated Biphenyls from Electrical Transformers, dated June 9, 2006."*

Mr. Sheldon S. Ah Sing
September 30, 2008
Page 2

If you would like to discuss this matter further, please contact me at (818) 717-6617.

Sincerely,



Ken Chiang
Senior Hazardous Substances Scientist
Brownfields and Environmental Restoration

cc: State Clearinghouse (State.clearinghouse@opr.ca.gov)
Office of Planning and Research

Mr. Guenther W. Moskat (Gmoskat@dtsc.ca.gov)
CEQA Tracking Center – Sacramento HQ

School Reading File – Chatsworth (cwherry@dtsc.ca.gov)

CEQA Reading File – Chatsworth

DEPARTMENT OF TRANSPORTATION

P. O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 622-5491
FAX (510) 286-5559
TTY 711



*Flex your power!
Be energy efficient!*

October 14, 2008

SCL-237-8.92
SCL237169
SCH2008022007

Mr. Sheldon Ah Sing
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035

Dear Mr. Ah Sing:

The Campus at McCarthy Ranch Industrial Project, Draft Environmental Impact Report (DEIR)

Thank you for continuing to include the California Department of Transportation (Department) in the environmental review process for the proposed project. We have reviewed the DEIR and have the following comments to offer.

Highway Operations

On February 27, 2008, we requested in our letter, during the review period of the Notice of Preparation of the DEIR, the Traffic Impact Analysis and the Technical Appendices. This documentation was not included with the DEIR and was again requested on subsequent occasions and to date has not been received. We are very concerned with the significant impacts to State Route 237, Interstate (I)-680, I-880, US 101 and other potentially impacted state facilities. Until we have an opportunity to review this documentation we are not satisfied with the determination of significant and unavoidable impacts. Therefore, we need to review the Technical Appendices. Please submit these for our review.

Traffic Forecasting

Size of Existing Office

Page 15, Figure 5: The Aerial Photograph appears to show a small portion of the project site is used for other than agriculture use. Office land use is not clearly shown. We recommend that the report include an additional land use map for the project site to include a distinction of land use by color coding. It should identify agricultural, existing office, and new proposed office land use and include the size of each.

Conservative Trip Generation

Page 68, Table 12: Project Trip Generation Estimates indicate the AM and PM peak hour generated trips are derived from the San Diego Association of Governments (SANDAG) method. However, when compared to the Institute of Transportation Engineers (ITE) Trip Generation, 7th Edition, we find a significant under-estimation of generated office traffic between the two

Mr. Sheldon Ah Sing
October 14, 2008
Page 2

methods. The ITE method shows AM and PM peak hour generated office traffic as 2,195 vehicles per hour (vph) ($=1416*1.55$) and 2,110 vph ($=1416*1.49$), respectively, while the SANDAG method demonstrates AM and PM peak generated office traffic as 1,685 and 1,586 vph. The Department recommends the traffic impact study adopt the ITE Trip Generation, 7th Edition method for a conservative approach. The updated trip generation table should show the size of the proposed and existing office use and apply AM and PM trip rates contained in the ITE Trip Generation, 7th Edition to derive the conservative peak hour traffic.

Inbound/Outbound Traffic through Project Driveways

Page 61, Figure 10: Study Intersection Locations and Figure 9C, Project Trip Distribution, have inconsistent traffic counts. The inbound/outbound AM (PM) traffic from intersections 109 and 110, shown as project driveways, do not match the current generated AM (PM) inbound/outbound traffic demonstrated in Table 12, Project Trip Generation Estimates. Please include an additional diagram and table showing all of the project driveways AM (PM) inbound/outbound traffic using the conservative and updated inbound/outbound AM (PM) generated traffic.

Should you have any questions regarding this letter, please call José L. Olveda of my staff at (510) 286-5535.

Sincerely,



LISA CARBONI
District Branch Chief
Local Development - Intergovernmental Review

c: Scott Morgan (State Clearinghouse)

bc: LCarboni/ JOlveda/ PCox/ File/ Chron File

JLO/jlo

DEPARTMENT OF TRANSPORTATION

P. O. BOX 23660
OAKLAND, CA 94623-0660
PHONE (510) 622-5491
FAX (510) 286-5559
TTY 711



*Flex your power!
Be energy efficient!*

November 5, 2008

SCL-237-8.92
SCL237169
SCH2008022007

Mr. Sheldon Ah Sing
City of Milpitas
455 E. Calaveras Blvd.
Milpitas, CA 95035

Dear Mr. Ah Sing:

The Campus at McCarthy Ranch Industrial Project, Draft Environmental Impact Report (DEIR) and Traffic Impact Analysis-Technical Appendices (TIA-TA)

Thank you for continuing to include the California Department of Transportation (Department) in the environmental review process for the proposed project. We have reviewed the DEIR and TIA-TA, received October 15, 2008 and have the following comments to offer.

Highway Operations

1. Please include the intersections (I/S) of Interstate (I)-680/ Calaveras Boulevard (State Route (SR)-237) and the Calaveras Blvd (SR-237)/ Abbott Avenue in the TIA for our review and comment as these are critical locations.
2. Queues for the following ramps exceed the pocket or ramp lengths:
 - a. I/S #1 McCarthy Blvd and SR-237 westbound (WB) ramps: the WB SR-237 off-ramp right turn to northbound (NB) McCarthy Blvd.
 - b. I/S #4 Calaveras Blvd and I-880 NB ramps: the NB I-880 off-ramp right turn to eastbound (EB) Calaveras Blvd.
 - c. I/S #5 Calaveras Blvd (SR-237) / Abel St.: the WB SR-237 off-ramp left turn to NB Abel St.
 - d. I/S #14 Great Mall Parkway and I-880 NB ramps: the NB I-880 off-ramp right turn to EB Great Mall Parkway.

Please provide mitigation measures as these queues will impact the freeway mainlines.

Encroachment Permit

Work that encroaches onto the State right of way (ROW) requires an encroachment permit that is issued by the Department. To apply, a completed encroachment permit application, environmental documentation, and five (5) sets of plans clearly indicating State ROW must be submitted to the

Mr. Sheldon Ah Sing
November 5, 2008
Page 2

address below. Traffic-related mitigation measures should be incorporated into the construction plans during the encroachment permit process.

Office of Permits
California DOT, District 4
P.O. Box 23660
Oakland, CA 94623-0660

See the website link below for more information.
<http://www.dot.ca.gov/hq/traffops/developserv/permits/>

Should you have any questions regarding this letter, please call José L. Olveda of my staff at (510) 286-5535.

Sincerely,



LISA CARBONI
District Branch Chief
Local Development - Intergovernmental Review

c: Scott Morgan (State Clearinghouse)



October 16, 2008

City of Milpitas
Planning Division
455 East Calaveras Boulevard
Milpitas, CA 95035-5479

Attention: Sheldon Ah Sing

Subject: McCarthy Ranch Campus

Dear Mr. Sing:

Santa Clara Valley Transportation Authority (VTA) staff have reviewed the Draft EIR for 424,814 square feet of office space on an existing office campus at the northwest corner of McCarthy Boulevard and Ranch Road. We have the following comments.

Site Design and Land Use Density

VTA supports the proposed increase in development intensity on the project site to the FAR of 0.50 allowed by the current General Planning and zoning designations. This aspect of the design is consistent with the principles of VTA's Community Design & Transportation Manual, which encourages compact development along corridors served by transit. We concur with the assessment in Section 3.0 (page 12) of the DEIR that "the project would intensify jobs in an established job center near housing and transit, which is consistent with the goals of the CMP."

Transportation Demand Management

VTA supports the measures to encourage alternative modes of transportation that are proposed in Section 4.8.3.11 of the DEIR. We encourage the City of Milpitas to require these measures and other related Transportation Demand Management (TDM) measures as a condition of approval of the project. In addition, VTA suggests that the City consider requiring the project applicant to provide financial incentives to take transit (for instance through the EcoPass program) as a condition of approval.

VTA supports the inclusion of bicycle storage and changing rooms on site as a part of the effort to achieve LEED Silver certification, as noted in Section 2.0 of the DEIR.

Project Impacts and Mitigation Measures [Section 4.8.2.2 – Project Impacts of Transportation and Circulation section and Appendix E – Final Transportation Impact Analysis (TIA) Report]

VTA recommends early coordination in the planning process between the Lead Agency and the affected adjacent jurisdictions, specifically VTA and the California Department of

City of Milpitas
October 16, 2008
Page 2

Transportation (Caltrans), in addressing the identified *significant and unavoidable traffic impacts* to the Congestion Management Program (CMP) and Caltrans intersection and roadway facilities.

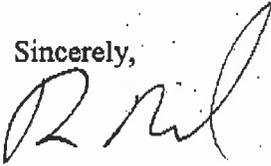
VTA supports the City of Milpitas' current policy that requires developers to pay their fair share of the improvement costs to mitigate the anticipated cumulative impact of traffic from new developments on future deficient roadways as cited on Page v of the Final TIA Report. In addition, VTA also supports the City of Milpitas in their development of a city wide deficiency plan to identify local and regional transportation improvements as stated on page vi of the Final TIA.

Bus Service

There are two existing bus duckouts, along McCarthy Ranch Boulevard, which were conditioned as part of the original roadway plan for the area and should be maintained as part of this project. See attached photo.

Thank you for the opportunity to review this project. If you have any questions, please call me at (408) 321-5784.

Sincerely,



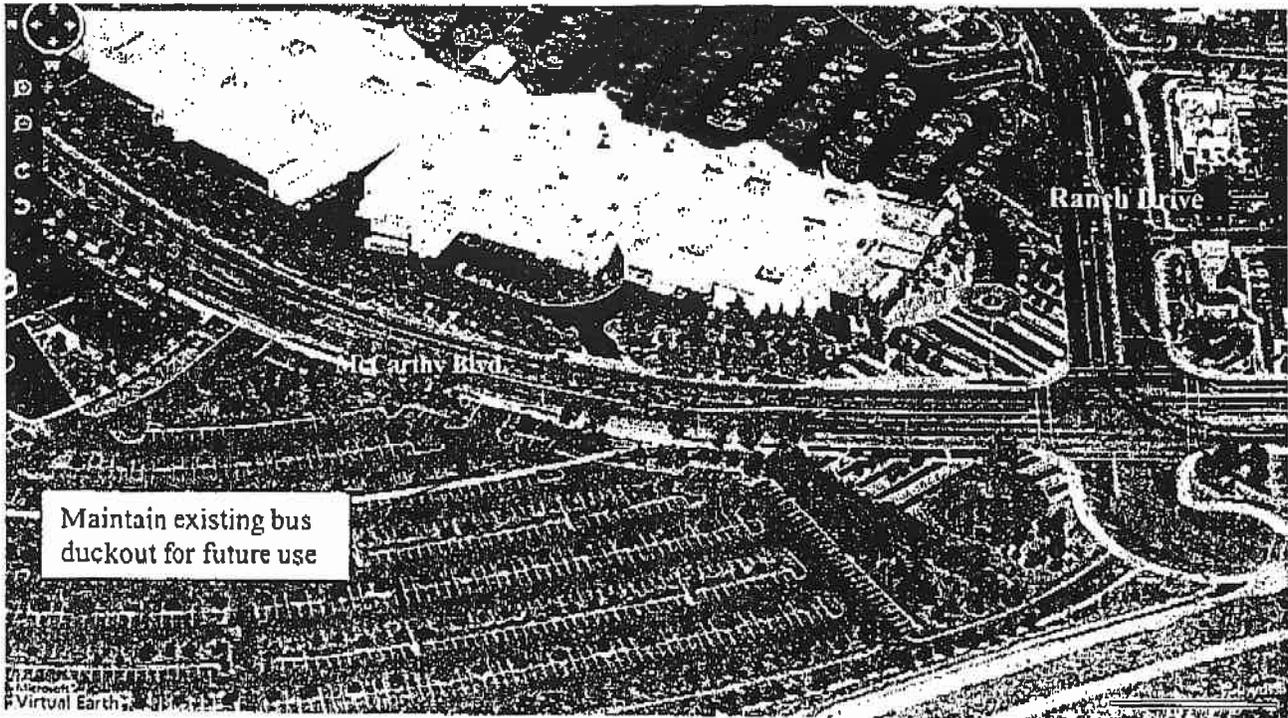
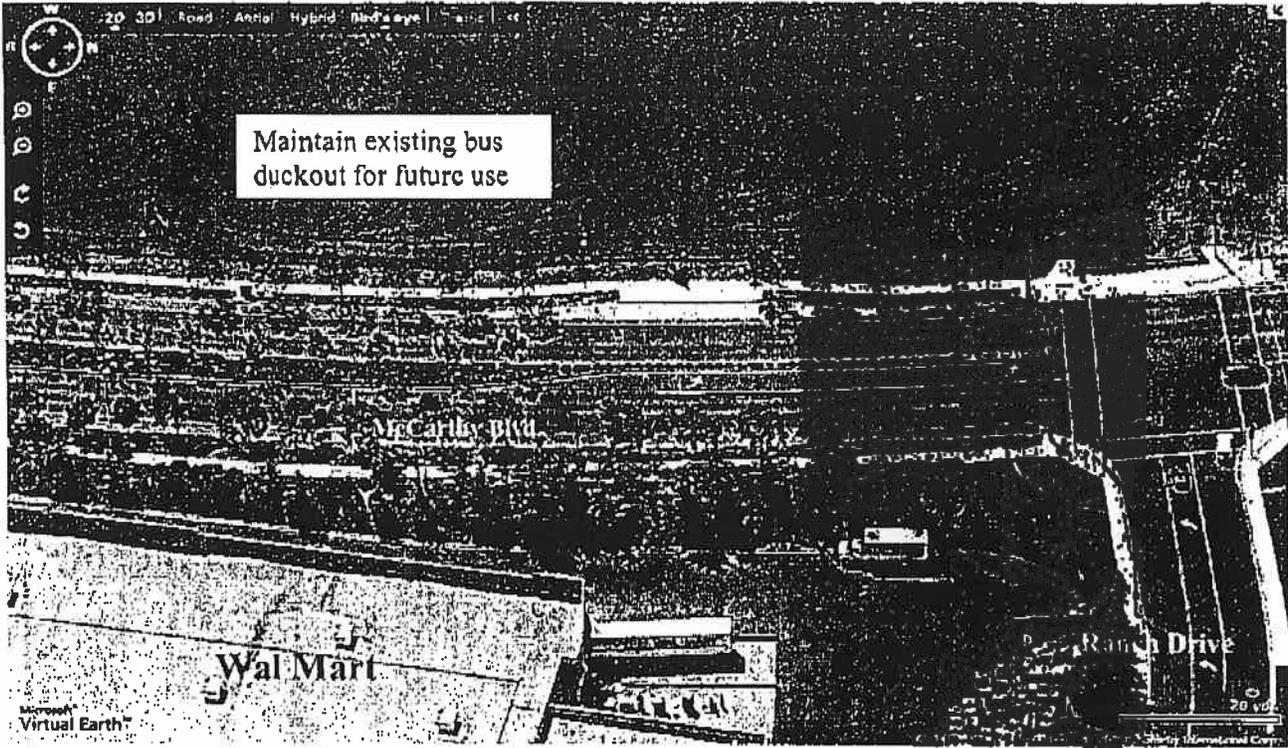
Roy Molseed
Senior Environmental Planner

RM:kh

cc: Samantha Swan, VTA

ML0801

McCarthy Ranch Industrial Bus Stops – Feb 2008



File: 23428
Coyote Creek

October 16, 2008

Mr. Sheldon S. Ah Sing
Milpitas Planning Division
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Subject: Draft Environmental Impact Report (DEIR) for The Campus at McCarthy Ranch,
SCH# 2008022007

Dear Mr. Ah Sing:

The Santa Clara Valley Water District (District) has reviewed the subject document, received September 2, 2008.

The District has a number of concerns regarding the projects reliance on the City of Milpitas (City) Storm Drain Master Plan, July 2001. For further detail please see the District's letter dated October 19, 2007 (enclosed). We continue to have concerns with the use and reliance on this Storm Drain Master Plan that does not appear to have been adopted by the City, nor been subject to review for impacts under CEQA.

The project is not located on District property or easement, nor does it directly affect a District owned or operated facility. However, it is located next to Coyote Creek. Although a District construction/encroachment permit is not required for the project, the project should be designed consistent with the "Guidelines and Standards for Land Use near Streams" developed by the Water Resources Protection Collaborative. This document is available under the Permits heading in the Business & Permits section of the District's website at www.valleywater.org.

Levees located along the westerly property line protect the surrounding area in the event of a 100-year flood. With increased scrutiny by the U.S. Army Corps of Engineers (CORPS), the District has been tasked to work with the community/cities to ensure the integrity of the levee is not compromised by the adjacent developments. When available, plans should be sent to the District for review for consistency with the Corps Engineering Manual.

In accordance with the District Ordinance 90-1, the owner should show any existing well(s) on the plans. If a well is located on the site during construction activities, it must be protected or properly destroyed in accordance with the District's standards. Property owners or their

Mr. Sheldon S. Ah Sing
Page 2
October 15, 2008

representatives should call the Wells and Water Production Unit at (408) 265-2607, extension 2660, for more information regarding well permits and registration or destruction of any wells.

Please reference File No. 23428 on further correspondence regarding the project.

Should you have any questions, please give me a call at (408) 265-2607, extension 2494 or email me at THipol@valleywater.org.

Sincerely,



Theodore Hipol
Assistant Engineer
Community Projects Review Unit

Enclosures: Copy of Letter Dated October 19, 2007

cc: Mr. Babak Kaderi
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

S. Tippets, S. Yung, T. Hipol, J. Castillo, S. Katric, D. Duran, D. Adams, File

23428_51140th10-15



S. Yuan

5750 ALMADEN
SAN JOSE, CA 95120
TELEPHONE (408) 299-1000
FACSIMILE (408) 299-1001
www.valleywd.com
AN EQUAL OPPORTUNITY

File: 31672
Various

October 19, 2007

Mr. Greg Armendariz
City Engineer
City of Milpitas
455 E. Calaveras Boulevard
Milpitas, CA 95035

Dear Mr. Armendariz:

Subject: City of Milpitas Storm Drain Master Plan

During our review of environmental documents and projects in Milpitas, we have noted several references to the city's storm drain master plan. It appears that this reference is to a Storm Drain Master Plan (SDMP), dated July 2001. Santa Clara Valley Water District staff discussed the SDMP with you and city staff during our October coordination meeting. We understand that the City intends to update the plan and present it to the City Council for adoption next fiscal year. At this point, we would like to share our comments on the SDMP so that they can be considered in the update effort.

Consistency of Storm Drain Master Plan with Flood Protection

The singular most important concept that should be incorporated into the master plan update is the consistency between the storm drainage system and the flood protection system. Our recent experience with the Federal Emergency Management Agency's (FEMA) levee recertification process has identified the importance of a coordinated design of these two systems. The requirement of an internal drainage system analysis confirms the need for the coordination of all aspects of a regional drainage system.

Locally in Santa Clara County, municipalities have traditionally been responsible for the storm drain system and the Santa Clara Valley Water District has constructed capital projects providing regional flood protection measures on the creeks and streams. Since the local system and the regional system together complete the drainage system, the design parameters of each need to be coordinated. A storm drain master plan is an ideal mechanism to document the design assumptions and parameters of both these systems.

Specific Comments on 2001 Storm Drain Master Plan

The Storm Drain Master Plan identifies improvements to be made over time to bring storm drain facilities into compliance with city standards. The city standard allows for the 10 year design discharge to be contained within the pipe system with a 100 year design discharge that does not exceed the top of curb or street right of way elevation. The master plan identifies improvements that will eliminate 100 year flooding that flows beyond the street right of way. Improvements identified consist of the construction of

ENCLOSURE



Mr. Greg Armendariz
Page 2
October 19, 2007

additional pipes to convey runoff from identified problem areas thereby eliminating the flooding condition. The SDMP does not discuss impacts to the stream conveyance system resulting from the implementation of the proposed improvements.

The relationship between the 100 year design discharge for the storm drainage system and the 100 year design discharge for the receiving stream should be clarified. If the storm drain system is designed to convey the 100 year discharge through a combination of pipe and street flow, theoretically the 100 year flood plain would be reduced to flow within the city streets. While this is a desirable goal, the District has concerns about the timing of storm drain improvement construction and the construction of any modifications that may be needed to the flood protection infrastructure.

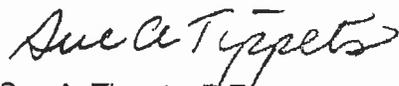
Similarly, we note that several pump stations are designed to convey discharges in excess on the 100 year flow rate. Even though the City has some operating controls in place to avoid creating additional flood problems when the water surface is high in the creeks, the pump station design discharge rate and timing of discharge raises a concern. We recommend that the SDMP include additional details on the pump station operation particularly during high flows and imminent flood events.

The hydraulic calculations in the SDMP assumed a 10 year water surface elevation in the receiving stream at the outfalls without any backwater effects. In practice the stream level may be higher than the outfall during storm events wherein the calculated pipe discharge capacity will not be realized.

The SDMP identifies published flow rates for the major drainage facilities (streams) in Milpitas. These discharge rates were published in the 1980 and 1998 FEMA flood studies and represent watershed conditions that existed as of the late 1970s and reflect reductions in flow rates due to spills. These flow rates are not design discharge rates nor do they reflect current or future conditions. The text does not indicate how the published flow rates were used in the preparation of the SDMP.

As you proceed, District staff is available to discuss technical aspects of the storm drain master plan update. I look forward to hearing from you or your staff. I can be reached by phone at (408) 265-2607, extension 2253 or by email at stippets@valleywater.org.

Sincerely,



Sue A. Tippetts, P.E.
Engineering Unit Manager
Community Projects Review Unit

cc: M. Klemencic, S. Yung, S. Tippetts, J. Wang, G. Fowler, File (2)

31672_49995st10-19

ENCLOSURE

October 15, 2008

Sheldon S. Ah Sing, Senior Planner
Milpitas Planning Division
455 E. Calaveras Blvd.
Milpitas, CA 95035

**SUBJECT: DRAFT ENVIRONMENTAL IMPACT REPORT FOR THE CAMPUS AT
MCCARTHY RANCH (OA08-029)**

Dear Mr. Ah Sing:

On August 29, 2008, the City of San Jose received a CD version the Draft Environmental Impact Report (EIR) from the City of Milpitas for The Campus at McCarthy Ranch project. The project proposes to add 424,814 SF of office space to an existing office campus located on the west side of McCarthy Blvd, at the northwest corner of McCarthy Blvd and Ranch Road in Milpitas. The site includes 469,494 SF of existing built office out of 991,000 entitled previously for the site. Essentially, the project proposes increasing the FAR for the site from 0.35 to 0.50.

The City of San Jose appreciates the opportunity to review and provide comments on the Draft EIR and offers the following comments:

1. Since this development is in proximity to the San Jose/Santa Clara Water Pollution Control Plant, the EIR must acknowledge the proximity of odor generating uses and hazardous materials at the Plant. The proposed development is within proximity to the Plant emergency planning zone, which is based on a computer model, which identifies a worst-case accidental release scenario of hazardous materials used at the Plant. The Hazards and Hazardous Materials section of the EIR should include an evaluation of an accidental release scenario, as requested by San Jose in our NOP comment letter to Milpitas, dated February 26, 2008. Discussion of model results and other issues related to safety and chemical releases at the Plant can be found in the Plant's Risk Management Plan (RMP). Questions about possible releases and the RMP can be addressed to the ESD Safety Officer at (408) 945-5481.
2. One of the air quality impact thresholds identified in the Draft EIR states that "any project with the potential to frequently expose members of the public to objectionable odors would be deemed to have a significant impact." Yet, the Draft EIR does not provide an adequate odor impact analysis evaluating potential odor impacts on future site office workers. The EIR should also indicate that future components of the project would not include any day care centers or learning centers, due to their sensitivity to odor impacts.

In addition, the Draft EIR incorrectly identifies the project site location in proximity to the San Jose/Santa Clara Water Pollution Control Plant lands. The project site is located east (not west)

Sheldon S. Ah Sing

RE: DRAFT EIR FOR THE CAMPUS AT MCCARTHY RANCH (OA08-029)

October 15, 2008

Page 2

of the Plant, with active Plant bio-solids drying beds located as close as 200 to 400 feet to the west of the project site. Although most objectionable odors in the area originate at the Newby Island recycling facility, the Plant lands are most often perceived as the primary odor emitter in the area.

3. The association between the proposed project and the existing trail system should be enhanced in such a way as to encourage future office workers to use and enjoy the trail and to facilitate bicycle commuters reaching their work site. In September 2007, the City of San Jose documented nearly 1,000 trail users along the Guadalupe River Trail with almost 40% commuting to work sites in North San Jose. This year's Trail Count is on-going and we are seeing a significant increase in the number of trail users. The Silicon Valley casual work style and support for green initiatives should serve as encouragement to the developer to enhance the trail/business park interface.

Development of the Bay Trail within San Jose's jurisdiction will include paving a pathway along Highway 237 between Coyote Creek and Zanker Road. This project will improve continuity between the Highway 237 Bikeway and the project site.

4. Figure 3 (Project Vicinity) of the EIR should be revised to show the location of the six acres of land owned by the City of San Jose adjacent to the project site, generally referred to as the McCarthy Strip. That strip of land currently contains two residences, which would be considered sensitive receptors in terms of air quality, noise, construction activities, etc. Those relevant sections of the Draft EIR should be revised to reflect the sensitive residential land uses adjacent to the project site, and include appropriate environmental impact analysis.
5. The intersection of Dixon Landing Road and McCarthy Ranch Road is primarily used for heavy industrial uses accessing the Newby Island Landfill. The north parcel is planned for retail and may cause use conflicts between the trucks accessing the landfill and cars exiting off of I-880. This conflict of uses should be minimized to the maximum extent practicable.

Thank you for the opportunity to comment on the Draft EIR for this project. We look forward to reviewing the Final EIR when it becomes available for review. Please provide me with a CD version of the complete Final EIR. You may send the document directly to my attention. If you have any questions, you may contact me at (408) 535-7815.

Sincerely,



Janis Moore
Planner II

October 15, 2008

Sheldon Ah Sing
Milpitas Planning Division
455 E Calaveras Boulevard
Milpitas, CA 95035

SUBJECT: Draft DEIR Campus at McCarthy Ranch

Dear Mr. Ah Sing,

After reviewing the Draft EIR, the City of Fremont has identified a substantial lack of information regarding the project's transportation impacts in combination with background and interim cumulative projects. The EIR specifies that San Jose and Milpitas projects are included in the analysis, but neglects involvement of the City of Fremont despite the readily available citywide development project status information on the City's website and the NOP response letter invitation to contact our Transportation Division staff for pending and approved projects.

While it is not entirely clear what the separation threshold of background traffic from interim cumulative traffic is in the DEIR, the DEIR articulates on page 105 that projects known to the City of Milpitas at the time of the circulation of the EIR (August 2009) are included in the interim cumulative analysis. This indicates that the project of greatest concern to the City in this area, Creekside Landing, should be included in this analysis due to its pending status since the Fall of 2007 and its Notice of Preparation circulation in May of 2008. The two principle components of the project that should be included in the analysis are:

- A) New four-way intersection for Fremont Boulevard/ McCarthy Boulevard/ Dixon Landing Road
- B) Creekside Landing 524,000 square foot shopping center at the new four-way intersection

We also offer that the I-880 corridor improvements between Mission Boulevard and HWY 237 are scheduled to be completed later this year and will be operational under the project condition.

We look forward to reviewing the Final EIR when it is available. In addition, we are requesting public hearing notice of the project's consideration and a copy of the Notice of Determination (NOD) at the time action is taken on the proposed project. Please send future correspondence and copies care of Kelly Diekmann, Senior Planner, City of Fremont.

Sincerely,



Kelly Diekmann,
Senior Planner

City of Fremont

kdiekmann@ci.fremont.ca.us

510-494-4540

cc: Fred Diaz, City Manager, City of Fremont

Jill Keimach, Community Development Department Director

James E. Pierson, Transportation and Operations Director

Jeff Schwob, Planning Director, City of Fremont





Land Services, 111 Almaden Blvd., Rm. 814, San Jose, CA 95115

October 14, 2008

City of Milpitas
Planning Department
455 E Calaveras Blvd.
Milpitas, CA 95035
Attn: Sheldon Ah Sing
Fax: 408-586-3293
Email: sahsing@ci.milpitas.ca.gov

RE: Review of Notice of Availability (NOA) of a Draft Environmental
Impact Report (DEIR)
For: The Campus at McCarthy Ranch
Loc: w/o McCarthy Blvd., at NW corner of McCarthy Blvd.
& Ranch Rd., Milpitas
SCH # : 2008022007
PG&E File : SJ 165 (Land)

Dear Sir / Madam,

Thank you for the opportunity to comment on the Notice of Availability (NOA) of a Draft Environmental Impact Report (DEIR) for the Campus at McCarthy Ranch Project.

Information provided in the NOA of the DEIR did not specifically indicate the direct impacts on our gas and electric facilities. However, since PG&E has an obligation to provide the public with a reliable and safe energy supply as mandated by the California Public Utilities Commission (CPUC) and to comply with the guidelines outlined in General Orders 95 and 112. PG&E should be consulted during the development of the plan to ensure that the capacity, operational and maintenance requirements for its gas and electric facilities are taken into consideration prior to approval of the final plan.

Early involvement will allow us to assess cumulative impacts to our systems and to identify facilities that may need to be installed, relocated and or realigned as a result of the proposed general plan revision. Because engineering and construction of our facilities may require long lead times, we encourage you to consult with us during the initial stages of your planning process.

We would like to note that expansion of utility facilities is a necessary consequence of growth and development. As development occurs, the cumulative impacts of new energy load growth use up available capacity in the utility system. In addition to adding new distribution feeders, the range of electric system improvements needed to accommodate growth may include upgrading existing substations and building new substations and interconnecting transmission line. Comparable upgrades or additions would be required for our gas system as well. Environmental impacts associated with new and or relocated gas or electric facilities as a result of the proposed project should be fully addressed in the Final EIR and, if appropriate, mitigation measures to minimize or eliminate such impacts should be incorporated into the document as well.

To promote the safe and reliable maintenance and operation of these utility facilities, the California Public Utilities Commission (CPUC) has mandated specific clearance requirements between utility facilities and surrounding objects or construction activities. To ensure compliance with these standards, project proponents should coordinate with PG&E early in the development of their project plans. Any proposed development plans should provide for unrestricted utility access and prevent easement encroachments that might impair the safe and reliable maintenance and operation of PG&E's facilities.

Developers will be responsible for the costs associated with the relocation of existing PG&E facilities to accommodate their proposed development. Because these facilities relocations require long lead times and are not always feasible, developers should be encouraged to consult with PG&E as early in their planning stages as possible.

Relocations of PG&E's electric transmission and substation facilities (50,000 volts and above) could also require formal approval from the California Public Utilities Commission. If required, this approval process could take up to two years to complete. Proponents with development plans which could affect such electric transmission facilities should be referred to PG&E for additional information and assistance in the development of their project schedules.

We would also like to note that continued development consistent with your General Plans will have a cumulative impact on PG&E's gas and electric systems and may require on-site and off-site additions and improvements to the facilities which supply these services. Because utility facilities are operated as an integrated system, the presence of an existing gas or electric transmission or distribution facility does not necessarily mean the facility has capacity to connect new loads.

Expansion of distribution and transmission lines and related facilities is a necessary consequence of growth and development. In addition to adding new distribution feeders, the range of electric system improvements needed to accommodate growth may include upgrading existing substation and transmission line equipment, expanding existing substations to their ultimate buildout capacity, and building new substations and interconnecting transmission lines. Comparable upgrades or additions needed to accommodate additional load on the gas system could include facilities such as regulator stations, odorizer stations, valve lots, distribution and transmission lines."

We would like to recommend that environmental documents for proposed development projects include adequate evaluation of cumulative impacts to utility systems, the utility facilities needed to serve those developments and any potential environmental issues associated with extending utility service to the proposed project. This will assure the project's compliance with CEQA and reduce potential delays to the project schedule.

We encourage the City to include information about the issue of electric and magnetic fields (EMF) in the EIR. It is PG&E's policy to share information and educate people about the issue of EMF.

EMFs are invisible fields of force created by electric voltage (electric fields) and by electric current (magnetic fields). Wherever there is a flow of electricity, both electric and magnetic fields are created; in appliances, homes, schools and offices, and in power lines. There is no scientific consensus on the actual health effects of EMF exposure, but it is an issue of public concern. PG&E relies on organizations and health agencies such as the California Department of Health Services, U.S. Environmental Protection Agency and the Electric Power Research Institute to review research on EMF and provide a foundation for developing policies.

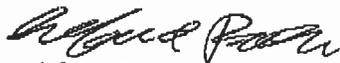
Because there is concern about the possible health effects of exposure to EMF, we support and fund medical, scientific, and industry research on EMF. It is PG&E policy to consider EMF in the design, planning and construction of new and upgraded facilities.

PG&E remains committed to working with the City to provide timely, reliable and cost effective gas and electric service to Brentwood area. We would also request that we be copied on future correspondence regarding this subject as this project develops and that we be placed on the list to review the DEIR and FEIR.

Should you require any additional information or have any questions, please call me at (408) 282-7544; or by email at akp3@PGE.com.

Thank you.

Sincerely,



Alfred Poon
Land Rights Protection
Southern Area