



August 19, 2025

Regular City Council Meeting

Resolution Exhibit 2 for Agenda Item 3.C

Please contact the City Clerk's Office at (209) 831-6105 with any questions.

FINDING OF FACT / STATEMENT OF OVERRIDING CONSIDERATION

FOR THE

SCHULTE ROAD WAREHOUSE PROJECT (SCH # 2023120437)

JUNE 2025

Prepared for:

City of Tracy
Planning Division
333 Civic Center Plaza
Tracy, CA 95376

Prepared by:

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D e N o v o P l a n n i n g G r o u p

A Land Use Planning, Design, and Environmental Firm

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FINDINGS OF FACT AND STATEMENT OF OVERRIDING CONSIDERATIONS

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FINDINGS FOR THE SCHULTE ROAD WAREHOUSE

REQUIRED UNDER THE CALIFORNIA ENVIRONMENTAL QUALITY ACT
(Public Resources Code, § 21000 et seq.)

I. INTRODUCTION

The California Environmental Quality Act (CEQA) (Public Resources Code, § 21000 et seq.) requires the City of Tracy (City), as the CEQA lead agency, to: 1) make written findings when it approves a project for which an environmental impact report (EIR) was certified, and 2) identify overriding considerations for significant and unavoidable impacts identified in the EIR. (Pub. Resources Code, § 21081.)

This document explains the City's findings regarding the significant and potentially significant impacts identified in the EIR prepared for the Schulte Road Warehouse project (Project) and the City decision-makers' ultimate determinations of the feasibility of the project alternatives considered in the EIR. The statement of overriding considerations in Section VII, below, identifies the economic, social, technical, and other benefits of the Project that the City decision-makers have determined override any significant environmental impacts that would result from the Project.

As required under CEQA, the Final EIR describes the Project, adverse environmental impacts of the Project, and mitigation measures and alternatives that would substantially reduce or avoid those impacts. The information and conclusions contained in the EIR reflect the City's independent judgment.

The Final EIR (which includes all comments on the Draft EIR and the Recirculated Draft EIR (RDEIR), the City's written responses to those comments, and the City's revisions to the Draft EIR, and which incorporates by reference the Draft EIR and the RDEIR), for the Project examined the proposed Project and three alternatives to the Project including: (1) No Project (No Build) Alternative; (2) Truck Parking Alternative; and (3) Reduced Project Alternative.

The Findings and Statement of Overriding Considerations are presented for adoption by the City Council, as the City's findings under CEQA and the CEQA Guidelines (Cal. Code Regs., title 14, § 15000 et seq.) relating to the Project. The Findings provide the written analysis, substantial evidence, and conclusions of this City Council regarding the Project's environmental impacts, mitigation measures, and alternatives to the Project, as well as the overriding considerations, which in this City Council's view, justify approval of the Project, despite its environmental effects.

II. GENERAL FINDINGS AND OVERVIEW

Project Overview

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

- **Project Site (or Annexation Area)** – totals 21.92 acres and includes: (1) the proposed 20.92-acre Development Area (APN 209-230-250), and (2) the 1.00-acre Williams Communication Parcel along West Schulte Road (APN 209-230-260), which would not be developed as part of the proposed Project.
- **Development Area** – includes a 20.92-acre parcel (APN 209-230-250) that is intended for the development of up to 217,466-square foot (sf) of warehouse and office uses.

The Project would include the construction and subsequent operation of a 217,466-square-foot (sf) warehouse building. The 217,466-sf warehouse would include 206,593 sf of warehouse uses and 10,873-sf of office space. The City's General Plan land use designation for the project site is Industrial. Specific uses allowed in the industrial category range from flex/office space to manufacturing to warehousing and distribution. Although the tenants of the proposed warehouse are unknown at this time, this analysis assumes that business operations could occur 24 hours per day. No cold storage facilities or uses will be allowed on-site.

The proposed warehouse would include 31 dock level doors on the eastern side of the building. The maximum height of the one-story warehouse would be 42.6 feet, with the majority of the building at 40 feet. Landscaping would be provided throughout the site.

The principal objective of the proposed Project is development of the Development Area with a one-story, 217,466 sf warehouse building and a surface parking lot. Such development will require the demolition of three single-family residences and six ancillary structures within the Development Area.

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

Refer to Chapter 2.0, Project Description, of the RDEIR for a more complete description of the details of the proposed Project.

PROCEDURAL BACKGROUND

Notice of Preparation Public Circulation (2023): The City circulated an Initial Study (IS) and Notice of Preparation (NOP) of an EIR for the proposed Project on December 15, 2023 to the State Clearinghouse, State Responsible Agencies, State Trustee Agencies, Other Public Agencies, Organizations and Interested Persons. A public scoping meeting was held on January 9, 2024 to present the project description to the public and interested agencies, and to receive comments from the public and interested agencies regarding the scope of the environmental analysis to be included in the Draft EIR. Concerns raised in response to the NOP were considered during preparation of the Draft EIR. The IS, NOP, and comments received on the NOP by interested parties are presented in Appendix A of the Draft EIR. The commenters are provided below.

- State of California Department of Justice (December 20, 2023);
- Jose Antonio Lopez Jr., Chevron Pipe Line Company (January 8, 2024);
- John Dyer, California Highway Patrol (January 10, 2024);
- Central Valley Regional Water Quality Control Board (January 16, 2024);
- Native American Heritage Commission (December 19, 2023);
- San Luis & Delta-Mendota Water Authority (January 11, 2023);
- San Joaquin Council of Governments (December 14, 2023);
- San Joaquin County Environmental Health Department (January 12, 2024);
- San Joaquin County Local Area Formation Commission (December 13, 2023);
- San Joaquin Valley Air Pollution Control District (January 16, 2024).

Notice of Availability and Draft EIR (2024): The City published a public Notice of Availability (NOA) for the Draft EIR on August 30, 2024 inviting comment from the general public, agencies, organizations, and other interested parties. The NOA was filed with the State Clearinghouse (SCH # 2023120437) and the County Clerk, and was published in a local newspaper pursuant to the public noticing requirements of CEQA. The 45-day public review period for the Draft EIR began on August 30, 2024 and ended on October 14, 2024 at 5:00 p.m.

The Draft EIR contains a description of the Project, description of the environmental setting, identification of Project impacts, and mitigation measures for impacts found to be significant, as well as an analysis of Project alternatives, identification of significant irreversible environmental changes, growth-inducing impacts, and cumulative impacts. The Draft EIR identifies issues determined to have no impact or a less-than-significant impact, and provides detailed analysis of potentially significant and significant impacts. Comments received in response to the NOP were considered in preparing the analysis in the Draft EIR.

Notice of Availability and Recirculated Draft EIR (2025): Upon review of comment letters received on the Draft EIR during the prior (2024) public comment period, the City concluded that portions of the Draft EIR analysis should be revised and expanded to address issues raised in comment letters. Specifically, the City determined that the greenhouse gas analysis and air quality analysis should be revised, and that an analysis of potential energy-related impacts should be included in the EIR. These revisions and additional analysis have been prepared in response to letters received from the

Sierra Club (October 3, 2024) and the Golden State Environmental Justice Alliance (October 9, 2024). The RDEIR includes revisions to the air quality and greenhouse gas emissions analysis that address the issues raised in the above-referenced comment letters. The RDEIR also includes a discussion of the Project's energy impacts, which was not included in the Draft EIR. The revised analysis in Sections 3.3, Air Quality, and 3.7, Greenhouse Gases, Climate Change and Energy, of the RDEIR fully address the comments received on these topics for the (2024) Draft EIR.

In accordance with CEQA Guidelines Section 15088.5 (c), if a Draft EIR is recirculated to publish revisions based on the comments received, and the revisions are limited to a few chapters or portions of the EIR, the lead agency need only recirculate the chapters or portions that contain significant new information. The RDEIR includes the following chapters:

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

These chapters substitute for and supersede those contained in the previously-circulated Draft EIR. Those chapters and sections of the previously-circulated Draft EIR that are not listed above remain valid and are operative and effective parts of the overall EIR. Because some of the Project's air quality, greenhouse gas emissions, and energy impacts are more severe than evaluated in the Draft EIR, the significance determinations for some impacts have changed compared to those in the Draft EIR.

Upon completion of the RDEIR, the City published a public NOA for the RDEIR on March 21, 2025 inviting comment from the general public, agencies, organizations, and other interested parties. The NOA was filed with the State Clearinghouse (SCH # 2023120437) and the County Clerk, and was published in a local newspaper pursuant to the public noticing requirements of CEQA. The 45-day public review period for the RDEIR began on March 21, 2025 and ended on May 5, 2025 at 5:00 p.m.

During the 2024 Draft EIR comment period, the City received eight comment letters regarding the Draft EIR from public agencies and other parties. During the 2025 RDEIR comment period, the City received five comment letters regarding the RDEIR from private companies and other parties. All of these comment letters are identified in Table 2.0-1 of the Final EIR document.

As explained in the RDEIR, under CEQA, the City has no obligation to respond to comments on those chapters of the Draft EIR that were superseded by replacement chapters in the RDEIR. However, in the interest of full disclosure and robust public review, the City opted to prepare written responses to all comments received on the Draft EIR, including those directed at superseded chapters. To be meaningful, the responses to such comments are framed so as to respond to the issues presented in the subject comments within the Final EIR as a whole, including the data in the later-published, superseding RDEIR chapters. Therefore, the Final EIR contains written responses to all of the written comments received on the Draft EIR and the RDEIR during their respective public comment periods.

Final EIR: There were eight comment letters on the Draft EIR that were submitted to the City during the 45-day public review period:

- California Department of Fish and Wildlife (October 14, 2024);
- Golden State Environmental Justice Alliance (October 9, 2024);
- San Joaquin Council of Governments, Inc. (September 4, 2024);
- San Joaquin County Environmental Health Department (October 7, 2024);
- San Joaquin LAFCO (October 7, 2024);
- San Joaquin Valley Air Pollution Control District (October 14, 2024);
- San Luis & Delta-Mendota Water Authority (October 3, 2024);
- Sierra Club, Delta-Sierra Group (October 3, 2024).

There were five comment letters on the RDEIR that were submitted to the City during the 45-day public review period:

- California Department of Conservation (April 29, 2025);
- Chevron (April 23, 2025);
- Pacific Gas and Electric (April 25, 2025);
- San Joaquin County Environmental Health Department (April 3, 2025);
- San Joaquin Valley Air Pollution Control District (May 5, 2025).

In accordance with CEQA Guidelines Section 15088, the Final EIR responds to the comments received during the public review period. The Final EIR also contains minor edits to the Draft EIR, which are included in Chapter 3.0, Errata.

The comments received did not provide evidence of any new significant impacts or “significant new information” that would require a second recirculation of the Draft EIR pursuant to CEQA Guidelines Section 15088.5.

RECORD OF PROCEEDINGS AND CUSTODIAN OF RECORD

For purposes of CEQA and the findings set forth herein, the record of proceedings for the City’s findings and determinations consists of the following documents and testimony, at a minimum:

- The NOP, comments received on the NOP, and all other public notices issued by the City in relation to the Project (e.g., NOA).
- The Draft EIR, RDEIR, and Final EIR, including comment letters, and technical materials cited in the documents.
- All non-draft and/or non-confidential reports and memoranda prepared by the City and consultants in relation to the EIR.
- Minutes and transcripts of the discussions regarding the Project and/or Project components at public hearings held by the City.
- Staff reports associated with City Council meetings on the Project.
- Those categories of materials identified in Public Resources Code § 21167.6(e).

The City Clerk is the custodian of the administrative record. The documents and materials that constitute the administrative record are available for review at the City of Tracy, 333 Civic Center Plaza, Tracy, CA 95376, or online at:

<https://www.cityoftracy.org/our-city/departments/planning/specific-plans-environmental-impact-reports-and-initial-studies/-folder-481>

FINDINGS REQUIRED UNDER CEQA

Public Resources Code § 21002 provides that “public agencies should not approve projects as proposed if there are feasible alternatives or feasible mitigation measures available which would substantially lessen the significant environmental effects of such projects[.]” Further, the procedures required by CEQA “are intended to assist public agencies in systematically identifying both the significant effects of proposed projects and the feasible alternatives or feasible mitigation measures which will avoid or substantially lessen such significant effects.” (*Id.*) Section 21002 also provides that “in the event specific economic, social, or other conditions make infeasible such project alternatives or such mitigation measures, individual projects may be approved in spite of one or more significant effects thereof.”

The mandate and principles established by the Legislature in Public Resources Code § 21002 are implemented, in part, through the requirement in Public Resources Code § 21081 that agencies must adopt findings before approving projects for which an EIR is required.

CEQA Guidelines § 15091 provides the following direction regarding findings:

- (a) No public agency shall approve or carry out a project for which an EIR has been certified which identifies one or more significant environmental effects of the project unless the public agency makes one or more written findings for each of those significant effects, accompanied by a brief explanation of the rationale for each finding. The possible findings are:
 - (1) Changes or alterations have been required in, or incorporated into, the project which avoid or substantially lessen the significant environmental effect as identified in the final EIR.
 - (2) Such changes or alterations are within the responsibility and jurisdiction of another public agency and not the agency making the finding. Such changes have been adopted by such other agency or can and should be adopted by such other agency.
 - (3) Specific economic, legal, social, technological, or other considerations, including provision of employment opportunities for highly trained workers, make infeasible the mitigation measures or project alternatives identified in the final EIR.

(See also Public Resources Code, § 21081, subd. (a)(1)-(3).)

As defined by CEQA, “feasible” means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, legal, and technological factors. (Pub. Resources Code, § 21061.1; see also CEQA Guidelines, § 15126.6(f)(1) [determining the feasibility of alternatives].) The concept of “feasibility” also encompasses the question of whether a particular alternative or mitigation measure promotes the underlying goals and objectives of a project. (See *Association of Irrigated Residents v. County of Madera* (2003) 107 Cal.App.4th 1383, 1400 [court upholds findings rejecting a “reduced herd” alternative to a proposed dairy as infeasible because the alternative failed to meet the “fundamental objective” of the project to produce milk]; *Sierra Club v. County of Napa* (2004) 121 Cal.App.4th 1490, 1506-1508 [agency decision-makers, in rejecting alternatives as infeasible, appropriately relied on project objective articulated by project applicant].) Moreover, “‘feasibility’ under CEQA encompasses ‘desirability’ to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, legal, and technological factors.” (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; see also *California Native Plant Society v. City of Santa Cruz* (2009) 177 Cal.App.4th 957, 1001-1002.)

With respect to a project for which significant impacts cannot be feasibly avoided or substantially lessened, a public agency may nevertheless approve the project if the agency first adopts a statement of overriding considerations setting forth the specific reasons that the project’s benefits outweigh its significant unavoidable adverse environmental effects. (Pub. Resources Code, §§ 21001, 21002.1(c), 21081(b).)

CEQA Guidelines § 15093 provides the following direction regarding a statement of overriding considerations:

- (a) CEQA requires the decision-making agency to balance, as applicable, the economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project against its unavoidable environmental risks when determining whether to approve the project. If the specific economic, legal, social, technological, or other benefits, including region-wide or statewide environmental benefits, of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable.”
- (b) When the lead agency approves a project which will result in the occurrence of significant effects which are identified in the final EIR but are not avoided or substantially lessened, the agency shall state in writing the specific reasons to support its action based on the final EIR and/or other information in the record. The statement of overriding considerations shall be supported by substantial evidence in the record.
- (c) If an agency makes a statement of overriding considerations, the statement should be included in the record of the project approval and should be mentioned in the notice of determination. This statement does not substitute for, and shall be in addition to, findings required pursuant to § 15091.

MITIGATION MONITORING PROGRAM

A Mitigation Monitoring Program has been prepared for the Project and, if the Project is approved, will be adopted concurrently with these Findings. (See Pub. Resources Code, § 21081.6, subd. (a)(1).) The City will use the Mitigation Monitoring Program to track compliance with Project mitigation measures.

CONSIDERATION OF THE ENVIRONMENTAL IMPACT REPORT

In adopting these Findings, this City Council finds that the Final EIR was presented to this City Council, the decision-making body of the lead agency, which reviewed and considered the information in the Final EIR prior to approving the Project. By these findings, this City Council ratifies, adopts, and incorporates the analysis, explanation, findings, responses to comments, and conclusions of the Final EIR. The City Council finds that the Final EIR was completed in compliance with CEQA. The Final EIR represents the independent judgment and analysis of the City.

SEVERABILITY

If any term, provision, or portion of these Findings or the application of these Findings to a particular situation is held by a court to be invalid, void, or unenforceable, the remaining provisions of these Findings, or their application to other actions related to the Project, shall continue in full force and effect unless amended or modified by the City.

III. FINDINGS AND RECOMMENDATIONS REGARDING SIGNIFICANT AND UNAVOIDABLE IMPACTS

A. AESTHETICS AND VISUAL RESOURCES

1. IMPACT 3.1-1: PROJECT IMPLEMENTATION MAY RESULT IN SUBSTANTIAL ADVERSE EFFECTS ON SCENIC VISTAS.
 - (a) Potential Impact. The potential for the Project to result in substantial adverse effects on scenic vistas is discussed on pages 3.1-8 through 3.1-10 of the Draft EIR and determined to be significant.
 - (b) Mitigation Measures. No feasible mitigation measures were identified.
 - (c) Findings. Based upon the EIR and the entire record before this City Council, this City Council finds that:
 - (1) Remaining Impacts. The Project site is not designated as a scenic vista by the City of Tracy General Plan or the San Joaquin County General Plan, nor does it contain any unique or distinguishing features that would qualify the site for designation as a scenic vista. However, as noted previously, most of Tracy's scenic vistas and corridors are associated with the open space and agricultural resources of the surrounding Sphere of Influence (SOI) and Planning Area, and are a valued local

asset for the community. The surrounding farming and grazing lands, and grassy hillsides of the Diablo coastal range, serve to situate the City in its local environment and landscape, and provide a reminder of its agricultural heritage.

Implementation of the proposed Project would change the existing visual character of the site from vacant agricultural land to industrial uses. The proposed Project would result in the conversion of the vacant land in the northern portion of the Project site, which would contribute to changes in the regional landscape and visual character of the area. In order to reduce visual impacts, development within the Project site is required to be consistent with the General Plan and the Tracy Zoning Ordinance which includes design standards in order to ensure quality and cohesive design of the Project site and ensure the public views from the transportation corridors would be of high quality. These standards include specifications for building height, massing, and orientation; exterior lighting standards and specifications; and landscaping standards. Implementation of the design standards would ensure quality design throughout the Project site, and result in a Project that would be internally cohesive while maintaining aesthetics similar to surrounding uses.

Nevertheless, the loss of the visual appearance of the existing agricultural land on the site would change the visual character of the Project site in perpetuity. Because the City's General Plan EIR considers public views of agricultural lands to be scenic resources and vistas to be local assets, and the proposed Project includes vacant agricultural land, this is considered a significant and unavoidable impact. There is no additional feasible mitigation available that would reduce this impact to a less than significant level.

- (2) Changes or alterations have been required in, or incorporated into, the proposed project that avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. To the extent that this significant adverse impact will not be substantially lessened or avoided, the City Council finds that specific economic, social, policy-based, and other considerations identified in the Statement of Overriding Considerations support approval of the project.
- (3) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with impacts to scenic vistas, as more fully stated in the Statement of Overriding Considerations in Section VII, below.

2. IMPACT 4.2: CUMULATIVE DEGRADATION OF THE EXISTING VISUAL CHARACTER OF THE REGION.

- (a) Potential Impact. The potential for the Project to have a cumulative impact on the existing visual character of the region is discussed on pages 4.0-3 and 4.0-4 of the RDEIR.

- (b) Mitigation Measures. No feasible mitigation measures were identified.
- (c) Findings. Based upon the EIR and the entire record before this City Council, this City Council finds that:

- (1) Remaining Impacts. Under cumulative conditions, buildout of the General Plans for Tracy and the surrounding jurisdictions could result in changes to the visual character and quality of the City of Tracy through development of undeveloped areas and/or changes to the character of existing communities. Development of the proposed Project, in addition to other future projects in the area, would change the existing visual and scenic qualities of the City. It is noted that although the Project site is undeveloped and was previously used for agricultural uses, the General Plan designates the site for Industrial uses. Additionally, the surrounding areas to the north, east, south, and west are designated for urban uses (including mainly Industrial uses) by the General Plan. As such, the General Plan and associated EIR anticipated development of the Project area for similar uses as proposed by the Project.

Development within the City would be required to be consistent with the General Plan policies and City Municipal Code, both of which cover aesthetics and visual characteristics. Further, the Municipal Code contains development standards that address the visual character of a development project, such as building height, massing, setbacks, lighting, and landscaping. Although implementation of these requirements would reduce the impacts associated with development, the impacts would remain significant and unavoidable. As such, this is a significant and unavoidable impact, and the Project's contribution to this impact would be cumulatively considerable.

- (2) Changes or alterations have been required in, or incorporated into, the proposed project that avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. To the extent that this significant adverse impact will not be substantially lessened or avoided, the City Council finds that specific economic, social, policy-based, and other considerations identified in the Statement of Overriding Considerations support approval of the project.
- (3) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with cumulative impacts to the existing visual character of the region, as more fully stated in the Statement of Overriding Considerations in Section VII, below.

B. AIR QUALITY

1. IMPACT 4.5: CUMULATIVE IMPACT ON THE REGION'S AIR QUALITY

- (b) Potential Impact. The potential for the Project to have a cumulative impact on the region's air quality is discussed on pages 4.0-6 and 4.0-7 of the RDEIR.
- (b) Mitigation Measures. No feasible mitigation measures were identified.
- (c) Findings. Based upon the EIR and the entire record before this City Council, this City Council finds that:
 - (1) Remaining Impacts. As discussed under Impact 3.3-1 in Section 3.3 of the RDEIR, the proposed Project is in conformance with the Air Quality Attainment Plan (AQAP). Since the Project is consistent with the San Joaquin Council of Governments (SJCOG) Regional Transportation Plan & Sustainable Communities Strategy (RTP/SCS), and SJCOG RTP/SCS projections are incorporated into the State Implementation Plan (SIP).

Further, as discussed in Impact 3.3-2 in Section 3.3 of the RDEIR, the proposed Project would not exceed the SJVAPCD thresholds of significance for construction or operational criteria pollutants. As discussed in Impact 3.3-3 of Section 3.3, implementation of the proposed project would not result in a significant increased exposure of sensitive receptors to localized concentrations of TACs, generate substantial exposure to Valley Fever, asbestos or lead-based paint, or create a CO hotspot. Further, the proposed Project does not propose uses that would create new odors that would adversely affect a substantial number of people. The proposed Project also does not introduce any new sensitive receptors. Therefore, operation of the proposed Project would not result in significant objectionable odors.

The increase in industrial square footage anticipated with buildout of the Project is generally consistent with growth projections assumed in the Tracy General Plan for the same time horizon. It is also noted that the proposed Project, as well as future projects in the City and County, will be subject to the requirements of the SJVAPCD. Nevertheless, based on the level of development assumed under the City's General Plan and General Plan EIR, cumulative impacts related to air quality, when considered alongside development projected for General Plan buildout, are anticipated to be significant and unavoidable.

- (2) Changes or alterations have been required in, or incorporated into, the proposed project that avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. To the extent that this significant adverse impact will not be substantially lessened or avoided, the City Council finds that specific economic, social, policy-based, and other considerations identified in the Statement of Overriding Considerations support approval of the project.

- (3) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with cumulative impacts to the region's air quality, as more fully stated in the Statement of Overriding Considerations in Section VII, below.

C. TRANSPORTATION AND CIRCULATION

1. IMPACT 3.10-1: PROJECT IMPLEMENTATION MAY CONFLICT WITH OR BE INCONSISTENT WITH CEQA GUIDELINES SECTION 15064.3, SUBDIVISION (B).

- (a) Potential Impact. The potential for the Project to conflict with or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b) is discussed on pages 3.10-11 through 3.13-17 of the Draft EIR.
- (b) Mitigation Measure. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.10-1.
- (c) Findings. Based upon the EIR and the entire record before this City Council, this City Council finds that:

- (1) Effects of Mitigation and Remaining Impacts. The proposed warehouse building was evaluated using the City of Tracy Draft Vehicle-Miles-Traveled (VMT) Policy Calculator. For the surrounding industrial land use area, the City's draft threshold is 9.4 VMT per employee. The proposed Project is estimated to generate 25 VMT per employee. The proposed Project would exceed the threshold by 166% (Kimley Horn, 2022).

Mitigation Measure 3.10-1, which requires TDM strategies, would be required. Implementation of Mitigation Measure 3.10-1 is feasible because it is within the applicant's purview to implement and the TDM measures have been found effective in previous academic studies. However, the precise effectiveness of specific TDM strategies can be difficult to accurately measure due to a number of external factors such as employee responses to strategies and changes to technology.

As part of Mitigation Measure 3.10-1, the proposed Project would be required to monitor and evaluate the effectiveness of the Project's TDM Plan and provide the results to the City of Tracy. Based on the results of the evaluation, modifications to the TDM Plan may be required by the City in order to improve effectiveness toward achieving the home-based work VMT per worker target.

Based on the above, even with the implementation of Mitigation Measure 3.10-1, the impact would remain significant and unavoidable when compared to the City of Tracy's VMT threshold of significance.

- (2) Changes or alterations have been required in, or incorporated into, the proposed project that avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. To the extent that this significant adverse impact will not be substantially lessened or avoided, the City Council finds that specific economic, social, policy-based, and other considerations identified in the Statement of Overriding Considerations support approval of the project.
- (3) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with impacts related to conflicts with or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b), as more fully stated in the Statement of Overriding Considerations in Section VII, below.
2. **IMPACT 4.12: UNDER CUMULATIVE CONDITIONS, THE PROPOSED PROJECT WOULD CONFLICT WITH OR BE INCONSISTENT WITH CEQA GUIDELINES SECTION 15064.3, SUBDIVISION (B).**
- (c) Potential Impact. The potential for the Project to have a cumulative impact related to CEQA Guidelines Section 15064.3, subdivision (b) is discussed on pages 4.0-16 and 4.0-17 of the Draft EIR.
- (b) Mitigation Measure. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.10-1.
- (c) Findings. Based upon the EIR and the entire record before this City Council, this City Council finds that:
- (1) Effects of Mitigation and Remaining Impacts. As noted previously, the proposed warehouse building was evaluated using the City of Tracy Draft VMT Policy Calculator. For the surrounding industrial land use area, the City's draft threshold is 9.4 VMT per employee. The proposed project is estimated to generate 25 VMT per employee. Per California Governor's Office of Planning and Research (OPR) guidance, VMT analysis excludes truck trips. As a result, the proposed Project would exceed the threshold by 166% (Kimley Horn, 2022).
- Mitigation Measure 3.10-1, which requires TDM strategies, would be required. Implementation of Mitigation Measure 3.10-1 is feasible because it is within the applicant's purview to implement and the TDM measures have been found effective in previous academic studies. However, the precise effectiveness of specific TDM strategies can be difficult to accurately measure due to a number of external factors such as employee responses to strategies and changes to technology.
- As part of Mitigation Measure 3.10-1, the proposed Project would be required to monitor and evaluate the effectiveness of the Project's TDM Plan and provide the results to the City of Tracy. Based on the results of the evaluation, modifications to

the TDM Plan may be required by the City in order to improve effectiveness toward achieving the home-based work VMT per worker target.

In order for a specific project to have a less than significant impact related to VMT, the project must demonstrate that per capita VMT would be 15 percent below the regional average. Because future development would likely be equal to the regional average, or above average (or less than average but not fully 15 percent less than average), impacts relate to VMT would be significant and unavoidable. Exceptions to this would be infill projects, or small projects which include VMT reducing strategies. Due to the size of the Project and the fact that the Project exceeds the City threshold by 166 percent, the incremental contribution to this cumulative VMT impact would be cumulatively considerable.

- (2) Changes or alterations have been required in, or incorporated into, the proposed project that avoid or substantially lessen the significant environmental effect, as identified in the Final EIR. To the extent that this significant adverse impact will not be substantially lessened or avoided, the City Council finds that specific economic, social, policy-based, and other considerations identified in the Statement of Overriding Considerations support approval of the project.
- (3) Overriding Considerations. The environmental, economic, social and other benefits of the Project override any remaining significant adverse impact of the Project associated with cumulative impacts related to CEQA Guidelines Section 15064.3, subdivision (b), as more fully stated in the Statement of Overriding Considerations in Section VII, below.

IV. FINDINGS AND RECOMMENDATIONS REGARDING SIGNIFICANT IMPACTS WHICH ARE MITIGATED TO A LESS THAN SIGNIFICANT LEVEL

A. BIOLOGICAL RESOURCES

- 1. IMPACT 3.4-1: THE PROPOSED PROJECT IMPLEMENTATION MAY RESULT IN DIRECT OR INDIRECT EFFECTS ON SPECIAL-STATUS INVERTEBRATE SPECIES.
 - (a) Potential Impact. The potential for the Project to have direct or indirect effects on special-status invertebrate species is discussed on pages 3.4-26 through 3.4-28 of the Draft EIR.
 - (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.4-1.
 - (c) Findings. Special-status invertebrates that occur within the nine-quad region (which includes the following USGS quadrangles: Byron Hot Springs, Clifton Court Forebay,

Union Island, Altamont, Midway, Tracy, Mendenhall Springs, Cedar Mountain, and Lone Tree Creek) for the Project site include: Longhorn fairy shrimp (*Branchinecta longiantenna*), Vernal pool fairy shrimp (*Branchinecta lynchi*), Midvalley fairy shrimp (*Branchinecta mesovallensis*), California linderiella (*Linderiella occidentalis*), Crotch bumble bee (*Bombus crotchii*), Western bumble bee (*Bombus occidentalis*), and Valley elderberry longhorn beetle (*Desmocerus californicus dimorphus*). As noted in Table 3.4-2, Longhorn fairy shrimp (*Branchinecta longiantenna*), Vernal pool fairy shrimp (*Branchinecta lynchi*), Midvalley fairy shrimp (*Branchinecta mesovallensis*), and Valley elderberry longhorn beetle (*Desmocerus californicus dimorphus*) are covered species under the SJMSCP.

The Project site is located within the jurisdiction of the San Joaquin County Multi-Species Habitat Conservation and Open Space Plan ("Plan" or "SJMSCP") and is located within the Central/Southwest Transition Zone of the SJMSCP. Within the Southwest Transition Zone, the Project site is located in Category C/Pay Zone B. The Category C/Pay Zone B includes parcels containing habitat types classified as Agricultural Habitat Lands which are not otherwise exempt. Applicants pay mitigation fees on a per-acre basis, as established by the JPA, according to the measures needed to mitigate impacts to the various habitat and biological resources. The project applicant would be required to seek coverage under the SJMSCP and would be subject to the Category C/Pay Zone B fees in order to mitigate for any habitat impacts. Coverage involves compensation for habitat impacts on covered species through payment of development fees for conversion of lands that may provide habitat for covered special status species. These fees are used to preserve and/or create habitat in preserves to be managed in perpetuity. In addition, coverage includes incidental take avoidance and minimization measures for species that could be affected as a result of the proposed project. The valley elderberry longhorn beetle, longhorn fairy shrimp, vernal pool fairy shrimp, and midvalley fairy shrimp are covered species under the SJMCP.

The southern portion of the Development Area is currently developed with three single-family residences and six ancillary structures. The remainder of the Development Area consists primarily of ruderal grasses which are regularly disced. The Project site has been historically used for agricultural uses. There are seven documented special-status invertebrates located within the nine-quad region for the Project site. According to the CNDDB records search, there are no documented or observed special-status invertebrate species on the Project site. Additionally, appropriate habitat for these special-status invertebrates were not observed within the Project site or offsite improvement corridors during the field survey and none are expected to be affected by the proposed Project. While there are no special status invertebrate species that are anticipated to be affected by the proposed project, participation in the SJMSCP will provide the coverage for the incidental take of a species if it were to occur. Mitigation Measure 3.4-1 will ensure coverage under the SJMSCP. Therefore, the proposed project would have a less than significant impact on special status invertebrate species.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.4-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on special-status invertebrate species will be mitigated to a less than significant level.

2. IMPACT 3.4-2: THE PROPOSED PROJECT HAS THE POTENTIAL TO HAVE DIRECT OR INDIRECT EFFECTS ON SPECIAL-STATUS AMPHIBIAN AND REPTILE SPECIES.

- (a) Potential Impact. The potential for the Project to have direct or indirect effects on special-status amphibian and reptile species is discussed on pages 3.4-28 through 3.4-33 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.4-1.
- (c) Findings. Special-status amphibians and reptiles that occur within the nine-quad region for the Project site according to the CNDDDB include: California tiger salamander (*Ambystoma californiense*), Foothill yellow-legged frog (*Rana boylei*), California red-legged frog (*Rana aurora draytoni*), Western spadefoot (*Spea hammondi*), Northern California legless lizard (*Anniella pulchra*), California glossy snake (*Arizona elegans occidentalis*), Western pond turtle (*Emys marmorata*), San Joaquin coachwhip (*Masticophis flagellum ruddocki*), Alameda whipsnake (*Masticophis lateralis euryxanthus*), and Coast horned lizard (*Phrynosoma blainvillii*). As noted in Table 3.4-2, California tiger salamander (*Ambystoma californiense*), Foothill yellow-legged frog (*Rana boylei*), California red-legged frog (*Rana aurora draytoni*), Western spadefoot (*Spea hammondi*), Western pond turtle (*Emys marmorata*), and San Joaquin coachwhip (*Masticophis flagellum ruddocki*) are covered species under the SJMSCP.

The Project site contains habitat, although low quality in some cases, for California tiger salamander, foothill yellow-legged frog, California red-legged frog, western spadefoot, western pond turtle, and San Joaquin coachwhip. All of these species are covered species under the SJMSCP. Mitigation Measure 3.4-1 requires the Project proponent to obtain coverage under the SJMSCP to mitigate for habitat impacts to covered special status species.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.4-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on special-status amphibian and reptile species will be mitigated to a less than significant level.

3. IMPACT 3.4-3: THE PROPOSED PROJECT HAS THE POTENTIAL TO HAVE DIRECT OR INDIRECT EFFECTS ON SPECIAL-STATUS BIRD SPECIES.

- (a) Potential Impact. The potential for the Project to have direct or indirect effects on special-status bird species is discussed on pages 3.4-33 through 3.4-35 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.4-1.
- (c) Findings. Special-status birds that are documented in the CNDDDB within a ten-mile radius of the Project site include: Cooper's hawk (*Accipiter cooperii*), tricolored blackbird (*Agelaius tricolor*), grasshopper sparrow (*Ammodramus savannarum*), golden eagle (*Aquila chrysaetos*), short-eared owl (*Asio flammeus*), burrowing owl (*Athene cunicularia*), ferruginous hawk (*Buteo regalis*), Swainson's hawk (*Buteo swainsoni*), northern harrier (*Circus hudsonius*), white-tailed kite (*Elanus leucurus*), California horned lark (*Eremophila alpestris actia*), prairie falcon (*Falco mexicanus*), bald eagle (*Haliaeetus leucocephalus*), loggerhead shrike (*Lanius ludovicianus*), song sparrow ("Modesto" population) (*Melospiza melodia*), and least Bell's vireo (*Vireo bellii pusillus*). Least Bell's vireo is not covered by the SJMSCP; the remaining bird species are covered by the SJMSCP.

The Project site may provide suitable foraging habitat for a variety of potentially occurring special-status birds, including those listed above. Potential nesting habitat is present in a variety of trees located within the Project site. There is also the potential for other special-status birds that do not nest in this region and represent migrants or winter visitants to forage on the Project site. As noted previously, Mitigation Measure 3.4-1 requires the Project proponent to obtain coverage under the SJMSCP to mitigate for habitat impacts to covered special status species.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.4-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on special-status bird species will be mitigated to a less than significant level.

4. IMPACT 3.4-4: THE PROPOSED PROJECT HAS THE POTENTIAL TO RESULT IN DIRECT OR INDIRECT EFFECTS ON SPECIAL-STATUS MAMMAL SPECIES.

- (a) Potential Impact. The potential for the Project to have direct or indirect effects on special-status mammal species is discussed on pages 3.4-35 through 3.4-37 of the Draft EIR.

- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.4-1.
- (c) Findings. Special-status mammals that occur within the nine-quad region for the Project site according to the CNDDDB include: Pallid bat (*Antrozous pallidus*), Berkeley kangaroo rat (*Dipodomys heermanni berkeleyensis*), Townsend's big-eared bat (*Eumops perotis californicus*), Western mastiff bat (*Eumops perotis californicus*), hoary bat (*Lasiurus cinereus*), San Joaquin pocket mouse (*Perognathus inornatus*), Riparian brush rabbit (*Sylvilagus bachmani riparius*), American badger (*Taxidea taxus*), and San Joaquin kit fox (*Vulpes macrotis mutica*). As noted in Table 3.4-2, Berkeley kangaroo rat (*Dipodomys heermanni berkeleyensis*), Townsend's big-eared bat (*Eumops perotis californicus*), Western mastiff bat (*Eumops perotis californicus*), San Joaquin pocket mouse (*Perognathus inornatus*), Riparian brush rabbit (*Sylvilagus bachmani riparius*), American badger (*Taxidea taxus*), and San Joaquin kit fox (*Vulpes macrotis mutica*) are covered species under the SJMSCP.

The Project site contains habitat, although low quality in some cases, for Berkeley kangaroo rats, riparian brush rabbit, San Joaquin pocket mouse, American badger, San Joaquin kit fox, and various special-status bats. All of these species are covered species under the SJMSCP. Mitigation Measure 3.4-1 requires the Project proponent to obtain coverage under the SJMSCP to mitigate for habitat impacts to covered special status species.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.4-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to have direct or indirect effects on special-status mammal species will be mitigated to a less than significant level.

5. IMPACT 3.4-9: THE PROPOSED PROJECT HAS THE POTENTIAL TO CONFLICT WITH AN ADOPTED HABITAT CONSERVATION PLAN.

- (a) Potential Impact. The potential for the Project to conflict with an adopted Habitat Conservation Plan is discussed on page 3.4-32 through 3.4-34 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.4-1.
- (c) Findings. The proposed Project is subject to the SJMSCP. The proposed Project does not conflict with the SJMSCP. Mitigation Measure 3.4-1 requires participation in the SJMSCP. Therefore, with this mitigation, the proposed Project would have a less than significant impact relative to this topic

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.4-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to conflict with an adopted Habitat Conservation Plan will be mitigated to a less than significant level.

C. CULTURAL AND TRIBAL RESOURCES

1. IMPACT 3.5-1: PROJECT IMPLEMENTATION HAS THE POTENTIAL TO CAUSE A SUBSTANTIAL ADVERSE CHANGE TO A SIGNIFICANT HISTORICAL RESOURCE, AS DEFINED IN CEQA GUIDELINES §15064.5.

- (a) Potential Impact. The potential to cause a substantial adverse change to a significant historical resource, as defined in CEQA Guidelines §15064.5, is discussed on pages 3.5-12 through 3.5-14 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measures are hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.5-1 and 3.5-2.
- (c) Findings. Four residences and six buildings used for livestock, processing, and storage are present in the southern half of the Project site, in addition to several small sheds and small animal shelters. Two connected dry ponds are present along the central eastern edge of the property. Aerial photograph summaries indicate that several residences and farm structures potentially date back as early as prior to 1940. All of the residences have been renovated and or remodeled multiple times over the decades. The architectural style of the residences are prevalent throughout the city and rural areas in the Central Valley.

The results of the records search indicated that the Project site does not contain any recorded buildings or structures listed on the State Office of Historic Preservation Historic Property Directory. The records search also noted that the General Land Office Survey Plat does not reference any historic features in the Project site.

As part of the proposed Project, demolition of all on-site structures would be required. Demolition of the existing structures would not result in a noticeable departure from the character of the Project vicinity, and the Project site and vicinity is planned for urban development (largely industrial uses) as part of City planning documents (such as the General Plan and the Cordes Ranch Specific Plan). Additionally, the structures are not known to possess any recognized historical significance and are not known to contribute to the historical character of the vicinity. Therefore, the demolition of the existing residences are not expected to result in a loss of significant historical resources. However, to ensure that the existing residences do not have historic significance,

implementation of Mitigation Measure 3.5-1 requires adequate documentation and recordation of the existing residence prior to demolition activities.

While the records search found no documented features on-site that could be considered a “historical resource” under Section 15064.5 in the CEQA Guidelines, as with most projects in the region, there is also the potential for discovery of previously unknown historical resources during ground disturbing activities. For the above-stated reasons, the Project will be required to implement Mitigation Measures 3.5-1 and 3.5-2 to reduce the potential impact to historical resources. Implementation of these mitigation measures would result in a less than significant impact on historical resources.

In accordance with Public Resources Code, § 21081, Mitigation Measures 3.5-1 and 3.5-2 are appropriate changes or alterations that have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to cause a substantial adverse change to a significant historical resource, as defined in CEQA Guidelines §15064.5, will be mitigated to a less than significant level.

2. **IMPACT 3.5-2: PROJECT IMPLEMENTATION HAS THE POTENTIAL TO CAUSE A SUBSTANTIAL ADVERSE CHANGE TO A SIGNIFICANT ARCHAEOLOGICAL RESOURCE, AS DEFINED IN CEQA GUIDELINES § 15064.5, OR A SIGNIFICANT TRIBAL CULTURAL RESOURCE, AS DEFINED IN PUBLIC RESOURCES CODE § 21074.**
 - (a) **Potential Impact.** The potential to cause a substantial adverse change to a significant archaeological resource, as defined in CEQA Guidelines § 15064.5, or a significant tribal cultural resource, as defined in Public Resources Code § 21074, is discussed on pages 3.5-14 and 3.5-15 of the Draft EIR.
 - (b) **Mitigation Measures.** The following mitigation measures are hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.5-2 and 3.5-3.
 - (c) **Findings.** The Project site is located in an area known to have archaeological, cultural, and tribal cultural resources. As noted above, a CHRIS search was requested from the CCIC, which included the project area and a one-half mile radius (CCIC File # 12470L). The results of the record search indicate that the Project site does not contain any formally recorded prehistoric or historic archaeological resources or historic buildings. Three investigations have been conducted that include portions of the Project site. No historic or prehistoric resources have ever been recorded in or in the immediate vicinity of the Project site.

Nine tribal representatives were contacted pursuant to SB 18 and AB 52. To date, no responses or request for tribal consultations have been received. Additionally, as with

most projects in the region that involve ground-disturbing activities, there is also the potential for discovery of a previously unknown archaeological resources and cultural resources, including prehistoric or historic artifacts. Implementation of Mitigation Measures 3.5-2 and 3.5-3 would ensure that the potential impact to archaeological, cultural, and tribal resources is less than significant.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.3-3 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to cause a substantial adverse change to a significant archaeological resource, as defined in CEQA Guidelines § 15064.5, or a significant tribal cultural resource, as defined in Public Resources Code § 21074, will be mitigated to a less than significant level.

3. IMPACT 3.5-3: PROJECT IMPLEMENTATION HAS THE POTENTIAL TO DISTURB HUMAN REMAINS, INCLUDING THOSE INTERRED OUTSIDE OF FORMAL CEMETERIES.

- (a) Potential Impact. The potential for the Project to disturb human remains, including those interred outside of formal cemeteries is discussed on pages 3.5-15 and 3.5-16 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.5-3.
- (c) Findings. Indications suggest that humans have occupied San Joaquin County for over 10,000 years and it is not always possible to predict where human remains may occur outside of formal burials. Therefore, excavation and construction activities, regardless of depth, may yield human remains that may not be interred in marked, formal burials.

Under CEQA, human remains are protected under the definition of archaeological materials as being “any evidence of human activity.” Additionally, Public Resources Code Section 5097 has specific stop-work and notification procedures to follow in the event that human remains are inadvertently discovered during Project implementation.

While no human remains are documented on or near the Project site, implementation of Mitigation Measure 3.5-3 would ensure that all construction activities which inadvertently discover human remains implement state-required consultation methods to determine the disposition and historical significance of any discovered human remains. The following mitigation measure would reduce this impact to a less-than-significant level.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.3-3 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as

identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to disturb human remains, including those interred outside of formal cemeteries will be mitigated to a less than significant level.

D. GEOLOGY AND SOILS

1. IMPACT 3.6-3: THE PROPOSED PROJECT HAS THE POTENTIAL TO BE LOCATED ON A GEOLOGIC UNIT OR SOIL THAT IS UNSTABLE, OR THAT WOULD BECOME UNSTABLE AS A RESULT OF PROJECT IMPLEMENTATION, AND POTENTIALLY RESULT IN LANDSLIDE, LATERAL SPREADING, SUBSIDENCE, LIQUEFACTION OR COLLAPSE.

- (a) Potential Impact. The potential to be located on a geologic unit or soil that is unstable, or that would become unstable as a result of Project implementation, and potentially result in landslide, lateral spreading, subsidence, liquefaction or collapse is discussed on pages 3.6-14 through 3.6-16 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.6-1.
- (c) Findings. The Project site does not have a significant risk of becoming unstable as a result landslide, subsidence, or soil collapse. There is a low potential for liquefaction, liquefaction induced settlement, and lateral spreading. The Preliminary Engineering Geotechnical Report (Wallace-Kuhl & Associates, 2022) determined development of the Project is geotechnically feasible. The Project would be required to be constructed using standard engineering and seismic safety design techniques of the California Building Code, which would further ensure impacts associated with unstable geologic and soil conditions are not significant. Additionally, the Project would be required to comply with California Building Code Title 24, Part 2, Chapter 18, Section 1803.1.1.2, which requires a final geotechnical evaluation be prepared and design recommendations identified to address any soil conditions within the Project site.

According to the Preliminary Engineering Geotechnical Report (Wallace-Kuhl & Associates, 2022), hazardous and unstable soils are not currently found on-site. However, the Report includes preliminary recommendations regarding clearing of existing buildings, building support and foundations, excavation, expansive soils, engineered fill, seasonal moisture, site drainage, and pavement design. Implementation of recommendations identified by the final geotechnical evaluation conducted for the Project site, as required by Mitigation Measure 3.6-1, would reduce potential impacts associated with unstable geology and soils conditions and impacts would be considered less than significant.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.6-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as

identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to be located on a geologic unit or soil that is unstable, or that would become unstable as a result of Project implementation, and potentially result in landslide, lateral spreading, subsidence, liquefaction or collapse will be mitigated to a less than significant level.

2. **IMPACT 3.6-4: THE PROPOSED PROJECT HAS THE POTENTIAL FOR EXPANSIVE SOILS TO CREATE SUBSTANTIAL RISKS TO LIFE OR PROPERTY.**

- (a) **Potential Impact.** The potential for expansive soils to create substantial risks to life or property is discussed on pages 3.6-16 and 3.6-17 of the Draft EIR.
- (b) **Mitigation Measures.** The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.6-1.
- (c) **Findings.** According to the Preliminary Engineering Geotechnical Report (Wallace-Kuhl & Associates, 2022), the near surface clay soils in the Project site exhibit expansion characteristics. Laboratory testing should be performed on near-surface subgrade soils during design level geotechnical exploration and testing to further evaluate the impact of potentially expansive soils that may be encountered at the site. According to the Preliminary Geotechnical Engineering Study (Condor Earth Technologies, Inc., 2020), Laboratory testing of near-surface soils resulted in Plasticity Indices (PI) ranging from 17 to 28. The amount of fine sand in the lean clays varies throughout the site as well. The soils are low to moderately expansive when subjected to fluctuations in moisture content. Therefore, measures to reduce potentially significant impacts related to expansive site soils would be necessary. Measures may include importing non-expansive fill for placement over the subgrade (in fill areas), removing and replacing with non-expansive fill at subgrade level, or using cement or lime treating the upper 12 to 18 inches of the subgrade. In addition, due to the tendency of expansive clays to swell and heave, site drainage would need to be directed away from building footprints to minimize moisture and volume change underneath floor slabs or foundations.

As discussed in Impact 3.6-3, the California Building Code Title 24, Part 2, Chapter 18, Section 1803.1.1.2 requires specific geotechnical evaluation when a preliminary geotechnical evaluation determines that expansive or other special soil conditions are present, which, if not corrected, would lead to structural defects. The City of Tracy also requires a geotechnical evaluation be prepared for developments in areas where potentially serious geologic risks exist, such as expansive soils, that address the degree of hazard, design parameters for the project based on the hazard, and appropriate measures be incorporated into the overall design and construction. Pursuant to these existing statutory requirements, a final geotechnical evaluation will be required for the Project.

Mitigation Measure 3.6-1 requires the incorporation of and compliance with the recommendations in the Preliminary Geotechnical Engineering Study (Condor Earth Technologies, Inc., 2020). For example, engineered fill should be placed in a series of horizontal layers not exceeding 8 inches in loose thickness, uniformly moisture-conditioned, and compacted to achieve a minimum relative compaction of 90 percent of the ASTM D1557 maximum dry density. Non-expansive fill soils should be uniformly moisture conditioned to between 1 and 3 percentage points above the optimum moisture content. Fill soils composed of the documented non-engineered fill and native clays should be uniformly moisture conditioned to between 3 and 5 percentage points above the optimum moisture content. Implementation of recommendations identified by the final geotechnical evaluation conducted for the Project site, as required by Mitigation Measure 3.6-1, would reduce potential impacts associated with unstable geology and soils conditions and impacts would be considered less than significant.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.6-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential for expansive soils to create substantial risks to life or property will be mitigated to a less than significant level.

3. IMPACT 3.6-5 THE PROPOSED PROJECT HAS THE POTENTIAL TO DIRECTLY OR INDIRECTLY DESTROY A UNIQUE PALEONTOLOGICAL RESOURCE OR SITE OR UNIQUE GEOLOGIC FEATURE.

- (a) Potential Impact. The potential to directly or indirectly destroy a unique paleontological resource or site or unique geologic feature is discussed on page 3.6-19 of the Draft EIR.
- (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.6-2.
- (c) Findings. The Project site is located in an area known to have paleontological resources. The Cordes Ranch Specific Plan EIR, prepared for the 1,780-acres north of the Project site, indicated the University of California Museum of Paleontology (UCMP) database lists five localities north of the Project site, specifically, where Pleistocene vertebrate finds were found in 1948 during construction of the Delta Mendota Canal. These fossils include mammoth/mastodon, horse, pocket gopher, and other unspecified rodents, and unidentified artiodactyl (hoofed mammal) bone. Because the Delta Mendota Canal borders the southern boundary of the Project site, ground disturbing activities have the potential to reveal previously unknown significant paleontological resources, resulting in a potentially significant impact to paleontological resources or unique geologic features.

Implementation of Mitigation Measure 3.6-2 would ensure steps would be taken to reduce impacts to paleontological resources in the event that they are discovered.

during construction. Mitigation Measure 3.6-2 requires that if subsurface deposits believed to be paleontological in origin are discovered during construction, all work must halt within a 200-foot radius of the discovery and a qualified paleontologist must be retained to evaluate the significance of the find, and shall have the authority to modify the no-work radius as appropriate, using professional judgment. Implementation of this mitigation measure would reduce this impact to a less-than-significant level.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.6-2 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to directly or indirectly destroy a unique paleontological resource or site or unique geologic feature will be mitigated to a less than significant level.

E. HAZARDS AND HAZARDOUS MATERIALS

1. IMPACT 3.8-1: POTENTIAL TO CREATE A SIGNIFICANT HAZARD THROUGH THE ROUTINE TRANSPORT, USE, OR DISPOSAL OF HAZARDOUS MATERIALS OR THROUGH THE REASONABLY FORESEEABLE UPSET AND ACCIDENT CONDITIONS INVOLVING THE RELEASE OF HAZARDOUS MATERIALS INTO THE ENVIRONMENT.
 - (a) Potential Impact. The potential to create a significant hazard through the routine transport, use, or disposal of hazardous materials or through the reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment is discussed on pages 3.8-15 through 3.8-20 of the Draft EIR.
 - (b) Mitigation Measures. The following mitigation measures are hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.8-1 through 3.8-7.
 - (c) Findings. Contractors would be required to comply with Cal-EPA's Unified Program; regulated activities would be managed by San Joaquin County Department of Environmental Health, the designated CUPA for San Joaquin County, in accordance with the regulations included in the Unified Program (e.g., hazardous materials release response plans and inventories, California UFC hazardous material management plans and inventories). Additionally, in the event that hazardous materials are discovered during construction, a Soils Management Plan (SMP) will need to be submitted and approved by the San Joaquin County Department of Environmental Health, as required by Mitigation Measure 3.8-1. The SMP will establish management practices for handling hazardous materials, including fuels, paints, cleaners, solvents, etc., during construction. Such compliance would reduce the potential for accidental release of hazardous materials during construction of the proposed Project. As a result, it would

lessen the risk of exposure of construction workers and the public to accidental release of hazardous materials, as well as the demand for incident emergency response.

Any operations that involve the use of hazardous materials would be required to have the hazardous material transported, stored, used, and disposed of in compliance with local, state, and federal regulations. The San Joaquin County Department of Environmental Health is the CUPA for San Joaquin County and is responsible for the implementation of statewide programs within the city including Hazardous Materials Business Plan (HMBP) requirements, among numerous other programs. Additionally, businesses are regulated by Cal/OSHA and are therefore required to ensure employee safety. Specific requirements include identifying hazardous materials in the workplace, providing safety information to workers that handle hazardous materials, and adequately training workers. To further ensure the safety of employees, and reduce the potential for accidental release of hazardous materials into the environment during construction, the applicant must submit a HMBP to San Joaquin County Department of Environmental Health for review and approval prior to bringing hazardous materials onsite, as required by Mitigation Measure 3.8-2.

Development of the Project would involve site grading, excavation for utilities, trenching, backfilling, and the construction of proposed facilities that could result in the exposure of construction workers and the general public to hazardous materials. Like most agricultural and farming operations in the Central Valley, agricultural practices in the area have used agricultural chemicals including pesticides and herbicides as a standard practice. Continuous spraying of crops over many years can potentially result in a residual buildup of pesticides, in farm soils. Of highest concern relative to agrichemicals are chlorinated herbicides, organophosphate pesticides, and organochlorine pesticides (OCPs), such as such as Mecoprop (MCP), Dinoseb, chlordane, dichloro-diphenyltrichloroethane (DDT), and dichloro-diphenyl-dichloroethylene (DDE). Mitigation Measure 3.8-3 requires site-specific soil sampling to determine if chemicals of potential concern associated with the historical agricultural uses at the Project site are present in shallow soil at concentrations that would pose a threat to human health.

As part of the Phase I Environmental Site Assessment (ESA) completed for the Project, debris and septic systems were identified on-site. Mitigation Measure 3.8-4 requires that the on-site septic systems be abandoned and removed. Mitigation Measure 3.8-5 requires that all debris/miscellaneous nonhazardous solid waste observed at the site be collected and disposed at an appropriate Solid Waste/Landfill facility.

Buildout of the Project would involve the demolition of the on-site structures, which were originally constructed in 1972. Given the age of the structures, it is likely that asbestos containing building materials and lead-based paints were used in the construction and/or maintenance of the on-site structures. The potential exists for construction workers to be exposed to these hazardous materials. Pursuant to federal

(NESHAP), state (8 CCR 1529), and county (SJVAPCD rule 4002) regulations, all suspect asbestos-containing materials would either be presumed to contain asbestos or adequate rebuttal sampling would be conducted by an accredited building inspector prior to demolition. Demolition contractors would be required to follow applicable regulations and guidelines set forth by federal, state, and county regulations. Prior to demolition and/or renovation of structures within the Project, asbestos-containing building material and lead-based paint surveys should be conducted, as required by Mitigation Measure 3.8-6. If hazardous materials are determined to be present at concentrations exceeding applicable ESLs, appropriate remediation would need to be implemented in coordination with the San Joaquin County Environmental Health Department.

Lastly, should any on-site water wells be located on-site, Mitigation Measure 3.8-7 requires proper well abandonment measures to be completed under permit and inspection by the San Joaquin County Environmental Health Department.

Implementation of the mitigation measures in Section 3.8 will ensure that these potential impacts are reduced to a less than significant level. In accordance with Public Resources Code, § 21081, Measures 3.8-1 through 3.8-7 are appropriate changes or alterations that have been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to create a significant hazard through the routine transport, use, or disposal of hazardous materials or through the reasonably foreseeable upset and accident conditions involving the release of hazardous materials into the environment will be mitigated to a less than significant level.

F. NOISE

1. IMPACT 3.9-1: THE PROPOSED PROJECT HAS THE POTENTIAL TO GENERATE A SUBSTANTIAL TEMPORARY OR PERMANENT INCREASE IN AMBIENT NOISE LEVELS IN THE VICINITY OF THE PROJECT IN EXCESS OF STANDARDS ESTABLISHED IN THE LOCAL GENERAL PLAN OR NOISE ORDINANCE, OR APPLICABLE STANDARDS OF OTHER AGENCIES.
 - (a) Potential Impact. The potential to generate a substantial temporary or permanent increase in ambient noise levels in the vicinity of the Project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies is discussed on pages 3.9-11 through 3.11-15 of the Draft EIR.
 - (b) Mitigation Measures. The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measures 3.9-1.
 - (c) Findings. During the construction phases of the Project, noise from construction activities would add to the noise environment in the immediate Project vicinity. Based

upon the Table 3.9-10 data, the proposed Project is predicted to generate construction noise levels of up to 90 dBA at a distance of 50 feet. The closest sensitive receptor to the Project site is approximately 1,300 feet from the center of the Project construction area. At this distance, construction noise would attenuate to approximately 62 dBA.

Compliance with the City's permissible hours of construction, as well as implementing the best management noise reduction techniques and practices (both outlined in Mitigation Measure 3.9-1), would ensure that construction noise would not result in a substantial temporary increase in ambient noise levels that would result in annoyance or sleep disturbance of nearby sensitive receptors. Therefore, with implementation of Mitigation Measure 3.9-1, temporary construction noise impacts would be less than significant.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.9-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoid or substantially lessen the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential for the Project to generate a substantial temporary or permanent increase in ambient noise levels in the vicinity of the Project in excess of standards established in the local general plan or noise ordinance, or applicable standards of other agencies will be mitigated to a less than significant level.

G. UTILITIES

1. **IMPACT 3.11-5: THE PROPOSED PROJECT HAS THE POTENTIAL TO REQUIRE OR RESULT IN THE CONSTRUCTION OF NEW STORM WATER DRAINAGE FACILITIES OR EXPANSION OF EXISTING FACILITIES, THE CONSTRUCTION OF WHICH COULD CAUSE SIGNIFICANT ENVIRONMENTAL EFFECTS.**
 - (a) **Potential Impact.** The potential to require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects is discussed on pages 3.11-38 and 3.11-39 of the Draft EIR.
 - (b) **Mitigation Measures.** The following mitigation measure is hereby adopted and will be implemented as provided by the Mitigation Monitoring Program: Mitigation Measure 3.11-1.
 - (c) **Findings.** The storm water drainage detention basins will be constructed to meet the City of Tracy Standards. Discharge from the basins will be conveyed through controlled flow pumping facilities to existing City of Tracy and main storm drain laterals. It is anticipated that runoff from the Project would be diverted to the proposed detention basin identified as LW-11 in the City's Storm Drain Master Plan, located on City land east of the Project site.

Pursuant to Section 11.34.210 Design Standards of the City's Municipal Code, installation of the Project's storm drain system would be required to conform to the design criteria, standard plans and specifications and the inspection and testing procedures set forth in the applicable City public improvement design standards. Thus, the proposed storm drainage collection and detention system will be subject to the SWRCB and City of Tracy regulations, including: Tracy Municipal Code, Citywide Storm Drain Master Plan Update, 2022; Phase II, NPDES Permit Requirements; NPDES-MS4 Permit Requirements; and LID Guidelines.

Mitigation Measure 3.11-1 requires the Project applicant to install a drainage system that meets this performance standard and, prior to issuance of grading permits, provide a drainage plan and report to the City of Tracy for review and approval. The proposed Project would participate in the implementation of the Citywide Storm Drainage Master Plan through the payment of fees and/or the construction of Master Plan facilities with corresponding credits. With the implementation of Mitigation Measure 3.11-1, drainage impacts would be reduced to less than significant.

In accordance with Public Resources Code, § 21081, Mitigation Measure 3.11-1 is an appropriate change or alteration that has been required in, or incorporated into, the Project which avoids or substantially lessens the significant environmental effect as identified in the EIR. Based upon the EIR and the entire record before this City Council, this City Council finds that the potential to require or result in the construction of new storm water drainage facilities or expansion of existing facilities, the construction of which could cause significant environmental effects will be mitigated to a less than significant level.

V. FINDINGS AND RECOMMENDATIONS REGARDING THOSE IMPACTS WHICH ARE LESS THAN SIGNIFICANT OR LESS THAN CUMULATIVELY CONSIDERABLE

Specific impacts within the following categories of environmental effects were found to be less than significant as set forth in more detail in the Draft EIR and RDEIR.

Aesthetics and Visual Resources: The following specific impacts were found to be less than significant: 3.1-2, 3.1-3, and 3.1-4.

Agricultural Resources: The following specific impacts were found to be less than significant: 3.1-1, 3.2-2 and 3.2-3.

Air Quality: The following specific impacts were found to be less than significant: 3.3-1, 3.3-2, 3.3-3, and 3.3-4.

Biological Resources: The following specific impacts were found to be less than significant: 3.4-5, 3.4-6, 3.4-7, 3.4-8, and 3.4-10.

Geology and Soils: The following specific impacts were found to be less than significant: 3.6-1 and 3.6-2.

Greenhouse Gases, Climate Change, and Energy: The following specific impacts were found to be less than significant: 3.7-1 and 3.7-2.

Hazards and Hazardous Materials: The following specific impact was found to be less than significant: 3.8-2.

Noise: The following specific impact was found to be less than significant: 3.9-2.

Transportation and Circulation: The following specific impacts were found to be less than significant: 3.10-2, 3.10-3, and 3.10-4.

Utilities: The following specific impacts were found to be less than significant: 3.11-1, 3.11-2, 3.11-3, and 3.11-4.

The Project was found to have a less than cumulatively considerable contribution to specific impacts within the following categories of environmental effects as set forth in more detail in the Draft EIR.

Aesthetics and Visual Resources: The following specific impact was found to be less than cumulatively considerable: 4.1 and 4.3.

Agricultural Resources: The following specific impact was found to be less than cumulatively considerable: 4.4.

Air Quality: The following specific impact was found to be less than cumulatively considerable: 4.5.

Biological Resources: The following specific impact was found to be less than cumulatively considerable: 4.6.

Cultural and Tribal Resources: The following specific impact was found to be less than cumulatively considerable: 4.7.

Geology and Soils: The following specific impact was found to be less than cumulatively considerable: 4.8.

Greenhouse Gases, Climate Change, and Energy: The following specific impact was found to be less than cumulatively considerable: 4.9.

Hazards and Hazardous Materials: The following specific impact was found to be less than cumulatively considerable: 4.10.

Noise: The following specific impact was found to be less than cumulatively considerable: 4.11.

Transportation and Circulation: The following specific impacts were found to be less than cumulatively considerable: 4.12 and 4.13.

Utilities: The following specific impacts were found to be less than cumulatively considerable: 4.14, 4.15, and 4.16.

The above impacts are less than significant or less than cumulatively considerable for one of the following reasons:

- The EIR determined that the impact is less than significant for the Project;
- The EIR determined that the Project would have a less than cumulatively considerable contribution to the cumulative impact; or
- The EIR determined that the impact is beneficial (would be reduced) for the Project.

VI. PROJECT ALTERNATIVES

A. IDENTIFICATION OF PROJECT OBJECTIVES

An EIR is required to identify a range of reasonable alternatives to the project. The “range of potential alternatives to the project shall include those that could feasibly accomplish most of the basic purposes of the project and could avoid or substantially lessen one or more of the significant effects.” (CEQA Guidelines Section 15126.6(c).) “Among the factors that may be taken into account when addressing the feasibility of alternatives are site suitability, economic viability, availability of infrastructure, general plan consistency, other plans or regulatory limitations, jurisdictional boundaries (projects with a regionally significant impact should consider the regional context), and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site (or the site is already owned by the proponent).” (CEQA Guidelines Section 15126.6(f)(1).)

The principal objective of the proposed Project is the demolition of three single family residences and six ancillary structures and redevelopment of the Development Area with a one-story, 217,466 sf warehouse building and a surface parking lot.

The City and the Project applicant, Panattoni Development Company, Inc., have identified the following objectives:

- Construct and operate an industrial warehouse facility within one separate building containing ground-level shipping and receiving truck loading docks of sufficient size to efficiently operate for the future tenant(s).
- Annex the property into the City Limits and develop the site with light industrial uses, consistent with the City’s General Plan land use designation for the site.
- Locate an industrial Project in an area with nearby access to a regional roadway network.
- Ensure that the industrial area along West Schulte Road continues to be developed in a visually pleasing manner.
- Increase contributions to the City’s tax base.
- Provide site ingress access for trucks from West Schulte to allow for efficient on-site circulation.

- Complete the Project on schedule and within budget.

B. ALTERNATIVES ANALYSIS IN EIR

The alternatives analysis provides a summary of the relative impact levels of significance associated with each alternative for each of the environmental issue areas analyzed in the Draft EIR. The environmental analysis for each of the alternatives is included in Chapter 5.0.

1. NO PROJECT (NO BUILD) ALTERNATIVE:

The **No Project (No Build) Alternative** is discussed on pages 5.0-2 through 5.0-10 of the Draft EIR. Under the No Project (No Build) Alternative development of the Project site would not occur, and the Project site would remain in its current existing condition and not be annexed into the City. The Williams Communications Parcel is currently developed with a low voltage transmission station operated by Williams Communications, Inc. The remainder of the Project site is currently developed with three single-family residences and six ancillary structures while the remainder consists primarily of ruderal grasses which are regularly disced. The No Project (No Build) Alternative would fail to meet the Project objectives identified by the Project applicant.

Findings: Environmental benefits of this alternative over the proposed Project include the reduction of impacts to Aesthetics and Visual Resources, Agricultural Resources, Air Quality, Biological Resources, Cultural and Tribal Resources, Geology and Soils, Greenhouse Gases, Climate Change and Energy, Hazards and Hazardous Materials, Noise, Transportation and Circulation, and Utilities.

While the City recognizes the environmental benefits of the No Project (No Build) Alternative, this alternative would not achieve any of the Project objectives. Specifically, this alternative would not: construct and operate an industrial warehouse facility within one separate building containing ground-level shipping and receiving truck loading docks that is of sufficient size to efficiently operate for the future tenant(s); annex the property into the City Limits and develop the site with light industrial uses, consistent with the City's General Plan land use designation for the site; locate an industrial Project in an area with nearby access to a regional roadway network' ensure that the industrial area along West Schulte Road continues to be developed in a visually pleasing manner' increase contributions to the City's tax base; provide site ingress access for trucks from West Schulte to allow for efficient on-site circulation; or complete the Project on schedule and within budget.

Additionally, this alternative would not realize the project benefits of increased industrial areas, additional employment opportunities, or new tax revenue. For all of these foregoing reasons and any one of them individually, this alternative is determined to be infeasible and rejected.

2. TRUCK PARKING ALTERNATIVE:

The **Truck Parking Alternative** is discussed on pages 5.0-2, 5.0-3, and 5.0-10 through 5.0-12 of the Draft EIR. The Truck Parking Alternative was developed based on input from City staff and the project applicant. This project alternative would include demolition of the three single-family residences and six ancillary structures and redevelopment of the Development Area with a truck parking facility with truck and trailer parking spaces and restroom facilities (see Figure 5.0-1). The Williams Communication Parcel would not be developed as part of the project alternative.

The parking areas would include approximately four short-term bicycle parking spaces, one standard parking stall, one Americans with Disabilities Act (ADA) accessible parking stall, and 344 truck/trailer parking stalls. The parking areas would be located throughout the Development Area. The restroom facilities would be located in a 636-sf building in the southwestern portion of the site. The facilities would include a waiting area, women's restroom/shower, men's restroom/shower, and a unisex restroom. The maximum height of the restroom facility building would be 14.5 feet.

Site access, landscaping, and utility improvements would be similar to the proposed project. For example, landscaping would be provided throughout the site, and on-site improvements to Hansen Road, including roadway resurfacing improvements and construction of a roundabout at the southwestern site access point, would occur. Utility lines within the project site and adjacent roadways would be extended throughout the project site. Wastewater, water, and storm drainage lines would be connected via existing lines along West Schulte Road. The project alternative would also connect to existing electrical and natural gas infrastructure in the project vicinity along West Schulte Road. Unlike the proposed project, only one access point would be provided off Hansen Road in the southwestern portion of the Development Area.

The same entitlements required for the proposed project would be required for this alternative, including but not limited to pre-zoning, annexation and a Development Review Permit.

The Truck Parking Alternative would fail to meet most of the Project objectives identified by the Project applicant.

Findings: Environmental benefits of this alternative over the proposed Project include the reduction and/or slight reduction of impacts to Aesthetics and Visual Resources, Air Quality, Geology and Soils, Greenhouse Gases, Climate Change and Energy, Hazards and Hazardous Materials, Noise, Transportation and Circulation, and Utilities. The remaining resources areas would have equal or similar impacts to the Project.

On balance, the alternative is less desirable than the Project and does not lessen the overall environmental impacts nor provide the same level of benefits as the proposed Project. While the City recognizes the environmental benefits of this alternative, this alternative would not achieve all of the Project objectives. The Project objectives which this alternative does achieve are achieved to a lesser extent than the proposed Project. Because this alternative would not result in construction of a warehouse building,

objectives one, five, or seven. This would also reduce the tax revenue generation as compared to the Project.

In conclusion, this alternative would not provide any industrial warehousing opportunities for the City. For all of these foregoing reasons and any one of them individually, this alternative is determined to be infeasible and rejected.

3. REDUCED PROJECT ALTERNATIVE:

The **Reduced Project Alternative** is discussed on pages 5.0-3, 5.0-4, and 5.0-12 through 5.0-15 of the Draft EIR. Under the Reduced Project Alternative, the proposed Project would be developed with the same types of industrial uses as described in the Project Description, but the industrial square footage would decrease by 25 percent and the amount of developed land would decrease by 25 percent. Under the Reduced Project Alternative, the total Development Area would decrease from approximately 20.92 acres under the proposed Project to approximately 15.69 acres. The remaining 5.23 acres outside of the Reduced Project Alternative area would be located along the southern boundary of the site. The existing home and facilities would still be demolished in order to accommodate a warehouse building.

The amount of industrial uses would decrease from 217,466 square feet (sf) to 163,099 sf. Because the amount of urban development would decrease, the size of the parking areas and storm basins would also decrease. The areas developed with urban uses would be located in the northern portion of the Project site.

Findings: Environmental benefits of this alternative over the proposed Project include the reduction or slight reduction of impacts to Aesthetics and Visual Resources, Air Quality, Geology and Soils, Greenhouse Gases, Climate Change and Energy, Hazards and Hazardous Materials, Noise, Transportation and Circulation, and Utilities.

On balance, the alternative is less desirable than the Project and does not provide the same level of benefits as the proposed Project. While the City recognizes the environmental benefits of this alternative, this alternative would not achieve all of the Project objectives. The Project objectives which this alternative does achieve are achieved to a lesser extent than the proposed Project. For example, the Reduced Project Alternative would partially meet the first objective because this alternative would provide an industrial warehouse facility within one separate building containing ground-level shipping and receiving truck loading docks that is of sufficient size to efficiently operate for the future tenant; however, because the size of Development Area and the warehouse building would be reduced by 25 percent compared to the Project, the warehouses may not be a sufficient size for the future tenant and, thus, may not fully meet this objective. Similarly, relating to objective five, the Reduced Project Alternative would increase contributions to the City's tax base. However, because the warehouse building would be reduced by 25 percent compared to the Project under the Reduced Project Alternative, the amount of tax contributions under the Reduced Project Alternative would be less than the Project. On balance, the minor environmental

benefits that might be achieved with this alternative are outweighed, independently and separately, by the reasons described above, and the failure of this alternative to provide the same level of benefits as the Project.

This alternative is also potentially economically unfeasible due to the elimination of approximately one-quarter of the Project site. This landowner, or landowners, would be left with fully or partially undeveloped parcels. For all of these foregoing reasons and any one of them individually, this alternative is determined to be infeasible and rejected.

4. ENVIRONMENTALLY SUPERIOR ALTERNATIVE:

CEQA requires that an environmentally superior alternative be identified among the alternatives that are analyzed in the EIR. If the No Project Alternative is the environmentally superior alternative, an EIR must also identify an environmentally superior alternative among the other alternatives (CEQA Guidelines Section 15126.6(e)(2)). The environmentally superior alternative is that alternative with the least adverse environmental impacts when compared to the proposed project.

As shown on Table 5.0-1 of the Draft EIR (on page 5.0-16), a comparison of alternatives is presented. The No Project (No Build) Alternative is the environmentally superior alternative. However, as required by CEQA, when the No Project (No Build) Alternative is the environmentally superior alternative, the environmentally superior alternative among the others must be identified. Therefore, the Truck Parking Alternative and Reduced Project Alternative both rank higher than the proposed Project. The Truck Parking Alternative would have equal impacts in three areas, slightly less impacts in one area, and less impacts in eight areas. The Reduced Project Alternative would have slightly less impacts in six areas and less impacts in five areas. Therefore, the Reduced Project Alternative would be the next environmentally superior alternative. It is noted that the Reduced Project Alternative would not fully meet all of the Project objectives.

It should be noted that the Reduced Project Alternative does not meet all of the Project objectives. This alternative would result in fewer job opportunities for Tracy residents. This would also reduce the tax revenue generation as compared to the Project. While the City recognizes the environmental benefits of the Reduced Intensity Alternative, this alternative would not result in the amount of industrial uses that are identified in the Project objectives under full buildout of the Project site.

For the reasons provided above, this alternative is determined to be infeasible and rejected.

VII. STATEMENTS OF OVERRIDING CONSIDERATIONS RELATED TO THE SCHULTE ROAD WAREHOUSE FINDINGS

As described in detail in Section III of these Findings, the following significant and unavoidable impacts could occur with implementation of the Project:

- Impact 3.1-1: Project implementation may result in substantial adverse effects on scenic vistas;
- Impact 3.10-1: Project implementation may conflict with or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b);

- Impact 4.2: Cumulative Degradation of the Existing Visual Character of the Region;
- Impact 4.5: Cumulative Impact on the Region's Air Quality; and
- Impact 4.12: Under Cumulative conditions, the proposed Project would conflict with or be inconsistent with CEQA Guidelines Section 15064.3, subdivision (b).

The adverse effects listed above, and described in detail in Section III, are substantive issues of concern to the City. However, the City of Tracy has a General Plan that provides for an array of land uses throughout the City that are intended to accommodate the City's needs for growth over the foreseeable future. The proposed Project has been designated with a land use that is intended to generate jobs and tax revenue for the City, while providing industrial opportunities. The proposed Project would provide an increase in local jobs that could be filled by the citizens of Tracy, which could reduce the number of citizens commuting to areas outside of the City. Implementation of the proposed Project would provide job growth to the area. It is anticipated that local employment would be increased to provide administrative, management, and technical services. The proposed Project is expected to require both full-time and part-time employees. Additionally, development of the Project would provide short-term employment opportunities within the construction, engineering, and design field, among others. The actual number of jobs would vary by the actual businesses and types of businesses that locate within the Project site.

Additionally, the proposed Project would generate tax revenue that the City would not otherwise benefit from if the Project was not developed. The job creating uses, additional employment opportunities, and tax benefits discussed above would ultimately improve the overall quality of life in the City of Tracy.

Based on the entire record and the EIR, the City Council has determined that the economic and social benefits of the Project in Tracy outweigh and override the significant unavoidable environmental effects that would result from future Project implementation as more fully described in Section III, Findings and Recommendations Regarding Significant and Unavoidable Impacts. The City Council has determined that any environmental detriment caused by the proposed Project has been minimized to the extent feasible through the mitigation measures identified herein, and, where mitigation is not feasible, has been outweighed and counterbalanced by the significant social, environmental, and land use benefits to be generated within the region. The City Council finds that any one of the benefits set forth above is sufficient by itself to warrant approval of the Project. This determination is based on the findings herein and the evidence in the record. Having balanced the unavoidable adverse environmental impacts against each of the benefits, the City Council hereby adopts this Statement of Overriding Considerations for the above reasons.