



REPORT TO COUNCIL City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Public Hearing
August 11, 2009

Honorable Mayor and
Members of the City Council

Title: Natomas Crossing (P04-264)

Location/Council District: Project site bounded by I-5 (West), East Commerce (East), San Juan Road (South), and adjacent to Main Entrance Road (North); Council District 1; Assessor's Parcel Numbers 225-0070-115; 225-0140-065, -067; 225-0150-043, -053, -054; 225-0180-059; 225-0310-026

Recommendation: Conduct a public hearing and upon conclusion adopt 1) a **Resolution** certifying the Environmental Impact Report (EIR) and adopting the Mitigation Monitoring Plan (MMP); 2) a **Resolution** approving a tentative subdivision map for the Natomas Crossing project; 3) a **Resolution** amending the General Plan Land Use Diagram for the project site from Planned Development to Regional Commercial and Employment Center Midrise.; 4) a **Resolution** amending the PUD Guidelines and Schematic Plan for the project site; and 5) an **Ordinance** rezoning the subject site from the Limited Commercial (C-1 PUD) and Employment Center (EC-40 and EC-50 PUD) to the Shopping Center (SC PUD) and Employment Center (EC-50 PUD) zones.

Contact: Evan Compton, Associate Planner, (916) 808-5260; Lindsey Alagozian, Senior Planner, (916) 808-2659

Presenters: Evan Compton, Associate Planner

Department: Community Development

Division: Current Planning

Organization No: 21001010

Description/Analysis

Issue: The applicant is requesting entitlements to allow a mixed use development which includes a two phase regional retail project on approximately 97 acres, an office development on approximately 8 acres, and a major medical facility on approximately 46 acres in North Natomas. The applicant proposes to amend the General Plan and Rezone the project site. Before the project may be constructed, the applicant is required to obtain a Plan Review for each building

and/or Special Permits.

Applicant: Alleghany Properties (contact: Greg Guardino)

Policy Considerations: The subject site is designated "Planned Development." Staff supports the request to amend the General Plan from Planned Development to Regional Commercial and Employment Center Midrise because the development will be consistent with the General Plan's Vision and Guiding Principles and the area will be consistent with the proposed project using the appropriate designations in the Land Use and Urban Design Element. Staff supports the rezone to Employment Center 50/acre and Shopping Center because it will allow office, retail, and hospital uses and also does not preclude hotel or daycare uses as depicted in the original schematic plan.

Environmental Considerations: In accordance with California Environmental Quality Act (CEQA) *Guidelines*, Section 15081, the City, as Lead Agency, determined that an EIR should be prepared for the Natomas Crossing project. An Environmental Impact Report (EIR) is an informational document that must be considered by the Lead Agency prior to project approval.

California Environmental Quality Act (CEQA): CEQA *Guidelines* Section 15132 specifies that the Final EIR shall consist of: the Draft EIR or a revision of the draft; comments and recommendations received on the DEIR either verbatim or in summary; a list of persons, organizations, and public agencies commenting on the DEIR.; responses of the Lead Agency to significant environmental points raised in the review and consultation process; and additional information provided by the Lead Agency.

The Natomas Crossing DEIR identified impacts to: transportation and circulation; noise; air quality; hydrology, water quality, and drainage; seismicity, soils, and geology; biological resources, and cultural resources. Mitigation measures were identified to reduce project impacts to a less than significant level; however, significant and unavoidable impacts related to transportation and circulation and air quality remain after mitigation. A Mitigation Monitoring Plan (MMP) that lists all of the mitigation measures and required implementing actions was prepared and is attached to the Findings of Fact.

The DEIR was prepared and released for a forty-five (45) day public review period, beginning on April 9, 2009 and ending on May 26, 2009 as described in the Findings (Attachment 4). Eight comment letters were received on the DEIR. The comment letters and responses to comments are included in the FEIR. The FEIR responds to all comments received on the DEIR and revises text and/or analyses where warranted. Pursuant to the requirements of CEQA, copies of the responses to comments were sent to all agencies who commented on the Draft EIR. Copies of the DEIR and FEIR are available on the Community Development Department's webpage at the following link:
(<http://www.cityofsacramento.org/dsd/planning/environmental-review/eirs/>).

Sustainability Considerations: This project is consistent with the goals of the

Sustainability Master Plan in that locating a hospital, offices, and retail uses in North Natomas will reduce the amount of vehicular travel to areas outside of the City of Sacramento for the same services. Future improvements to the site will help promote pedestrian activity in the neighborhood by locating appropriately scaled and articulated buildings close to the street frontages. Defined pedestrian entrances, pathways, and landscaped plaza areas have been incorporated into the PUD Guidelines for this area and when constructed will encourage pedestrian and bicyclist movement to and around the site.

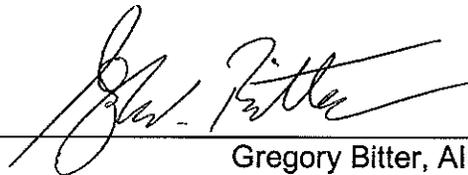
Commission/Committee Action: The Planning Commission heard the project on July 9, 2009 and forwarded a recommendation of approval by a vote of 7 to 1 for the entitlements for the Natomas Crossing project. The comments from the Planning Commission were overall very positive. The Planning Commission indicated they liked the design of the buildings as shown in the PUD Guidelines and they stressed they want the project to follow through with the commitment to providing strong architecture on all four sides of the building and providing pedestrian connections between each building and to the surrounding community. The applicant was also thanked for their excellent outreach to the neighborhood associations and the community during the entitlement process.

Rationale for Recommendation: Staff supports the project since the entitlements: a) allow for a future hospital and medical offices to serve the region, b) provide flexibility in zoning to allow for additional regional retail uses thereby minimizing retail leakage outside of the City of Sacramento, c) improve the jobs/housing balance in North Natomas with an estimated gain of 1,569 jobs, d) allow for a mix of uses including retail, office, medical office, and a hospital, and e) encourage infill on a site well served by existing and future transit including two major freeways, two minor bus corridors, and a future light rail station located within ½ mile.

Financial Considerations: This project has no fiscal considerations.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

Respectfully Submitted by: _____



Gregory Bitter, AICP
Principal Planner

Approved by: _____



William Thomas
Director of Community Development

Recommendation Approved:



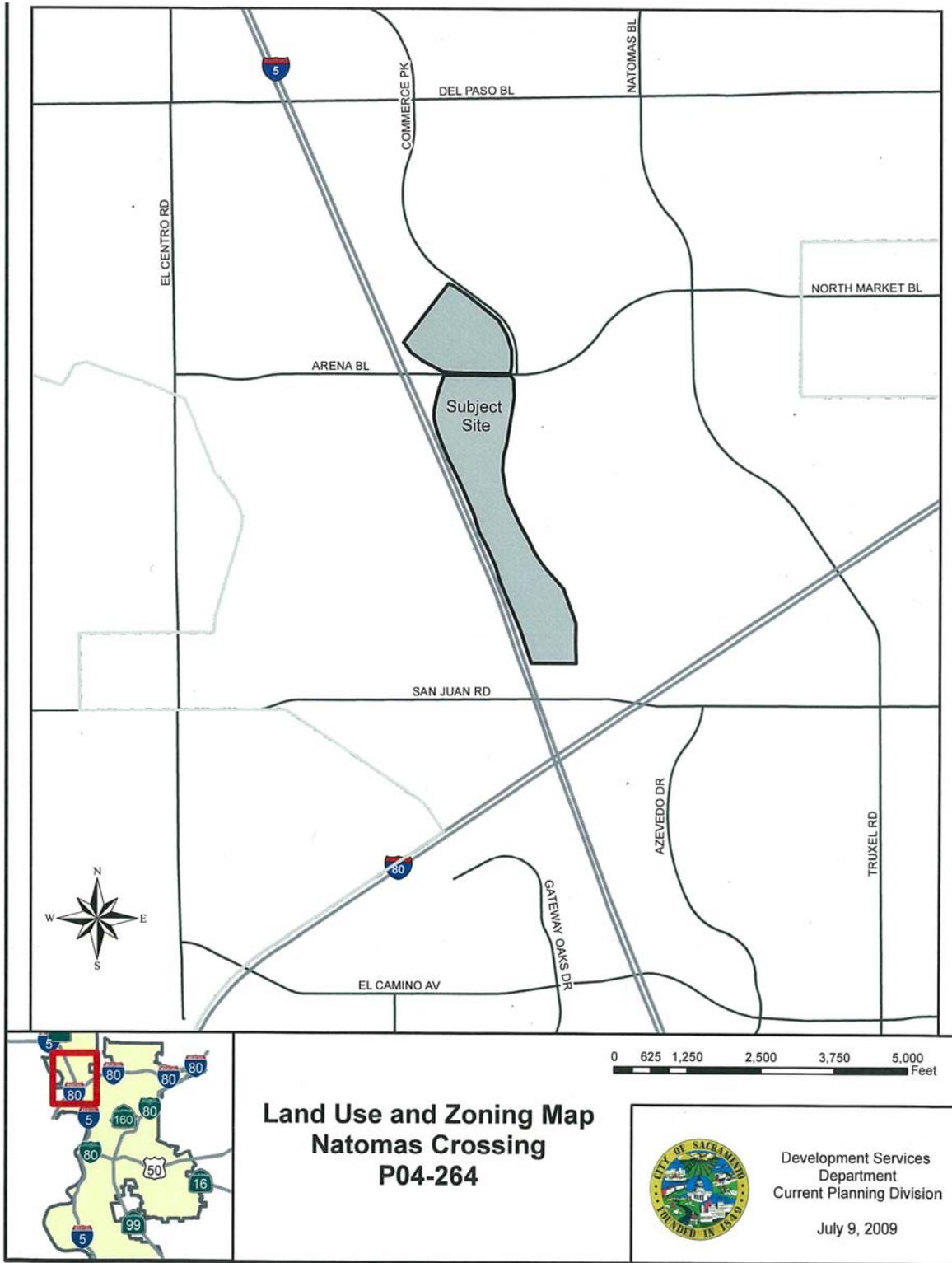
RAY KERRIDGE

6⁰⁰ City Manager

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Attachment 1: Vicinity Map

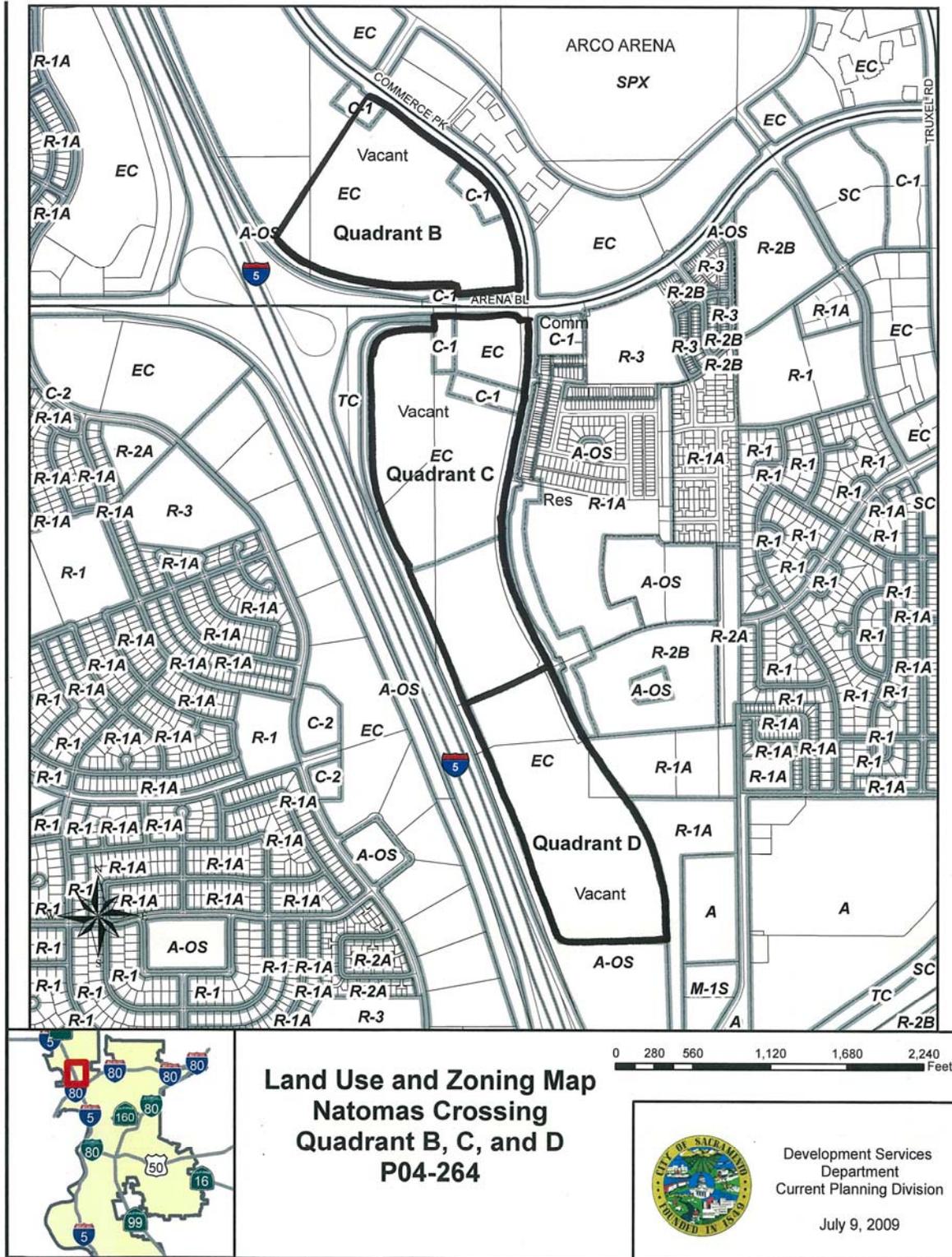


**Land Use and Zoning Map
Natomas Crossing
P04-264**



Development Services
Department
Current Planning Division
July 9, 2009

Attachment 2: Land Use Map



Attachment 3: Background

Background Information: The Natomas Crossing proposal was submitted on December 29, 2004. The project has been modified during the review process to the current proposal discussed in this report. The major changes include modifying the southern part of Quadrant C to include offices/medical offices and incorporating a major medical facility on Quadrant D.

Table 1: Project Information
2030 General Plan designation (existing): Planned Development
2030 General Plan designation (proposed): Regional Commercial and Employment Center Mid Rise
PUD: Natomas Crossing Planned Unit Development
Existing zoning of site: Limited Commercial (C-1 PUD), Employment Center (EC-40 PUD and EC-50 PUD), Agricultural Open Space (A-OS PUD)
Proposed zoning of site: Shopping Center (SC-PUD), Employment Center (EC-50 PUD) and Agricultural Open Space (A-OS PUD)
Existing use of site: Vacant
Property area: 161.9± acres

Project Setting

The Natomas Crossing PUD consists of Area 1, 2, and 3. The project entitlements in this report affect property located within Area 3 only. See Figure 3-2 on page 3-3 in the Draft Environmental Impact Report (DEIR) for reference.

Within Area 3, there are four quadrants described as Quadrants A, B, C, D, and a detention basin along the southern boundary. This report covers entitlements for Quadrant C, Quadrant D, and the southerly portion of Quadrant B only.

Quadrant A, the northern portion of Quadrant B, and the detention basin site (located to the south of Quadrant D) are not included in this project scope of work.

Entitlements requested for Quadrant B (future development of regional retail within a range of 309,276 to 463,914 square feet) and Quadrant D (future development of approximately 600,000 square feet for a hospital and an additional 600,000 of future medical office) are legislative only and have no specific site, floor, landscaping, or elevation plans submitted for review at this time since the projects are conceptual in nature. Quadrant C has a tentative map entitlement and new PUD Guidelines showing development and design standards however, future plan reviews will be required before the buildings on the project site may be constructed.

Entitlement History: On May 3, 1994, the City Council adopted the 1994 North Natomas Community Plan (**Resolution No. 94-259** for **M92-078**). The community plan

envisioning a new urban form for North Natomas that includes a well integrated mixture of residential, employment, commercial, and civic uses. A Town Center, located at the heart of the community, serves as the hub of the circulation web and provides a sense of place to the community's residents, workers, and visitors. The Town Center includes civic uses, higher impact Regional Park uses, high density residential, and intense employment centers, anchored at both ends by commercial centers. The Employment Centers, located proximate to the proposed light rail stations and along the freeways, are mixed use centers consisting of primary employment generators and secondary support retail, residential, and light industrial uses, to serve the employees and employers of the center.

On June 24, 1997, the City Council approved the following:

P96-082: Ordinance 97-038 contained a Development Agreement for properties located in Area 1 specifically at the southeast corner of Truxel and Del Paso Road.

P96-082, -083, -084: Ordinance 97-040 contained a Development Agreement for properties located in Area 2 and 3. **Resolution 97-370** approved the designation of a Planned Unit Development for the "Natomas Crossing PUD" and approved the PUD Guidelines.

P96-084: Ordinance 97-042 approved a rezone for the project site from Highway Commercial (HC-PUD) and Manufacturing Research and Development (MRD-PUD) to various zones including Employment Center and Limited Commercial.

On June 25, 2002, the City Council approved the following:

P01-028: Resolution 2002-453 ratified the Negative Declaration and adopted the Mitigation Monitoring Plan for Natomas Crossing Area #3.

Resolution 2002-454 amended the North Natomas Community Plan to redesignate 281.7± acres.

Resolution 2002-455 amended the Natomas Crossing PUD Guidelines and Schematic Plan to modify the existing guidelines and establish an overall schematic plan providing the acreage, types, and intensification of the uses for each parcel in Area #3.

Ordinance 2002-024 approved the rezone of 286.4± acres.

Public/Neighborhood Outreach and Comments: As part of the application review process, the proposal was routed to multiple community groups including: Creekside Natomas Neighborhood Association, North Natomas Alliance, West Natomas Community Association, Natomas Park Master Association, Sundance Lake Homeowners Association, Natomas Community Association, Natomas Chapter of the Partnership for Livable Communities, Natomas Crossing Community Association, Natomas Crossing Community Vision, Natomas Journal, Westlake Group, and the Witter Ranch Community Association. See Attachment 9 for a comprehensive list of meeting dates conducted by the applicant. Staff also notified property owners of the public hearing within 500 feet of the subject site.

At the time of writing this report, staff received a response from the Natomas Park Master Association, the Witter Ranch Community Association, the Sacramento Area Bicycle Advocates, and the North Natomas Transportation Management Association. All of these letters were supportive of the project. There were also two comments from members of the public who did not support the project. All of the comments are discussed below.

The Natomas Park Master Association provided a comment that read: "I like the hospital addition!" Staff received a letter of support from Witter Ranch Community Association who expressed that although they would have preferred to have a specific development proposal for Quadrant B before rezoning the property, they support the idea of allowing more flexibility in zoning so the applicant can begin to work with prospective tenants for future development. (See Attachment 12) Staff also received a letter from the Sacramento Area Bicycle Advocates (SABA) which is included as Attachment 10. Comments included providing adequate bike connections through the site and staff has worked with the applicant to provide these necessary connections as shown in the current proposal. The North Natomas Transportation Management Association submitted a letter (see Attachment 13) providing suggestions on pedestrian and bike paths, landscaping, and design of bicycle facilities. The comments have been noted and may be incorporated into the future plan review conditions for each site as it is developed in the future. The NNTMA also was concerned the plaza area between buildings 17 and 18 could be too narrow. Staff reviewed the site plan and feels that a 20 foot width including a 10 foot walkway is appropriate for view and access. Although a portion of the corner for building 18 could be clipped to further increase the width of the plaza, this would decrease the size of the tenant space which is already the smallest among the large format retail buildings.

Staff also received two emails from members of the community. (See Attachment 16 and 17). Rebecca Hipolito objects to more building in Natomas and believes there are too many empty offices already. Richard Pan opposes rezoning Quadrant B when there are no associated future development plans. He also expresses concern about the economic impact of more retail which could lead to increased blight. Staff has reviewed the concerns and concluded that the current entitlements are to allow the applicant more flexibility for future development of the site. Approval of project level entitlements will also be required before construction could begin. The current proposal is only to provide the applicant more flexibility with possible future tenants given the uncertainty of the market.

Surrounding Development: Natomas Field Subdivision

There is a residential development near the subject site on the east side of East Commerce Way. The Natomas Field project was approved by City Council in July 2005. The project comprised of 216 townhouse lots, 217 brownstone lots, 179 cottage lots, 95 bungalow lots, and one high density residential lot. The project also included a commercial lot and neighborhood park.

Policy Considerations:

2030 General Plan: The subject site is designated “Planned Development.” This designation requires development to be consistent with the General Plan’s Vision and Guiding Principles and to obtain a General Plan Amendment to designate the area consistent with the proposed project using the appropriate designations in the Land Use and Urban Design Element. The following principles are applicable to the project:

LU 1.1.5: Infill Development. The City shall promote and provide incentives (e.g., focused infill planning, zoning/rezoning, revised regulations, provision of infrastructure) for infill development, redevelopment, mining reuse, and growth in existing urbanized areas to enhance community character, optimize City investments in infrastructure and community facilities, support increased transit use, promote pedestrian and bicycle friendly neighborhoods, increase housing diversity, ensure integrity of historic districts, and enhance retail viability. The project site is located in an existing urbanized area and allows for the development of regional retail, office, and hospital uses while providing excellent access from nearby Interstate 5 and Interstate 80.

LU 2.5.1 Connected Neighborhoods, Corridors, and Centers. The City shall require that new development, both infill and Greenfield, maximizes connections and minimizes barriers between neighborhoods, corridors, and centers within the city. Staff finds the project provides pedestrian and bicycle connections through the project site, connects the project site to the surrounding community, and will create an attractive destination for future users of the regional bike trail as well as nearby existing and future residential uses.

LU 2.6.6 Heat Island Effect. The City shall reduce the “heat island effect” by promoting and requiring, where appropriate, such features as reflective roofing, green roofs, light-colored pavement, and urban shade trees and by reducing the unshaded extent of parking lots. Staff finds the applicant is utilizing an “orchard” concept with the parking lot shading which provides both deciduous and evergreen trees for shading purposes.

LU 2.7.5 Development along Freeways. The City shall promote high-quality development character of buildings along freeway corridors and protect the public from the adverse effects of vehicle-generated air emissions, noise, and vibration, using such techniques as: requiring extensive landscaping and trees along the freeway fronting elevation; establish a consistent building line, articulating and modulating building elevations and heights to create visual interest; include design elements that reduce noise and provide for proper filtering, ventilation, and exhaust of vehicle air emissions. Staff finds the applicant will provide significant amounts of landscaping along I-5 as required by the I-5 Corridor Landscape Guidelines. The applicant has provided exhibits to show the motoring public point of view traveling down Interstate 5 at three separate vantage points. (See Exhibit E-J) Staff further finds that the buildings along the freeway will have the necessary articulation on the freeway facing side with varying rooflines and material changes to avoid monotony. There is also landscaping to screen the loading docks from the motoring public and a plaza area for a future bike trail connection.

LU 2.7.7 Buildings that Engage the Street. The City shall require buildings to be oriented to and actively engage and complete the public realm through such features as building orientation, build-to and setback lines, façade articulation, ground-floor transparency, and location of parking. Staff finds the small format retail buildings engage East Commerce with appropriate fenestration and detailing. The buildings have landscaped plaza areas located at the corner entrances to further activate the street and encourage pedestrian activity from the nearby residential area across East Commerce. The project requires additional plan reviews before buildings may be constructed and staff will review and condition the project at that time to ensure the buildings meet the intent of the design guidelines in the Natomas Crossing PUD.

LU 2.7.8 Screening of Off-street Parking. The City shall reduce the visual prominence of parking within the public realm by requiring most off-street parking to be located behind or within structures or otherwise fully or partially screened from public view. Staff finds that the smaller format retail buildings along East Commerce buffer the internal parking areas on the project site for Quadrant C. Furthermore, between the smaller format buildings, there will be significant berming and landscaping to hide parking areas from the street view along East Commerce Way.

LU 2.8.5 Jobs Housing Balance. The City shall encourage a balance between job type, the workforce, and housing development to reduce the negative impacts of long commutes and provide a range of employment opportunities for all city residents. Staff finds the project will improve the jobs and housing balance (by adding an additional 1,569 estimated jobs) with the incorporation of offices and a future major medical facility on the project site.

Table 2: NNCP Land Use versus Jobs Comparison Chart

NNCP Land Use Designation	Existing (in net acres)	Estimated Jobs	Proposed (in net acres)	Estimated Jobs	Difference
Limited Commercial	8.3	249	0	0	-249
Employment Center 40	48.5	1940	0	0	-1940
Employment Center 50*	63	3150	45.1	4667	+1517
Shopping Center	0	0	74.7	2241	+2241
Roads and Open Space	42.1	n/a	24	n/a	n/a

Total	161.9	5339	161.9	7214	+1569 estimated jobs
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**The amount of jobs for EC-50 in the proposal was calculated assuming there will be 200,000 square feet of office in Quadrant C and a 600,000 square foot major medical facility and 600,000 square feet of associated medical office in Quadrant D. Gross square foot per employee in EC-50 is assumed at 300 gross square foot which supports 667 employees for the 200,000 square foot offices on Quadrant C and 4,000 employees for the 1.2 million square foot facility on Quadrant D.*

Regional Commercial Center (Page 2-70) For the portion of the site proposed as Regional Commercial (Quadrants B and C), the designation provides for predominantly nonresidential, large scale, regional shopping centers with a mix of uses including major retail stores, home improvement stores, offices, and restaurants. The minimum FAR is .25 and the maximum FAR is 3.00. Key components of the urban form are:

- A development pattern with buildings sited at or near the front lot line on internal streets and plazas that add character and spatial definition to the center.
- Centrally located gathering places/plazas connected by pedestrian paths.
- Building facades and entrances with a high degree of transparency.
- Building heights that generally range from one to six stories
- Lot coverage generally not exceeding 60 percent
- Integrated residential and office uses into the centers
- Parking located behind buildings or accommodated in parking structures
- Internal pedestrian streetscapes with broad sidewalks, appropriate landscaping, lighting, and pedestrian amenities/facilities
- Convenient and attractive pedestrian connections from adjacent transit facilities
- Internal streets designed to integrate and balance safe pedestrian, bicycle, and transit use with efficient vehicular traffic flow
- Attractive landscaping of public and internal right-of-ways with street trees and other plantings to enhance center character and identity

Staff finds that the project for Quadrant C meets the intent of the above requirements as proposed since office uses have been integrated into the retail center, there are convenient and attractive pedestrian and bicycle connections through the site, the center provides gathering places to activate the corner restaurants, and provides a

plaza where the project site connects to the future regional bike trail. The project proposal has a floor area ratio of .27 which exceeds the required FAR. The future development on Quadrant B has not been submitted for staff review and will be required to meet the above requirements for "Regional Commercial" when the project is submitted for the required entitlements.

Employment Center Mid Rise (Page 2-102) For the portion of the site designated as Employment Center Mid Rise (Quadrant D), the designation provides for large mixed-use office/employment centers that include the following: Mid-rise office complexes, support retail and service uses, compatible public/quasi-public/special uses. The minimum FAR is .35 and the maximum FAR is 2.00. Key components of the urban form are:

- A more compact development pattern with buildings sited at or near front lot lines along primary streets to add character and spatial definition to the public realm.
- Building heights generally ranging from three to twelve stories
- Lot coverage not exceeding 70 percent
- Building facades and entrances directly address the street and having a high degree of transparency
- Greater integration of residential, retail, and service uses
- Reduced areas of surface parking and greater use of structured parking
- Convenient and attractive pedestrian and vehicular connections from adjoining neighborhoods
- Building entrances oriented to the primary street frontage rather than parking areas
- Sidewalks accommodate pedestrian movement, with connecting walkways from sidewalk into individual sites
- Bicycle lanes along key roadways
- Transit stops within office parks
- Shuttle bus and/or public transportation that provide connections to retail shopping districts

The specific development plan for the future major medical and medical office site (Quadrant D) has not been submitted for review however, it will be required to meet the above guidelines for "Employment Center Mid Rise" when the project is submitted for the required entitlements.

LU 9.1.3 Connected Open Space System. The City shall ensure that new development does not create barriers to the connections among the various parts of the city's parks and open space systems. Staff finds this project allows adequate space to connect the future bike trail in a north/south direction along the western side of the side and bordering Interstate 5. As shown on the Rezone and Schematic Plan Amendment, the portion of the site abutting Interstate 5 has been reserved as Agricultural Open Space. This layout for the future regional bike trail is consistent with the Bikeway Master Plan.

The project supports the General Plan goals and policies related to quality of life, quality design in new growth areas, and pedestrian and bikeways. Therefore, as noted above, staff finds the project is consistent with the 2030 General Plan.

North Natomas Community Plan: The project is consistent with the following policies of the North Natomas Community Plan:

Employment Center: NN.LU 1.21: Support Retail Required. Every EC PUD zone will be required to provide some level of support retail goods and services, either ancillary (within a primary use building) or support (within a stand alone building). A parcel zoned EC PUD that is 2 acres or less in size and is located adjacent to a PUD with support retail is exempt from the retail requirement. Staff finds that the future office/medical offices on Quadrant C and the major medical facility on Quadrant D will benefit from the retail and restaurant uses in the proposed shopping center on Quadrant C. Furthermore, additional support services may be located on the future EC PUD sites as well.

Open Space: NN.ERC 1.11: Landscaped Freeway Buffers. The City shall maintain a 100 foot-wide landscaped freeway buffer along the east and west sides of I-5 and along the north side of I-80. Financing and landscaping will be included in the infrastructure costs for the Community. As shown in the Rezone and Schematic Plan exhibits, this 100 foot-wide buffer is being maintained with the current proposal and is therefore consistent with the policy.

Environmental Resources: NN.ER 1.1: Distinguished Gateways. Heavier landscape treatment and high quality design must be included in specific gateways to the community to provide a suitable entry to the Capitol City. As previously mentioned, the applicant has provided exhibits to show the motoring public point of view traveling down Interstate 5 at three separate vantage points. (See Exhibit E-J) Staff finds the applicant will provide significant amounts of landscaping along I-5 and incorporates desirable architectural details into the buildings such as material changes, varying parapet heights, and tower elements with a main street appeal.

Consistency with North Natomas Development Guidelines: The North Natomas Development Guidelines are intended to unify the design and implementation of the North Natomas Community. These development guidelines serve as a companion document to the Community Plan. They establish specific standards for parcels within the North Natomas Community. The guidelines were adopted by the City Council on November 22, 1994 and subsequently amended by the City Council on August 12,

2003. The project is consistent with the North Natomas Development Guidelines because Quadrant C provides a master design concept for the commercial center and provides pedestrian pathways through the parking lots. Plans for the site development of Quadrants B and D will be submitted for review at a later date. At the time of the project level entitlements, these plans will be evaluated for consistency.

Mixed Income Ordinance: The proposed project is exempt from the Mixed Income Housing Ordinance because it is subject to an existing Development Agreement and does not propose residential development.

Habitat Conservation Plan (HCP): The Community Plan requires development and implementation of a Habitat Conservation Plan as mitigation for development in North Natomas. In 1997, a Natomas Basin HCP was approved by the City of Sacramento, U.S. Fish & Wildlife Service (USFWS), and California Department of Fish and Game (CDFG). The Natomas Basin HCP is a conservation plan supporting application for a federal permit under Section 10(a)1(B) of the Endangered Species Act and a state permit under Section 2081 of the California Fish and Game Code, i.e., an Incidental Take Permit (ITP). The purpose of the Natomas Basin HCP is to promote biological conservation along with economic development and continuation of agriculture within the basin.

To support the issuance of an Incidental Take Permit (ITP), an Environmental Assessment was prepared by USFWS for the National Environmental Policy Act (NEPA) requirement and a Negative Declaration was prepared by the City of Sacramento for the California Environmental Quality Act (CEQA) requirement. The USFWS and CDFG issued ITP's to the City of Sacramento. The NBHCP and ITP were subsequently challenged, and on August 15, 2000, the United States District Court, Eastern District, ruled that the ITP was invalid and an Environmental Impact Statement (EIS) was required for the project. Based on this ruling, the City of Sacramento and Sutter County jointly prepared a revised NBHCP and an EIR/EIS for use by the USFWS and CDFG. The USFWS is the lead federal agency for the preparation of the EIS and the City of Sacramento and Sutter County are co-lead agencies for the preparation of the EIR. The Sacramento City Council adopted the revised NBHCP and EIR/EIS on May 13, 2003. On June 27, 2003 the USFWS issued a new ITP for the NBHCP for development within the Natomas Basin. HCP fees have been paid for this site and the site has been graded.

Smart Growth Principles: "Smart Growth" generally occurs when development patterns are sustainable and balanced in terms of economic objective, social goals, and use of environmental/natural resources. The following Smart Growth principles apply to the proposed project:

Create Walkable Neighborhoods

Walkable communities are desirable places to live, work, learn, worship and play, and therefore a key component of smart growth. The project provides strong pedestrian and bicycle connections on the site encouraging walking between buildings and also links nearby neighborhoods through the site to the future regional bike trail.

Encourage Community and Stakeholder Collaboration

Growth can create great places to live, work and play -- if it responds to a community's own sense of how and where it wants to grow. The applicant has attended numerous community meetings as noted in Attachment 9 to promote neighborhood input.

Foster Distinctive, Attractive Communities with a Strong Sense of Place

Smart growth encourages communities to craft a vision and set standards for development and construction which respond to community values of architectural beauty and distinctiveness, as well as expanded choices in housing and transportation. The proposed project has a main street appeal with brick, columns, awnings, and decorative metal furniture including benches, bike racks, and trash receptacles.

Mix Land Uses

Smart growth supports the integration of mixed land uses into communities as a critical component of achieving better places to live. The project incorporates a mix of uses including retail, office, medical office, and a hospital.

Preserve Open Space, Farmland, Natural Beauty and Critical Environmental Areas

Open space preservation supports smart growth goals by bolstering local economies, preserving critical environmental areas, improving our communities quality of life, and guiding new growth into existing communities. By participating in the North Natomas Habitat Conservation Plan (HCP), the project was required to provide ½ acre of open space for every acre of area developed. The resulting 70 acres of land in the Natomas Basin area of Sacramento will be preserved as open space and maintained in perpetuity by the Natomas Basin Conservancy (NBC).

Provide a Variety of Transportation Choices

Providing people with more choices in housing, shopping, communities, and transportation is a key aim of smart growth. The site is located within walking distance of residential and is located near two major freeways. The proposed future alignment of the Downtown Natomas Airport (DNA) line is along Truxel Road which is east of the project site. Both Arena Boulevard and East Commerce Way are designed as minor bus corridors.

Strengthen and Direct Development Towards Existing Communities

Smart growth directs development towards existing communities already served by infrastructure, seeking to utilize the resources that existing neighborhoods offer, and conserve open space and irreplaceable natural resources on the urban fringe. The project site is near Arco Arena in North Natomas which is an urbanized community.

Retail Study

The city requires a feasibility study during the entitlement process for a commercial project of this magnitude. This review is designed to ensure the site is feasible for the commercial use and does not contribute to too much commercial area in the community. A copy of a retail study submitted by the applicant can be found in Attachment 14. Bay Area Economics prepared the document. The findings of the study conclude that there will be "more than adequate demand" within the North Natomas

Area to support development of the proposed retail project and without sufficient retail the local residents are likely to travel to Roseville and West Sacramento to shop which results in a loss of sales tax dollars for the City of Sacramento.

PUD Guidelines and Schematic Plan

Each project in the North Natomas Community Plan area is designated as a Planned Unit Development (PUD) and includes a Schematic Plan and a set of development guidelines for each PUD. The applicant is requesting to amend the existing Natomas Crossing Planned Unit Development on the 119.8 acre site (Attachment 6) and amend the existing PUD guidelines to accommodate the proposed development. The new PUD Guidelines cover Quadrant C which is a portion of Area 3 and will be in addition to the guidelines established for Areas 1 and 2. The new PUD Guidelines for Quadrant C will provide regulations and standards for the proposed uses on the site. The PUD Schematic Plan will establish the general intensities and types of uses for each area within the PUD. Quadrants B and D will be required to develop PUD Guidelines when future uses are proposed at a later date.

The proposed Schematic Plan provides allowable land uses and intensities that future projects which can be evaluated through a plan review process assuming there is consistency with the Schematic Plan.

PUD Guidelines

The Natomas Crossing PUD Guidelines cover Areas 1, 2, and 3. The new guidelines are organized under the following headings: Purpose and Intent, Review and Approvals, Community Development Guidelines, and Land Use and Site Specific Guidelines. In addition to these sections, the PUD Guidelines include Appendices for Area 3 Signage Guidelines, Quadrant C PUD Guidelines, and Greenhouse Gas Emissions Measures.

The PUD Guidelines for Quadrant C are listed in Appendix B of the PUD Guidelines. The site is divided into four general themed areas and all areas are connected together with pedestrian and bicycle connections and shared parking. The four areas are divided up as follows:

Major Tenant (Building 1): This area is located at the northwest portion of the site adjacent to the freeway and Arena Boulevard. The Major Tenant portion of the site envisions a home improvement / garden center operator. This use requires convenient access to and from the site from the freeway and adequate parking in front of the store to allow customer loading. This building is approximately 169,122 square feet.

Smaller Format Retail and Food Operators (Buildings 2 – 14): This area wraps the site from Arena Boulevard and continues along the street frontage of East Commerce Way and abuts the future office buildings. Development in this zone focuses on providing pedestrian friendly uses which will be appropriate to buffer the larger buildings from the residential uses on the east side of East

Commerce Way. The size of the tenant spaces for these operators range from 3,230 square feet to 9,000 square feet. These buildings total approximately 88,490 square feet.

Larger Format Retail (Buildings 15 – 20): This area is located in the middle of the site. Development in this area allows larger tenants and the loading docks are located at the rear of the buildings which will be screened from the freeway views. These uses have been located more to the west of the site to allow screening of the loading areas. Between buildings 17 and 18, there is a gateway to access the proposed bike trail area. The gateway includes bicycle facilities and an attractive plaza area which connects the project site to the future regional bike trail with a 10 foot wide paved pathway. The size of the tenant spaces for these users range from 15,260 square feet to 44,320 square feet. These buildings total approximately 146,978 square feet.

Office (Buildings 1 – 2): The future offices are sited at the southern portion of the site adjacent to Natomas Crossing Drive and East Commerce. The offices are located to be accessible to Quadrant D which proposes a major medical facility and offices. Each building may be up to 100,000 square feet for a total of 200,000 square feet total for both buildings.

The PUD Guidelines provide development standards to form a harmonious, integrated project. The PUD Guidelines also include a signage program to provide a cohesive plan for the entire project site. Staff supports the amendments to the PUD Guidelines and the master signage program because it provides pedestrian scaled features including covered trellises, architectural treatments that address all four sides of the building including trash enclosures, and signage with high quality base materials such as brick which matches the main building design and overall is consistent with the proposed uses and neighborhood context.

Schematic Plan Amendment

The proposed Schematic Plan for the Natomas Crossing PUD depicts general land uses and intensities throughout the development for Area 3: Quadrants B, C, and D. The PUD Schematic Plan is consistent with the proposed zoning designations and PUD Guidelines for the project site.

The revised PUD Schematic Plan involves Quadrant B, C, and D. The revision will allow the following uses as described on the chart below.

Quadrant	Building Type	Square Footage	Acreage
B	Retail	309,376 – 463,914	36.2
C	Office	82,600 – 200,000	47.2

	Retail	302,306 – 432,300	
D	Hospital	253,600 – 600,000	36.4
	Office	253,600 – 600,000	
TOTAL		507,200 – 1,200,000	119.8

The changes to the Schematic plan for each specific quadrant are explained in more detail below in the respective sections.

Quadrant B (Legislative Entitlements Only):

The site bounded by East Commerce Way to the east, Arena Boulevard to the south, alignment with Main Entrance to the north, and I-5 to the west is known as Quadrant B within the Natomas Crossing PUD. The applicant is proposing to secure legislative entitlements for future possible office, retail, and hotel.

Rezone for Quadrant B: The property consists of 40.1± acres and is currently zoned as indicated in the table below. The applicant is proposing to rezone Quadrant B for a future lifestyle shopping center.

Table 9: Existing and Proposed Zoning Designations for Quadrant B Only			
Zoning Designation	Existing (Net)	Proposed (Net)	Difference
Employment Center (EC-50 PUD)	31.1	0	-31.1
Shopping Center (SC PUD)	0	36.2	+36.2
Limited Commercial (C-1 PUD)	5.1	0	-5.1
Agricultural Open Space (AOS PUD)	3.9	3.9	0
TOTAL (Net)	40.1± acres	40.1± acres	

A retail shopping center use will require a Plan Review. No Plan Review entitlement has been processed as a part of this project. Any future development on the site will require additional planning entitlements before any building permits may be issued.

Table 10: Schematic Plan Amendment for Quadrant B Only

Land Use	Current Plan	Proposed	Difference
Office	170,580 – 560,270 square feet	0	170,580 to 560,270 square feet <i>less</i> of office
Retail	19,215 – 99,856 square feet	309,276 – 463,914 square feet	290,061 to 364,058 square feet <i>more</i> of retail
TOTAL	189,795 – 660,126 square feet	309,276 – 463,914 square feet	

Quadrant C: Master Plan for Retail and Office

The site bounded by Arena Boulevard to the north, East Commerce Way to the east, Natomas Crossing to the south, and I-5 to the west and is known as Quadrant C within the Natomas Crossing PUD.

The applicant is proposing to construct a home improvement store (Building 1), smaller format retail and food operators (Buildings 2-14), larger format retail buildings (Buildings 15-20), and office buildings (Office 1-2) within Quadrant C.

The following table shows the proposed land uses by building number and proposed square footages of each building.

Table 4: Quadrant C Land Uses Proposed			
Building	Proposed Use	Square Footage	Size (Net Acres)
<u>Major Tenant</u>			
1	Home Improvement and Garden Center	169,112 square feet	11.65 acres
<u>Small Format Retail and Food Operators</u>			
2	Restaurant	3,230 square feet	.95 acres
3	Restaurant	7,500 square feet	1.16 acres
4	Restaurant	7,000 square feet	1.25 acres
5	Retail	9,000 square feet	1.25 acres

6	Restaurant	7,050 square feet	1.18 acres
7	Restaurant	7,050 square feet	1.15 acres
8	Retail/Restaurant	7,050 square feet	1.06 acres
9	Retail/Restaurant	6,750 square feet	.75 acres
10	Retail/Restaurant	6,750 square feet	.80 acres
11	Retail/Restaurant	6,810 square feet	.98 acres
12	Retail	6,000 square feet	.82 acres
13	Restaurant	6,800 square feet	1.29 acres
14	Restaurant	7,500 square feet	1.23 acres
	<i>Subtotal for Small Format Retail and Food Operators</i>	<i>88,490 square feet</i>	<i>13.87 acres</i>
<u>Large Format Retail</u>			
15	Retail	25,530 square feet	2.47 acres
16	Retail	20,518 square feet	1.55 acres
17	Retail	20,430 square feet	1.64 acres
18	Retail	15,260 square feet	1.47 acres
19	Retail	20,920 square feet	1.94 acres
20	Retail	44,320 square feet	4.32 acres
	<i>Subtotal for Large Format Retail</i>	<i>146,978 square feet</i>	<i>13.39 acres</i>
<u>Office Buildings</u>			
21	Office 1	100,000 square feet	3.74 acres
22	Office 2	100,000 square feet	4.25 acres
	<i>Subtotal for Office</i>	<i>200,000 square feet</i>	<i>7.99 acres</i>
	TOTAL FOR QUADRANT C	604,580 square feet	46.9 acres

Project Site Layout for Quadrant C:

Major Tenant: Home Improvement and Garden Center (Building 1): The site is an awkward shape with a wider portion on the northern portion of the site near Arena Boulevard. The site becomes narrower traveling south toward Natomas Crossing Drive. One of the main tenants proposed for the site is a home improvement center. This use requires a larger area of the site since it has the largest floor area and greatest need for parking. As a result, the northern portion of the site was selected for the home improvement user to take advantage of the width of the parcel. This area is also closest to Arena Boulevard which is more vehicle oriented and therefore staff supports the decision for this tenant location since a home improvement use is generally visited by customers who travel to the site in a vehicle. Furthermore, locating this type of tenant at this portion of the site provides a better opportunity to develop the remainder portion of the area with a more pedestrian friendly development.

Smaller Format Retail and Food Operators (Buildings 2-14): With the home improvement center location heavily influenced by the shape of the parcel, the site layout provided an opportunity to create a more walkable and pedestrian friendly design on the eastern and southern portion of the site. The retail spaces as you move north on the subject site are well connected with pedestrian pathways and the narrowest part of the parcel encourages a more pedestrian friendly environment. There are restaurants and smaller retail spaces fronting East Commerce Way to activate the street and provide convenient uses for neighbors located across East Commerce Way (in the Natomas Field residential subdivision) to walk to and enjoy. The main plaza areas for buildings 8 – 11 are oriented to visually line up with the residential street access to the north. All buildings on the site will require additional plan review approval before a building permit can be issued for construction.

Larger Format Retail (Buildings 15-20): The larger format retail buildings have been placed closer to Interstate-5. The placement of the larger buildings on the western part of the site is supported by staff since this layout allows greater intensity of retail uses on the west side of the site and then gradually steps down easterly to the smaller retail spaces which are adjacent to the nearby residential area across from East Commerce Way. The large format retail buildings are oriented to the major entrance on East Commerce Way and also encircle the best planned connection to the bike path on the site which is between Buildings 17 and 18. This bike connection is a plaza area which has bike lockers and an extra wide 10 foot sidewalk to connect to all the large format retail buildings. Air Quality Management District (AQMD) in a letter dated March 9, 2009 requested these buildings be relocated to front on East Commerce Way. (See Attachment 11.) However, staff believes the location of the buildings adjacent to Interstate 5 minimizes the potential negative impact of the loading docks on the remainder of the site. Although the loading docks abut the freeway and are screened with landscaping, the PUD Guidelines show the loading docks as being integrated into the architecture of the building with materials and details referencing the front of the buildings.

Office (Office Buildings 1-2): Future four story office buildings are proposed to be located on the southern end of the site near Natomas Crossing Drive which will complement the future major medical facility planned in Quadrant D.

General Plan Amendment for Quadrant C

The proposal is to modify the 2030 General Plan from “Planned Development” to “Regional Commercial.” The Regional Commercial designation is appropriate for predominantly nonresidential uses including major retail stores, home improvement stores, offices and medical offices, restaurants, services, multifamily dwellings, and public or quasi-public uses. Staff supports the General Plan Amendment request because Regional Commercial is consistent with this proposal, the site is located along a major freeway interchange, and the designation allows flexibility for the future to create a more balanced mix of uses.

Schematic Plan Amendment for Quadrant C

The applicant is requesting to amend the Schematic Plan for Quadrant C. (See Attachment 6). The change will eliminate the Community Commercial (CC-PUD) designation and will downsize the amount of Employment Center (EC-50 PUD) from 29.3 acres to 8.7 acres.

An internal roadway planned will be eliminated and instead the site will have internal circulation for the shopping center and office with four vehicular access points on East Commerce and one vehicular access along Arena Boulevard.

The schematic plan uses will be modified as outlined in the table below:

Land Use	Current Plan	Proposed	Difference
Office	198,800 – 500,639 square feet	82,600 – 200,000 square feet	116,200 to 300,639 square feet <i>less of office</i>
Retail	25,295 – 117,600 square feet	302,306 – 432,300 square feet	277,011 to 314,700 square feet <i>more of retail</i>
Hotel	97,350 – 153,400 square feet	0	No hotel but use is allowed in the SC PUD or EC-50 PUD zones
Daycare	7,000 – 16,800 square feet	0	No daycare but use is allowed in the SC PUD or EC PUD zones
TOTAL	328,445 – 788,439	384,906 – 632,300	

	square feet	square feet	
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Staff supports the schematic plan amendments above because the proposal will allow greater flexibility for future uses planned for the site. Daycares, hotels, and office uses will still be allowed for Quadrant C with the proposed amendments.

Rezone for Quadrant C: The property consists of 54.9± acres and is currently zoned as indicated in the table below. The applicant is proposing to rezone Quadrant C for the proposed shopping center and office uses.

Table 6: Existing and Proposed Zoning Designations for Quadrant C Only			
Zoning Designation	Existing (Net)	Proposed (Net)	Difference
Employment Center (EC-40 PUD)	12.1	0	-12.1
Employment Center (EC-50 PUD)	31.9	8.7	-23.2
Shopping Center (SC PUD)	0	38.5	+38.5
Limited Commercial (C-1 PUD)	3.2	0	-3.2
Open Space (OS PUD)	7.7	7.7	0
TOTAL (Net)	54.9± acres	54.9± acres	

The applicant is requesting to rezone parcels that had primarily been Employment Center uses to more mixed use with both Employment Center and Shopping Center uses. The rezone request (Attachment 8) is consistent with the 2030 General Plan and therefore planning staff supports the rezone request.

The 9.5± net acre area to the north of San Juan is currently a detention basin and is zoned A-OS PUD. It is not a part of the scope of this project and is shown on the rezone exhibit for background only. No changes are proposed for this area.

FAR Requirement for Quadrant C

The 2030 General Plan has a minimum floor area ratio (FAR) requirement of .25 for the site. The development for Quadrant C is proposed with a total building square footage of 604,580 square feet. The total land area is 2,278,189 square feet therefore, the

project has a FAR of .27 and meets the General Plan requirement.

Future Office Buildings and Supportive Uses Allowed

The future site for office buildings 1 and 2 is proposed to be rezoned to EC-50 zoning which allows primary uses such as medical office, veterinary clinic, child care centers, and banks. It also allows a limited amount of supporting uses such as a health club, school, or hotel.

Access, Circulation and Parking for Quadrant C

The proposed retail shopping center will have vehicular access on both Arena Boulevard and East Commerce Way. The vehicular access along Arena Boulevard will be a right-in only. There will be three main access points along East Commerce Way and a fourth smaller access for the office buildings.

The project site is served by the following facilities:

Interstate 5 (I-5) provides regional north-south access to the project site.

Interstate 80 (I-80) provides regional east-west access to the project site. This freeway intersects with Truxel Road.

East Commerce Way is a major arterial providing north-south access to and from North Natomas and Arco Arena.

Arena Boulevard is currently a 6-lane major arterial providing east-west access to the project site from the county to the east.

Natomas Crossing Drive is proposed as a 4 lane road that will provide connection to the western side of Interstate 5.

The parking lot areas are concentrated on the interior of the site. The site has pedestrian spines that break up the mass of parking. The spines provide pedestrian access throughout the site. The loading areas are provided on the western side of the main tenants. This side of the building is visible from Interstate 5 and therefore the project will be required to provide landscaping to screen the loading docks for the motoring public. The east/west pedestrian connections jog in several places to allow larger tree planters, provide access for pedestrians from both sides of the parking spaces, and aesthetically enhance the pedestrian path.

Table 7: Parking for Quadrant C

Use	Required Parking	Proposed Parking (Shared Parking Lots)
Building 1: Home Improvement	1/250 for 137,933 =552	582 spaces

Center	1/10000 for 31,179=31 Subtotal: 583 spaces minimum	
Building 2: Restaurant	3,230 sqft or 105 seats = 13-35 spaces minimum	35 spaces
Building 3: Restaurant	7,500 sqft or 260 seats = 30-87 spaces minimum	61 spaces
Building 4: Restaurant	7,000 sqft or 250 seats = 28-83 spaces minimum	68 spaces
Building 5: Retail	9,000 sqft retail = 36 spaces minimum	47 spaces
Building 6: Retail / Restaurant	3,450 sqft retail = 14 spaces and 115 seats = 38 spaces Subtotal: 52 spaces minimum	62 spaces
Building 7: Retail / Restaurant	3,450 sqft retail = 14 spaces and 115 seats = 38 spaces Subtotal: 52 spaces minimum	73 spaces
Building 8: Retail / Restaurant	3,450 sqft retail = 14 spaces and 115 seats = 38 spaces Subtotal: 52 spaces minimum	50 spaces
Building 9: Retail / Restaurant	4350 sqft retail = 17 spaces and 99 seats = 33 spaces Subtotal: 50 spaces minimum	38 spaces
Building 10: Retail / Restaurant	4350 sqft retail = 17 spaces and 99 seats = 33 spaces Subtotal: 50 spaces minimum	41 spaces
Building 11: Retail / Restaurant	4350 sqft retail = 17 spaces and 99 seats = 33 spaces Subtotal: 50 spaces minimum	44 spaces
Building 12: Retail	6,000 sqft retail = 24 spaces minimum	24 spaces

Building 13: Restaurant	6,800 sqft or 200 seats = 27 – 67 spaces minimum	76 spaces
Building 14: Restaurant	7,500 sqft or 235 seats = 30-78 spaces minimum	78 spaces
Building 15: Retail	25,530 sqft = 102 spaces minimum	103 spaces
Building 16: Retail	20,518 sqft = 82 spaces minimum	86 spaces
Building 17: Retail	20,430 sqft = 82 spaces minimum	89 spaces
Building 18: Retail	15,260 sqft = 61 spaces minimum	61 spaces
Building 19: Retail	20,920 sqft = 84 spaces minimum	86 spaces
Building 20: Retail	44,320 sqft = 177 spaces minimum	212 spaces
Building 21: Office 1	1/275 to 1/400 100,000 sqft = 250 spaces minimum 364 maximum	269 spaces
Building 22: Office 2	1/275 to 1/400 100,000 sqft = 250 spaces minimum 364 maximum	289 spaces
Totals for all uses on Quad C:	2165 – 2615 spaces required	2,474 spaces provided onsite

*When the amount of the total building area devoted to restaurant uses is less than 10% of the development, the required parking amount may be calculated at a minimum of 1 space per 250 square feet rather than the typical 1 space per 3 seat requirement. The minimum parking requirement has been listed as a range to indicate this allowance in the zoning code.

Table 7a: Bicycle Parking			
Total parking provided	Required bicycle parking	Provided bicycle parking	Difference
2165-2615 spaces	108 facilities minimum*	108+ facilities	No

*One bicycle facility is required for every 20 parking spaces required. Fifty percent of the required bicycle parking has to be Class I facilities and the remaining facilities may be Class I, II, or III. A Class I bicycle parking is an enclosed box or designated room with a secured entry and stationary racks. Class II facilities include a stationary rack that secures both the frame and both wheels of the bicycle and the user supplies only a padlock. Class III facilities include a stationary rack that secures only the front wheel of the bicycle and the user supplies both a padlock and cable.

As indicated above, the project meets or exceeds parking requirements. Retail and restaurant buildings on Quadrant C will have reciprocal access agreements to share parking onsite and therefore no entitlements are required for offsite parking or parking waivers.

Future Drive Through Lane for Building 2

Drive through facilities require a Planning Commission Special Permit. The applicant has indicated and shown that a future drive through restaurant is proposed as Building 2 in Quadrant C. The drive through for Building 2 has not been analyzed as a part of this proposal and the applicant is not requesting approval at this time. If the future tenant does not request a drive through, a Plan Review entitlement will be necessary before building permits may be issued by the building department.

Tree Shading and Lighting Requirements for Quadrant C

Trees shall be planted and maintained throughout any surface parking lot to ensure that, within 15 years after the establishment of the parking lot, at least 50% of the parking area will be shaded as required by the Zoning Code. All lighting shall be required to comply with the Natomas Crossing PUD Guidelines and the Zoning Code, when applicable. Both requirements will be evaluated and conditioned during the plan review process.

Alternative Modes

The future Downtown-Natomas-Airport light rail transit (LRT) alignment is proposed to provide a transit link among these three areas. A proposed light rail station is anticipated approximately one-half of a mile from the intersection of Arena Boulevard and East Commerce Way. This project would benefit from the future transit improvements. Both Arena Boulevard and East Commerce Way are designed as minor bus corridors. Regional Transit provided comments to indicate they do not currently

provide service in the immediate area of the project site but may provide services in the future which would be based on demand. They submitted recommendations which have been placed as advisory notes on the project since the applicant is not seeking final plan review entitlements at this time.

Air Quality / Transportation Management Plans (AQTMP)

The applicant will implement air quality mitigation strategies by complying with the Transportation Systems Management (TSM) Plan Ordinance. A Master TMP was completed for Area 3 on March 1, 2002 and the applicant has also completed an updated AQ-15.

Height, Bulk and Setbacks for Quadrant C

The project site is located in the Natomas Crossing PUD. In approving a schematic plan and development guidelines for a PUD, the hearing body may establish the regulations relating to height, setback, and area requirements. The following standards shall be applied per section 17.180.050 A(2):

- The schematic plan and development guidelines shall provide the overall standards of open space, circulation, parking, and other conditions to form a harmonious, integrated project of such quality to justify exceptions to the normal regulations of the title.
- A sign program may be adopted for the PUD that otherwise deviates from the general requirements of the zoning code.

The area for Quadrant C is bounded by Arena Boulevard to the north, Interstate 5 to the west, East Commerce to the east, and Natomas Crossing to the south.

There are three bike path connections located on Quadrant C. There is one access from Arena Boulevard that routes behind the home improvement center. Another access is located close to the future offices on the southern part of the site. The main access is between buildings 17 and 18. At this location, a plaza area is provided with bicycle facilities and a connection to the bike trail. An exhibit showing the pedestrian and bicycle connections on the site can be found on page 51 of the Quadrant C PUD Guidelines. (See Attachment 6, Exhibit B)

The proposed project meets the general zoning requirements for a project located outside a PUD in a Shopping Center zone. The applicant does not exceed the 35 foot height requirement (measured to the plate line), and the project meets the minimum 20 foot setback requirements from both Arena Boulevard and East Commerce Way.

The applicant is proposing to locate restaurant and retail uses along East Commerce Way. The buildings will have enhanced landscaping and plaza areas in order to activate the space. Between the buildings along the street frontage, there will be significant berming to screen parking areas from the pedestrian and motoring public.

Building design, signage and landscaping for Quadrant C

Although the project is not located in a designated design review area, the Urban Design Manager has reviewed and commented on the project. The applicant has incorporated these comments into the final design shown in the PUD Guidelines. The changes to the project included strengthening the pedestrian connections on the site, providing more details on the decorative paving elements on the site, using decorative pots, placing planters next to buildings to soften the pedestrian paths, and using growing vines on proposed trellis elements. The Natomas Crossing PUD Guidelines also show the building design and architecture for Quadrant C. Staff will review and condition the final elevations when the applicant seeks final plan review approval for each building with the PUD.

The applicant has provided guidelines for signage in the PUD guidelines. The number and type of signage for Quadrant C can be found in the PUD Guidelines as Appendix A. It will allow two freeway pylon signs each 62 feet tall, one project identity sign which is 6 foot tall, three multitenant monument signs each 6 foot tall, and four pedestrian archway signs each 18 foot 4 inches tall. In addition, there will also be attached and directional signage. Staff has reviewed the signage proposed and concluded it is appropriate for the size and scale of the proposed development.

Tentative Map design for Quadrant C

The Tentative Map entitlement applies only to Quadrant C which is bounded by Arena Boulevard to the north, Interstate 5 to the west, East Commerce to the east, and Natomas Crossing Drive to the south. The Tentative Map (See Attachment 5, Exhibit A) proposes to subdivide 46.9± net acres into 22 parcels as detailed below. The Subdivision Review Committee (SRC) reviewed this project on May 6, 2009 and the committee forwarded a unanimous recommendation to approve the Tentative Map subject to the amended conditions of approval listed in this report.

Parcel Number / Building Number	Proposed Use	Size (Net Acres)	Deviation?
Parcel 1 / Building 1	Home Improvement and Garden Center	11.65 acres	No
Parcel 2 / Building 2	Restaurant	.95 acres	No
Parcel 3 / Building 3	Restaurant	1.16 acres	No
Parcel 4 / Building 4	Restaurant	1.25 acres	No
Parcel 5 / Building 5	Retail	1.25 acres	No

Parcel 6 / Building 6	Restaurant	1.18 acres	No
Parcel 7 / Building 7	Restaurant	1.15 acres	No
Parcel 8 / Building 8	Retail/Restaurant	1.18 acres	No
Parcel 9 / Building 9	Retail/Restaurant	1.00 acres	No
Parcel 10 / Building 10	Retail/Restaurant	.86 acres	No
Parcel 11 / Building 11	Retail/Restaurant	.98 acres	No
Parcel 12 / Building 12	Retail	1.05 acres	No
Parcel 13 / Building 21	Office 1	4.16 acres	No
Parcel 14 / Building 22	Office 2	4.22 acres	No
Parcel 15 / Building 13	Retail	1.02 acres	No
Parcel 16 / Building 14	Retail	1.25 acres	No
Parcel 17 / Building 15	Retail	2.10 acres	No
Parcel 18 / Building 16	Retail	1.55 acres	No
Parcel 19 / Building 17	Retail	1.59 acres	No
Parcel 20 / Building 18	Retail	1.47 acres	No
Parcel 21 / Building 19	Retail	1.94 acres	No
Parcel 22 / Building 20	Retail	3.94 acres	No
	TOTAL	46.90 acres	

Quadrant D (Legislative Entitlements Only):

The site bounded by Natomas Crossing to the north, East Commerce Way to the east, San Juan Road to the south, and I-5 to the west is known as Quadrant D within the Natomas Crossing PUD.

The applicant is proposing to secure legislative entitlements only for a major medical facility and offices.

Rezone for Quadrant D: The property consists of 36.4± net acres and is currently zoned as indicated in the table below. The applicant is proposing to rezone Quadrant D

for a future major medical facility.

Table 11: Existing and Proposed Zoning Designations for Quadrant D Only			
Zoning Designation	Existing (Net)	Proposed (Net)	Difference
Employment Center (EC-40 PUD)	36.4	0	-36.4
Employment Center (EC-50 PUD)	0	36.4	+36.4
TOTAL (Net)	36.4± acres	36.4± acres	36.4± acres

A proposed major medical facility requires a Planning Commission Special Permit. The scope of the entitlements for this report does not include the project level entitlements for the major medical facility. Any future proposed heliports would also require a Planning Commission Special Permit and have not been analyzed in this report.

Table 12: Schematic Plan Amendment for Quadrant D Only			
Land Use	Current Plan	Proposed	Difference
Office	253,600 – 584,700 square feet	253,600 – 600,000 square feet	same to 15,300 square feet <i>more</i> of office
Hospital	n/a	253,600 – 600,000 square feet	253,600 – 600,000 square feet <i>more</i> for hospital
TOTAL	253,600 – 584,700 square feet	507,200 – 1,200,000 square feet	

RESOLUTION NO. 2009-

Adopted by the Sacramento City Council

**CERTIFYING THE ENVIRONMENTAL IMPACT REPORT
AND ADOPTING THE MITIGATION MONITORING PROGRAM FOR THE NATOMAS
CROSSING PROJECT (P04-264)**

BACKGROUND

A. On July 9, 2009, the City Planning Commission conducted a public hearing on, and forwarded to the City Council a recommendation to approve with conditions the Natomas Crossing Project.

B. On August 11, 2009, the City Council conducted a public hearing, for which notice was given pursuant Sacramento City Code Section 16.24.097, 17.204.020(C), 17.208.020(C), 17.180.050 (D), 17.220.035, and 17.200.010(C)(2)(a, b, and c) (publication, posting, and mail 500'), and received and considered evidence concerning the Natomas Crossing Project.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL
RESOLVES AS FOLLOWS:**

Section 1. The City Council finds that the Environmental Impact Report for Natomas Crossing (herein EIR) which consists of the Draft EIR and the Final EIR (Response to Comments) (collectively the "EIR") has been completed in accordance with the requirements of the California Environmental Quality Act (CEQA), the State CEQA Guidelines and the Sacramento Local Environmental Procedures.

Section 2. The City Council certifies that the EIR was prepared, published, circulated and reviewed in accordance with the requirements of CEQA, the State CEQA Guidelines and the Sacramento Local Environmental Procedures, and constitutes an adequate, accurate, objective and complete Final Environmental Impact Report in full compliance with the requirements of CEQA, the State CEQA Guidelines and the Sacramento Local Environmental Procedures.

Section 3. The City Council certifies that the EIR has been presented to it, that the City Council has reviewed the EIR and has considered the information contained in the EIR prior to acting on the proposed Project, and that the EIR reflects the City Council's independent judgment and analysis.

Section 4. Pursuant to CEQA Guidelines Sections 15091 and 15093, and in support of its approval of the Project, the City Council adopts the attached Findings of Fact and

Statement of Overriding Considerations in support of approval of the Project as set forth in the attached Exhibit A of this Resolution.

Section 5. Pursuant to CEQA section 21081.6 and CEQA Guidelines section 15091, and in support of its approval of the Project, the City Council adopts the Mitigation Monitoring Program to require all reasonably feasible mitigation measures be implemented by means of Project conditions, agreements, or other measures, as set forth in the Mitigation Monitoring Program as set forth in Exhibit B of this Resolution.

Section 6. The City Council directs that, upon approval of the Project, the City's Environmental Planning Services shall file a notice of determination with the County Clerk of Sacramento County and, if the Project requires a discretionary approval from any state agency, with the State Office of Planning and Research, pursuant to the provisions of CEQA section 21152.

Section 7. Pursuant to Guidelines section 15091(e), the documents and other materials that constitute the record of proceedings upon which the City Council has based its decision are located in and may be obtained from, the Office of the City Clerk at 915 I Street, Sacramento, California. The City Clerk is the custodian of records for all matters before the City Council.

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Exhibit A - CEQA Findings of Fact and Statement of Overriding Considerations for the Natomas Crossing Project.

Exhibit B - Mitigation Monitoring Program

Exhibit A**CEQA Findings of Fact and Statement of Overriding Considerations for the Natomas Crossing Project (P04-264)****Description of the Project****A. Description of the Project**

The Natomas Crossing Project (Project #P04-264) ("Project") proposes development of regional retail, office, and hospital uses, as well as future development of residential and hotel uses on a 150.4 net acres site in the North Natomas Community Plan area of the City of Sacramento. The site is a portion of the larger Natomas Crossing – Alleghany Area #3 Planned Unit Development (PUD), which consists of Quadrants A-D. The site evaluated for this Project consists of 66.8 net acres north of Arena Boulevard (referred to as Quadrant B), and 83.6 net acres south of Arena Boulevard (referred to as Quadrant C (47.2 net acres) and Quadrant D (36.4 net acres). The Project encompasses 74.9 gross acres for Quadrant B, 52.9 gross acres for Quadrant C, and 39.8 gross acres for Quadrant D for a total of 167.6 gross acres.

The Project site is currently vacant and mass-graded. The Project site does not contain trees, wetlands, or riparian areas. Arco Arena is located northeast of the Quadrant C portion of the Project site. The frontage of the Project site along East Commerce Way includes existing infrastructure improvements, such as water and sewer lines. (DEIR, p. 3-1.)

The 2030 Sacramento General Plan and North Natomas Community Plan (NNCP) land use designations for the project site is Planned Development (PD). (See DEIR, pp. 3-4 – 3-5, Figure 3-3 Existing and Proposed General Plan Designations and Figure 304, General Plan Land Use & Urban Form Diagram). The current zoning is Limited Commercial (C-1), EC-40, and EC-50 (See DEIR, p. 3-6, Figure 3-5, Existing and Proposed Zoning Designations).

Quadrant B

Quadrant B is not proposed for development at this time; the southern portion will be rezoned from Employment Center and Commercial to Shopping Center to allow for the future development of regional retail space within the range of 309,276 to 463,914 square feet. The northern portion of Quadrant B would not require a rezone, as the proposed land uses are generally consistent with those planned for the site in previous approvals. Future development of the northern portion of Quadrant B is anticipated to include 10 acres of residential use, five acres for a hotel and 14 acres of office space. Site plan details for this portion of the site have not been reviewed in the Draft EIR because only program-level land use entitlements are being pursued at this time, and this portion of the project has been analyzed at a programmatic level of detail in the EIR. (DEIR, p. 3-10.)

Quadrant C

The 47.2-acre Quadrant C portion of the Project is proposed for both retail and office development. Quadrant C will have approximately 404,580 square feet of regional retail uses and 200,000 square feet of office uses. One large retail pad is proposed in the northern portion of Quadrant C, consisting of a 137,933 square foot large format retail pad with an attached 31,179 square foot garden center. The balance of Quadrant C would include a total of 20 medium and small sized retail pads. Primary access to this portion of the Project site would be provided via three entrances along East Commerce Way and a right-in only from Arena Boulevard (See DEIR, p. 3-10, 3-13, Figure 3-9 Quadrant C Site Plan).

Quadrant D

Approximately 600,000 square feet of the development on Quadrant D is proposed for hospital use, and an additional 600,000 square feet are proposed for medical office uses. The northeastern portion of the hospital building (i.e., side closest to East Commerce Way) would consist of five (5) stories, and northwestern portion of the building would consist of three (3) stories. (DEIR, p. 3-10.)

Per the current Conceptual Hospital Site Plan, two above-ground parking structures would ultimately be developed. Neither of these parking structures would be needed during the early phase(s) of the build-out of Quadrant D; therefore, it is anticipated that the structures would be completed commensurate with the phase of the Project necessitating its construction. Three Project driveways are proposed along East Commerce Way. Internal circulation will be provided primarily via a "ring road" around the inside perimeter of Quadrant D (See DEIR, 3-14, Figure 3-10, Quadrant D Site Plan).

B. Project Location

The Project site is located between Interstate 5 and East Commerce Way, within the North Natomas community of the City of Sacramento (See DEIR, p. 3-2 Figure 3-1 – Project Location Map). The Project site comprises the majority of the Natomas Crossing – Alleghany Area #3 PUD, which consists of Quadrants A-D (see Figure 2, Natomas Crossing PUD Map). The Project is further identified by Sacramento County Assessor's Parcel Numbers (APNs) 225-0070-113, 225-0070-115, 225-0140-065 & 067, 225-0150-043, 053 & 054, 225-0180-059, 225-0310-026. (DEIR3-1.)

Land uses surrounding Quadrant C include the Natomas Field residential subdivision, which is currently under construction to the east, and a retail center (Natomas Landing) currently under construction to the north of Natomas Field. East of Quadrant B, from north to south, are existing residential units, office uses and vacant lots. Vacant land is located south and west (across Interstate 5) of Quadrants B and C. The vacant land is designated for Mixed Use development in the Sacramento General Plan. A drainage channel, open space buffer, and Interstate 5 adjoin the western boundary of the entire project site.

Quadrant D is located adjacent to land zoned residential and Employment Center (EC-30). (DEIR, p. 3-1.)

Findings Required Under CEQA

1. Procedural Findings

The City Council of the City of Sacramento finds as follows:

Based on the initial study conducted for the Project, the City of Sacramento's Environmental Planning Services determined, based on substantial evidence, that the Project may have a significant effect on the environment and prepared an environmental impact report ("EIR") on the Project. The EIR analyzes Quadrants C and D at a project level and Quadrant B at a program level. The EIR was prepared, noticed, published, circulated, reviewed, and completed in full compliance with the California Environmental Quality Act (Public Resources Code §21000 *et seq.* ("CEQA")), the CEQA Guidelines (14 California Code of Regulations §15000 *et seq.*), and the City of Sacramento environmental guidelines, as follows:

a. A Notice of Preparation of the Draft EIR was filed with the Office of Planning and Research and each responsible and trustee agency on November 19, 2007, and was circulated for a 30-day public comments ending December 18, 2007. On November 26, 2008, a revised NOP was released for a 30-day public review ending December 29, 2008.

b. A Notice of Completion (NOC) and copies of the Draft EIR were filed with the Office of Planning and Research on April 9, 2009, to those public agencies that have jurisdiction by law with respect to the Project, or which exercise authority over resources that may be affected by the Project, and to other interested parties and agencies as required by law.

c. A forty-five (45) day public comment period for the Draft EIR commenced with the filing of the NOC. The public comment period began on April 9, 2009, and ended on May 26, 2009.

d. A Notice of Availability (NOA) of the Draft EIR was mailed to all interested groups, organizations, and individuals who had previously requested notice in writing on April 8 2009. The NOA stated that the City of Sacramento had completed the Draft EIR and that copies were available at the City of Sacramento, Development Services Department, New City Hall, 915 I Street, Third Floor, Sacramento, California 95814. The letter also indicated that the official forty-five day (45) public review period for the Draft EIR would end on May 26, 2009.

e. A public notice was placed in the Daily Recorder on April 9, 2009, which stated that the Draft EIR was available for public review and comment.

f. A public notice was posted in the office of the Sacramento City Clerk and the Sacramento County Clerk on April 9, 2009.

g. Following closure of the public comment period, all comments received on the Draft EIR during the comment period, the City's written responses to the significant environmental points raised in those comments, and additional information added by the City were added to the Draft EIR to produce the Final EIR.

2. Record of Proceedings

The following information is incorporated by reference and made part of the record supporting these findings:

a. The Draft and Final EIR and all documents relied upon or incorporated by reference.

b. The City of Sacramento General Plan, City of Sacramento, 2030, adopted March 3, 2009.

c. Master Environmental Impact Report, City of Sacramento 2030 General Plan, City of Sacramento, 2009.

d. Findings of Fact and Statement of Overriding Considerations for the Adoption of the Sacramento General Plan Update, City of Sacramento, 2030.

e. Zoning Code of the City of Sacramento, City Code Title 17

f. Blueprint Preferred Scenario for 2050, Sacramento Area Council of Governments, December, 2004

g. North Natomas Community Plan

h. Natomas Crossing Planned Unit Development ("PUD") PUD Schematic Plan and Guidelines

i. Natomas Crossing – Quad C PUD Design Guidelines

j. The Mitigation Monitoring Plan for the Project.

k. All records of decision, staff reports, memoranda, maps, exhibits, letters, synopses of meetings, and other documents approved, reviewed, relied upon, or prepared by the City Council or any City commissions, boards, officials, consultants, or staff relating to the Project.

3. Findings

CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to substantially lessen or avoid significant environment impacts that would otherwise occur. Mitigation measures or alternatives are not required, however, where such changes are infeasible or where the responsibility for the project lies with some other agency. (CEQA Guidelines, § 15091, sub. (a), (b).)

With respect to a project for which significant impacts are not avoided or substantially lessened, a public agency, after adopting proper findings, may nevertheless approve the project if the agency first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the project's "benefits" rendered "acceptable" its "unavoidable adverse environmental effects." (CEQA Guidelines, §§ 15093, 15043, sub. (b); see also Pub. Resources Code, § 21081, sub. (b).)

In seeking to effectuate the substantive policy of CEQA to substantially lessen or avoid significant environmental effects to the extent feasible, an agency, in adopting findings, need not necessarily address the feasibility of *both* mitigation measures and environmentally superior alternatives when contemplating approval of a proposed project with significant impacts. Where a significant impact can be mitigated to an "acceptable" level solely by the adoption of feasible mitigation measures, the agency, in drafting its findings, has no obligation to consider the feasibility of any environmentally superior alternative that could also substantially lessen or avoid that same impact — even if the alternative would render the impact less severe than would the proposed project as mitigated. (*Laurel Hills Homeowners Association v. City Council* (1978) 83 Cal.App.3d 515, 521; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 692, 730-731; and *Laurel Heights Improvement Association v. Regents of the University of California ("Laurel Heights I")* (1988) 47 Cal.3d 376, 400-403.)

In these Findings, the City first addresses the extent to which each significant environmental effect can be substantially lessened or avoided through the adoption of feasible mitigation measures. Only after determining that, even with the adoption of all feasible mitigation measures, an effect is significant and unavoidable does the City address the extent to which alternatives described in the EIR are (i) environmentally superior with respect to that effect and (ii) "feasible" within the meaning of CEQA.

In cases in which a project's significant effects cannot be mitigated or avoided, an agency, after adopting proper findings, may nevertheless approve the project if it first adopts a statement of overriding considerations setting forth the specific reasons why the agency found that the "benefits of the project outweigh the significant effects on the environment." (Public Resources Code, Section 21081, sub. (b); see also, CEQA Guidelines, Sections 15093, 15043, sub.(b).) In the Statement of Overriding Considerations found at the end of these Findings, the City identifies the specific economic, social, and other considerations that, in its judgment, outweigh the significant environmental effects that the Project will cause.

The California Supreme Court has stated that "[t]he wisdom of approving ... any development project, a delicate task which requires a balancing of interests, is necessarily

left to the sound discretion of the local officials and their constituents who are responsible for such decisions. The law as we interpret and apply it simply requires that those decisions be informed, and therefore balanced.” (*Goleta II* (1990) 52 Cal.3d 553 at 576.)

In support of its approval of the Project, the City Council makes the following findings for each of the significant environmental effects and alternatives of the Project identified in the EIR pursuant to Section 21080 of CEQA and section 15091 of the CEQA Guidelines:

A. Significant or Potentially Significant Impacts Mitigated to a Less Than Significant Level.

The following significant and potentially significant environmental impacts of the Project, including cumulative impacts, are being mitigated to a less than significant level and are set out below. Pursuant to section 21081(a)(1) of CEQA and section 15091(a)(1) of the CEQA Guidelines, as to each such impact, the City Council, based on the evidence in the record before it, finds that changes or alterations incorporated into the Project by means of conditions or otherwise, mitigate, avoid or substantially lessen to a level of insignificance these significant or potentially significant environmental impacts of the Project. The basis for the finding for each identified impact is set forth below.

1. Transportation and Circulation

Impact 4.2-1: Intersections. The Project would increase traffic volumes at study area intersections and would cause a *significant* impact under the baseline with Project scenario at the following intersection:

- (a) East Commerce Way and Arena Boulevard – Traffic from the Project would result LOS “F” conditions in the p.m. and Saturday peak hours. This is considered a significant impact. (DEIR, p. 4.2-52.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.2-1: East Commerce Way and Arena Boulevard.

The Project applicant shall add southbound, westbound, and eastbound exclusive right turn signal phases to this intersection. The Project applicant shall provide funding to the City Traffic Operations Center (TOC) to monitor and retime the traffic signal. This mitigation shall be implemented on or before 80 percent of development as measured by a.m. peak hour trip generation, 60 percent of development as measured by p.m. peak hour trip generation, and 65 percent of development as measured by Saturday peak hour trip generation. This mitigation measure improves intersection operating conditions to LOS “C” (21.9 seconds average delay) during the a.m. peak hour, LOS “C” (34.2 seconds average delay) during the p.m. peak hour, and LOS “C” (29.2 seconds average delay) during the Saturday peak hour.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Because the Project would cause an intersection to exceed the City's applicable thresholds in the P.M. and Saturday peak hours, the Project would result in significant impacts to a study area intersection. With implementation of the above mitigation measures, however, the intersection operating conditions improve to LOS "C" (21.9 seconds average delay) during the a.m. peak hour, LOS "C" (34.2 seconds average delay) during the p.m. peak hour, and LOS "C" (29.2 seconds average delay) during the Saturday peak hour. Therefore, all the Project's study intersections would operate at acceptable levels and the impact would be reduced to a ***less-than-significant*** level, as illustrated in Table 4.2-19 of the DEIR. (DEIR, pp. 4.2-52, 4.2-62.)

Impact 4.2-6: Pedestrian and Bicycle Circulation Impacts. The Project would add pedestrian and bicycle demands within the Project site and to and from nearby land uses. Specific information on improvements to on- and off-site bicycle and pedestrian facilities is not available at this time. Because the Project would add demand for pedestrian and bicycle facilities that may not be available, the impact of the Project on pedestrian and bicycle circulation is *potentially significant*. (DEIR, p. 4.2-60.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.2-6: Prior to the issuance of building permits, the Project applicant shall identify the necessary on and off-site pedestrian and bicycle facilities to serve the proposed development to the satisfaction of the City of Sacramento Traffic Engineering Division. These facilities shall be incorporated into the Project and could include sidewalks, stop signs, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, raised crosswalks, and pedestrian signal heads. Sidewalks would be required as part of the frontage improvements along all new roadway construction in the Project vicinity in conformance with City design standards. Circulation and access to all proposed public spaces shall include sidewalks that meet Americans with Disabilities Act standards. (DEIR, p. 4.2-63.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Because the Project would add demand for pedestrian and bicycle facilities that may not be available, the impact of the Project on pedestrian and bicycle circulation is *potentially significant*. With implementation of the above mitigation measure, the Project would provide the necessary on and off-site pedestrian and bicycle

facilities to serve the proposed development to the satisfaction of the City and could include sidewalks, stop signs, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, raised crosswalks, and pedestrian signal heads. Further, sidewalks would be required as part of the frontage improvements along all new roadway construction in the Project vicinity in conformance with City design standards. Circulation and access to all proposed public spaces shall include sidewalks that meet Americans with Disabilities Act standards. Therefore, with implementation of this mitigation measure, the impact of the Project would be reduced to a **less-than-significant** level. (DEIR, pp. 4.2-60, 4.2-63.)

In addition, Appendix C to the PUD Guidelines requires that the Project incorporate bicycle lanes and routes into its street system. Class II (on-street with signing and striping) bike lanes are provided along East Commerce Way, which fronts the entirety of the project site. Bike lanes either presently exist (north of Arena Boulevard) or will be required for construction concurrent with the project (south of Arena Boulevard). In order to take advantage of existing bicycle lanes near the project site and throughout the project area, a bike plaza with lockers to encourage alternative transportation to the site will be included. Designated bike lanes will be provided through the site to create connectivity from the bike path to East Commerce Way. Bicycle parking facilities shall be easily visible and provided at locations where bicyclists can conveniently and effectively access the area. A Class I bike path also is planned within the 100' freeway landscape buffer, west and adjacent to the entirety of the project site. The project will be designed for direct accessibility by and to these facilities.

Further, Appendix C of the PUD Guidelines requires that bicycle friendly intersections be incorporated into the Project design, and that all of the intersections external/adjacent to the Project site will feature one or more of the following pedestrian safety/traffic calming design techniques:

- Marked Crosswalks;
- Count-down signal timers; Speed tables;
- Raised crosswalks; raised intersections;
- Median islands;
- Tight corner radii; and
- Roundabouts are some suggested measures.

One, all, or other suggested traffic calming measures listed above will be utilized throughout the Project. Additionally, due to the commercial nature of the Project, specific pedestrian corridors designed to safely move pedestrian and bicycle traffic throughout the project will implement similar design techniques.

Impact 4.2-8: Parking Impacts. The Project would increase demand for off-street parking. The number of parking spaces that would be provided is unknown at this time. Because the number of spaces is unknown, the impact of the Project on parking is *potentially significant*. (DEIR, p. 4.2-63.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.2-8: The Project shall provide parking in accordance with City zoning requirements. Table 4.2-20 on page 4.2-64 of the Draft EIR summarizes the parking requirement based upon the City zoning code.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: The Project would increase demand for off-street parking. According to the Quadrant C Site Plan shown in Figure 3-9 in the Draft EIR, development on Quadrant C would require 2,243 spaces and the Site Plan shows 2,474 parking spaces will be available. (DEIR, p. 3-13.) The Project will therefore provide adequate parking for Quadrant C. Further, the Conceptual Hospital Site Plan submitted for Quadrant D shows that 2,900 parking spaces are proposed to meet City parking standards. (DEIR, p. 1-2.) The number of parking spaces that would be provided for Quadrant B is unknown at this time because site plans have not been submitted. Because the number of spaces for Quadrant B is unknown, the impact of the Project on parking is potentially significant. With implementation of the above mitigation measure, the Project is required to provide adequate parking in accordance with City standards. The impact would therefore be reduced to a *less-than-significant* level. (DEIR, pp. 4.2-63 to 4.2-64.)

Impact 4.2-17: Construction. Construction will include disruptions to the transportation network near the site, including the possibility of temporary lane closures, street closures, sidewalk closures, and bikeway closures. Pedestrian, bicycle, and transit access may be disrupted. Heavy vehicles will access the site and may need to be staged for construction. These activities could result in degraded roadway operating conditions. Therefore, the impacts are considered *significant*. (DEIR, 4.2-66.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.2-17: Prior to beginning of construction, a construction traffic and parking management plan shall be prepared by the applicant to the satisfaction of the City traffic engineer and subject to review by all affected agencies. The plan shall ensure that acceptable operating conditions on local roadways and freeway facilities are maintained. At a minimum, the plan shall include:

- The number of truck trips, time, and day of street closures.
- Time of day of arrival and departure of trucks.
- Limitations on the size and type of trucks, provision of a staging area with a limitation on the number of trucks that can be waiting.

- Provision of a truck circulation pattern.
- Provision of driveway access plan so that safe vehicular, pedestrian, and bicycle movements are maintained (e.g., steel plates, minimum distances of open trenches, and private vehicle pick up and drop off areas).
- Maintain safe and efficient access routes for emergency vehicles.
- Manual traffic control when necessary.
- Proper advance warning and posted signage concerning street closures.
- Provisions for pedestrian safety.

A copy of the construction traffic management plan shall be submitted to local emergency response agencies and these agencies shall be notified at least 14 days before the commencement of construction that would partially or fully obstruct roadways. (DEIR, p. 4.2-67.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Implementation of the construction traffic management plan would ensure the safe and efficient operation of the local roadway system during construction and would reduce the Project's construction-related transportation impacts to a *less-than-significant* level. (DEIR, pp. 4.2-66 to 4.2-67.)

Impact 4.2-18: Intersections (cumulative). The Project would increase traffic volumes at study area intersections and would cause significant impacts under the cumulative with Project scenario at the following intersections:

- (a) Arena Boulevard and I-5 Northbound Ramps - Traffic from the Project would result in LOS "E" conditions in the Saturday peak hour with an increase in average delay of greater than 5 seconds. This is considered a *significant* impact.
- (b) East Commerce Way and Del Paso Road – Traffic from the Project would result in LOS "F" conditions in the Saturday peak hour with an increase in average delay of greater than 5 seconds. This is considered a *significant* impact.
- (c) East Commerce Way and Arco Arena Main Entrance / Road B3 – Traffic from the Project would result in LOS "F" conditions in the p.m. peak hour with an increase in average delay of greater than 5 seconds. This is considered a *significant* impact.
- (d) East Commerce Way and Arena Boulevard - Traffic from the Project would result in LOS "F" conditions in the a.m. peak

hour with an increase in average delay of greater than 5 seconds. Traffic from the Project would result in LOS “E” conditions in the Saturday peak hour with an increase in average delay of greater than 5 seconds. This is considered a *significant* impact.

- (e) East Commerce Way and Natomas Crossing Drive - Traffic from the Project would result in LOS “E” conditions in the p.m. peak hour with an increase in average delay of greater than 5 seconds. This is considered a *significant* impact.
- (f) East Commerce Way and Road D2 - Traffic from the Project would result in a change in level of service from “B” to “E” during the a.m. peak hour. Traffic from the Project would result in a change in level of service from “C” to “F” during the p.m. peak hour. This is considered a *significant* impact.
- (g) East Commerce Way and San Juan Road – Traffic from the Project would result in LOS “F” conditions in the a.m. and p.m. peak hours with an increase in average delay of 5 seconds or greater. This is considered a *significant* impact.
- (h) Truxel Road and Arena Boulevard – Traffic from the Project would result in LOS “F” conditions in the a.m. peak hour with an increase in average delay of greater than 5 seconds. Traffic from the Project would result in LOS “E” conditions in the Saturday peak hour with an increase in average delay of greater than 5 seconds. This is considered a *significant* impact.

(DEIR, pp. 4.2-81, 4.2-91 to 4.2-92.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

- 4.2-18(a) Arena Boulevard and I-5 Northbound Ramps – The Project applicant shall pay a fair share contribution toward future restriping of the northbound ramp approach to the intersection to provide a single left turn lane and a triple right turn lane, subject to review and approval by Caltrans. This mitigation measure improves intersection operating conditions to LOS “B” (18.1 seconds average delay) during the Saturday peak hour and would reduce the impact of the Project to a *less-than-significant* level.
- 4.2-18(b) East Commerce Way and Del Paso Road – The Project applicant shall pay a fair share contribution toward adding a northbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City’s TOC to monitor and retime the traffic signal when needed. This mitigation

measure improves intersection operating conditions to LOS “E” (73.0 seconds average delay) during the Saturday peak hour and would reduce the impact of the Project to a *less-than-significant* level.

- 4.2-18(c) East Commerce Way and Arco Arena Main Entrance / Road B3 – The Project applicant shall pay a fair share contribution toward adding a westbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City’s TOC to monitor and retune the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS “D” (48.2 seconds average delay) during the p.m. peak hour and LOS “C” (25.9 seconds average delay) during the Saturday peak hour. This would reduce the impact of the Project to a *less-than-significant* level.
- 4.2-18(d) East Commerce Way and Arena Boulevard – The Project applicant shall pay a fair share contribution toward adding exclusive right turn signal phases to all four approaches at this intersection, and provide a fair share contribution to the City’s TOC to monitor and retune the traffic signal when needed. This mitigation measure improves the LOS “F” intersection operating conditions (from 115.6 seconds average delay to 92.0 seconds average delay) during the a.m. peak hour and LOS “D” (38.7 seconds average delay) during the Saturday peak hour. This would reduce the impact of the Project to a *less-than-significant* level.
- 4.2-18(e) East Commerce Way and Natomas Crossing Drive – The Project applicant shall pay a fair share contribution toward adding a northbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City’s TOC to monitor and retune the traffic signal when needed. This mitigation measure improves LOS “E” intersection operating conditions (from 77.1 seconds average delay to 75.5 seconds average delay) during the p.m. peak hour and would reduce the impact of the Project to a *less-than-significant* level.
- 4.2-18(f) East Commerce Way and Road D2 – The Project applicant shall provide an eastbound double left turn lane, pay a fair share contribution toward adding an exclusive right turn signal phase to the southbound intersection approach, and provide a fair share contribution to the City’s TOC to monitor and retune the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS “C” (28.5 seconds average delay) during the a.m. peak hour and LOS “C” (30.5 seconds average delay) during the p.m. peak hour. This would reduce the impact of the Project to a *less-than-significant* level.
- 4.2-18(g) East Commerce Way and San Juan Road – The Project applicant shall pay a fair share contribution toward adding a westbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City’s

TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS "D" (36.8 seconds average delay) during the a.m. peak hour and LOS "B" (14.5 seconds average delay) during the p.m. peak hour. This would reduce the impact of the Project to a less-than-significant level.

- 4.2-18(h) Truxel Road and Arena Boulevard – The Project applicant shall pay a fair share contribution toward adding an eastbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City's TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS "E" (72.0 seconds average delay) during the a.m. peak hour and LOS "C" (32.7 seconds average delay) during the Saturday peak hour. This would reduce the impact of the Project to a *less-than-significant* level.

(DEIR, pp. 4.2-92 to 4.2-96.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Because the Project would increase traffic volumes at study intersections, resulting in exceedance of thresholds under the cumulative with Project scenario at the intersections listed above, the Project would have a significant impact. With implementation of the above mitigation, the operations at the intersections listed above would improve to acceptable LOS. Therefore, all of the Project's study intersections would operate at acceptable levels and these impacts would be reduced to a *less-than-significant* level. (DEIR, pp. 4.2-81, 4.2-91 to 4.2-94.) Table 4.2-27 in the DEIR summarizes the intersection level of service with mitigation. (DEIR, pp. 4.2-96 to 4.2-97.)

Impact 4.2-22: Freeway Ramp Queuing. The Project would increase traffic volumes on the freeway ramps. At the I-5 Northbound Exit to Arena Boulevard, the right turn queue would increase and would exceed the available storage space during the Saturday peak hour. This is considered a *significant* impact. (DEIR, p. 4.2-99.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a less-than-significant level:

- 4.2-22: Implement Mitigation Measure 4.2-18(a) Arena Boulevard and I-5 Northbound Ramps

The Project applicant shall pay a fair share contribution toward future restriping of the northbound ramp approach to the intersection to provide a single left turn lane and a triple right turn lane, subject to review and approval by Caltrans. This mitigation measure would reduce the queue to 2,175 feet and would increase the

available storage space for the right turn movement to 3,135 feet. (DEIR, p. 4.2-99.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: The Project would increase traffic volumes, and at the I-5 Northbound Exit to Arena Boulevard, the right turn queue would exceed the available storage capacity during the Saturday peak hour. Implementation of the above mitigation measure would reduce the queue to 2,175 feet and would increase the available storage space for the right turn movement to 3,135 feet. This would reduce the impact of the Project to a *less-than-significant* level. (DEIR, pp. 4.2-99 to 4.2-101.)

2. Noise

Impact 4.3-2: Loading dock and truck circulation noise impacts. Development of Quadrant B would include approximately 319,500 to 426,000 square feet (sq. ft.) of retail space, 10 acres of residential uses consisting of approximately 180 units, five acres of hotel uses consisting of approximately 130,000 sq. ft. (or 300 rooms), and 14 acres of office uses consisting of approximately 240,000 sq. ft. Because a site plan has not been submitted for the development of Quadrant B, the distance from the nearest residential sensitive receptor to the loading docks and on-site truck circulation route associated with future Regional Commercial development on Quadrant B has yet to be determined. Therefore, noise levels associated with these activities cannot be predicted at this time. Because the noise levels created by loading docks and truck circulation associated with Quadrant B cannot be determined at this time and the noise levels could exceed the City's exterior and/or interior noise level thresholds at nearby residences, the impact would be *potentially significant*. (DEIR, p. 4.3-16.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.3-2: In conjunction with the submittal of a site plan for Quadrant B, the applicant shall retain a qualified acoustical consultant to prepare a site-specific noise analysis for Quadrant B. If the report determines that on-site operations would exceed the City of Sacramento significance thresholds, which are 45 dB Ldn for interior noise levels at residential uses and 60 dB Ldn for exterior noise levels at outdoor common areas, the report shall include recommendations to reduce noise below the City's applicable noise level standards, for the review and approval of the Development Services Department. If the report determines that on-site operations would not exceed the City of Sacramento significance thresholds, further mitigation is not required.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Implementation of the above mitigation measure would require the future development of Quadrant B to adhere to the City of Sacramento significance thresholds for noise levels at residential uses, thereby reducing the impact to a *less-than-significant* level. (DEIR, p. 4.3-16.)

Impact 4.3-3: Rooftop HVAC noise impacts. Large commercial developments, such as the Project, include rooftop heating, ventilation, and air conditioning (HVAC) equipment, which is required for climate control and refrigeration, and may generate noise that exceeds applicable noise standards.

Quadrant B: Quadrant B is anticipated to be developed at a later date, and the potential exists for Quadrant B noise levels to exceed the City's threshold at nearby residences. Because a site plan has not been submitted for the development of Quadrant B, the determination cannot be conclusively made whether HVAC noise levels on Quadrant B would generate noise levels in exceedance of applicable City noise level thresholds, resulting in a *potentially significant* impact.

Quadrant D: Quadrant D would include a main hospital building, and the main hospital climate control is generally located within a mechanical equipment room, designated as the Central Utility Plant ("CUP") building on the Quadrant D conceptual site plan. (See DEIR p. 3-13, Figure 3-9.) The CUP building houses all heating and cooling facilities, as well as an emergency generator. The CUP building is located approximately 400 feet from the nearest residential uses. Specific types of cooling towers, heat pumps, and chillers that will reside inside the CUP building have not been determined. In addition, the type and size of the emergency generator has not been determined. Noise levels associated with these types of equipment vary substantially and, therefore, it is not possible to predict the potential noise levels associated with the equipment. In addition, construction of the CUP building will result in the need for air intake and exhaust, and those openings in the building have not been designed. Therefore, the CUP building equipment could result in the exceedance of applicable City noise level thresholds, resulting in a *potentially significant* impact.

(DEIR, pp. 4.3-17 to 4.3-18.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

- 4.3-3(a): Implement Mitigation Measure 4.3-2 for Quadrant B.
- 4.3-3(b): Prior to the issuance of a building permit for the Central Utility Plant (CUP) building located adjacent to the proposed parking structure on Quad D, the overall noise levels associated with the CUP building's typical operations shall not exceed 45 dB Ldn for interior noise levels and 60 dB Ldn for exterior noise levels at the nearest residence, as demonstrated by an acoustical consultant for the review and approval of the Development Services Department. Mitigation measures shall include the use of silencers or acoustical louvers on openings for air intake or exhaust, and locating openings for air intake and exhaust on the opposite sides of the building from residences to the east. In addition, emergency generators shall be equipped with hospital grade mufflers to reduce the overall noise levels associated with their operations during periods of power failures or other emergencies. Emergency generators shall be exercised during the daytime hours for a period of no more than 30 minutes to reduce the potential for annoyance.

(DEIR, pp. 4.3-18 to 4.3-19.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Implementation of the Project could result in noise levels that exceed the City of Sacramento noise standards. The above mitigation measures would require the future development of Quadrant B to adhere to the City of Sacramento significance thresholds for noise levels at residential uses and ensure that the noise levels associated with the CUP building on Quadrant D do not exceed 50 dB Leq at the nearest residence. Therefore, the impact would be reduced to a *less-than-significant* level.

Impact 4.3-6: **Traffic noise levels at proposed on-site residential uses.** The northern portion of Quadrant B is anticipated to include high density residential development as a part of the Project design. Because a site plan has not yet been submitted for the development of Quadrant B, the determination cannot be conclusively made whether the proposed residential portion of the site would exceed the applicable City noise level thresholds. Therefore, a *potentially significant* impact would result. (DEIR, p. 4.3-26.)

Mitigation Measure: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

- 4.3-6: In conjunction with the submittal of a site plan for Quadrant B, the applicant shall retain a qualified acoustical consultant to prepare a site-specific noise analysis for Quadrant B. If the report determines that noise levels for the residential portion of

the site would exceed the City of Sacramento significance thresholds, which are 45 dB Ldn for interior noise levels at residential uses and 60 dB Ldn for exterior noise levels at outdoor common areas, the report shall include recommendations to reduce noise below the City's applicable noise level standards, for the review and approval of the Development Services Department. If the report determines that on-site operations would not exceed the City of Sacramento significance thresholds, further mitigation is not required. (DEIR, pp. 4.3-26 to 4.3-27.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Implementation of the Project could result in high-density residential development on the northern portion of Quadrant B, which could result in exceedance of City noise level thresholds. The above mitigation measure would require future development of Quadrant B to adhere to the City of Sacramento significance thresholds for noise levels at residential uses. Therefore, the impact would be reduced to a *less-than-significant* level. (DEIR, pp. 4.3-26 to 4.3-27.)

Impact 4.3-7: Traffic noise levels at the proposed hospital. Development of Quadrant D would include a hospital. The predicted future I-5 traffic noise level at the nearest facade of the hospital is 81 dB Ldn. Typical construction techniques for a hospital include brick facades. In addition, patient rooms and offices typically include windows. A brick facade generally provides a minimum noise level transmission loss of 40 dB. However, a typical dual glazed window provides a 27 dB to 28 dB transmission loss. Therefore, interior noise levels are expected to be in excess of the 45 dB Ldn interior noise level standard, resulting in a *potentially significant* impact. (DEIR, p. 4.3-27.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.3-7: Prior to issuance of a building permit for Quadrant D, the site plan(s) shall indicate that patient rooms and offices on the west-facing facades of the hospital shall include windows with an STC rating of 40, windows on the north- and south-facing facades shall have an STC rating of 38, and windows on the east-facing facade shall have an STC rating of 35. The site plan(s) shall be submitted for the review and approval of the Development Services Department.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Implementation of the Project would include development of a hospital on Quadrant D, which may be impacted by future I-5 traffic noise levels. The above mitigation measure would require development on Quadrant D to have windows with

appropriate STC ratings in order to reduce interior noise levels below the City of Sacramento significance threshold. Therefore, the above impact would be reduced to a *less-than-significant* level. (DEIR, p. 4.3-27.)

3. Air Quality

Impact 4.4-1: Short-term increases of construction-generated emissions of criteria air pollutants. Construction-generated emissions are short-term and of temporary duration, lasting only as long as construction activities occur, but possess the potential to represent a significant air quality impact. The construction and development of the proposed land uses would result in the temporary generation of emissions resulting from site grading and excavation, road paving, motor vehicle exhaust associated with construction equipment and worker trips, and the movement of construction equipment, especially on unpaved surfaces.

Estimated daily construction-generated emissions associated with the development of the Project phases (i.e., Quadrants B, C1-4, and D) are summarized in Table 4.4-7 of the Draft EIR. (DEIR, pp. 4.4-19 to 4.4-20.) As depicted in Table 4.4-7, construction-generated emissions of NO_x attributable to the individual Project phases would range from approximately 35 to 82 lbs/day, depending on the specific activities being conducted. However, development of some Project phases could occur simultaneously. Maximum daily construction-generated emissions of NO_x, assuming multiple Project phases being constructed simultaneously, are summarized in Table 4.4-8 of the Draft EIR in comparison to the SMAQMD's significance threshold of 85 lbs/day. (DEIR, p. 4.4-21.) As depicted, predicted maximum daily emissions of NO_x, assuming multiple Project phases under simultaneous construction, could reach levels of approximately 125 lbs/day.

Estimated maximum daily emissions of NO_x would exceed the SMAQMD's significance threshold of 85 lbs/day. Therefore, short-term construction-generated emissions of NO_x would result in a *potentially significant* impact. (DEIR, pp. 4.4-18 to 4.4-22.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

4.4-1(a): Prior to the issuance of any grading permit, the Project applicant/developer shall provide a plan for approval by the City, in consultation with SMAQMD, demonstrating that the heavy-duty (>50 horsepower), off-road vehicles to be used in the construction Project, including owned, leased, and subcontractor vehicles, will achieve a Project-wide fleet-average 20 percent NO_x reduction

and 45 percent particulate reduction compared to the most recent CARB fleet average at the time of construction. Acceptable options for reducing emissions include the use of late-model engines, low-emission diesel products, alternative fuels, particulate matter traps, engine retrofit technology, after-treatment products, and/or such other options as become available.

- 4.4-1(b): Prior to the issuance of any grading permit, the Project applicant/developer shall submit to the City and SMAQMD a comprehensive inventory of all off-road construction equipment, equal to or greater than 50 hp, that will be used an aggregate of 40 or more hours during any portion of the Project. The inventory shall be updated and submitted monthly throughout the duration of the Project, except that an inventory shall not be required for any 30-day period in which no construction operations occur. At least 48 hours before subject heavy-duty off-road equipment is used, the Project representative shall provide the SMAQMD with the anticipated construction timeline including start date, and the name and phone number of the Project manager and on-site foreman.
- 4.4-1(c): During construction, the Project applicant/developer shall ensure that emissions from off-road, diesel-powered equipment used on the Project site do not exceed 40 percent opacity for more than three minutes in any one hour, as determined by an on-site qualified inspector trained in visual emissions assessment. Any equipment found to exceed 40 percent opacity (or Ringlemann 2.0) shall be repaired immediately, and the SMAQMD shall be notified of non-compliant equipment within 48 hours of identification. A visual survey of all in-operation equipment shall be made at least weekly, and a monthly summary of visual survey results shall be submitted throughout the duration of the construction Project, except that the monthly summary shall not be required for any 30-day period in which no construction operations occur. The monthly summary shall include the quantity and type of vehicles surveyed, as well as the dates of each survey. The SMAQMD and/or other officials may conduct periodic site inspections to determine compliance.
- 4.4-1(d): The Project applicant shall pay a mitigation fee to the SMAQMD to offset any remaining construction-generated daily NO_x emissions in excess of the SMAQMD's significance threshold of 85 lbs/day. SMAQMD mitigation fees shall be calculated and paid in coordination with SMAQMD prior to issuance of building or grading permits. Based on the currently proposed construction schedule, the simultaneous development of Quadrant B, Quadrant C-Phase IV, and Quadrant D would generate 14.64 lbs/day of NO_x in excess of SMAQMD's significance threshold. Based on this estimate and the SMAQMD's current mitigation fee (\$16,000/ton), the Project proponent shall pay a fee of \$123 to mitigate excess NO_x emissions. In the event that the Project phasing schedule would differ from the schedule used for this analysis (See Table 4.4-5), the Project proponent shall notify SMAQMD and recalculate construction-related emissions and mitigation fees, if applicable,

in accordance with the most current SMAQMD-recommended methodologies. Verification of payment of the mitigation fee shall be provided to the City prior to issuance of any grading permits.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Mitigated construction-generated emissions of NO_x and associated mitigation fees are summarized in Table 4.4-9. Implementation of SMAQMD's standard construction mitigation measures would reduce NO_x emissions by approximately 20 percent. (DEIR, p. 4.4-23.) As depicted, implementation of SMAQMD's standard mitigation measures would be sufficient to reduce maximum daily emissions to below SMAQMD's NO_x significance threshold of 85 lbs/day, with the exception of a single day during which construction activities associated with Quadrant B, Quadrant D, and Quadrant C-Phase IV are projected to overlap (i.e., March 15, 2014). On this day, mitigation emissions of NO_x would total approximately 99.64 lbs; 14.64 lbs over the SMAQMD's significance threshold of 85 lbs/day. Based on the current mitigation fee (\$16,000/ton), a fee of \$123 shall be paid to SMAQMD to offset mitigated NO_x emissions in excess of the threshold. The Project shall adhere to the phasing schedule provided for this Project, which is the basis for the emissions calculations and mitigation fee. In the event that changes to the construction schedules occur, emissions of NO_x and associated mitigation fees shall be recalculated based on the mitigation fee in place at the time fees are to be paid. Therefore, implementation of the above mitigation measures would reduce the impact to a *less-than-significant* level. (DEIR, pp. 4.4-18 to 4.4-24.)

Impact 4.4-2: Short-term increases in fugitive dust. Construction Projects that require grading or other earth-moving activities generate large amounts of particulate matter. While construction related emissions produce only temporary impacts, these short-term impacts contribute to the emission inventory. Under certain conditions, the increased pollution load can exceed State and National Ambient Air Quality Standards.

As depicted in Table 4.4-6 of the Draft EIR, development of each of the proposed phases would generate maximum unmitigated daily emissions of up to approximately 328 lbs/day of PM₁₀ and 72 lbs/day of PM_{2.5}. (DEIR, p. 4.4-16.) A majority of total particulate emissions would be fugitive dust generated during initial site preparation. Assuming that multiple phases would be constructed simultaneously, the Project would generate a combined total of approximately 593 lbs/day of PM₁₀ and 131 lbs/day of PM_{2.5} (See DEIR, Table 4.4-7, pp. 4.4-19 to 4.4-20.)

To assist in the evaluation of fugitive dust-related impacts, SMAQMD staff has developed screening criteria for construction Projects (See Table 4.4-6). As previously discussed, these screening levels are

based on the maximum actively disturbed area of the Project site. Based on construction data provided by the Project applicant, initial grading associated with each of the proposed development phases would range from approximately four to nine acres per day of active ground disturbance. However, multiple phases could be under construction simultaneously on any given day. The highest potential for ground disturbance would occur in the year 2013 associated with the simultaneous development of Quadrant B, Quadrant C-Phase IV, and Quadrant D. Assuming that one-quarter of the Project areas were to be actively disturbed on any given day, the simultaneous development of Quadrant B, Quadrant C-Phase IV, and Quadrant D would result in a combined area of daily disturbance of approximately 29 acres. However, Quadrants B and D are separated by a distance of approximately 2,400 feet. As a result, the combined contribution to localized concentrations of PM at nearby individual receptor locations due to the simultaneous development of these areas would be somewhat diminished. Nonetheless, given that the Project does not include measures for reducing fugitive dust emissions, as recommended by the SMAQMD, this impact would be considered *potentially significant*. (DEIR, pp. 4.4-16, 4.4-19 to 4.4-20, 4.4-25.)

Mitigation Measures:

4.4-2: Prior to the approval of any grading permit, the Project proponent shall submit a dust-control plan to the City of Sacramento Development Services Department. The dust-control plan shall stipulate grading schedules associated with the Project phase (i.e., Quadrants B, C1-4, and D), as well as the dust-control measures to be implemented. Grading of Project phases shall be scheduled so that the total area of disturbance would not exceed 15 acres on any given day. The dust control plan shall be incorporated into all construction contracts issued as part of the Project development. The dust-control plan shall, at a minimum, incorporate the following measures:

- Apply water, chemical stabilizer/suppressant, or vegetative cover to disturbed areas, including storage piles that are not being actively used for construction purposes, as well as any portions of the construction site that remain inactive for longer than 3 months;
- Water exposed surfaces sufficient to control fugitive dust emissions during demolition, clearing, grading, earth-moving, or excavation operations. Actively disturbed areas should be kept moist at all times;
- Cover all vehicles hauling dirt, sand, soil or other loose material or maintain at least two feet of freeboard in accordance with the requirements of California Vehicle Code Section 23114;
- Limit or expeditiously remove the accumulation of Project-generated mud or dirt from adjacent public streets at least once every 24 hours when construction operations are occurring; and

- Limit onsite vehicle speeds on unpaved surfaces to 15 mph, or less.

(DEIR, pp. 4.4-25 to 4.4-26.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Implementation of the above mitigation measures would reduce fugitive dust emissions by approximately 44 to 84 percent. Based on the URBEMIS modeling conducted and assuming that multiple Project phases could be constructed simultaneously, implementation of the mitigation measures would reduce maximum daily emissions to approximately 56 lbs/day of PM10 and 17 lbs/day of PM2.5. For Projects resulting in less than 15 acres of disturbance/day, the SMAQMD considers implementation of recommended mitigation measures for the control of fugitive dust to be sufficient to reduce Project-generated emissions of fugitive dust to a less than significant level; therefore, implementation of the following mitigation would reduce short-term increases of construction-generated PM to a *less-than-significant* level. (DEIR, pp. 4.4-25 to 4.4-26.)

Impact 4.4-5: Exposure of sensitive receptors to toxic air contaminants. Implementation of the Project could result in the exposure of sensitive receptors to toxic air contaminants (TACs). Implementation of the Project includes the development of sensitive land uses in the vicinity of Interstate 5 (I-5). Diesel-fueled trucks traveling on I-5 would be considered a major source of diesel-exhaust PM that could adversely affect nearby sensitive land uses. As part of the Project, development of Quadrant D would include the construction of a proposed medical center. Based on the Quadrant D conceptual site plan, the nearest building façade of the proposed medical center would be located approximately 200 feet from the nearest travel lane of I-5. Future development of the northern portion of Quadrant B would include sensitive land uses, including 180 residential townhouse/condominium units. However, Quadrant B is not proposed for development at this time and the location of these land uses has not yet been identified.

Based on the traffic analysis prepared for this Project, traffic volumes on I-5 (adjacent to Quadrant D) total 11,006 vehicles during the a.m. peak hour and 11,928 vehicles during the p.m. peak hour. Based on these traffic volumes and taking into account the orientation of the Project site to I-5 (i.e., east and downwind), sensitive land uses should not be located nearer than approximately 200 feet of I-5.

The nearest exterior facade of the proposed medical center would be located approximately 200 feet east of I-5. Based on this distance and orientation to I-5, the SMAQMD's screening methodology estimates that the predicted cancer risk at the proposed medical center would be 223 in one million. Predicted cancer risks would not exceed the

SMAQMD's screening criterion of 296 in one million and, therefore, a more detailed health risk assessment would not be required for the proposed medical center. However, given that the site plan for the proposed medical center is conceptual, it is possible that the site plan could change. In the event that the proposed medical center buildings were to be moved closer to I-5 (less than 200 feet), predicted cancer risks could exceed SMAQMD's screening criteria of 296 in one million. In addition, given that the location of residential development proposed as part of Quadrant B is currently unknown, it is conceivable that predicted cancer risks at proposed residential land uses could also be located within 200 feet of I-5 and thus would exceed SMAQMD's screening criteria of 296 in one million. For these reasons, exposure of proposed on-site sensitive land uses to TACs from vehicles traveling along I-5 would be considered a *potentially significant* impact.

(DEIR, pp. 4.4-30 to 4.4-33.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* level:

- 4.4-5(a): Sensitive land (i.e., the proposed medical center and residential dwelling units) uses shall not be located in an area that exceeds the SMAQMD screening criteria for cancer risks associated with toxic air contaminants. Based on SMAQMD's current screening methodology, if proposed sensitive receptors are located within 200 feet of Interstate 5, a more detailed assessment of potential health risks shall be required. If sensitive land uses are proposed within 200 feet of the near-travel-lane of Interstate 5, the Project applicant shall coordinate with the SMAQMD and the City of Sacramento Development Services Department to conduct a health-risk analysis. The health-risk analysis shall be prepared in accordance with SMAQMD's Recommended Protocol For Evaluating The Location Of Sensitive Land Uses Adjacent To Major Roadways prior to the approval of a site plan.
- 4.4-5(b) The Project applicant shall plant vegetation (e.g., trees) between proposed on-site sensitive land uses and the I-5 corridor, the type and location to be determined in consultation with SMAQMD.

(DEIR, p. 4.4-33.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Because the site plan for the proposed medical center is conceptual and that the location of residential development as part of Quadrant B is

currently unknown, it is possible that their location could expose sensitive receptors to a cancer risk that exceeds SMAQMD's screening criteria. The above mitigation measures require that sensitive land uses not be located in an area that would exceed the SMAQMD screening criteria and requires planting of vegetation to further screen sensitive land uses from mobile source TACs. Therefore, implementation of the above mitigation measure would reduce the impact to a *less-than-significant* level. (DEIR, pp. 4.4-30 to 4.4-33.)

4. Hydrology, Water Quality and Drainage

Impact 4.5-1: Exposure of people and structures to flood hazards on the Project site. The Project area is protected by a comprehensive reservoir, dam, levee and bypass system designed to protect the region from the floodwaters of the American River and the Sacramento River. The USACE released a report in January 2008 that found that some portions of the Natomas Basin do not have 30-year flood protection. As a result, FEMA designated the Basin under the AE special hazard flood zone designation in December 2008. SAFCA is working with State and federal agencies to improve the Natomas Basin levee system to reach 100-year flood protection in 2012, and reach 200-year protection for the Natomas Basin in 2013.

Following construction of the improvements and recertification by SAFCA and issuance of a Letter of Map Revision by FEMA, the Natomas Basin could be removed from the 100-year floodplain. The City plans to apply for an A99 FEMA designation, which does not have development requirements, in early 2011. As the applicant did not obtain building permits before December 8, 2008, implementation of the Project would occur after improvements have been made and would not be expected to result in an adverse flooding-related impact. However, should conditions change such that the applicant decides to pursue the development of the Project prior to recertification of the levees, a *potentially significant* impact would occur. (DEIR, pp. 4.5-16 to 4.5-17.)

Mitigation Measures: Implementation of the following mitigation measures would reduce this impact to a *less-than-significant* impact:

- 4.5-1(a): Construction and operation of the Natomas Crossing Project shall not commence prior to recertification of the Natomas levees by the SAFCA and FEMA, and the subsequent removal of Natomas Basin from the 100-year floodplain and associated flood zone redesignation; or until FEMA redesignates the Natomas Basin with a flood zone designation that would permit development of the Project.
- 4.5-1(b): The Project applicant shall participate in a funding mechanism such as an assessment district established by SAFCA and/or the City for the purpose of

implementing measures that would provide no less than 100-year flood protection including the North Natomas Area, or for that portion of the Natomas Basin requiring re-certification for 100-year flood protection including the Project site provided that such funding mechanism is (i) based on a nexus study; (ii) is regional in nature; (iii) is proportionate; (iv) complies with all applicable laws and ordinances; and (3) the requirements of the applicable FEMA zone and corresponding requirements under the City of Sacramento's Floodplain Ordinance shall be satisfied prior to the issuance of building permits for the Project. Any future homeowners within the floodzone shall maintain federal flood insurance, as required under the applicable FEMA and City of Sacramento Floodplain Management Ordinance regulations.

The above measures shall terminate upon the first recertification of the levees by the U.S. Army Corps of Engineers.

(DEIR, p. 4.5-17.)

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the EIR.

Facts in Support of Finding: Because it is not known whether implementation of the Project as proposed would occur after improvements have been made and the levees recertified, the Draft EIR identified a potentially significant flooding-related impact. The above mitigation measures would prohibit construction and operation of the Project prior to recertification of the levees or re-designation of the Natomas Basin to allow development and requires participation in funding mechanism designed to address flooding impacts. Therefore, the impact would be reduced to a *less-than-significant* level. (DEIR, pp. 4.5-16 to 4.5-17.)

5. Seismicity, Soils and Geology

Impact IS 3.b: The Project site contains expansive soils, would likely experience subsidence, and could be subject to liquefaction. Therefore, development of the Project could result in a *potentially significant* impact related to geology and soils.

Mitigation Measures: Implementation of the following mitigation measures identified in the Initial Study would reduce this impact to a *less-than-significant* level:

IS MM-1: Prior to issuance of grading permits, final foundation investigations shall be performed for each commercial lot, in order to evaluate specific soil conditions at each structure location and to analyze support conditions based on anticipated structural loads and configurations. The final foundation investigations shall provide information about specific site preparation,

including chemical treatment types and procedures, and foundation, floor support and pavement section recommendations. The final foundation investigations shall be submitted for the review and approval of the City Engineer to ensure that the Project implements all recommendations in the investigations.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the Initial Study and EIR.

Facts in Support of Finding: The preliminary soil investigation prepared for the Initial Study indicates that the strength and compressibility properties of the on-site soils are favorable for support of the construction associated with the Project. The surface soils, to depths of approximately 12 inches, are loose, having been previously disturbed by cultivation, but can be recompacted during normal site grading procedures. Undisturbed surface soils below a depth of 12 inches have sufficient strength to support light to moderate loads such as the loads imposed by one- and two-story buildings on conventional spread foundations with negligible settlement. Stiff clays and medium dense to dense sands that are capable of contributing to support of heavily loaded deep foundations with negligible settlement are present below depths of five to 12 feet.

The report further indicates that street pavement subgrades should be prepared and compacted in accordance with City of Sacramento standards and materials, and construction within the structural pavement section shall conform to City standards. In addition, in terms of expansive soil, the geotechnical report determined that the surface clays present on most of the site, to depths of at least two feet, are of moderate to high plasticity and could develop significant swelling pressures with variations in moisture content. Therefore, the report recommends compaction of in place soils, as well as engineered and treated fills to 90 percent of the maximum dry density, to provide adequate support for floor slabs and building foundations. In addition, chemical treatment of building pads with five percent high calcium or dolomitic quicklime by dry weight to a depth of 12 inches is recommended for reduction of the expansive tendencies of the soils.

The preliminary soil investigation also indicates that the low densities of the near-surface soils over most of the Project site would, under the recommended compaction procedures, result in moderate subsidence of the native subgrades, as well as shrinkage of soils placed as engineered fill. Subgrades could subside an average of approximately three inches and excavated soils could shrink 15 to 20 percent when compacted as engineered fill.

Liquefaction is a phenomenon in which loose and saturated soils are subject to a temporary but essentially total loss of shear strength because of pore pressure build-up under the reversing cyclic shear stresses associated with earthquakes. The weight of structures on such liquefied material can precipitate structural damage. The North Natomas basin is at risk for earthquake-related liquefaction. According to the Preliminary Soil Investigation for Natomas Crossing Freeway Commercial Properties (geotechnical report), due to the poor drainage characteristics of the surface and near-surface clayey soils on the Project site, the

surface could become saturated and unstable during the wet season. Therefore, the Project site could be adversely impacted by potential liquefaction. Implementation of the above mitigation measure would reduce the potential expansive soil and subsidence impact to a *less-than-significant* level.

6. Biological Resources

Impact IS 7a: Impacts to Special Status Species. Special-Status Plants: Seven special-status plant species occur within the NBHCP. Of the listed plants, the Delta Tule Pea (*Lathyrus jepsonii* var. *jepsonii*), Sanford's Arrowhead (*Sagittaria sanfordii*), Boggs Lake Hedge-Hyssop (*Gratiola heterosepala*), and Legenere (*Legenere limosa*) could occur within the Project site. However, all of the plants are riparian or wetland species and would occur within drainage features. The only drainage feature located on the Project site is the North Natomas Drainage Channel, for which development is not proposed.

Special-Status Animals: The NBHCP listed 18 special-status species. The following species may use the Project site for nesting habitat or foraging: Tricolored Blackbird (*Agelaius tricolor*), Aleutian Canada Goose (*Branta Canadensis leucopareia*), White-faced Ibis (*Plegadis chihi*), American Peregrine Falcon (*Falco Peregrinus anatum*), Loggerhead Shrike (*Lanius ludovicianus*), Greater Sandhill Crane (*Grus canadensis tabida*), Burrowing Owl (*Athene cunicularia*), Bank Swallow (*Riparia riparia*), Northwestern Pond Turtle (*Clemmys marmorata marmorata*), California Tiger Salamander (*Ambystoma hammondi*), and Western Spadefoot Toad (*Scaphiopus hammondi*). In addition, the Federally-listed Giant Garter Snake (*Thamnophis gigas*) and the State-listed Swainson's hawk (*Buteo swainsoni*) may be found on-site. All impacts to special-status species could be reduced to a less than significant level through participation in the Habitat Conservation Plan (HCP).

The Project could result in a *potentially significant* impact to these plant and animal species.

Mitigation Measures: Implementation of the following mitigation measures identified in the Initial Study would reduce this impact to a *less-than-significant* level:

IS MM-2: Prior to and within 14 days of site disturbance, pre-construction surveys for special-status species shall be conducted by a qualified biologist retained by the Project applicant and approved by the Development Services Department. Should any special-status species be identified, appropriate measures shall be implemented in compliance with the NBHCP (including implementation of Incidental Take Minimization Measures) for the review and approval of the Planning Director.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the Initial Study and EIR.

Facts in Support of Finding: The Project site is currently vacant, undeveloped land that was previously mass-graded in September 2002. A biological survey was conducted prior to grading activities, and the survey did not detect the presence of any special-status species. In addition, prior to grading, the applicant paid the appropriate Natomas Basin Habitat Community Plan (NBHCP) mitigation fees. The NNCP EIR found that impacts to special-status species could be reduced to a less than significant level through participation in the Habitat Conservation Plan (HCP). The Project site has been designated for urban development within the Sacramento 2030 General Plan, and the Project proponent has previously paid the required NBHCP mitigation fees. However, should specific protected species be found on-site, additional mitigation would be required under the NBHCP. Implementation of the above mitigation measures would reduce the above impact to a *less-than-significant* level.

7. Cultural Resources

Impact IS 14a-d: The site is located within an area known for previous Native American habitation, the disruption of undiscovered human remains and archaeological resources on the Project site could occur during construction (e.g., excavation of trenches for installation of utilities). Therefore, implementation of the Project would result in a *potentially significant* impact.

Mitigation Measures: Implementation of the following mitigation measures identified in the Initial Study would reduce this impact to a *less-than-significant* level:

IS MM-3: In the event that any prehistoric subsurface archeological features or deposits, including locally darkened soil ("midden"), that could conceal cultural deposits, animal bone, obsidian and/or mortars are discovered during construction related earth-moving activities, all work within 100 feet of the resource shall be halted, and the City shall consult with a qualified archeologist, representatives of the City and the qualified archeologist shall coordinate to determine the appropriate course of action. All significant cultural materials recovered shall be subject to scientific analysis and professional museum curation. In addition, a report shall be prepared by the qualified archeologist according to current professional standards.

IS MM-4: If a Native American site is discovered, the evaluation process shall include consultation with the appropriate Native American representatives.

If a Native American archeologist ethnographic, or spiritual resources are involved, all identification and treatment shall be conducted by qualified

archeologists, who are certified by the Society of Professional Archeologists (SOPA) and/or meet the federal standards as stated in the Code of Federal Regulations (36 CFR 61), and Native American representatives, who are approved by the local Native American community as scholars of the cultural traditions.

In the event that no such Native American is available, persons who represent tribal governments and/or organizations in the locale in which resources could be affected shall be consulted. If historic archeological sites are involved, all identified treatment is to be carried out by qualified historical archeologists, who shall meet either Register of Professional Archeologists (RPA), or 36 CFR 61 requirements.

IS MM-5: If a human bone or bone of unknown origin is found during construction, all work shall stop within 100 feet of the find, and the County Coroner shall be contacted immediately. If the remains are determined to be Native American, the Coroner shall notify the Native American Heritage Commission, who shall notify the person most likely believed to be a descendant. The most likely descendant shall work with the contractor to develop a program for re-internment of the human remains and any associated artifacts. No additional work is to take place within the immediate vicinity of the find until the identified appropriate actions have taken place.

Finding: Changes or alterations have been required in, or incorporated into, the Project which mitigate or avoid the significant environmental effect as identified in the Initial Study and the EIR.

Facts in Support of Finding: The Project site does not currently contain any structures. However, the site is identified as a Primary Impact Area in the Sacramento 2030 General Plan. In addition, the Cultural Resources Inventory and Evaluation performed for the site uncovered one prehistoric archaeological resource within the Project area. (It should be noted that the prehistoric resource was not discovered within the boundaries of the Project site.) In January 1987, Peak and Associates performed a systematic excavation of the area in which the prehistoric resource was found. According to the IS/MND that was previously prepared for the Project site, the investigation determined that the area represented a surface manifestation of fill material and did not contain an in situ cultural deposit. However, due to the size of the recorded area and the limited number of units excavated at that time, Peak and Associates recommended that a qualified archaeologist be present during surface and subsurface modifications to the site during future Projects. Implementation of the above mitigation measures would reduce the above impact to a *less-than-significant* level.

B. Significant and Unavoidable Impacts.

The following significant and potentially significant environmental impacts of the Project, including cumulative impacts, are unavoidable and cannot be mitigated in a manner that

would substantially lessen the significant impact. Notwithstanding disclosure of these impacts, the City Council elects to approve the Project due to overriding considerations as set forth below in Section E, the statement of overriding considerations.

1. Transportation and Circulation

Impact 4.2-20: Freeway Mainline. The Project would increase traffic volumes on the freeway mainline. During the p.m. peak hour, LOS “F” operating conditions would degrade on the northbound I-5 segment from Arena Boulevard to Del Paso Road. This is considered a *significant* impact.

Mitigation Measures:

4.2-20: The Project applicant shall pay development fees for infrastructure Projects as outlined in the North Natomas Financing Plan (“NNFP”) as its required share of all freeway-related improvements. In addition to payment for freeway related improvements, ramps and interchanges, the North Natomas Finance Plan includes a share of the Downtown Natomas Airport Light Rail Extension (DNA) Project costs. The DNA Project provides future congestion relief for both the I-80 and I-5 freeways and is included in the Metropolitan Transportation Plan.

Finding: Changes or alterations have been required in, or incorporated into, the Project that substantially lessen, but do not avoid, the potentially significant environmental effect. No mitigation is available to render the effects less than significant.

Facts in Support of Finding: In conjunction with the North Natomas Community Plan (“NNCP”) and the NNFP, in 1994 the City of Sacramento prepared the North Natomas Freeway-Related Improvements Study (the “Kittleson Report”), which analyzed freeway-related impacts associated with development of the NNCP. The Kittleson Report recommended various improvements to the freeway mainlines, auxiliary lanes and interchanges and estimated that 43 percent of the cost for the proposed improvements are attributable to North Natomas. The Kittleson Report was discussed in further detail in the NNFP, which, in order to implement the Kittleson Report, provides that a portion of the PFF will be earmarked for the freeway-related improvements identified in the Kittleson Report.

To partially offset the Project’s impacts to the freeway mainline, the applicant will pay its required share of freeway-related improvements by paying the PFF. Payment of the PFF fees cannot assure that impacts at the freeway ramp junctions will be reduced to a less than significant level. Given the uncertainty regarding the timing and completion of the proposed freeway improvements and because the California Environmental Quality Act (Pub. Resources Code, §21000 et seq.) defines “feasible” for these purposes as capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors (Pub. Resources Code, Section 21061.1), the impacts of the Project on the freeway mainline would remain *significant and unavoidable*.

Impact 4.2-21: Freeway Ramp Junctions. The Project would increase traffic volumes at freeway ramp junctions that will already operate at unacceptable levels in the cumulative setting. Specifically, the Project would add traffic volume at the following locations:

- (a) I-5 Northbound – I-80 Exit Ramp - During the p.m. peak hour, traffic from the Project would add volume to a ramp junction already operating at LOS “F.” This is considered a *significant* impact.
- (b) I-5 Northbound – I-80 Entrance Ramp - During the p.m. peak hour, traffic from the Project would add volume to a ramp junction already operating at LOS “F.” This is considered a *significant* impact.
- (c) I-5 Northbound – Del Paso Road Exit Ramp - During the p.m. peak hour, traffic from the Project would add volume to a ramp junction already operating at LOS “F.” This is considered a *significant* impact.
- (d) I-5 Southbound – Arena Boulevard Exit Ramp - During the a.m. peak hour, traffic from the Project would add volume to a ramp junction already operating at LOS “F.” This is considered a *significant* impact.
- (e) I-5 Southbound – Arena Boulevard Westbound Entrance Ramp – During the a.m. and p.m. peak hours, traffic from the Project would add volume to a ramp junction already operating at LOS “F.” This is considered a *significant* impact.
- (f) I-80 Eastbound – I-5 Southbound Entrance Ramp - During the p.m. peak hour, traffic from the Project would add volume to a ramp junction already operating at LOS “F.” This is considered a *significant* impact.

Mitigation Measures:

4.2-21: Implement Mitigation Measure 4.2-20.

Finding: Changes or alterations have been required in, or incorporated into, the Project that substantially lessen, but do not avoid, the potentially significant environmental effect. No mitigation is available to render the effects less than significant.

Facts in Support of Finding: The ramp junctions listed above all operate at LOS “F” under cumulative no project conditions. At one ramp junction (I-5 Northbound – Del Paso Road Exit Ramp), this will be exacerbated by the addition of project traffic, and the DEIR therefore concluded that a significant impact would occur.

For all other ramp junctions, the ramp volume will remain the same or will be reduced slightly, but operations will remain at LOS “F”. Even though the Project’s incremental contribution did not exacerbate conditions at these ramp junctions, the Draft EIR took a conservative approach and determined that these cumulative project impacts were significant.

The applicant will pay its required share of freeway-related improvements by paying the PFF. Payment of the PFF fees, however, cannot assure that impacts at the freeway ramp junctions will be reduced to a less than significant level. Given the uncertainty regarding the timing and completion of the proposed freeway improvements and because CEQA defines “feasible” for these purposes as capable of being accomplished in a successful manner with a reasonable period of time, taking into account economic, environmental, social, and technological factors (Pub. Resources Code, Section 21061.1), the impacts of the Project on the freeway ramp junctions would remain *significant and unavoidable*.

2. Air Quality

Impact 4.4-3: Long-term increases of criteria air pollutants. The Project would include a mix of land uses, which would generate emissions of ozone-precursor pollutants (i.e., ROG and NOx). Predicted maximum daily emissions of ROG and NOx attributable to the Project would exceed SMAQMD’s recommended significance threshold of 65 lbs/pollutant/day. Because the Project’s maximum daily emissions of ROG and NOx would exceed SMAQMD’s significance threshold, the impact would be *significant*.

Mitigation Measures:

4.4-3: Prior to Project approval, the Project applicant shall obtain written endorsement from the SMAQMD for an Air Quality Mitigation Plan (AQMP) for the Project. The AQMP shall be reviewed and endorsed by SMAQMD staff prior to Project implementation. In accordance with SMAQMD recommendations, the AQMP shall achieve a minimum overall reduction of 15 percent in the Project’s anticipated operational emissions of NOx and ROG. Measures anticipated to be applicable to the Project and currently recommended by the SMAQMD include, but are not limited to, the following:

- a. Provide on-site short-term and long-term bicycle parking.
- b. Provide “end-of-trip” bicycle facilities including showers, lockers, and changing space.

- c. Provide bicycle network that includes linkage to existing Class I or Class II bike lanes.
- d. Provide pedestrian access network that internally links all uses and connects to all existing or planned external streets and pedestrian facilities contiguous with the Project site.
- e. Incorporate on-site transit facility improvements (e.g., pedestrian shelters, route information, benches, lighting) to coincide with existing or planned transit service.
- f. Provide pedestrian/bicycle safety and traffic calming measures in excess of jurisdiction requirements that reduce motor vehicle speeds and encourage pedestrian and bicycle trips.
- g. Provide a parking lot design that includes clearly marked and shaded pedestrian pathways between transit facilities and building entrances.
- h. Provide a mix of onsite land uses, proximate to existing or planned transit facilities.
- i. Install Energy-Star rated roofing materials.
- j. Provide shade (within fifteen years) and/or use light-colored/high-albedo materials (reflectance of at least 0.3) and/or open grid pavement for at least 30 percent of the site's non-roof impervious surfaces, including parking lots, walkways, plazas, etc.; or, place a minimum of 50 percent of parking spaces underground or covered by structured parking; or, use an open-grid pavement system (less than 50 percent impervious) for a minimum of 50 percent of the parking lot area.
- k. Incorporate landscaping and/or sun screens to reduce energy use. Deciduous trees should be utilized for building shading to increase solar heating during the winter months.

The Project applicant shall implement the emission reduction strategies contained in the endorsed Air Quality Mitigation Plan. Documentation confirming implementation of the Air Quality Mitigation Plan shall be provided to the SMAQMD and the City prior to the issuance of occupancy permits.

Finding: Changes or alterations have been required in, or incorporated into, the Project that substantially lessen, but do not avoid, the potentially significant environmental effect. No mitigation is available to render the effects less than significant.

Facts in Support of Finding: Long-term increases in area- and mobile-source emissions associated with the proposed land uses were estimated using the CARB-approved URBEMIS2007 computer program, which is designed to model emissions for land use development Projects. The default settings for Sacramento County contained in the model were used for this analysis. In accordance with SMAQMD recommendations, predicted operational emissions were calculated for both summer and winter conditions. Predicted operational emissions for interim and buildout conditions are summarized in Table 4.4-10 on page 4.4-27 of the Draft EIR. During the summer ozone season, operation of the Project would generate maximum daily emissions of approximately 367 lbs/day of ROG and 376 lbs/day of NOx. During the winter months, the Project would generate

maximum daily emissions of approximately 367 lbs/day of ROG and 552 lbs/day of NOx.

Predicted maximum daily emissions of ROG and NOx attributable to the Project would exceed SMAQMD's recommended significance threshold of 65 lbs/pollutant/day. Because the Project's maximum daily emissions of ROG and NOx would exceed SMAQMD's significance threshold, the impact would be significant.

In accordance with SMAQMD recommendations, implementation of Mitigation Measure 4.4-3 would reduce long-term operational emissions attributable to the Project by a minimum of approximately 15 percent. Assuming an overall minimum emissions reduction of 15 percent, maximum daily operational emissions at buildout would total approximately 312 lbs/day of ROG and 469 lbs/day of NOx.

Since preparation of the Draft EIR, the Project applicant developed an AQMP in accordance with SMAQMD's *Recommended Guidance for Land Use Emission Reductions* and Mitigation Measure 4.4-3 and submitted the AQMP to SMAQMD on March 11, 2009. On April 27, 2009, SMAQMD issued a letter endorsing the AQMP, stating that implementation of the mitigation measures described in the AQMP is anticipated to lead to a 15.79 percent or greater reduction in operational emissions from the Project. The AQMP and SMAQMD's endorsement letter are attached to the Final EIR as Appendices A and B.

With implementation of recommended emission-reduction measures, predicted maximum daily operational emissions at buildout of ROG and NOx would be reduced by 15.79 percent, or to 309 lbs/day of ROG and 465 lbs/day of NOx. While the emissions would be reduced, they are still anticipated to exceed SMAQMD's corresponding significance threshold of 65 lbs/pollutant/day. As a result, this impact would be considered *significant and unavoidable*.

Impact 4.4-9: Cumulative contribution to regional air quality conditions (Construction and Operation). The Project would result in significant air quality impacts associated with short-term construction and long-term operational emissions of ozone-precursor pollutants (ROG and NOx), and airborne particulate matter (PM10 and PM2.5). Project-generated increases in emissions could conflict with emissions inventories contained in regional air quality attainment plans and could contribute, on a cumulative basis, to the region's non-attainment status. This is considered a *significant* impact.

Mitigation Measures:

- 4.4-9(a) Prior to the issuance of each grading permit, the City of Sacramento shall coordinate with the SMAQMD and SACOG to ensure that increases or decreases in VMT attributable to the Project are accounted for in the VMT calculations used for the development of regional emissions inventories.
- 4.4-9(b) Implement Mitigation Measures 4.4-1(a-d), 4.4-2, and 4.4-3.

Finding: Changes or alterations have been required in, or incorporated into, the Project that substantially lessen, but do not avoid, the potentially significant environmental effect. No mitigation is available to render the effects less than significant.

Facts in Support of Finding: For the evaluation of cumulative ozone and PM impacts, the SMAQMD recommends that the project-level significance thresholds be relied upon for determination of cumulative air quality impacts. Accordingly, if project-generated emissions of either of the ozone precursor pollutants (i.e., ROG and NOx) or PM10 would exceed the short-term or long-term thresholds, then the project would be considered to have a cumulatively considerable incremental contribution to a significant cumulative impact. Furthermore, the air emissions inventories and projections that are used for regional air quality attainment and maintenance planning are based, in part, on projected growth levels identified in local planning documents. Therefore, a project that would result in a change in land use that would result in increased emissions, in comparison to existing land use designations, would be considered to have a cumulatively considerable contribution to a significant cumulative impact.

As discussed in Impacts 4.4-1 through 4.4-4 in the Draft EIR (pp. 4.4-18 – 4.4-30), the Project's short-term increase in construction-generated emissions of criteria air pollutants, as well as the short-term increase in fugitive dust, and the Project's long-term increases of criteria air pollutants are expected to exceed SMAQMD significance thresholds. In addition, implementation of the Project would result in a change in existing land use on the site.

In comparison to existing zoning, implementation of the Project would result in net increases of approximately 367 lbs/day of ROG. Emissions of NOx would increase by approximately 212 lbs/day during the summer months and approximately 316 lbs/day during the winter months. Emissions of PM10 would increase by approximately 476 lbs/day during the summer months and approximately 501 lbs/day during the winter months. A majority of the estimated net increases in emissions would be attributable to increases in vehicle miles traveled (VMT) associated with the proposed land uses. Compared to development under existing zoning for the site, the Project would result in an estimated net increase of 38,083 trips/day (DKS 2008).

Implementation of MM 4.4-1 and MM 4.4-2 would reduce and/or offset short-term construction-generated emissions to a less-than-significant level. Implementation of MM 4.4-3 would result in reductions of onsite emissions associated with energy usage and would include various measures to promote public transit, pedestrian access, and alternative means of transportation. However, because a majority of the emissions would be associated with offsite vehicle travel associated with projected increases in VMT attributable to the Project, implementation of the proposed mitigation measures would not reduce operational emissions to a less-than-significant level. Net increases in emissions attributable to the Project would not be reduced to below levels estimated for existing zoning conditions. Implementation of the Project would, therefore, result in an increase in regional criteria air pollutants that would conflict with the emissions inventories used for regional air quality attainment and maintenance planning. For this reason, and the fact that

the Project's operational emissions would exceed the air district's long-term emissions threshold, the Project's cumulative contribution to regional air quality conditions would be considered *significant and unavoidable*.

C. Project Alternatives.

The City Council has considered the Project alternatives presented and analyzed in the final EIR and presented during the comment period and public hearing process. Some of these alternatives have the potential to avoid or reduce certain significant or potentially significant environmental impacts, as set forth below. The City Council finds, based on specific economic, legal, social, technological, or other considerations, that these alternatives are infeasible. Each alternative and the facts supporting the finding of infeasibility of each alternative are set forth below.

Public Resources Code section 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[.]" (Pub. Resources Code, § 21002, italics added.) The same statute provides that 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." (*Ibid.*, italics added.) Section 21002 goes on to state that "in the event [that] 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." (*Ibid.*)

CEQA defines "feasible" to mean "capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social and technological factors." (Pub. Resources Code, § 21061.1.) The CEQA Guidelines add another factor: "legal" considerations. (CEQA Guidelines, § 15364; see also *Citizens of Goleta Valley v. Board of Supervisors* (1990) 52 Cal.3d 553, 565 (*Goleta II*)). 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, and whether the proponent can reasonably acquire, control or otherwise have access to the alternative site. (CEQA Guidelines, § 15126.6, subd. (f)(1).) 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. (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417.)

Where a significant impact can be substantially lessened (i.e., mitigated to an "acceptable level") solely by the adoption of mitigation measures, the lead agency, in drafting its findings, has no obligation to consider the feasibility of alternatives with respect to that impact, even if the alternative would mitigate the impact to a greater degree than the Project. (Pub. Resources Code, § 21002; *Laurel Hills Homeowners Association v. City*

Council (1978) 83 Cal.App.3d 515, 521; see also *Kings County Farm Bureau v. City of Hanford* (1990) 221 Cal.App.3d 691, 730-731; and *Laurel Heights Improvement Association v. Regents of the University of California* (1988) 47 Cal.3d 376, 400-403.) In short, CEQA requires that the lead agency adopt mitigation measures or alternatives, where feasible, to substantially lessen or avoid significant environmental impacts that would otherwise occur. Project modification or alternatives are not required, however, where such changes are infeasible or where the responsibility of modifying the Project lies with some other agency. (CEQA Guidelines, § 15091, subds. (a), (b).)

With respect to a Project for which significant impacts are not avoided or substantially lessened, a public agency, after adopting proper findings, may nevertheless approve the Project if the agency first adopts a statement of overriding considerations setting forth the specific reasons why the agency found the Project's "benefits" rendered "acceptable" its "unavoidable adverse environmental effects." (CEQA Guidelines, §§ 15093, 15043, subd. (b); see also Pub. Resources Code, § 21081, subd. (b).) The California Supreme Court has stated that, "[t]he wisdom of approving . . . any development Project, a delicate task which requires a balancing of interests, is necessarily left to the sound discretion of the local officials and their constituents who are responsible for such decisions. The law as we interpret and apply it simply requires that those decisions be informed, and therefore balanced." (*Goleta II, supra*, 52 Cal.3d at p. 576.)

CEQA does not require that all possible alternatives be evaluated, only that "a range of feasible alternatives" be discussed so as to encourage both meaningful public participation and informed decision making. (CEQA Guidelines, § 15126.6, subd. (a).) "The discussion of alternatives need not be exhaustive, and the requirement as to the discussion of alternatives is subject to a construction of reasonableness. The statute does not demand what is not realistically possible given the limitation of time, energy, and funds. 'Crystal ball' inquiry is not required." (*Residents Ad Hoc Stadium Committee v. Board of Trustees* (1979) 89 Cal.App.3d 274, 286; see also CEQA Guidelines, § 15126.6, subd. (f)(3).) Indeed, as stated by the court in *Village of Laguna Beach, Inc. v. Board of Supervisors* (1982) 134 Cal.App.3d 1022, 1028, although there may be "literally thousands of 'reasonable alternatives' to the proposed project . . . 'the statutory requirements for consideration of alternatives must be judged against a rule of reason.'" (*Ibid.*, quoting *Foundation for San Francisco's Architectural Heritage v. City and County of San Francisco* (1980) 106 Cal.App.3d 893, 910.) "Absolute perfection is not required; what is required is the production of information sufficient to permit a reasonable choice of alternatives so far as environmental aspects are concerned." (*Id.*, at p. 1029.) The requirement has been fulfilled here; the Draft EIR examined the Project alternatives in detail, exploring their comparative advantages and disadvantages with respect to the Project.

The preceding discussion regarding Project impacts reveals that nearly every significant effect identified in the EIR has been at least substantially lessened, if not fully avoided, by the adoption of feasible mitigation measures. Thus, as a legal matter, the City, in considering alternatives in these findings, need only determine whether any alternatives are environmentally superior with respect to those significant and unavoidable impacts. If any alternatives are in fact superior with respect to those impacts, the City is then required to

determine whether the alternatives are feasible. If the City determines that no alternative is both feasible and environmentally superior with respect to the unavoidable significant impacts identified in the Draft EIR, the City may approve the Project as mitigated, after adopting a statement of overriding considerations.

The City Council has considered the Project alternatives presented and analyzed in the final EIR and presented during the comment period and public hearing process. Some of these alternatives have the potential to avoid or reduce certain significant or potentially significant environmental impacts, as set forth below. The City Council finds, based on specific economic, legal, social, technological, or other considerations, that these alternatives are infeasible. Each alternative and the facts supporting the finding of infeasibility of each alternative are set forth below.

Alternatives Considered and Dismissed from Further Consideration

CEQA requires that the lead agency identify any alternatives that were considered but rejected as infeasible during the scoping process, and briefly explain the reasons underlying the infeasibility determination. (CEQA Guidelines, § 15126.6[c].) Among the factors that may be used to eliminate alternatives from detailed consideration in an EIR is failure to meet most of the basic Project objectives, infeasibility, or inability to avoid significant environmental impacts. The Draft EIR included the following alternatives that were considered, but dismissed from further consideration. (DEIR, p. 6-4.)

1. Off-Site Alternative

In many EIRs, an off-site alternative is evaluated to provide a greater range of possible alternatives to consider in the decision-making process. The key question is whether an off-site alternative is available that would feasibly attain most of the basic objectives of the Project, and would also avoid or substantially lessen any of the environmental effects of the Project. (CEQA Guidelines, § 15126.6[a], [b].)

The Off-Site Alternative would involve the construction of the Project on an alternative location and, more specifically, on other lands located within the Natomas Crossing Planned Unit Development (PUD) that are owned by the Project applicant. According to CEQA Guidelines section 15126.6 (f)(1), one factor that may be taken into account to determine the feasibility of an off-site alternative is whether the Project proponent already owns, or could reasonably acquire, off-site lands that would accommodate the Project. Among the land owned by the Project proponent that is of sufficient size to accommodate the majority of the Project are Quadrant E and Quadrant F located west of Interstate 5 (I-5), east of Duckhorn Drive, and south of Arena Boulevard, within the Natomas Crossing PUD. Development of Quadrant E and Quadrant F would include the development of fewer acres than the Project. Therefore, because the Off-Site Alternative location consists of fewer acres than the Project site, the Off-Site Alternative could not accommodate the entirety of uses associated with the Project.

In addition, CEQA Guidelines section 15126.6, subdivisions (b) and (c) state that an alternative should avoid or substantially lessen one or more of the environmental effects of the Project. Alternative locations within North Natomas, including Quadrant E and Quadrant F, generally contain characteristics similar to the Project site. For example, Quadrant E and Quadrant F would be accessed by the same I-5 ramps as the Project site and significant impacts related to transportation and circulation would be expected to be the same under the Off-Site Alternative, as compared to the Project. Furthermore, like portions of Quadrant C for the Project, residential uses are located directly adjacent to Quadrant E and Quadrant F and the Off-Site Alternative's impacts related to air quality and noise would be similar to, if not greater than, the Project's impacts on surrounding sensitive receptors. Therefore, development of the Project on an alternative location in North Natomas would be expected to result in the same significant impacts as the Project. As a result, an environmentally feasible off-site location that would meet the requirements of CEQA, as well as meet the basic objectives of the Project, does not exist.

Alternatives Considered in the EIR

The EIR evaluated the following alternatives to the Project:

- No Project – No Build Alternative
- No Project – Existing Zoning Alternative
- Reduced Intensity Alternative

CEQA requires the evaluation of the comparative impacts of a "No Project" alternative. (CEQA Guidelines, § 15126.6, subd, (e).) The purpose of describing and analyzing the "no Project" alternative "is to allow decision-makers to compare the impact of approving the Project with the impacts of not approving the Project. (CEQA Guidelines, § 15126.6, subd. (e)(1).) Analysis of the no Project Alternative "shall discuss existing conditions at the time the notice of preparation is published" as well as what would be reasonably expected to occur in the foreseeable future if the Project were not approved. (*Id.*, subd. [e][2].) According to section 15126, subdivision (e)(3)(B), "the 'no Project' alternative is the circumstance under which the Project does not proceed." In that case, "the discussion would compare the environmental effects of the property remaining in the property's existing state versus environmental effects that would occur if the Project were approved." The **No Project – No Build Alternative** therefore analyzes the impacts that would occur if the Project site remained vacant, undeveloped land, as it currently exists.

CEQA Guidelines section 15126.6 also provides that, if "disapproval of the Project under consideration would result in predictable actions by others, such as the proposal of some other Project, this 'no Project' consequence should be discussed." In other words, "where failure to proceed with the Project would not result in preservation of existing environmental conditions, the analysis should identify the practical result of the Project's non-approval and not create and analyze a set of artificial assumptions that would be required to preserve the existing physical environment." (*Id.*, subd. [e][3][B].) Here, because the Project site is entitled to develop with urban uses based on the existing land use designations, denial of the Project would likely result in the proposal of another Project. Therefore, under the **No**

Project – Existing Zoning Alternative, full development of the Project site pursuant to the existing zoning designations is evaluated.

In addition, the City evaluated a **Reduced Intensity Alternative**, which would include the development of 50 percent fewer square feet (sq. ft.) with the same mixture of retail, residential, office, and hotel uses. The intensity of hospital uses would not be reduced in this Alternative.

For impacts associated with noise, hydrology, water quality and drainage, hazards, aesthetics, and public services, the Draft EIR determined that the Project would not result in any significant impact in those areas. These Findings therefore do not include evaluation of the alternative as compared to the Project for those impacts because the impacts related to the alternatives would be similar.

According to the Noise chapter of the Draft EIR (pp. 4.3-1 to 4.3-31), the Project impacts associated with construction noise, construction-induced vibrations, Project-related increases in existing traffic noise levels at off-site residential uses, noise levels associated with the proposed helistop, and the cumulative increase in noise levels in the Project vicinity would be less than significant. Stationary noise impacts from truck circulation, loading docks, and rooftop HVAC equipment, traffic noise levels at proposed on-site residential uses, and traffic noise levels at the proposed hospital could exceed the applicable noise level standard at existing and proposed residential uses would be reduced to less than significant levels with the implementation of mitigation measures identified in the chapter.

According to the Hydrology, Water Quality, and Drainage chapter of the Draft EIR (pp. 4.5-1 to 4.5-22), the Project would not result in significant impacts to surface water quality because, prior to construction, the Project would be required to prepare a Storm Water Pollution Prevention Plan that includes Best Management Practices (BMPs), as well as comply with the City's Stormwater Management and Discharge Control Ordinance and the Grading, Erosion, and Sediment Control Ordinance. In addition, the Project would not result in significant impacts to existing drainage facilities because the Project would be required to construct on-site internal drainage infrastructure and pay fees associated with the development and maintenance of the existing drainage infrastructure. Furthermore, the Project would not result in the exposure of people to flood hazards because the Project cannot be feasibly built out until Natomas levees are recertified by the Federal Emergency Management Agency ("FEMA") or until FEMA redesignates the Natomas Basin with a flood zone designation that permits feasible development of the Project.

According to the analysis in the Hazards chapter of the Draft EIR (pp. 4.6-1 to 4.6-12), impacts related to routine transport, use, and disposal of hazardous materials would not be significant because the use and transportation of hazardous materials are subject to stringent local, State, and federal regulations, the intent of which is to minimize the public's risk of exposure. In addition, because the Project would include the completion of a Hazardous Materials and Waste Management Plan, impacts related to the storage of hazardous materials associated with the proposed hospital would not be significant.

Furthermore, impacts related to potential hazards associated with the proposed on-site helistop would not be significant because the specific design and placement of the helistop would be subject to review by Caltrans, Division of Aeronautics, and pilots and flight crew involved with the proposed air medical helicopter operations would be required to maintain FAA certification.

According to the Aesthetics chapter of the Draft EIR (pp. 4.7-1 to 4.7-17), impacts related to alteration or degradation of the existing visual character and quality of the Project site and the site's surroundings, and impacts related to light and glare, would not be significant because the Project would be required to be consistent with the Sacramento 2030 General Plan goals and policies related to aesthetics, as well as obtain approval of a Planning Director Plan Review in order to be in conformance with the PUD Development Guidelines and the North Natomas Development Guidelines, which would ensure compatibility with existing and proposed development in the Project area.

According to the Public Services chapter of the Draft EIR (pp. 4.8-1 to 4.8-11), impacts related to increased demands on existing police and fire facilities and services would not be significant because the Project applicant would be required by the City of Sacramento to pay development impact fees for the Project's increased demand for police and fire services.

1. No Project – No Build Alternative

The No Project – No Build Alternative is defined as the continuation of the existing condition of the Project site, which is currently vacant and mass-graded. Under the No Project – No Build Alternative, the site would continue in its existing state.

Comparative Environmental Effects

Significant and Unavoidable Impact That Would No Longer Occur

Traffic

As compared with the Project, the No Project – No Build Alternative would not further contribute towards the cumulative need to construct regional roadway improvements, such as freeway ramp modifications. In addition, this Alternative would eliminate the need for the modification of various existing traffic signals to accommodate new vehicle trips resulting from buildout of the Project site. Therefore, the No Project – No Build Alternative would result in no impacts to transportation and circulation, as compared to the Project.

Air Quality

Under the No Project – No Build Alternative, air quality conditions would remain the same as existing air quality conditions. Because the site is currently vacant and is not being farmed, pollution emissions are not currently generated on-site. In contrast, the Project

would create increased levels of emissions generated during construction of the Project and operation of the future uses on the site, as well as increased traffic in the vicinity of the site. Therefore, the No Project – No Build Alternative would result in fewer impacts to air quality, as compared to the Project.

Feasibility/Relationship of Alternative to Project Objectives

The concept of “feasibility” encompasses the question of whether a particular alternative or mitigation measure promotes existing City policies, as well as the underlying goals and objectives of a Project. (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 715.)

This Alternative maintains the *status quo*. The No Project – No Build Alternative will avoid the significant and unavoidable impacts associated with the Project, provided the existing physical conditions on the site continue to exist. Despite the fact that the significant impacts associated with implementation of the Project would be reduced in significance under the No Project – No Build Alternative, the implementation of this Alternative would not meet any of the Project’s objectives, including those related to development of retail and regional commercial land uses, creation of a development that will foster economic and employment opportunities; provision of essential healthcare and emergency room service options and developing a Project that will ultimately provide a mix of uses, including residential, hotel, office, medical and retail. (DEIR, p. 3-8.)

“‘[F]easibility’ under CEQA also encompasses ‘desirability’ to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, and technological factors.” (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 715.) The No Project – No Build Alternative would preclude any development at the Project site, thereby eliminating the benefits associated with the Project, including elimination of potential jobs and revenue-creating development.

Further, the No Project – No Build Alternative would not have the traffic reducing benefits of the Project. Specifically, the Project will significantly reduce commute time and vehicle miles traveled for patients and residents of North Natomas who currently access medical services in other areas of the City. Currently, residents who reside in and near North Natomas access most in- and out-patient services at hospitals located at 2801 L Street and 1650 Response Road, which are located greater than five miles, generally south of the Project site (See Figure 3-6). The most direct route from the North Natomas area to the hospital at 2801 L Street is via I-5. The most direct route to the hospital on 1650 Response Road is via I-5 and I-80. The development of a hospital is anticipated to reduce travel distance for residents living in and near Natomas who currently access services in downtown, which would reduce traffic on regional routes such as I-5 and I-80. (DEIR, p. 3-8.) With the No Project – No Build Alternative, these reductions would not occur.

The No Project – No Build Alternative’s desirability is not on balance with the Project in terms of its economic, environmental, social and technological elements. The Project is the more desirable choice for the community and the region. Therefore, the No Project – No Build Alternative is rejected as infeasible.

2. No Project – Existing Zoning Alternative

Under the No Project – Existing Zoning Alternative, development under the existing land uses designations for each quadrant of the Project site is assumed. The existing land use designations are as follows:

Quadrant B

- 353,580 to 1,219,070 sq. ft. of office
- 19,215 to 99,856 sq. ft. of retail
- 47,850 to 75,400 sq. ft. of hotel

(although specific assumptions are not listed for residential uses here, such uses could be allowed in certain areas of Quadrant B upon subsequent schematic plan amendment approvals, given the provisions in the NNCP Employment Center land use designation)

Quadrant C

- 198,800 to 500,639 sq. ft. of office
- 25,295 to 117,600 sq. ft. of retail
- 97,350 to 153,400 sq. ft. of hotel
- 7,000 to 16,800 sq. ft. of daycare

Quadrant D

- 253,600-584,700 sq. ft. of office

Comparative Environmental Effects

Impacts That Would Be Reduced But Remain Significant and Unavoidable

Traffic

The No Project – Existing Zoning Alternative would result in a reduction in total external traffic trips; the Natomas Crossing Traffic Study (January, 2009) determined that trips would be reduced by 38,083 trips per day as compared to baseline conditions. Also, under this Alternative, levels of service (LOS) would not exceed the significance threshold at study intersections, whereas for the Project, one study intersection, East Commerce Way / Arena Boulevard, would be significantly impacted; however, mitigation has been identified to reduce this impact to a less-than-significant level for the Project. (See DEIR, pp. 4.2-45 to 4.2-48, 4.2-52; Impact 4.2-.1)

The traffic analysis does, however, identify several potentially significant impacts resulting from this Alternative, which would also result from the Project; these potentially significant impacts include impacts to pedestrian and bicycle circulation, as well as traffic impacts related to construction of the Project. The DEIR identified the following impacts for the Existing Zoning Alternative:

Impact 4.2-14: Pedestrian and Bicycle Circulation Impacts. The Existing Zoning Alternative would add pedestrian and bicycle demands within the site and to and from nearby land uses. Specific information on improvements to on- and off-site bicycle and pedestrian facilities is not available at this time. Because the alternative would add demand for pedestrian and bicycle facilities that may not be available, the impact of the Existing Zoning Alternative on pedestrian and bicycle circulation is *potentially significant*. (DEIR, p. 4.2-14.)

Mitigation Measures:

4.2-14: Implement Mitigation Measure 4.2-6. Prior to the issuance of building permits, the Project applicant shall identify the necessary on and off-site pedestrian and bicycle facilities to serve the proposed development to the satisfaction of the City of Sacramento Traffic Engineering Division. These facilities shall be incorporated into the Existing Zoning Alternative and could include sidewalks, stop signs, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, raised crosswalks, and pedestrian signal heads. Sidewalks would be required as part of the frontage improvements along all new roadway construction in the vicinity in conformance with City design standards. Circulation and access to any proposed public spaces shall include sidewalks that meet Americans with Disabilities Act standards. (DEIR, pp. 4.2-63, 4.2-65.)

Because the Existing Zoning Alternative would add demand for pedestrian and bicycle facilities that may not be available, the impact on pedestrian and bicycle circulation is potentially significant. With implementation of the above mitigation measure, development under the Existing Zoning Alternative would provide the necessary on and off-site pedestrian and bicycle facilities to serve the proposed development to the satisfaction of the City and could include sidewalks, stop signs, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, raised crosswalks, and pedestrian signal heads. Further, sidewalks would be required as part of the frontage improvements along all new roadway construction in the vicinity in conformance with City design standards. Circulation and access to any proposed public spaces shall include sidewalks that meet Americans with Disabilities Act standards. Therefore, with implementation of this mitigation measure, the impact of the Existing Zoning Alternative would be reduced to a *less-than-significant* level. (DEIR, pp. 4.2-60, 4.2-63, 4.2-65.)

Impact 4.2-16: Parking Impacts. The Existing Zoning Alternative would increase demand for off-street parking. The number of parking spaces that would be provided is unknown at this time. Because the number of spaces is unknown, the impact of the alternative on parking is *potentially significant*. (DEIR, p. 4.2-66.)

Mitigation Measures:

4.2-16: Implement Mitigation Measure 4.2-8. Development under the Existing Zoning Alternative shall provide parking in accordance with City zoning requirements. Table 4.2-20 on page 4.2-64 of the Draft EIR summarizes the parking requirement based upon the City zoning code.

Development under the Existing Zoning Alternative would increase demand for off-street parking, however, the number of parking spaces that would be provided is unknown at this time. Because the number of spaces is unknown, the impact of the Existing Zoning Alternative on parking is *potentially significant*. With implementation of the above mitigation measure, development under the Existing Zoning Alternative would be required to provide adequate parking in accordance with City standards. The impact would therefore be reduced to a *less-than-significant* level. (DEIR, pp. 4.2-63 to 4.2-64, 4.2-66.)

Therefore, while the No Project – Existing Zoning Alternative would have similar impacts with respect to pedestrian and bicycle circulation and construction related impacts as the Project, this Alternative would also result in fewer trips per day, and no potentially significant impact to the East Commerce Way / Arena Boulevard intersection under the Baseline scenario, compared to the Project. This Alternative would therefore have fewer traffic impacts.

Air Quality

As stated above, under the No Project – Existing Zoning Alternative, vehicle trips would be reduced. The reduction of vehicle trips would result in fewer air pollutants being emitted by traffic associated with the site. In addition, by not altering the land use designations for the site, the emissions generated by this Alternative would be in substantial conformance with the amounts projected for the site in existing air quality attainment plans.

Detailed construction information is not available for buildout under existing zoning. However, emissions of NO_x generated during construction would be anticipated to be greatest during the initial grading phases, due to the increased amount of off-highway equipment required. Modeling of emissions conducted for the grading phases is based on the assumption that roughly 25 percent of the Project area would be actively disturbed on any given day. Assuming that the level of development would proceed in a manner similar to that of the Project, resultant maximum daily emissions of NO_x under this Alternative would be similar to the Project emissions. However, the Project includes construction of Quadrant C in four separate phases, followed by construction of Quadrant B and Quadrant D. In the event that construction of Quadrant C, Quadrant B, and Quadrant D were to occur

simultaneously under the Alternative, predicted maximum daily emissions of NO_x could conceivably be greater than that of the Project, and could exceed SMAQMD's threshold of 85 lbs/day.

Emissions of particulate matter generated during construction would be anticipated to be greatest during the initial grading phases. Modeling of emissions conducted for the grading phases is based on the assumption that roughly 25 percent of the site would be actively disturbed on any given day. Assuming that development in accordance with existing zoning were to proceed in a manner similar to that of the Project, resultant maximum daily emissions of particulate matter would be similar. However, the Project includes construction of Quadrant C in four separate phases, followed by construction of Quadrant B and Quadrant D. Assuming that development of Quadrant B, Quadrant C, and Quadrant D were to occur simultaneously under the Alternative, predicted maximum daily emissions of particulate matter could conceivably be greater than that of the Project.

During the summer ozone season, development in accordance with existing zoning would generate maximum daily emissions of approximately 169 lbs/day of ROG, 164 lbs/day of NO_x, and 349 lbs/day of PM₁₀. During the winter months, emissions of ROG would decrease to approximately 154 lbs/day; whereas, emissions of NO_x would increase to approximately 237 lbs/day. Unmitigated maximum daily emissions during both summer and winter operational conditions would exceed SMAQMD's recommended significance threshold of 65 lbs/pollutant/day.

Development consistent with existing zoning would result in predicted 1-hour and 8-hour local mobile-source CO concentrations of approximately 9.1 ppm and 6.4 ppm, respectively. Predicted CO concentrations would not be anticipated to exceed the 1-hour or 8-hour CAAQS; therefore the impact under existing zoning would also not be considered significant.

Assuming that construction proceeds in six phases (four phases for Quad C), consistent with the assumptions made for the Project air quality analysis, the resultant maximum daily emissions of criteria air pollutants, as well as particulate matter, would be similar to the emissions created by construction of the Project. (See DEIR, p. 4.4-16, Table 4.4-6.) However, if construction of Quadrants B, C, and D were to occur simultaneously under this Alternative, predicted maximum daily emissions of criteria air pollutants and particulate matter could conceivably be greater than that of the Project.

For long-term criteria air pollutants, the Project and the No Project – Existing Zoning Alternative would have similar impacts – both would exceed the Sacramento Air Quality Management District's threshold and result in significant and unavoidable impacts. (See DEIR, p. 6-10, Table 6-1.)

Furthermore, cumulative impacts to regional air quality would be considered significant under both scenarios. Therefore, under the No Project – Existing Zoning Alternative, impacts associated with air quality would be similar to those created by the Project.

Feasibility/Relationship of the Alternative to Project Objectives

The concept of “feasibility” encompasses the question of whether a particular alternative or mitigation measure promotes existing City policies, as well as the underlying goals and objectives of a Project. (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 715.)

The No Project – Existing Zoning Alternative would meet some, but not all of the Project objectives. The majority of the Alternative (1.6 million square feet or 84 percent) would be dedicated to office uses, with the remainder consisting of retail and hotel uses. The Existing Zoning Alternative therefore would not achieve the objectives of developing retail and regional commercial uses to the extent that the Project would, and further, would not foster economic development to the same extent as the Project, as discussed in more detail below. In addition, the Project objectives related to the provision of essential healthcare and emergency room service options would not be met under this Alternative. Finally, while the Alternative would provide a mix of uses, it would not include all of the uses identified in the Project objectives, which include residential and medical uses, in addition to office, hotel and retail. (DEIR, p. 3-8.)

“‘[F]easibility’ under CEQA also encompasses ‘desirability’ to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, and technological factors.” (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 715.)

The No Project – Existing Zoning Alternative would develop the same amount of acreage as the Project, but would provide more employment opportunities, less commercial/retail, and no hospital development. Specifically, this Alternative could include commercial/retail uses ranging from 44,510 sq. ft. to 217,456 sq. ft., and employment uses ranging from 777,600 sq. ft. to 2,248,559 sq. ft. In comparison, at full buildout, the Project would include up to 180 residential units and significantly increased retail space (857,000 sq. ft.), including regional and community serving retail, as well as a 600,000 sq. ft. hospital facility, 600,000 sq. ft. of medical office, and reduced office space (440,000 sq. ft.).

The No Project – Existing Zoning Alternative would not have the traffic reducing benefits of the Project. Specifically, the Project will significantly reduce commute time and vehicle miles traveled for patients and residents of North Natomas who currently access medical services in other areas of the City. Currently, residents who reside in and near North Natomas access most in- and out-patient services at hospitals located at 2801 L Street and 1650 Response Road, which are located greater than five miles, generally south of the Project site (See Figure 3-6). The most direct route from the North Natomas area to the hospital at 2801 L Street is via I-5. The most direct route to the hospital on 1650 Response Road is via I-5 and I-80. The development of a hospital is anticipated to reduce travel distance for residents living in and near Natomas who currently access services in downtown, which would reduce traffic on regional routes such as I-5 and I-80. (DEIR, p. 3-

8.) With the No Project – Existing Zoning Alternative, these reductions would not occur.

In addition, the Existing Zoning Alternative is anticipated to complete development over a significantly longer time period. A study from Gruen Gruen and Associates prepared in 2005 examined the existing supply and expected demand of office space in Natomas and determined that development according to the Existing Zoning Alternative could absorb a maximum of approximately 56,-000 sq. ft. of office use on an annual basis. At that rate, development under the Existing Zoning Alternative would take 28 years to complete buildout. The retail and hotel uses, however, would be expected to be fully developed within the first 12 years, while only 672,000 sq. ft., or 42 percent, of the planned office would be expected to be developed by Year 12.

According to the April, 2009 *Natomas Crossing Economic Analysis* prepared by Economic & Planning Systems, Inc., given market demographics and the past development history of the North Natomas area, it is expected that the retail, hotel and general office under the Project would develop within a 12-year time frame. The hospital and medical office uses would also be expected to develop within the 12-year period. The *Natomas Crossing Economic Analysis* further anticipates that the Natomas area will be able to easily accommodate a major hospital complex, given that the area is not currently served by a hospital complex.

Based on the following considerations, the *Natomas Crossing Economic Analysis* concludes that the Project is projected to generate significantly greater economic benefits than would be possible under the Existing Zoning Alternative.

Short-Term Economic Considerations (Construction)

During the 12-year construction period, the Project is expected to generate a total of 11,200 job years; 9,600 more job years than would be generated under the Existing Zoning Alternative. This translates to an average annual construction-related employment rate of 930 jobs under the Project, as compared to 140 jobs under the Existing Zoning Alternative. (See *Natomas Crossing Economic Feasibility*, p. 6, Table 2.)

The Project would also generate about \$1.3 billion more in total economic output, which includes \$480 million more in total wages and benefits for construction-related employment. The construction of a hospital and an additional 735,000 sq. ft. of retail uses account for the significantly higher economic benefits during the construction phase for the Project.

Construction spending under the Project is estimated to total approximately \$1.2 billion and \$173 million under the Existing Zoning Alternative over the first 12 years. Under the Existing Zoning Alternative, additional construction beyond Year 12 would cost approximately \$151 million, for a total of \$324 million at buildout. Thus, on a buildout basis, construction spending under the Project would surpass spending under the Existing Zoning Alternative by \$800 million. (See *Natomas Crossing Economic Feasibility*, Appendix B, Tables B-1 to B-4.)

Ongoing Economic Considerations (Employment)

The Project is also projected to have a larger economic benefit than the Existing Zoning Alternative from the ongoing business operations of employment uses. Under the Project, approximately 12,400 jobs would be supported, compared to 4,600 jobs under the Existing Zoning Alternative by Year 12. The Project would also generate \$960 million more in total economic output, which includes \$491 million more in total wages and benefits for new employment. (See *Natomas Crossing Economic Feasibility*, p. 6, Table 2.)

Although the Existing Zoning Alternative would generate additional benefits beyond Year 12, total benefits at buildout will still be significantly less than under the Project because more building square feet will be developed and consequently, more workers will be employed under the Project. (See *Natomas Crossing Economic Feasibility*, Appendix B, Tables B-5 to B-8.)

City Tax Revenues

According to the *Natomas Crossing Economic Feasibility* report, the Project is projected to generate more than twice as much of the total City tax revenue over the first 12 years than estimated for the Existing Zoning Alternative (an increase of \$28.6 million). The Project will generate an estimated \$48.9 million, while the Existing Zoning Alternative would generate an estimated 20.3 million by Year 12. The increase in tax revenue is primarily attributable to the increased retail included in the Project, which generates approximately \$19.9 million in sales tax revenue, or 41 percent of the Project's increased tax revenues for the City. (See *Natomas Crossing Economic Feasibility*, Fig. 5, and Table C-1.)

City Fee Revenues

In addition, the *Natomas Crossing Economic Feasibility* study reports that, while total buildout fees would ultimately be similar for the Project and under the Alternative because of the structure of the North Natomas Financing Plan which bases the fees on land designation and not on Project design, the Project generates approximately \$13.4 million more in fee revenue by Year 12 than the Existing Zoning Alternative, with most of that attributable to the Public Facility Fee required under the North Natomas Financing Plan. The Existing Zoning Alternative would take more than twice as long to build out and would produce \$1.3 million less in fee revenue. (See *Natomas Crossing Economic Feasibility*, Fig. 6; Appendix C, Tables C-11, C-12.)

In sum, the Project will make greater financial contributions to the community than the Existing Zoning Alternative, and, because the Project accelerates buildout, the benefits of the Project will be accelerated. Based on all of the above factors, the No Project – Existing Zoning Alternative's desirability is not on balance with the Project in terms of its economic, environmental, social and technological elements. The Project is the more desirable choice for the community and the region. Therefore, the No Project – Existing Zoning Alternative is rejected as infeasible.

3. Reduced Intensity Alternative

The Reduced Intensity Alternative would retain the same mix of retail, support retail, and restaurant uses as the Project, and would utilize the same access points; however, the Reduced Intensity Alternative would include a 50 percent reduction in square footage associated with the Project.

Specifically, under the Reduced Intensity Alternative, Quadrant C would be reduced from 404,580 sq. ft. of retail uses and 200,000 sq. ft. of office uses to approximately 202,290 sq. ft. of retail uses and 100,000 sq. ft. of office uses.

The southern portion of Quadrant B, development of which is not proposed at this time, would be reduced from a range of 309,276 to 463,914 sq. ft. of retail uses to a range of 154,638 to 231,957 sq. ft. of retail uses.

The northern portion of Quadrant B, would be reduced from 180 residential units, 130,000 sq. ft. of hotel uses, and 240,000 sq. ft. of office uses to 90 residential units, 65,000 sq. ft. of hotel uses, and 120,000 sq. ft. of office uses.

The development of Quadrant D would be reduced from 600,000 to 300,000 sq. ft. of medical office uses. However, the development of hospital uses on Quadrant D would not be reduced in this Alternative. Development of the Reduced Intensity Alternative would result in less intense development and fewer impacts than the Existing Zoning Alternative.

Comparative Environmental Effects

Impacts That Would Be Reduced but Remain Significant and Unavoidable

Traffic

Under the Reduced Intensity Alternative, the reduction in retail square footage would result in a significant decrease in the total number of Project-related vehicle trips. Using the data contained in the traffic study, the number of new vehicle trips associated with buildout of this Alternative can be calculated as approximately 31,394 (i.e., 50 percent of the 62,788 new vehicle trips generated by the Project). In comparison, the traffic study determined that the Existing Zoning Alternative would generate 31,074 trips. Given that the Reduced Intensity Alternative would be expected to generate approximately the same number of vehicle trips as the Existing Zoning Alternative (e.g., the Reduced Intensity Alternative would only generate 320 more trips than the Existing Zoning Alternative), similar to the Existing Zoning Alternative there would be no impacts to study intersections under the Baseline scenario with the Reduced Intensity Alternative.

Under the Project, one study intersection, East Commerce Way / Arena Boulevard, would be significantly impacted under the Baseline scenario. (See DEIR, pp. 4.2-45, 4.2-52.) Under the Baseline Plus Project scenario, all of the transportation and circulation impacts

associated with the Project would be mitigated to a less than significant level. However, under the Cumulative No Project scenario, six ramp junctions would operate at LOS F. Under the Cumulative Plus Project scenario, the already unacceptable operations at one ramp junction (I-5 Northbound – Del Paso Road Exit Ramp) will be exacerbated by the addition of project traffic. For the remaining ramp junctions, the ramp volume will remain the same or will be reduced slightly, but operations will remain at LOS F. Even though the Project's incremental contribution did not exacerbate conditions at these ramp junctions, the Draft EIR took a conservative approach and determined that these cumulative project impacts were significant and unavoidable.

Although vehicle trips would be reduced under the Reduced Intensity Alternative as discussed above, the impact to freeway ramp junctions would be expected to remain significant and unavoidable because new vehicle trips would still be added to ramp junctions that are already operating at LOS F and payment of fees would not ensure that impacts would be reduced. Therefore, the Reduced Intensity Alternative would result in slightly reduced impacts to transportation and circulation, as compared to the Project, but the Alternative's incremental contribution to the impact on freeway ramp junctions would also be significant.

Air Quality

Under the Reduced Intensity Alternative, the reduction in retail square footage would result in a significant decrease in the total number of Project-related vehicle trips. As a result, emissions of criteria pollutants from commercial uses and automobiles would be reduced. Using the URBEMIS computer modeling program, the total operational emissions for the Reduced Intensity Alternative were projected to be approximately 320 lbs/day of ROG; and 300.1 lbs/day of NOx. Emissions of ROG and NOx associated with the Project were determined to be approximately 367 lbs/day of ROG and 354 lbs/day of NOx, reduced to 309 lbs/day of ROG and 465 lbs/day of NOx with implementation of the AQMP endorsed by SMAQMD on April 27, 2009.

The Reduced Intensity Alternative would result in lower levels of ROG and NOx emissions than the Project; however, both the emissions estimates for the Project and this Alternative would exceed the SMAQMD's 65 lbs/day significance threshold for ROG and NOx, causing the impact to remain significant and unavoidable. As a result, the Reduced Intensity Alternative would result in slightly reduced impacts to air quality, as compared to the Project, but a significant and unavoidable impact would remain.

Feasibility/Relationship of Alternative to Project Objectives

The concept of "feasibility" encompasses the question of whether a particular alternative or mitigation measure promotes existing City policies, as well as the underlying goals and objectives of a Project. (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 715.) The Reduced Intensity Alternative would meet Project objectives, but to a lesser extent than the Project. Because only half as much development would occur under the

Reduced Intensity Alternative, objectives related to development of retail and regional commercial land uses, creation of a development that will foster economic and employment opportunities; and developing a Project that will ultimately provide a mix of uses, including residential, hotel, office, medical and retail will be met, but to a lesser extent than under the Project. (DEIR, p. 3-8.) In addition, the objectives relating to the provision of essential healthcare and emergency room service options will be met under the Alternative inasmuch as the same amount of hospital use will be provided; however, only half as much medical office use would be developed.

“‘[F]easibility’ under CEQA also encompasses ‘desirability’ to the extent that desirability is based on a reasonable balancing of the relevant economic, environmental, social, and technological factors.” (*City of Del Mar v. City of San Diego* (1982) 133 Cal.App.3d 410, 417; *Sequoyah Hills Homeowners Assn. v. City of Oakland* (1993) 23 Cal.App.4th 704, 715.)

Further, the Reduced Intensity Alternative would reduce the number of potential jobs and revenue-creating development. Specifically, while the proposed Project would generate over \$1.4 billion in construction output and \$5.6 million in construction employee income, this would be significantly reduced under the Reduced Intensity Alternative, given that all construction except for associated with the hospital would be reduced by half. In addition, the \$1.4 billion in ongoing annual output and \$7 million in annual employee income expected under the Project would be significantly reduced under the Reduced Intensity Alternative.

Further, revenues to the City will be reduced under the Reduced Intensity Alternative. Property tax revenues of the Project, projected to be nearly \$18 million will be reduced by half under the Reduced Intensity Alternative because all uses other than the hospital will be reduced by half and the hospital is expected to operate as a non-profit and therefore will not be subject to property taxes. (*Natomas Crossing Economic Analysis*, p. 18.) Further, the sales tax revenues of nearly \$20 million will be reduced by half under the Reduced Intensity Alternative.

The Reduced Intensity Alternative’s desirability is not on balance with the Project in terms of its economic, environmental, social and technological elements. The Project is the more desirable choice for the community and the region. Therefore, the Reduced Intensity Alternative is rejected as infeasible.

Environmentally Superior Alternative

In addition to the discussion and comparison of impacts of the alternatives to the Project, CEQA requires that an “environmentally superior” alternative be selected from among the range of reasonable alternatives, and the reasons for such selection disclosed. In general, the environmentally superior alternative is the alternative that would generate the fewest or least severe adverse impacts. However, CEQA Guidelines section 15126(e)(2) requires that, if the environmentally superior alternative is the ‘no Project’ alternative, another alternative be identified as the environmentally superior alternative.

Based on the comparison of the Project with the Alternatives presented above, the No Project – Existing Zoning Alternative would be the environmentally superior alternative. However, the Reduced Intensity Alternative was selected as the environmentally superior alternative because CEQA does not permit selection of a “no Project” alternative.

The Reduced Intensity Alternative would be the environmentally superior alternative to the Project because the Reduced Intensity Alternative would result in the addition of fewer vehicle trips to the freeways and roads serving the Project area and air quality impacts would be reduced due to the reduction of vehicle trips. While impacts would be reduced, however, significant and unavoidable impacts related to transportation and circulation and air quality would be expected to remain under the Reduced Intensity Alternative.

While CEQA requires identifying an environmentally superior alternative, the purpose is to assist decision makers in considering project approval. CEQA does not require an agency to select the environmentally superior alternative for approval. For the reasons discussed above, the Reduced Intensity Alternative has been rejected as infeasible.

D. Consistency with Plans

The EIR evaluated the Project to determine whether it is consistent with applicable plans, policies, and regulations. The relevant plans, policies, and regulations are summarized below. The Project is generally consistent with, and promotes, the City’s adopted planning and land use goals.

2030 General Plan

The 2030 General Plan designates the Project site as Planned Development. Policy 10.1.4 of the 2030 General Plan states “[t]he City shall require areas designated Planned Development on the Land Use and Urban Form Diagram be developed consistent with the General Plan’s Vision and Guiding Principles and obtain a General Plan Amendment to designate the area consistent with the Project using the appropriate designations contained in the Land Use and Urban Design Element.” (Emphasis added.) The Project is seeking a General Plan Amendment from PD to Regional Center (RC) for Quadrant B (40.8 gross acres), from PD to RC for Quadrant C (52.9 gross acres), and from PC to Employment Center-Mid Rise (EC-MR) for Quadrant D (39.8 gross acres).

Several of the goals and policies in the General Plan provide for the intensification, redevelopment, and revitalization of Sacramento’s uniquely identifiable centers that are defined by their common functional role, mix of uses, density/intensity, physical form and character, and/or environmental setting as places for commerce, employment, entertainment, culture, and living. Pedestrian-oriented activities are encouraged with plazas, cafes, bookstores, and restaurants that draw a variety of people and offer a welcome setting. Policies accommodate development of property exclusively for commercial and employment uses (without housing) and/or mixed-use Projects that integrate housing with retail, office, community facilities, and other uses within the same

structure or on the same site.

It should be noted that, in addition to being consistent with 2030 General Plan goals and policies related to smart growth, the Project applicant is seeking certification under the in the “Leadership in Energy and Environmental Design” (LEED) Green Building Rating System, which is the nationally accepted benchmark for the design, construction, and operation of high performance green buildings. The LEED Rating System is the most comprehensive program available to help design teams implement sustainable development practices. LEED promotes a whole-building approach to sustainability by recognizing performance in five key areas of human and environmental health: sustainable site development, water savings, energy efficiency, materials selection, and indoor environmental quality. The Green Building Council, which administers the Green Building Rating System, has reviewed Project plans and made suggested changes to the Project. Based on incorporation of these suggested changes into Project design, the Project has received pre-certification for a “Silver” LEED rating for Buildings 15 through 20 on Quadrant C. Certification under the LEED Green Building Rating System will occur once the Project has been built and use of the approved sustainable development practices can be confirmed.

General Plan Regional Commercial Designation

General Plan Goal 5.4 applies to Regional Centers, and establishes an overall goal to “establish major mixed-use activity centers through development and reinvestment in existing regional commercial centers that are vibrant, regionally accessible destinations where people live, work, shop, and congregate in a mix of retail, employment, entertainment, and residential uses.” The Project would meet this goal by establishing in Quadrants B and C a regional commercial center that would provide a mix of retail, commercial, restaurant and employment uses, including a large format retail pad for a home improvement center.

The Project as a whole introduces both housing and employment uses, and establishes pedestrian-oriented shopping areas and public spaces, consistent with Policy 5.4.1. The Project’s retail component has been designed to evoke a “Main Street” feel coupled with a modern influence, and the Design Guidelines for the Project establish a public plaza space that encourages outdoor dining, provides access for bicyclists, proximity to transit, easy access to surrounding freeways and roadways, and a pleasant walking experience for pedestrians.

As discussed in the PUD Guidelines, the Project achieves consistency with Policy 5.4.3 by providing pedestrian and bicycle connections between surrounding uses. An off-street bike path within the freeway buffer, which is part of the regional bikeway system, provides community connectivity. The Project site offers a bike plaza with lockers to encourage alternate transportation to the site. Designated bike lanes through the site provide connectivity from the bike path to East Commerce Way. In addition, the site is connected for pedestrian use through meandering walkways, and connections have been located to connect the major tenants to the shops and restaurant pads. The pedestrian connectivity

has been designed to link all buildings to each other, as well as to the public sidewalks, bus stops, parking areas, and adjacent developments. The Project would also be positioned in close proximity to local bus service (future bus stops will be located along East Commerce Way) and the future Downtown-Natomas-Airport rail line's planned Natomas Marketplace and Arena Boulevard Stations.

General Plan Employment Center Mid-Rise Designation

The EC designation provides for large mixed-use office/employment centers that include the following: mid-rise office complexes; support retail and service uses, such as restaurants, dry-cleaners, gym/fitness centers, markets, hotels, and office services (e.g., printing/copying/shipping); landscaped gathering places that include support uses; residential uses as a supportive mixed use or adjacent to large employment center; and compatible public, quasi-public, and special uses. The EC-Mid Rise designation allows a density of 18 to 60 du/acre and an FAR of 0.35 to 2.0. The Project includes development of a 600,000 square foot medical office campus and a 600,000 square foot hospital, consistent with the General Plan designation for public and quasi-public uses.

Employment Center Mid Rise areas are specifically discussed in the General Plan as playing a critical role in accommodating new businesses and creating new jobs. The combination of high-density buildings and low site coverage in existing employment centers provides the opportunity for new infill development in these areas with complementary uses that transform the existing single-use areas into more self-sufficient mixed-use areas with reduced dependence on automobile transportation.

The Project includes employment intensive uses including medical office buildings and a hospital in Quadrant D, consistent with the General Plan's policies encouraging medical offices and "campus environments." Accessory support uses such as regional and community retailers are located in adjacent Quadrant C. The Project as a whole will also provide a housing component near to the employment centers, with the 180 residential units proposed for future development in Quadrant B.

The Project's urban design, consistent with policy 7.1.4, is focused on interconnectivity, walkability, and a campus environment. In addition, development of the proposed hospital and medical campus is consistent with the General Plan goals and policies focused on reducing vehicle miles traveled and commute times and decreasing greenhouse gas emissions (e.g., policies LU 1.1.1, LU 5.1.2, LU 5.4.1, and LU 7.1.2). Currently, residents who reside in and near North Natomas access most in- and out-patient services at hospitals located at 2801 L Street and 1650 Response Road, which are located greater than five miles, generally south of the Project site (see Figure 3-6). The most direct route from the North Natomas area to the hospital at 2801 L Street is via I-5. The most direct route to the hospital on 1650 Response Road is via I-5 and I-80. The development of a hospital is anticipated to reduce travel distance for residents living in and near Natomas who currently access medical services at Response Road and L Street facilities, which would reduce traffic on regional routes such as I-5 and I-80.

General Plan Policy ED 2.1.4 states that “the City shall work to improve the quality of life in the city to retain existing skilled workers and attract skilled workers from beyond the region.” Policy ED 1.1.7 states that “the City shall attract and retain long-term, economically sustainable businesses.” The Project’s proposed hospital and medical campus will achieve both of these important goals by drawing skilled medical professionals to Sacramento and providing a long-term sustainable hospital and related medical uses. (DEIR, pp. 4.1-16 to 4.1-18.)

Analysis of Greenhouse Gas Emissions

On April 13, 2009, the Governor’s Office of Planning and Research submitted to the Secretary for Natural Resources its proposed amendments to the state CEQA Guidelines for greenhouse gas emissions, as required by Senate Bill 97. Once formally adopted by the Natural Resources Agency, these proposed CEQA Guideline amendments would provide guidance to public agencies regarding the analysis and mitigation of the effects of greenhouse gas emissions in draft CEQA documents. While not yet finalized, the proposed regulations provide, among other things, that lead agencies may analyze and mitigate the effects of greenhouse gas emissions at a programmatic level, such as in a general plan, and later project-specific environmental documents may tier and/or incorporate by reference that existing programmatic review. (Proposed CEQA Guidelines, § 15183.5.)

While the Project EIR did not expressly tier off of the 2030 General Plan analysis of greenhouse gas emissions because it was drafted prior to release of the proposed CEQA Guidelines, the 2030 General Plan does include a programmatic analysis of the effects of greenhouse gas emissions and the Project EIR is consistent with the 2030 General Plan analysis. General Plan 2030 includes goals and policies to reduce greenhouse gas emissions in the Environmental Resources, Air Quality, Mobility, Land Use and Urban Design, Economic Development, Public Health and Safety, Utilities, Education, Recreation and Culture Elements of the General Plan. Policies specific to air quality and climate change are contained in Policies ER 6.1.1 through 6.1.6, 6.1.8, 6.1.12 and 6.1.16. (See DEIR, pp. 4.4-12 – 4.4-13.) These policies are intended to support the State’s efforts to significantly reduce its contribution to global climate change and associated impacts pursuant to Executive Order S-3-05 and AB 32.

As discussed in the Draft EIR prepared for the Project, several state and local agencies have been considering methods to reduce the impacts associated with global climate change. These statewide emission reduction strategies and measures would result in a substantial decrease in statewide emissions to levels far below current background levels. Of the approximately 228 strategies and measures that would ensure a statewide reduction in GHG emissions that are currently under consideration by the California Air Pollution Control Officers Association (CAPCOA), the California Air Resources Board (CARB), and California Attorney General, 24 strategies and measures would apply to the proposed project. The other policies are not applicable to the proposed project because they are directed at State entities (e.g., CARB), are planning-level measures (e.g., for general plans, like the 2030 General Plan), or apply to particular industries (e.g., auto repair). Table 4.4-14 of the Draft EIR lists the measures from the California Attorney General’s office that are

applicable to the Project and indicates whether, and how, the project would conform to the measures. (DEIR, pp. 4.4-37 – 4.4-38.) As shown in Table 4.4-14, the Project would be in compliance with each of the 24 applicable State climate change strategies.

The Project incorporates numerous land use, conservation, renewable energy, and transportation measures designed to reduce contributions to global warming, consistent with the most current recommendations by the Attorney General. For example, Mitigation Measure 4.4.3, developed in consultation with the Air District as part of the Project's Air Quality Management Plan, requires energy efficient building design, and cool roofs; Measure 4.4-9 requires various water conservation and efficiency measures such as water efficient landscapes and irrigation systems; Measure 4.4-1 limits idling time for construction vehicles; and Measure 4.4-3 requires bicycle parking areas in commercial Projects. The Project design and Project PUD Guidelines ensure development of a mixed-use Project that will support the reduction of vehicle trips, promote alternatives to individual vehicle travel, and promote efficient delivery of services and goods – all of which help reduce greenhouse gas emissions.

In addition, the Project is consistent with the General Plan policies that address climate change that are applicable to the Project. (See General Plan Policies LU 2.1.3, 2.1.4, 2.1.5, 2.3, 2.3.1, 2.5.1, 2.5.2, 2.6.1, 2.6.3, 2.6.6, 2.7.7, 2.7.6, 4.1.1, 4.1.3, 4.2.1, 4.4.6, 4.5.3, 5.1.1, 5.1.2, 5.2.3, 5.4.3, 6.1.8, 6.1.10, 6.1.12, 7.1.2, 7.1.3, 7.1.4, 7.1.5, 9.1.1, 9.1.4, 10.1; ED 1.1.7, 3.1.1; M 1.3.1, 1.3.2, 1.4.2, 1.4.3, 1.4.4, 2.1.2, 2.1.3, 2.1.4, 2.1.5, 2.1.6, 2.1.7, 2.1.10, 3.1.15, 3.1.16, 4.1.6, 4.2.1, 4.2.2, 4.2.3, 5.1.2, 5.1.4, 5.1.6, 5.1.7, 5.1.8, 5.1.9, 5.1.10, 5.1.11; U 5.1.7, 6.1.7, 6.1.12; ERC 2.1.2; ER 3.1.2, 3.1.6, 3.1.7, 4.2.2, 6.1.1, 6.1.2, 6.1.5, 6.1.6, 6.1.9, 6.1.12.) The Project is therefore consistent with the City of Sacramento General Plan 2030 polices and goals related to the reduction of greenhouse gas emissions that are applicable at a project-level. (Compare DEIR, pp. 4.4-37 – 4.4-38 and Sacramento 2030 General Plan EIR, pp. 91-150.)

Again, it should also be noted that the Project has received pre-certification for a “Silver” LEED rating for Buildings 15 through 20 on Quadrant C. Certification under the LEED Green Building Rating System will occur once the Project has been built and use of the approved sustainable development practices can be confirmed.

North Natomas Community Plan

The Project is also consistent with the North Natomas Community Plan. Pursuant to General Plan Policy CP 1.1.5, “The City shall not prepare or adopt a separate community plan land use diagram as part of the community planning process. Community plans shall refer to and be consistent with the General Plan Land Use and Urban Form Diagram. As community plans are prepared, updated, or amended, the City shall review the citywide Land Use and Urban Form Diagram and shall amend the diagram as appropriate using the designations in the citywide Land Use and Urban Design Element to reflect community issues related to infill, redevelopment, reuse, and new growth.” Consistent with this policy, the 2030 North Natomas Community Plan (NNCP) designation for the Project site is PD. As discussed above, the Project is seeking a General Plan Amendment from PD to RC and to EC-MR. The Project is consistent with these North Natomas Community Plan policies.

(DEIR, p. 4.1-18.)

Zoning Code

In addition, the Project is consistent with the City of Sacramento Zoning Ordinance. The Project proposes a rezone to accommodate the proposed regional commercial center. Specifically, the applicant is requesting that 83.4 acres of the Project site in Quadrants B and C be rezoned to Shopping Center (SC) (74.7), and 8.7 acres in Quadrant C zoned from EC-40 to EC-50, and 36.4 acres in Quadrant D from EC-40 to EC-50. The proposed zoning changes would bring the Project into consistency with the 2030 General Plan designation and anticipated commercial uses of the Project. (DEIR, p. 4.1-18.)

E. Statement of Overriding Considerations.

Pursuant to CEQA Guidelines section 15092, the City Council finds that, in approving the Project, it has eliminated or substantially lessened all significant and potentially significant effects of the Project on the environment where feasible, as shown in Sections A through D. The City Council further finds that it has balanced the economic, legal, social, technological, and other benefits of the Project against the remaining unavoidable environmental risks and has determined that those benefits outweigh the unavoidable environmental risks and that those risks are acceptable. The City Council makes this statement of overriding considerations in accordance with section 15093 of the Guidelines in support of approval of the Project.

Statement of Overriding Considerations:

The Project Incorporates Smart Growth Principles, Including Those Of Sacramento Area Council Of Government's Blueprint Plan.

The Sacramento Area Council of Governments (SACOG) adopted the Sacramento Region Blueprint Transportation and Land Use Study Preferred Blueprint Scenario (Blueprint) in December, 2004. The Blueprint is a vision for long-term land uses within the Sacramento region that promotes compact, mixed use development over the type of lower density, sprawling land uses emblematic of past regional growth and development. The overall goal of the Blueprint is to advocate more efficient land use planning that reduces vehicle miles travelled.

The Blueprint designates that the Project site should be developed as medium density, mixed use center or corridor. The Project's mix of regional retail uses, residential units, and medical office and hospital facilities, is consistent with the Blueprint's mixed use designation. The Project would be consistent with the smart growth principles identified in the Blueprint by focusing on compact development to maximize use of existing land; offering a range of mixed land uses; using existing assets by infilling or intensifying the use of parcels in urbanized areas; encouraging a distinctive, attractive community with high quality design through the PUD Guidelines; and providing transportation choices to encourage people to walk, ride bicycles, ride the bus, ride light rail, take the train, or car

pool.

The Project exemplifies Smart Growth Blueprint design by providing mixed uses (i.e., residential, retail, medical office, commercial and hospital land uses) on the Project site. As designed, the Project will provide for housing proximate to existing employment centers and adjacent to the Project's planned large format retail pad, supporting commercial and retail uses, and a 600,000 square foot medical office campus and 600,000 square foot hospital. Importantly, the Project is expected to reduce vehicle miles travelled, which is a cornerstone of the Blueprint principles. The site will also be easily accessed by the I-5 traveler, and by providing local health services in North Natomas, the Project will reduce the need of residents of Natomas and north County communities to travel greater than five miles. (See DEIR, pp. 3-8; 4.1-15 to 4.1-16.) It should also be noted that the Project has received pre-certification for a "Silver" LEED rating for Buildings 15 through 20 on Quadrant C.

An additional benefit of the Blueprint's goal of more compact, smart growth patterns is a reduction in greenhouse gas emissions which will assist the region in achieving emerging targets and goals under AB32 and SB 375, which were adopted after the Blueprint. As described above under Section D, the Project is consistent with this goal.

The Project would also provide a variety of transit opportunities including walking and bicycling, and would be positioned in close proximity to local bus service (future bus stops will be located along East Commerce Way) and the future Downtown-Natomas-Airport rail line's planned Natomas Marketplace and Arena Boulevard Stations. By mixing the needs of the local community and regional shoppers through a mix of retail, residential and commercial uses, and reducing overall vehicle miles traveled, the Project is consistent with Blueprint principles. (See DEIR, pp. 4.1-15 to 4.1-16.)

The Project Will Provide Revenue To The City.

The Project will provide revenue to the City from sales taxes generated by the commercial portions of the Project, as well as increased property tax revenues to fund public services and facilities. According to the *Natomas Crossing Economic Analysis*, the Project will generate nearly \$20 million in sales tax revenue and nearly \$18 million in property tax revenue. In addition, the Project will generate \$2.5 million in utility tax revenue and \$8.6 million in transient occupancy tax. (See *Natomas Crossing Economic Analysis*, p. 14.)

The Project will also generate revenues to the City through payment of building fees and development impact fees. The Project is expected to generate \$26.6 million in impact fees at buildout. (See *Natomas Crossing Economic Analysis*, p. 16.)

Further, the creation of temporary construction jobs and permanent office and retail jobs will also financially benefit the City:

Permanent Jobs

Development of the Project would increase economic and employment activity in the North Natomas area of Sacramento. The Project would include 857,000 sq. ft. of regional and community serving retail, which would directly increase employment opportunities, along with 600,000 sq. ft. of medical office and 600,000 sq. ft. of hospital use. This is expected to generate 12,360 permanent jobs at buildout, which represents \$7 million in annual permanent employee income. (See *Natomas Crossing Economic Analysis*, p. 6.)

Construction Jobs

The Project is also expected to create a number of secondary jobs, as implementation of the Project would require construction jobs for the development of the buildings and associated site improvements. Such jobs will provide income and work experience for City residents and other workers and their families. Specifically, the Project is expected to create an average annual employment rate for construction of 930 jobs, which represents \$5.6 million in construction employee income.

The revenue generated as a result of the Project will benefit the City and other governmental agencies, and their residents and constituencies by providing needed revenue for provision of required services and amenities.

The Project Is Consistent With And Supportive Of Existing Adjacent Land Uses.

Approval of the Project would result in the development of a shopping center where Employment Center and Community Commercial uses are currently planned, and are needed in the community. Although many retail centers exist in the North Natomas area, the majority are community or neighborhood serving spaces including the Park Place shopping center which includes Raley's and Kohl's, and neighborhood serving drug stores, grocery stores and restaurants. The proposed Natomas Crossing Project will be a community shopping center. On a regional level, the Natomas Marketplace shopping center along Truxel Road contains Wal-Mart, Home Depot, Ross, Michael's, and other retail stores similar in demographic with stores planned for Natomas Crossing. The Project's retail component, combined with these existing and planned uses, will provide needed retail uses that meet demand and create a market synergy within the community and the region. In addition, the Project's retail uses will provide shopping and dining opportunities for the anticipated employees working at the proposed medical office campus and hospital. This influx of new workers would be expected to frequent the shopping center and serve as a base consumer group for the proposed retail and commercial uses.

The area to the east across East Commerce Way is the Natomas Field residential development. The Project is anticipated to be compatible with nearby residential uses, as convenient, smaller retail uses of the Project would front East Commerce Way while the larger retail pads of the Project would be located closest to the freeway, furthest away from the Natomas Field residential development. The area to the south of the Project is currently undeveloped and is anticipated for Employment Center uses. The southern portion of the Project site (Quadrant D) would be developed with a hospital and medical offices. Currently, there are not any hospitals in North Natomas, and residents seeking the nearest facility must travel greater than five miles. Locating a 600,000 square foot hospital and

600,000 square foot medical office campus on the Project site provides much needed services to residents of Natomas, surrounding communities and the region at large.

As an added benefit, providing medical services in a currently under-serviced area will reduce vehicle miles traveled by patients that would otherwise have to travel to distant hospitals and medical facilities. (DEIR, p. 3-8.) The overall reduction in trips would reduce freeway congestion and diesel particulate emissions. In addition, the Project would include the construction of traffic infrastructure to reduce potential traffic and safety hazards to less than significant levels. Traffic infrastructure would include the installation of right-turn signals along East Commerce Way and improvements to the intersection of Truxel Road and Arena Boulevard. Furthermore, East Commerce Way separates the Project site and the Natomas Field subdivision with a four-lane roadway that is planned to be widened to six lanes, thus the Project would be in excess of 100 feet from the nearest residential building. (DEIR, pp. 4.1-19 to 4.1-20.)

The Project Will Provide An Opportunity For Development Of Essential Healthcare And Emergency Room Services To The City.

The Project applicant recognizes that the region's growing population will require accessible health facilities, and has included 600,000 sq. ft. for a hospital, as well as 600,000 sq. ft. for medical office uses in the proposed Project. The Conceptual Hospital Site Plan also includes a heli-stop adjacent to the hospital building, which would provide life-saving transport services for critically ill patients from across Northern California.

The Project Will Reduce Vehicle Miles Traveled.

The Project will significantly reduce commute time and vehicle miles traveled for patients and residents of North Natomas who currently access medical services in other areas of the City. Currently, residents who reside in and near North Natomas access most in- and out-patient services at hospitals located at 2801 L Street and 1650 Response Road, which are located greater than five miles, generally south of the Project site (See Figure 3-6). The most direct route from the North Natomas area to the hospital at 2801 L Street is via I-5. The most direct route to the hospital on 1650 Response Road is via I-5 and I-80. The development of a hospital is anticipated to reduce travel distance for residents living in and near Natomas who currently access services in downtown, which would reduce traffic on regional routes such as I-5 and I-80. (DEIR, p. 3-8.)

Exhibit B

4	MITIGATION MONITORING PROGRAM
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4.0 INTRODUCTION

Section 15097 of the California Environmental Quality Act (CEQA) Guidelines requires all state and local agencies to establish monitoring or reporting programs for projects approved by a public agency whenever approval involves the adoption of either a “mitigated negative declaration” or specified environmental findings related to environmental impact reports.

The following is the Mitigation Monitoring Program (MMP) for the Natomas Crossing project. The project as approved includes mitigation measures to address impacts of the project. The intent of the MMP is to prescribe a means for properly and successfully implementing and enforcing the mitigation measures as identified within the Environmental Impact Report for this project. Unless otherwise noted, the cost of implementing the mitigation measures as prescribed by this MMP shall be funded by the applicant.

4.1 COMPLIANCE CHECKLIST

The MMP contained herein is intended to satisfy the requirements of CEQA as they relate to the Environmental Impact Report for the Natomas Crossing project prepared by the City of Sacramento. This MMP is intended to be used by City staff and mitigation monitoring personnel to ensure compliance with mitigation measures during project implementation. Mitigation measures identified in this MMP were developed in the Environmental Impact Report prepared for the proposed project.

The Natomas Crossing project Environmental Impact Report presents a detailed set of mitigation measures that will be implemented throughout the lifetime of the project. Mitigation is defined by CEQA as a measure which:

- Avoids the impact altogether by not taking a certain action or parts of an action;
- Minimizes impacts by limiting the degree or magnitude of the action and its implementation;
- Rectifies the impact by repairing, rehabilitating, or restoring the impacted environment;
- Reduces or eliminates the impact over time by preservation and maintenance operations during the life of the project; or
- Compensates for the impact by replacing or providing substitute resources or environments.

(CEQA Guidelines Section 15370.) The intent of the MMP is to ensure the effective

implementation and enforcement of adopted mitigation measures and permit conditions. The MMP will provide for monitoring of construction activities as necessary and in-the-field identification and resolution of environmental concerns.

Monitoring and documenting the implementation of mitigation measures will be coordinated by the City of Sacramento. The table attached to this report identifies the impact number, impact, mitigation measure, the monitoring agency for the mitigation measure, the implementation schedule, and signoff. The applicant will be responsible for fully understanding and effectively implementing the mitigation measures contained within the MMP. The City of Sacramento will be responsible for ensuring compliance.

4.2 MITIGATION MONITORING PROGRAM

The following table indicates the mitigation measure number, the impact the measure is designed to address, the measure text, the monitoring agency, implementation schedule, and an area for sign-off indicating compliance.

MITIGATION MONITORING PROGRAM NATOMAS CROSSING					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
4.2 Transportation and Circulation					
4.2-1	Intersections.	<i>4.2-1 East Commerce Way and Arena Boulevard – The project applicant shall add southbound, westbound, and eastbound exclusive right turn signal phases to this intersection. The project applicant shall provide funding to the City Traffic Operations Center (TOC) to monitor and retime the traffic signal. This mitigation shall be implemented on or before 80 percent of development as measured by a.m. peak hour trip generation, 60 percent of development as measured by p.m. peak hour trip generation, and 65 percent of development as measured by Saturday peak hour trip generation. This mitigation measure improves intersection operating conditions to LOS “C” (21.9 seconds average delay) during the a.m. peak hour, LOS “C” (34.2 seconds average delay) during the p.m. peak hour, and LOS “C” (29.2 seconds</i>	Community Development Department Department of Transportation	On or before 80 percent of development as measured by a.m. peak hour trip generation, 60 percent of development as measured by p.m. peak hour trip generation, and 65 percent of development as measured by Saturday peak hour trip generation	

MITIGATION MONITORING PROGRAM NATOMAS CROSSING					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
		<i>average delay) during the Saturday peak hour. This mitigation measure would reduce the impact of the project to a less-than-significant level.</i>			
4.2-6	Pedestrian and Bicycle Circulation Impacts.	<i>4.2-6 Prior to the issuance of building permits, the project applicant shall identify the necessary on- and off-site pedestrian and bicycle facilities to serve the proposed development to the satisfaction of the City of Sacramento Traffic Engineering Division. These facilities shall be incorporated into the project and could include sidewalks, stop signs, standard pedestrian and school crossing warning signs, lane striping to provide a bicycle lane, bicycle parking, signs to identify pedestrian and bicycle paths, raised crosswalks, and pedestrian signal heads. Sidewalks would be required as part of the frontage improvements along all new roadway construction in the project vicinity in</i>	Community Development Department Department of Transportation	Prior to the issuance of building permits	

MITIGATION MONITORING PROGRAM NATOMAS CROSSING					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
		<i>conformance with City design standards. Circulation and access to all proposed public spaces shall include sidewalks that meet Americans with Disabilities Act standards. This mitigation measure would reduce the impact of the project to a less-than-significant level.</i>			
4.2-8	Parking Impacts.	<i>4.2-8 The project shall provide parking in accordance with City zoning requirements. Table 4.2-20 summarizes the parking requirement based upon the City zoning code. This mitigation measure would reduce the impact of the project to a less-than-significant level.</i>	Community Development Department Department of Transportation	Prior to the approval of final site plan(s)	
4.2-17	Construction.	<i>4.2-17 Prior to beginning of construction, a construction traffic and parking management plan shall be prepared by the applicant to the satisfaction of the City traffic engineer and subject to review by all affected agencies. The plan shall</i>	Community Development Department Department of Transportation	Prior to the beginning of construction	

MITIGATION MONITORING PROGRAM NATOMAS CROSSING					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
		<p><i>ensure that acceptable operating conditions on local roadways and freeway facilities are maintained. At a minimum, the plan shall include:</i></p> <ul style="list-style-type: none"> • <i>The number of truck trips, time, and day of street closures.</i> • <i>Time of day of arrival and departure of trucks.</i> • <i>Limitations on the size and type of trucks, provision of a staging area with a limitation on the number of trucks that can be waiting.</i> • <i>Provision of a truck circulation pattern.</i> • <i>Provision of driveway access plan so that safe vehicular, pedestrian, and bicycle movements are maintained (e.g., steel plates, minimum distances of open trenches, and private vehicle pick up and drop off areas).</i> • <i>Maintain safe and efficient</i> 	City Traffic Engineer		

MITIGATION MONITORING PROGRAM NATOMAS CROSSING					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
		<p style="text-align: center;"><i>access routes for emergency vehicles.</i></p> <ul style="list-style-type: none"> • <i>Manual traffic control when necessary.</i> • <i>Proper advance warning and posted signage concerning street closures.</i> • <i>Provisions for pedestrian safety.</i> <p><i>A copy of the construction traffic management plan shall be submitted to local emergency response agencies and these agencies shall be notified at least 14 days before the commencement of construction that would partially or fully obstruct roadways. Implementation of the mitigation measure would reduce this impact to less-than-significant.</i></p>			
4.2-18	Intersections.	4.2-18(a) <i>Arena Boulevard and I-5 Northbound Ramps – The project applicant shall pay a fair share contribution toward future restriping of the northbound ramp approach to the</i>	Community Development Department Department of	Prior to the issuance of building permits	

MITIGATION MONITORING PROGRAM NATOMAS CROSSING					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
		<p><i>intersection to provide a single left turn lane and a triple right turn lane, subject to review and approval by Caltrans. This mitigation measure improves intersection operating conditions to LOS "B" (18.1 seconds average delay) during the Saturday peak hour and would reduce the impact of the project to a less-than-significant level.</i></p> <p>4.2-18(b) <i>East Commerce Way and Del Paso Road – The project applicant shall pay a fair share contribution toward adding a northbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City's TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS "E" (73.0 seconds average delay) during the Saturday peak hour and would reduce the impact of the</i></p>	<p>Transportation</p> <p>Community Development Department</p> <p>Department of Transportation</p>	<p>Prior to the issuance of building permits</p> <p>Prior to the</p>	

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		<p><i>project to a less-than-significant level.</i></p> <p>4.2-18(c) <i>East Commerce Way and Arco Arena Main Entrance / Road B3 – The project applicant shall pay a fair share contribution toward adding a westbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City’s TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS “D” (48.2 seconds average delay) during the p.m. peak hour and LOS “C” (25.9 seconds average delay) during the Saturday peak hour. This would reduce the impact of the project to a less-than-significant level.</i></p> <p>4.2-18(d) <i>East Commerce Way and Arena Boulevard – The project applicant shall pay a fair share</i></p>	<p>Community Development Department</p> <p>Department of Transportation</p> <p>Community Development Department</p> <p>Department of Transportation</p>	<p>issuance of building permits</p> <p>Prior to the issuance of building permits</p>	

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		<p><i>contribution toward adding exclusive right turn signal phases to all four approaches at this intersection, and provide a fair share contribution to the City's TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS "F" (92.0 seconds average delay) during the a.m. peak hour and LOS "D" (38.7 seconds average delay) during the Saturday peak hour. This would reduce the impact of the project to a less-than-significant level.</i></p> <p>4.2-18(e) <i>East Commerce Way and Natomas Crossing Drive – The project applicant shall pay a fair share contribution toward adding a northbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City's TOC to monitor and retime the traffic signal when needed. This</i></p>	<p>n</p> <p>Community Development Department</p> <p>Department of Transportation</p>	<p>Prior to the issuance of building permits</p> <p>Prior to the issuance of</p>	

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		<p><i>mitigation measure improves intersection operating conditions to LOS "E" (75.5 seconds average delay) during the p.m. peak hour and would reduce the impact of the project to a less-than-significant level.</i></p> <p>4.2-18(f) <i>East Commerce Way and Road D2 – The project applicant shall provide an eastbound double left turn lane, pay a fair share contribution toward adding an exclusive right turn signal phase to the southbound intersection approach, and provide a fair share contribution to the City's TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS "C" (28.5 seconds average delay) during the a.m. peak hour and LOS "C" (30.5 seconds average delay) during the p.m. peak hour. This would reduce</i></p>	<p>Community Development Department</p> <p>Department of Transportation</p> <p>Community Development Department</p>	<p>building permits</p> <p>Prior to the issuance of building permits</p>	

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		<p><i>the impact of the project to a less-than-significant level.</i></p> <p>4.2-18(g) <i>East Commerce Way and San Juan Road – The project applicant shall pay a fair share contribution toward adding a westbound exclusive right turn signal phase to this intersection, and provide a fair share contribution to the City’s TOC to monitor and retime the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS “D” (36.8 seconds average delay) during the a.m. peak hour and LOS “B” (14.5 seconds average delay) during the p.m. peak hour. This would reduce the impact of the project to a less-than-significant level.</i></p> <p>4.2-18(h) <i>Truxel Road and Arena Boulevard – The project applicant shall pay a fair share contribution toward adding an eastbound exclusive right turn</i></p>	<p>of Transportation</p> <p>Community Development Department</p> <p>Department of Transportation</p>	<p>Prior to the issuance of building permits</p>	

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		<p><i>signal phase to this intersection, and provide a fair share contribution to the City's TOC to monitor and retune the traffic signal when needed. This mitigation measure improves intersection operating conditions to LOS "E" (72.0 seconds average delay) during the a.m. peak hour and LOS "C" (32.7 seconds average delay) during the Saturday peak hour. This would reduce the impact of the project to a less-than-significant level.</i></p>			
4.2-20	Freeway Mainline.	<p><i>4.2-20 The project applicant shall pay development fees for infrastructure projects as outlined in the North Natomas Financing Plan ("NNFP") as its required share of all freeway-related improvements. In addition to payment for freeway related improvements, ramps and interchanges, the North Natomas Finance Plan includes a share of the Downtown Natomas Airport Light Rail</i></p>	<p>Community Development Department Department of Transportation</p>	<p>Pay NNFP and PFF fees prior to issuance of building permit</p>	

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		<p><i>Extension (DNA) project costs. The DNA project provides future congestion relief for both the I-80 and I-5 freeways and is included in the Metropolitan Transportation Plan.</i></p> <p><i>In conjunction with the North Natomas Community Plan (“NNCP”) and the NNFP, in 1994 the City of Sacramento prepared the North Natomas Freeway-Related Improvements Study (the “Kittleson Report”), which analyzed freeway-related impacts associated with development of the NNCP. The Kittleson Report recommended various improvements to the freeway mainlines, auxiliary lanes and interchanges and estimated that 43 percent of the cost for the proposed improvements are attributable to North Natomas. The Kittleson Report was discussed in further detail in the NNFP, which, in order to</i></p>			

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		<p><i>implement the Kittleson Report, provides that a portion of the PFF will be earmarked for the freeway-related improvements identified in the Kittleson Report.</i></p> <p><i>Payment of the PFF fees cannot assure that impacts at the freeway ramp junctions will be reduced to a less than significant level. To partially offset these impacts, the applicant will pay its required share of freeway-related improvements by paying the PFF. Nevertheless, given the uncertainty regarding the timing and completion of the proposed freeway improvements and because the California Environmental Quality Act (Pub. Resources Code, §21000 et seq.) defines “feasible” for these purposes as capable of being accomplished in a successful manner with a reasonable period of time, taking into account economic,</i></p>			

<p align="center">MITIGATION MONITORING PROGRAM NATOMAS CROSSING</p>					
Impact Number	Impact	Mitigation Measure	Monitoring Agency	Implementation Schedule	Signoff
		<i>environmental, social, and technological factors (Pub. Resources Code, Section 21061.1), the impacts of the project on the freeway mainline would remain significant and unavoidable.</i>			
4.2-21	Freeway Ramp Junctions.	<i>4.2-21 Implement Mitigation Measure 4.2-20. Payment of the PFF fees cannot assure that impacts at the freeway ramp junctions will be reduced to a less than significant level. To partially offset these impacts, the applicant will pay its required share of freeway-related improvements by paying the PFF. Nevertheless, given the uncertainty regarding the timing and completion of the proposed freeway improvements and because the California Environmental Quality Act (Pub. Resources Code, §21000 et seq.) defines “feasible” for these purposes as capable of being accomplished in a successful manner with a reasonable period of time,</i>	See Mitigation Measure 4.2-20	See Mitigation Measure 4.2-20	

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		<i>taking into account economic, environmental, social, and technological factors (Pub. Resources Code, Section 21061.1).The impacts of the project on the freeway ramp junctions would remain significant and unavoidable.</i>			
4.2-22	Freeway Ramp Queuing.	<i>4.2-22 Implement Mitigation Measure 4.2-18(a). This mitigation measure would reduce the queue to 2,175 feet and would increase the available storage space for the right turn movement to 3,135 feet. This would reduce the impact of the project to a less-than-significant level.</i>	See Mitigation Measure 4.2-18(a)	See Mitigation Measure 4.2-18(a)	
4.3 Noise					
4.3-2	Loading dock and truck circulation noise impacts.	<i>4.3-2 In conjunction with the submittal of a site plan for Quadrant B, the applicant shall retain a qualified acoustical consultant to prepare a site-specific noise analysis for Quadrant B. If the report determines that on-site operations would exceed the City of Sacramento significance</i>	Community Development Department	In conjunction with the submittal of a site plan for Quadrant B	

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		<i>thresholds, which are 45 dB Ldn for interior noise levels at residential uses and 60 dB Ldn for exterior noise levels at outdoor common areas, the report shall include recommendations to reduce noise below the City's applicable noise level standards, for the review and approval of the Community Development Department. If the report determines that on-site operations would not exceed the City of Sacramento significance thresholds, further mitigation is not required.</i>			
4.3-3	Rooftop HVAC noise impacts.	<p>4.3-3(a) <i>Implement Mitigation Measure 4.3-2 for Quadrant B.</i></p> <p>4.3-3(b) <i>Prior to the issuance of a building permit for the Central Utility Plant (CUP) building located adjacent to the proposed parking structure on Quad D, the overall noise levels associated with the CUP building's typical operations shall not exceed 45 dB Ldn for</i></p>	<p>See Mitigation Measure 4.3-2</p> <p>Community Development Department</p>	<p>See Mitigation Measure 4.3-2</p> <p>Prior to the issuance of a building permit for the Central Utility Plant (CUP) building located adjacent to the proposed</p>	

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		<p><i>interior noise levels and 60 dB Ldn for exterior noise levels at the nearest residence, as demonstrated by an acoustical consultant for the review and approval of the Community Development Department. Mitigation measures shall include the use of silencers or acoustical louvers on openings for air intake or exhaust, and locating openings for air intake and exhaust on the opposite sides of the building from residences to the east. In addition, emergency generators shall be equipped with hospital grade mufflers to reduce the overall noise levels associated with their operations during periods of power failures or other emergencies. Emergency generators shall be exercised during the daytime hours for a period of no more than 30 minutes to reduce the potential for annoyance.</i></p>		<p>parking structure on Quadrant D</p>	
4.3-6	Traffic noise levels at proposed on-site	4.3-6 <i>In conjunction with the submittal of a site plan for Quadrant B,</i>	Community Development	In conjunction with the	

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	residential uses.	<i>the applicant shall retain a qualified acoustical consultant to prepare a site-specific noise analysis for Quadrant B. If the report determines that noise levels for the residential portion of the site would exceed the City of Sacramento significance thresholds, which are 45 dB Ldn for interior noise levels at residential uses and 60 dB Ldn for exterior noise levels at outdoor common areas, the report shall include recommendations to reduce noise below the City's applicable noise level standards, for the review and approval of the Community Development Department. If the report determines that on-site operations would not exceed the City of Sacramento significance thresholds, further mitigation is not required.</i>	Department	submittal of a site plan for Quadrant B	
4.3-7	Traffic noise levels at the proposed hospital.	<i>4.3-7 Prior to issuance of a building permit for Quadrant D, the site plan(s) shall indicate that patient rooms and offices on</i>	Community Development Department	Prior to issuance of a building permit for Quadrant D	

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		<i>the west-facing facades of the hospital shall include windows with an STC rating of 40, windows on the north- and south-facing facades shall have an STC rating of 38, and windows on the east-facing facade shall have an STC rating of 35. The site plan(s) shall be submitted for the review and approval of the Community Development Department.</i>			
4.4 Air Quality					
4.4-1	Short-term increases of construction-generated emissions of criteria air pollutants.	<i>4.4-1(a) Prior to the issuance of any grading construction project, including owned, leased, and subcontractor vehicles, will achieve a project-wide fleet-average 20 percent NO_x reduction and 45 percent particulate reduction compared to the most recent CARB fleet average at the time of construction. Acceptable options for reducing emissions include the use of late-model engines, low-emission diesel</i>	SMAQMD Community Development Department	Prior to the issuance of any grading permit	

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		<p><i>products, alternative fuels, particulate matter traps, engine retrofit technology, after-treatment products, and/or such other options as become available.</i></p> <p>4.4-1(b) <i>Prior to the issuance of any grading permit, the project applicant/developer shall submit to the City and SMAQMD a comprehensive inventory of all off-road construction equipment, equal to or greater than 50 hp, that will be used an aggregate of 40 or more hours during any portion of the project. The inventory shall be updated and submitted monthly throughout the duration of the project, except that an inventory shall not be required for any 30-day period in which no construction operations occur. At least 48 hours before subject heavy-duty off-road equipment is used, the project representative shall provide the SMAQMD</i></p>	<p>SMAQMD Community Development Department</p>	<p>Prior to the issuance of any grading permit</p>	