



October 19, 2017

Via hand delivery and e-mail

Lisa Brinton
Senior Planner
City of Salinas Community Development Department
65 West Alisal St.
Salinas, CA 93901
lisab@ci.salinas.ca.us

Subject: LandWatch's comments on Salinas' Economic Development Element DEIR

Dear Ms. Brinton:

LandWatch Monterey County has reviewed the draft environmental impact report (DEIR) for the proposed project, which includes adoption of an Economic Development Element (EDE) as an additional element to the General Plan. We commend the City for acknowledging in the EDE the importance of infill and recognizing the need to revitalize a number of community centers—Alisal Market Place Plan; Downtown Vibrancy Plan; Chinatown Plan; Carr Lake Visioning; and Alisal Vibrancy Plan. We appreciate that the City is moving forward with specific plans for future growth areas within the City existing Sphere of Influence (SOI). It is also encouraging that the City significantly downsized the new future growth areas outside its SOI that were proposed in the last draft.

Nonetheless, although the EDE is improved in comparison to its original draft, it still proposes a pattern of low-density development on the periphery of the City that has characterized Salinas' development in recent years. This pattern of sprawl has fostered decay of Salinas' downtown, hampered reinvestment in its neighborhoods, and created a traffic congestion nightmare for its residents. The EDE proposes converting more than 500 acres of prime farmland into big box stores and other commercial uses, to the benefit of relatively few landowners and developers, even though more than 8,200 acres within the City's city limits and SOI remain undeveloped.

The DEIR fails to describe fully the economic, social, and environmental costs of this pattern of development. Critically, neither the DEIR nor the EDE explain why the employment benefits contemplated in the EDE cannot be integrated into development in the existing SOI at less environmental and social cost – either through the “no project alternative” or through an alternative that avoids sprawl development by mixed use and other infill strategies.

The City faces a critical choice: where to invest public funds and time, not just hard cash but also human resources, i.e., City staff and elected officials. If Salinas expands out, it cannot easily

invest in. Retail on the periphery of the City will cannibalize retail on the interior. It's happened to the City before, to many cities before, and it will happen again.

We don't, in fact, believe that the deficiencies we've identified in the DEIR can be corrected in the FEIR. The City must revise and recirculate an adequate DEIR. In doing this, we encourage the City to reject sprawl on the six Target Areas and refocus its efforts and resources on revitalizing its city center.

A. Overview

The EDE includes a wide spectrum of economic development programs, projects, policies and implementation actions. Policies include infrastructure commitments, such as constructing three new expressways. The EDE directs new development to six "Target Areas" containing a total of 558 acres. One of the Target Areas (115 acres) is located within the city limits within the Carr Lake area. The remaining five Target Areas (443 acres) are located outside of, but adjacent to, the City's SOI. The land use designations include *industrial* (147 acres), *retail* (279 acres) and *business park* (132 acres). The project also includes a SOI amendment, annexation, and special district attachment and detachment request for the five Target Areas. As discussed below, the EDE contains numerous other policies and actions outside of the Target Areas that commit the City to future development that will cause physical impacts on the environment, but the DEIR fails to evaluate these parts of the EDE project.

B. Project description does not justify SOI expansion.

The DEIR summarizes economic studies that the City has offered as a rationale for proposing to annex prime farmland in five "Target Areas" outside the existing Sphere of Influence. The rationale purports to link a population projection to a jobs requirement, and a jobs requirement to a requirement for new developable land, culminating in Table 6, purporting to demonstrate that the City must annex 442 acres of raw land in order to accommodate projected job growth in the industrial, office, and commercial sectors. DEIR, pp. 2-25 to 2-39.

1. Planning based on "ideal vision" of General Plan Buildout without a specified time frame.

The DEIR claims that 45,000 additional jobs are needed at General Plan buildout:

"Table 12 of the Salinas Economic Development Element Target Industry Analysis (Applied Development Economics 2013) in Appendix C of Volume II of the EDE identifies that approximately 45,000 jobs will be needed at General Plan buildout." DEIR, p. 2-31.

The Salinas Economic Development Element Target Industry Analysis states that AMBAG projects a 2035 population of only 172,499. EDE, App. C, p. 18, Table 11. Instead of using the 2035-planning horizon for which realistic population projections are available, the Table 12 projection of jobs is based on the "ideal vision" of the *buildout* scenario, with a population of 213,063:

"For the buildout scenario, the projections reflect more of an ideal vision of the number and distribution of jobs to represent a mature City economy with a full range of services and job opportunities." EDE, App. C, p. pp. 18-19.

In short, the basis of the claim that 45,000 new jobs are needed is based not on the AMBAG 2035 population projection but the “ideal vision” of a General Plan Buildout population, for which no timeframe is provided.

Table 12 of the Salinas Economic Development Element Target Industry Analysis projects that only 23,436 jobs are needed to accommodate population growth from 2010 to 2035. Table 12 projects that an additional 22,064 jobs would be needed to accommodate population growth from 2035 to General Plan buildout. Thus, only about half of the 45,000 jobs are actually needed to accommodate growth through the 2035-planning horizon.

Please explain why the analysis is based on the “ideal vision” and unspecified time horizon for General Plan buildout rather than the realistic AMBAG population projection for 2035.

Please explain what year or decade the General Plan buildout population is likely to be attained. Please relate this projection to population trends based on the AMBAG data.

2. Job projections totals are unclear.

The DEIR provides the following projection of job demand by job category:

“Demand for 20,843 jobs from industrial (including agricultural industrial), retail/commercial, and business park development is projected. The balance of 24,157 jobs is forecast to be generated from institutional (e.g. governmental, health care, etc.) and visitor-serving development.” DEIR, p. 2-31.

Please explain whether and how these figures were derived from Salinas Economic Development Element Target Industry Analysis. There appears to be no clear relationship.

Do these figures purport to be the demand for new jobs or total jobs?

If they are demand for new jobs, what is the period of analysis (e.g., is this the demand from 2010 to 2035, from 2010 to General Plan buildout, or some other period)?

If this is the demand for total jobs, what is the date at which that total demand is projected (e.g., 2035, General Plan buildout, or some other date)?

Table 12 of the Salinas Economic Development Element Target Industry Analysis projects a demand for new jobs from 2010 to 2035 in the industrial, office, and commercial sectors of 5,635 jobs (1,130+1,715+2,790 in the column headed “2010-2035 change”). Table 12 projects a demand for 9,249 new jobs from 2035 to General Plan buildout in the industrial, office, and commercial sectors of 9,249 jobs (3,193+4,856+1,195 in the column headed 2035-Buildout change”). In short, Table 12 projects only a total of 14,884 new jobs in the industrial, office, and commercial sectors from 2010 through General Plan Buildout.

Please reconcile this Table 12 projection for 14,884 new jobs through General Plan buildout in the in the industrial, office, and commercial sectors with the DEIR’s claim that demand for 20,843 jobs from these sectors is projected. DEIR, p. 2-31.

3. Land allocated for new commercial and office jobs, most of which is outside the SOI, far exceeds foreseeable demand.

The DEIR provides no evidence that there is actually demand in the foreseeable future for the proposed developable land. In fact, there is strong evidence to the contrary.

Table 12 projects that only 38% of the new jobs in the industrial, office, and commercial sectors would be required through the 2035 planning horizon (5,635 of the 14,884 jobs). The bulk of the new job demand is projected to materialize only in the aspirational General Plan buildout condition, for which the EIR provides no realization date.

OFFICE DEMAND: The EDE admits that current demand for office space is limited. EDE, App. D, City of Salinas Site Opportunities and Constraints, Nov. 2013, p. 9. Near term demand can be met through the City's 13.6 percent vacancy. *Id.*, p. 22. The EDE projects that demand for new office space would amount to only *47 acres* by 2035. Salinas Economic Development Element Target Industry Analysis, Table 12; DEIR, Table 7. Furthermore, the EDE concludes that uses with substantial employment density such as office uses should be "considered within locations closer to (or in) the Downtown Area to establish complementary economies of scale between the two areas." EDE, App. D, City of Salinas Site Opportunities and Constraints, Nov. 2013, p. 22. In short, it makes more sense to locate office development in the Downtown Area than to isolate it in a business park north of the City. Despite the lack of demand before 2035 and the fact that it makes more sense to develop office uses in the Downtown Area, the DEIR proposes that the City annex Target Area K right now to provide *132 acres* for business park development.

COMMERCIAL DEMAND: The commercial land demand projections do not support the proposed SOI expansion. The EDE projects that Salinas might possibly capture existing retail leakage (Salinas shoppers now shopping elsewhere that might be persuaded to shop in Salinas) that would support 45 to 63 acres of new development. EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 2. To accommodate growth through 2035, the EDE projects that "the maximum retail development scenario for Salinas due to new growth out to 2035 would be about 23 acres of retail development." *Id.* Note that these projections assume that Salinas merchants would capture the existing leakage and they would capture a large share of regional demand from shoppers outside Salinas.¹

The potential to capture the out-of-Salinas regional demand is speculative and admittedly uncertain:

"However, in the long-term, Salinas' position could be diminished if a retail center with large format retail anchors were to open elsewhere along the 101 corridor in southern Monterey County. Indeed, other communities south of Salinas have been looking into developing this type of retail center for more than a decade. If this type of development comes to fruition, then it would potentially curtail a significant portion of the spending potential away from Salinas." EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 16.

¹ The EDE projects that at most there may be new demand for new retail through 2035 of 255,769 square feet, and this assumes that Salinas retailers are able to capture a substantial share of the out-of-Salinas regional demand – 125,369 square feet of retail for this captured demand – because demand from Salinas households alone would be only 130,400 square feet. EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 16.

Even assuming this speculative capture, the EDE projects that new retail space demand through 2035 would be at most 86 acres (63 for capture of existing demand, 23 for Salinas household growth 2035, and additional regional capture). Despite this, the EDE and DEIR propose to designate 279 acres of new retail, of which 164 acres are outside the sphere of influence. DEIR, Tables 5, 7.

In sum, the new commercial designations in the Target Areas are more than three times the most optimistic projections of 2035 demand for retail space.

And all of the land needed to accommodate the retail space demand for new capture and growth through 2035 could be provided with the 115 acres proposed for designation as retail in the Carr Lake Target Area – *within the City limits*.

The EDE also projects retail demand through General Plan buildout, but it acknowledges that the buildout will not occur “for a very long time:”

“Projecting beyond 2035, Salinas currently has a projected buildout population of about 213,063. This equates to a growth rate of about 41.6 percent, and an incremental growth of 16,811 households (assuming a base year of 2010). By comparison, the projected growth rate for the period between 2010 to 2013 comes out to about 14.7 percent, *so the buildout scenario will not occur for a very long time unless growth accelerates.*” EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 19 (emphasis added).

Even if it made sense to designate retail development locations now for post-2035 demand that will not occur “for a very long time,” it makes no sense to designate *much more land* than might be required after this very long time. The EDE projects that “[t]he cumulative maximum supportable retail development to accommodate current demand, year 2035 demand and buildout demand is *125 acres.*” EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 3. Despite this, the DEIR and EDE propose to designate *279 new acres of retail, more than twice the land that would be needed through General Plan buildout.*

In sum, the EDE and DEIR are predicated on the assumption that market demand for retail and office space is many times greater than the most optimistic projections through 2035, and more than twice as high as the most optimistic projections through General Plan buildout, which the EDE acknowledges will not occur “for a very long time” after 2035.

The EDE and DEIR’s designation of new retail land use is not in fact based on a projection of likely retail demand. Instead, it is based on “an ideal vision of the number and distribution of jobs to represent a mature City economy with a full range of services and job opportunities.” EDE, Vol. 2, App. C, Salinas Economic Development Element Target Industry Analysis, pp. 18-19. That is, the EDE simply assumed that there would be a buildout population of 213,063 (vs. the 2035 projection of 172,499), that these folks would need jobs, and that jobs would materialize in the same proportions as they occur now. *Id.* Thus, for example, while the Salinas Retail Analysis, based on the most optimistic projection of possible retail demand though buildout, projected at most a demand for 125 acres of new retail, the Salinas Economic Development Element Target Industry Analysis concludes that 201 acres will be required, based on the “ideal vision” that retail employment will simply materialize in the same proportions that they occur now – despite the fact that a bottom up retail demand projection using the same population assumption and very liberal assumptions about retail capture shows that less than half of the retail space would be required.

Similarly, the projections of industrial and office job growth are not based on an analysis of actual demand for industrial or office development space. It is based instead on the assumption that there will be a need for a certain number of new industrial and office jobs to keep the hypothetical buildout population busy and that this will require additional acreage. EDE, App. D, City of Salinas Site Opportunities and Constraints, Nov. 2013, p. 13, Table 1. Neither the DEIR nor the EDE demonstrate that hoped-for industrial or office jobs will be actually materialize by providing evidence of likely demand for these office or industrial workers.

The DEIR also fails to consider the very considerable pipeline of retail, industrial, and commercial projects that have already been approved in Monterey County but are not yet built. These include:

- 1,708,272 square feet of commercial space (East Garrison, Rancho San Juan, Coral de Tierra, Marina Station, Main Gate, and other locations)
- 850,381 square feet of industrial space (Marina Station, Marina Airport Business Park, FORA Business Park)
- 6,438,168 square feet of agricultural industrial space in Salinas
- 217,773 square feet of office space at The Dunes on Monterey Bay, Marina Station, and Upper Ragsdale Drive)

The lack of a competitive analysis renders the DEIR's economic analysis virtually meaningless.

The DEIR should be revised to include a new alternative that focuses on at most the actual demand for new retail, office, and industrial development, taking into account competition with already approved projects. The DEIR should be based on realistic demand that can be projected to materialize within a determinate period, e.g., by 2035.

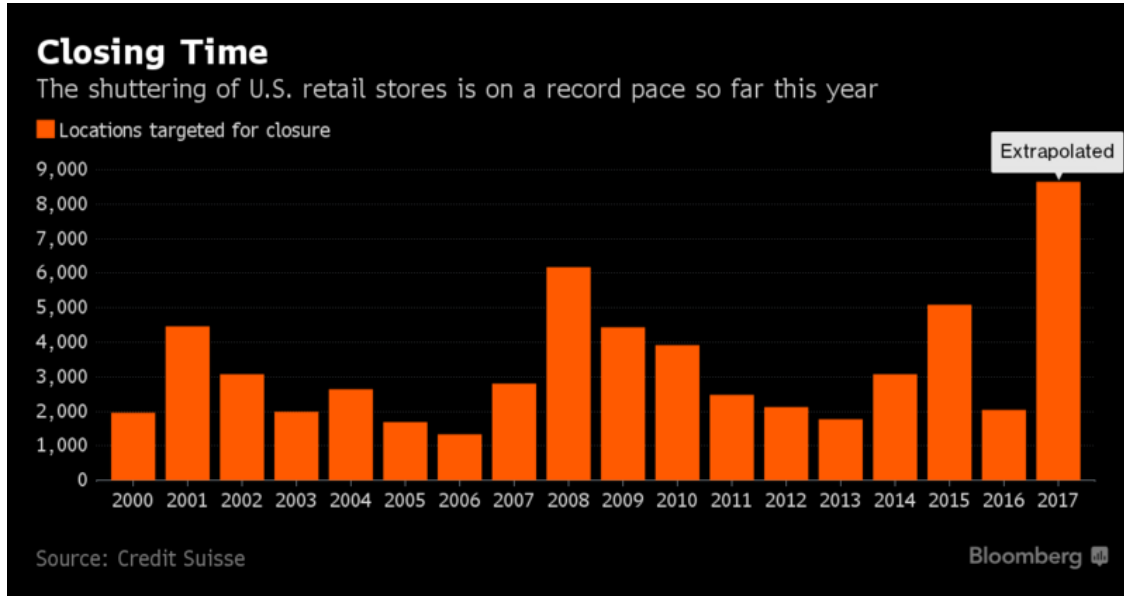
4. The DEIR fails to consider market changes that are reducing demand for brick and mortar retailing sites.

The EDE's quantitative retail analysis is based on the assumption that there will be no secular change in retailing. However, the EDE admits that retailing is in fact undergoing changes that make the projections for retailing uncertain.

Speaking of the actual prospects for capture of existing demand for specialty retail stores, EDE acknowledges "the uncertain business climate for those store categories that have declined due to competition from online and direct sales vendors has also reduced the number of national and regional chain stores that might be looking for new space in an underserved market such as Salinas." EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 8. Speaking of the actual prospects for retail attraction from new household growth, EDE acknowledges, "at least some of that demand occurred in categories that are transitioning away from supporting retail storefronts." *Id.* at 16.

And indeed, economic trends don't favor substantial growth in demand for retail store space or for retail jobs, due in part to on-line shopping competition. As reported in [Bloomberg](#),

“The rapid descent of so many retailers has left shopping malls with hundreds of slots to fill, and the pain could be just beginning. More than 10 percent of U.S. retail space, or nearly 1 billion square feet, may need to be closed, converted to other uses or renegotiated for lower rent in coming years, according to data provided to Bloomberg by



CoStar Group. The blight also is taking a toll on jobs. According to Labor Department figures released on Friday, retailers cut around 30,000 positions in March. That was about the same total as in February and marked the worst two-month showing since 2009.” Bloomberg, America’s Retailers Are Closing Stores Faster Than Ever, April 7, 2017, available at <https://www.bloomberg.com/news/articles/2017-04-07/stores-are-closing-at-a-record-pace-as-amazon-chews-up-retailers>.

The DEIR fails to consider this fundamental change in retailing and the implications it has for a realistic projection of demand in the foreseeable future.

5. Raw land development not justified.

The DEIR’s analysis of the need for new developable land is premised on the assumption that the industrial, retail/commercial, and business park development needed to provide the projected jobs demand requires new raw land, primarily outside the existing SOI, whereas the institutional and visitor serving job demand can be satisfied by vacant/underutilized or redeveloped/revitalized land within the city limits.

“Demand for 20,843 jobs from industrial (including agricultural industrial), retail/commercial, and business park development is projected. The balance of 24,157 jobs is forecast to be generated from institutional (e.g. governmental, health care, etc.) and visitor-serving development. Land demand for job-generating institutional and visitor-serving uses is not included in Table 3. It is assumed that job-generating development within these two sectors can be accommodated on vacant/underutilized infill parcels within the city limits and/or G. DEIR, p. 2-31; see also DEIR, p. 2-46 (same assumption).

The DEIR's analysis of demand for land for new development implies that demand for retail/commercial, business, and industrial jobs cannot be met except through the use of raw land outside of the City due to various "constraints:"

"City-centered infill development and revitalization of existing urban areas called for in the General Plan, and reinforced through the EDE, have potential to generate substantial new employment opportunities. However, due to constraints such as land area, parcel assembly, and infrastructure capacity, infill development opportunities often do not match the needs of businesses whose operations require larger land area, new or higher capacity infrastructure, more direct access to the regional transportation network, or are influenced by other business siting and development factors. Vacant lands outside the city limits provide opportunities for new large job generating employment centers that are less constrained than is generally the case with infill development in urban centers." DEIR, p. 2-25.

Please explain why the DEIR assumes that the industrial, retail/commercial, and business park development needed to provide the projected jobs demand requires new raw land.

Redevelopment is intended to provide substantial developable land within an existing City, and thus to overcome the constraint of parcel assembly and availability of larger land areas. Please explain why industrial, retail/commercial, and business park development cannot be located in "vacant/underutilized infill parcels within the city limits and/or through redevelopment/revitalization of existing developed areas within the city limits."

Please identify the infrastructure constraints within the City that are more severe than the constraints in raw land that has no infrastructure. Please explain to what extent any such constraints would render development within the City infeasible.

The DEIR fails to provide any analysis that relates the projected demand for developable land to these purported constraints and makes the simplistic assumption that *none* of the retail/commercial, business, and industrial job growth could be accommodated within the City. Please explain how why it is reasonable to assume that none of the projected land demand to support retail/commercial, business, and industrial jobs could be met within the City. If in fact it is not reasonable, please estimate how much of that demand could be met within the City.

6. Infill land availability.

The DEIR provides an inventory of potential infill parcels within the city limits purporting to show that only 214 acres are available. DEIR, p. 2-46, Table 8

Please provide the worksheets and analysis that contain the referenced inventory of "vacant land and developed but unoccupied/underdeveloped land within the city limits." DEIR, p. 2-45 to 2-46.

Please explain how the City determined that land was "developed but unoccupied/underdeveloped."

The DEIR assumes that institutional and visitor serving land uses can be accommodated by both "vacant/underutilized infill parcels within the city limits *and/or* through redevelopment/revitalization of existing developed areas within the city limits." DEIR, p. 2-31. However, Table 8 showing potential infill parcels includes only "vacant land and developed but unoccupied/underdeveloped land." Please identify the additional acreage that could be provided for

development through the “*redevelopment/revitalization of existing developed areas* within the city limits.” Please identify the total acreage and the breakdown by parcels sizes as in Table 8.

If only 214 acres of land were available for non-residential development within the City, the DEIR’s assumption that new demand for institutional and visitor-serving land uses would be met within the City limits would be absurd: Table 12 of the Salinas Economic Development Element Target Industry Analysis projects a demand for 428 acres to support new jobs in the institutional and visitor-serving sectors from 2010 to 2035 and 607 acres from 2035 to General Plan buildout, for a total of 1,035 acres. Apparently the DEIR assumes that the lack of currently vacant or underutilized infill parcels will not operate as a constraint on institutional and visitor-serving job growth and that the land use demand for these sectors will be met through reuse, revitalization, and redevelopment, including increases in land use intensity within the City limits. Please explain how much of the retail/commercial, business, and industrial jobs could be met within the City through the same processes.

Typically redevelopment and revitalization programs address larger parcels sizes than may have been included in Table 8. Please explain whether and to what extent redevelopment and revitalization programs could provide parcels that would meet the land requirements for retail/commercial, business, and industrial jobs.

7. Land efficiency factor and density assumptions.

The DEIR’s analysis of land demand for new jobs is premised on a 20% “land efficiency factor,” i.e., the assumption that the City should designate 20% more land that is actually needed for future development to support General Plan buildout job growth. Three rationales are offered for the 20% “land efficiency factor:” (1) to force farmers to compete with each other to sell their land to developers at prices that are lower than they might otherwise get; (2) to provide flexibility to respond to location needs, and (3) to “signal the City’s vision for potential economic growth direction beyond that captured in the current General Plan.” DEIR, p. 2-36.

Please explain whether and to what extent projected competition in agricultural land sales is actually required in order to make the projected development economically feasible. To what extent does the DEIR assume that economic development depends critically on forcing competition in land sales? What analysis supports this assumption?

Please explain why the required future planning to locate particular land uses in specific Target Areas through development of specific plans, which would designate particular land uses in specific locations, is not sufficient to accommodate location needs.

Please explain why the City could not attain the locational flexibility and decrease the importance of land acquisition costs by increasing allowable development intensity, i.e., through development standards that increase the allowable floor area ratio.

In this connection, we note that the DEIR dismisses a proposed alternative to consider higher floor area ratios without any analysis or investigation of its feasibility, arguing that

“The City is *uncertain* whether retail development at higher intensity of .40 FAR will be attractive to the retail sector development community given conditions in the regional and local Salinas market. *This would require further detailed analysis* that is outside the scope of this EIR and more appropriately conducted for individual proposed retail projects.” DEIR, p. 6-7.

The DEIR has declined to meet its obligation to investigate. The notion that this issue can be usefully investigated in connection with future individual development projects *after* the City has opened up land for sprawl development is an abdication of the planning responsibility. The DEIR fails to recognize the need to consider compact development *before* the City opens up land for sprawl development, i.e., at the EDE program approval stage where denser land use might actually be either permitted or mandated.

Please explain whether the 20% of annexed agricultural land in excess of foreseeable General Plan buildout requirements will remain vacant, underutilized, and wasted.

Please explain how much of the “market efficiency factor” is intended to “signal the City’s vision for potential economic growth direction beyond that captured in the current General Plan,” and why this makes any sense in light of the fact that meeting the land use demand for General Plan buildout is the purported premise of the land use demand analysis.

8. Displacement of housing for existing Salinas residents who commute to jobs elsewhere.

The DEIR acknowledges that many Salinas residents commute out of the City for employment. DEIR, p. 2-50. It is well established that Salinas residents provide labor in Peninsula cities where housing cost are too high for service workers. The EDE apparently seeks to provide a self-sufficient jobs/housing ratio in Salinas by providing jobs in Salinas for future residents *and* for the existing residents who currently commute out of the City. Because these commuter jobs will not disappear, if the EDE is successful and if the existing Salinas commuters continue to reside in the City, there would be insufficient housing.

Where does the DEIR assume the service workers who live in Salinas and who fill Peninsula jobs will reside in the future? If they continue to live in Salinas, would the currently projected residential units and residentially designated land be sufficient for both the in-Salinas and Peninsula-commuting work forces? If the commuters do not continue to live in Salinas, where will they be able to afford to live? How will the increased demand for housing be met?

If the DEIR does not assume that the current commuting workforce will relocate outside Salinas, and if the DEIR does intend to pursue a jobs/housing balance, then the DEIR’s employment needs projections should be reduced by the number of commuting jobs that will continue to be filled by Salinas’ residents.

C. The discussion of alternatives is inadequate.

1. Project objectives are drawn so narrowly as to foreclose consideration of alternatives.

The fundamental goal of the EDE is “to encourage a diverse economy that allows for continued economic success of the community.” DEIR, p. 2-10. The statement of objectives offered in support of this fundamental goal includes two objectives that are not demonstrably necessary to that underlying goal:

- Improve the City’s attractiveness as an investment destination for employment-generating businesses by reducing land costs through increased land supply
- Promote and prepare the Target Areas for private investment. DEIR, p. 2-11.

Preliminarily, we note that these two objectives are redundant because both objectives essentially call for providing new raw land at the margin of the City.

More problematically, both of these first two objectives are premised on the misconception that annexing raw land is the only way to supply land for development or ensure that it is affordable, and, for that reason, they are excessively narrow. In fact, land cost can be reduced *without* increasing land supply through annexation of the Target Areas. As NOP comments proposed, land costs could be reduced and land supply could be increased by either the residential land redesignation alternative or the increased retail floor area ratio alternatives, or both. Another obvious alternative is to reduce parking requirements in existing retail centers – an option that would provide substantial economic benefits to existing retail owners and to the City without loss of farmland.

The DEIR itself admits that there are other methods to make land available and reduce land costs than simply annexing raw land. The DEIR explains, “land prices are determined by a number of factors, most important of which are land availability and permitted development density.” DEIR, p. 6-6. So increasing density can reduce land costs and effectively make more land available by using the existing supply more intensively. In addition, the DEIR explains that land can be made available for institutional and visitor-serving employment growth through a process of “redevelopment/revitalization of existing developed areas within the city limits.” DEIR, p. 2-31. So land costs could also be reduced and land could be made available by this redevelopment/revitalization process instead of annexing raw land. Indeed, new financing tools are available for this kind of redevelopment and revitalization that include tax-increment financing, such as enhanced infrastructure financing districts (SB 628/ AB 313). See The Planning Report, Kosmont: EIFDs Are A New Local ‘Economic Development 2.0’ Tool, April 14, 2016, available at <http://www.planningreport.com/2016/04/14/kosmont-eifds-are-new-local-economic-development-20-tool>.

The DEIR’s first two improperly narrow project objectives are apparently intended to foreclose consideration of an alternative that would not depend on sprawl development, e.g., an alternative that would include infill development for all types of employment-generating land uses, residential land redesignation to make such land available within the City, or increased retail floor area ratios, or, indeed, all three strategies. The DEIR rejects such an alternative out of hand without analysis. DEIR, pp. 6-5 to 6-7. The DEIR also relies on these redundant and excessively narrow objectives to conclude that the GSA MOU Consistency Alternative would not meet most of the project objectives. DEIR, p. 6-37.

2. Rejection of the infill, residential redesignation, and increased floor area ratio alternatives proposals was unjustified.

NOP comments proposed that the DEIR evaluate one or more alternatives that would have included methods to make land available for job-generating development without resorting to sprawl. These suggestions included using infill sites, increasing allowable density of land uses, and redesignating some existing vacant residential lands to use for employment-generating development. The DEIR rejected all three suggestions without adequate justification.

Higher density improperly rejected: As noted, the DEIR admits that allowing higher density can decrease land costs. Despite this, the DEIR rejects increased density. The first rationale offered for this rejection is that increased retail density was *partially* included in another alternative, the GSA MOU Consistency alternative. But that alternative does not evaluate increasing density for

non-retail uses or increasing the density of retail uses in the Carr Lake or L2 Target Areas, so the GSA MOU Consistency alternative does not actually fully assess an increased density alternative. For example, had the EIR increased the retail density in the Carr Lake and L2 areas from a 0.25 FAR to 0.325, there would have been *no reduction* of overall retail building space due to the loss of Target Areas K, F, and B. Furthermore, the GSA MOU Consistency alternative does not consider the potential to increase density of business-serving land uses. In short, the GSA MOU Consistency alternative is constructed as a straw man as far as the issue of increased density goes.

Second, the DEIR rejects the increased density alternative based on the argument that the City would have to undertake additional analysis to understand this option:

“The City is uncertain whether retail development at higher intensity of .40 FAR will be attractive to the retail sector development community given conditions in the regional and local Salinas market. This would require further detailed analysis that is outside the scope of this EIR and more appropriately considered for individual proposed retail projects.” DEIR, p. 6-7.

CEQA requires that “an agency must use its best efforts to find out and disclose all that it reasonably can.” 14 CCR § 1544. The DEIR should be revised and recirculated to provide the necessary analysis of an increased density alternative.

Furthermore, the suggestion that increased density should be “more appropriately considered for individual proposed retail projects” misses the fundamental point of considering this alternative now: now is the time that the City is considering whether to commit itself to annexing unnecessary land and mandating or permitting unnecessarily low density development. If an individual future project seeks and obtains a variance for higher density, that will not mitigate the impacts of annexing and unnecessary land.

Re-designation of residential land improperly rejected: The DEIR rejects the proposal that the City designate for employment generating uses of some of the City’s vacant land that is currently designated as residential. However, the DEIR admits that there is more land designated for residential use than is needed to meet Salinas’ need for new housing. DEIR, p. 6-6.

Furthermore, the DEIR’s analysis of the need for housing development land is incorrect and omits critical information. The DEIR states:

“The City has available sites that provide development opportunities with sufficient capacity to meet and exceed the identified housing need. The opportunities consist of vacant residential sites, vacant mixed-use sites, and underutilized mixed-use sites. The available housing site inventory in the housing element shows capacity for 3,176 units... so the City has the ability to adequately accommodate its regional share of new housing development... While the housing site inventory suggests that the City has capacity to meet its current regional housing need, it is crucially important to maintain land capacity for new housing that exceeds the minimum capacity required to accommodate the City’s regional housing need. The housing element includes discussion of land costs as a constraint to developing additional housing. It notes that land costs have a demonstrable influence on the cost and availability of affordable housing. Land prices are determined by a number of factors, most important of which are land availability and permitted development density. As land becomes less available, the price of land increases.” DEIR, pp. 6-6 to 6-7.

In fact, the 2015-2023 Housing Element shows that the remaining share of the RHNA is 2,093, not the 3,176 identified above (p. 99). Furthermore, the Housing Element finds:

“The North of Boronda FGA which was annexed into the City limits in 2008 consists of approximately 2,400 acres. Based on site constraints, market conditions, and other factors influencing development intensity, it is anticipated that the North of Boronda FGA will accommodate approximately 12,000 residential units. This estimate is consistent with the average levels of residential development estimated in the General Plan, though the Land Use Element may permit additional development. The North of Boronda FGA is currently zoned New Urbanism Interim (NI) which is a transitional zoning until specific plans are approved for the area. The appropriate zoning (for residential, mixed use and other land uses) and development regulations for the North of Boronda FGA (and other Future Growth Areas) will be established through the specific plans. The characteristics of the development anticipated in the North of Boronda FGA will be consistent with the New Urbanism design principles called for in the General Plan. To date, two specific plans (with residential, mixed uses and other land uses) have been submitted to and are currently being processed by the City for this area. The Specific Plans are not anticipated to be approved or developed for this area until later in the Housing Element planning period. As specific zoning and development regulations have not been approved for the subject properties, development potential in the FGA (including the North of Boronda FGA) is not used to meet the City’s RHNA.” (p. 107)

These data show that there is more than sufficient land to meet the housing element demand for 2,093 RHNA units while accommodating demands for industrial and retail land uses by using vacant land within the City that is currently designated as residential.

The DEIR’s rationale for rejecting the proposed alternative to redesignate some residential land for employment purposes is not supported by the contention that there is any shortage of residential development land. Furthermore, even if residential land supply were more limited than it is, it is unreasonable to assume that the only way to control residential land cost is by maintaining a land supply in excess of demand. The DEIR acknowledges that increasing allowable density can instead reduce land costs for residential uses. DEIR, p. 6-6. The EIR offers no evidence of the infeasibility of the alternative of redesignating residential land use *and* controlling the cost of the remaining residential land by increasing allowable densities.

Infill development option improperly rejected: The DEIR rejects the proposed alternative to focus on infill development instead of annexing raw land, arguing that *all* of the infill land in the City is assumed to be needed for institutional and visitor-serving employment generating uses. DEIR, p. 6-5. Neither the EDE nor the DEIR provide any factual basis for this assumption.

Furthermore, as discussed above, while the DEIR purports to identify the acreage of currently vacant infill parcels, the DEIR fails to provide any assessment of the amount of land within the City that can be made available to future development “through redevelopment/revitalization of existing developed areas within the city limits,” the process that is assumed to generate land for institutional and visitor-serving uses. DEIR, p. 2-31. This redevelopment and revitalization also generates the possibility of future infill development for retail, office, and even industrial uses. Without some assessment of the total amount of infill land that can be made available from currently vacant land plus land that can be redeveloped or revitalized, there is no credible basis to reject an alternative that would rely more on infill than annexation of raw land.

The DEIR should evaluate an alternative that employs all possible strategies for avoiding annexation or raw land: Many of the unavoidably significant impacts are attributable to the use of raw land for new development. It is clear that agricultural, aesthetic, cultural, and biological resource impacts would be substantially lessened if less or no raw land were annexed. Transportation VMT and GHF impacts would likely be lessened with dense, urban, walkable development. The DEIR should be revised to include an alternative that focuses on avoiding or reducing the need to annex raw land, an alternative that includes *all* of the strategies that might be employed to this end, including:

- Denser retail and office development, supported by a credible analysis of densities that could be attained within the City of Salinas following Smart Growth development principles;
- Redesignation of residential land not required to meet the City’s housing requirements for employment uses, coupled with an increase in residential densities as needed to maintain lower land costs;
- A focus on infill development for all types of jobs, not just institutional and visitor-serving jobs, supported by a credible analysis of the amount of land that could be made available for development from both currently vacant land and from land that can be made available through redevelopment and revitalization programs.

And this alternative should be based on a realistic projection of actual demand for development space through a date certain, such as 2035, not an “ideal vision” of a General Plan buildout scenario at some unspecified time in the future.

D. The DEIR fails to evaluate the whole of the action and the project description that is analyzed is inconsistent.

Reflecting the City’s preoccupation with sprawl development, primarily for retail uses, on prime agricultural land, the DEIR’s impact analyses are inappropriately limited to development impacts within the six Target Areas, B, F, L1/L2, N, K, and V. While the EDE contains policies and actions that purport to commit the City to redevelop and revitalize economic activity within the existing City limits, the DEIR fails to provide analysis of these EDE policies and action commitments within the City (other than in the Carr lake Target Area). This failure suggests that the City is exclusively concerned with promoting sprawl development.

However, the policies and actions to which the City would commit itself in adopting the EDE, or to which it is at least paying lip service, represent commitments by the City to action, and many of them would clearly cause physical impacts on the environment that the DEIR fails to consider.

DEIR Table 1 identifies 54 policies and actions that the DEIR itself acknowledges to have the potential to create environmental effects:

“Implementation of these policies and actions could result in physical developments that are defined as ‘projects’ pursuant to CEQA Guidelines section 15378. Such projects would be subject to CEQA review.” DEIR, p. 2-14.

However the DEIR does not evaluate all of these EDE policies and actions with the potential to cause physical impacts on the environment.

The omission is possibly based on staff’s belief that the EDE is simply a visioning document. (Brinton email, September 25, 2017, “The EDE is a visioning document to guide the General Plan

update that will begin mid-2018. Policies and action items identified in the EDE will be re-visited as part of the General Plan update process, this includes additional environmental review required by CEQA for implementation of policy and/or action items.”) However, the EDE must be taken at face value where it commits the City to policies and actions. Thus, the DEIR must provide analysis of each of the EDE policies and actions that commit the City to undertake activities, or to permit future development, that would have significant impacts on the environment. The DEIR fails to provide an adequate analysis of the whole of the action because limits its analysis to the impacts related to the six Target Areas.

1. Expressways impacts to aesthetic, agricultural, biological, and cultural resources are not analyzed.

Policies ED-C-2.6 and ED-C-2.9 commit the City to plan, design finance and construct the Eastside and Southside Expressways.

- Policy ED-C-2.6 states that the City will “plan, design, finance and construct an Eastside Expressway.” EDE, p. 2:31.
- Policy ED-C-2.9 state that the City will “plan, design, finance and construct an extension of Blanco Road from Davis Road to State Highway 68 and southeast to the proposed new U.S. Highway 101/Eastside Expressway interchange at the south end of the City to function as a new Southside Expressway.” EDE, pp. 2:31-32.
- Policy ED-C-2.7 states that the City will “partner with and support the County and TAMC to implement the Westside Expressway, including connecting it to the U.S. Highway 101/Russell Road interchange.” EDE, p. 2:31.

The DEIR offers the following rationalization for omitting the analysis of the environmental impacts of the new expressways:

“Although analysis of the expressways was initially included in technical studies prepared for this EIR, through subsequent analysis it was determined that the expressways, being only conceptual at present, are not reasonably foreseeable. Therefore, they are presented in the EDE as future strategy to be considered in subsequent General Plan updates. Such future processes will determine whether the City ultimately makes policy commitments to proceed with the expressways. For this reason, no analysis of the environmental effects of constructing or operating the expressways is included in this EIR.” DEIR, p. 2-44.

Regardless that the design remains “conceptual,” the language of EDE Policies commits the City to “plan, design, finance and construct” expressways, so the expressways are clearly “foreseeable.” And even if the design remains conceptual, there is sufficient information to undertake environmental review with respect to particular resource areas.

The expressways are planned for designated areas, linking specific roadways, by converting existing farmland to roadways. DEIR Figure 3 shows these expressways would convert hundreds of acres of prime agricultural land to roadways. DEIR Table 2 identifies 2,530 acres required for the Eastside Expressway and up to 431 acres for the Westside Expressway. Table 2 fails to disclose how much agricultural land would be lost in constructing the southside expressway, but its dimensions are comparable to the westside expressway, which would take up to 431 acres. See DEIR, Figure 3. Loss of that agricultural land would clearly constitute more severe aesthetic,

agricultural, biological, and cultural impacts than disclosed in sections 3.1, 3.2, 3.4, and 3.6.² For all of these types of resources (aesthetic, agricultural, biological, and cultural) the primary determinant of impacts is the extent of the conversion of existing agricultural land to urbanized uses. The EIR must be revised to provide an analysis based on the whole of the project.

Elsewhere, the DEIR argues that no analysis of the proposed expressways is required because “the EDE does not propose to place them in the Circulation Element of the City’s General Plan.” DEIR, p. 2-49; see also DEIR, p. 2-55 (same argument). However, General Plan elements are co-equal in weight and priority, so even if the expressways were only in one element, they are co-equal parts of the General Plan. Furthermore, the proposed General Plan Amendments in DEIR Appendix D would in fact amend the General Plan Circulation Element to reference the “circulation policies and plans” contained in EDE section 2.2.1, i.e., the section of the EDE that contains the policies specifying the expressways. DEIR, App. D, pp. 16-17; see EDE, Section 2.2.1. And the proposed General Plan Amendments also specifically reference these EDE policies in spelling out the relation between the EDE’s circulation policies and the General Plan by updating “Table C-1, Related Goals and Policies by Element.” DEIR, App. D, pp. 17, 27.

2. The project description used for analysis is inconsistent because expressways are assumed for some analyses but not for others.

To add to the confusion, the DEIR’s claim that “no analysis of the environmental effects of constructing or operating the expressways is included in this EIR” (DEIR, p. 2-44) is in fact incorrect. Thus, the analyses of the various resource area impacts are based on an inconsistent project description because the expressways are assumed for some analyses but not for others.

GHG analysis: The GHG analysis purports to be limited to emissions from the six Target Area. DEIR, pp. 3-124 to 3-135. However, the analysis is inconsistent because it is predicated on different assumptions for baseline and with-project conditions with respect to the expressways. The analysis of baseline emissions omits the emissions from the acreage that would be converted to expressways (DEIR, pp. 3-125 to 3-126), even though the analysis of at least some of the with-project impacts does include the expressways. DEIR, App. E. Rincon memorandum, Aug. 31, 2017, pp. 6-8.

Further confusing the analysis, the with-project analysis of GHG emissions in Appendix E includes the expressways for *construction* impact analysis but not for *operational* impact analysis. Appendix E, containing the CalEEMod output for construction emissions, does purport to include the emission from construction of the expressways. DEIR, App. E. Rincon memorandum, Aug. 31, 2017, pp. 7-8. However, Appendix E’s discussion of operational emissions from the expressways is equivocal as to the inclusion of the expressways. Appendix E admits that if the expressways are not built then “vehicle miles traveled would increase, which would result in a corresponding increase in operational GHG emissions associated with mobile activity.” DEIR, App. E. Rincon memorandum, Aug. 31, 2017, p. 6. The memo then claims that the CalEEMod operational analysis did not account for the diversion of trips from existing roads to the

² Sections 3.1, 3.2, 3.4, and 3.6 omit any consideration of the expressways. . The analysis of aesthetic impacts in section 3.1 is limited to assessing the visual impact related to the six Target Areas. DEIR, p. 3-16 to 3-20. Similarly, the agricultural resources impact analysis in section 3.2 is confined to the effect of removing the target areas from agricultural production. DEIR, p. 3-34 to 3-41. The biological resources analysis in section 3.4 is confined to the six Target Areas. DEIR, p. 3-65, 3-93 to 3-103. So too was the cultural resources analysis in section 3.6 confined to the 6 target areas. DEIR, pp. DEIR, pp. 3-151 to 3-155.

expressways, so “the GHG emissions generated by the proposed project would generally be consistent with the EDE EIR analysis.” DEIR, App. E. Rincon memorandum, Aug. 31, 2017, p. 7.

In sum, the CalEEMod analysis makes inconsistent assumptions regarding the inclusion of the expressways in its construction and operational analyses, but the Rincon memorandum assures us that the operational analysis was so flawed that it got the right answer for the wrong reasons. CEQA demands more than this kind of obscure and contradictory analysis buried in an appendix.

We note that the CalEEMod output does not identify what acreage is assumed for the expressways in the construction emissions analysis or whether all three expressways are included in the construction emissions analysis. *Please provide this information.* In particular, please identify each expressway that was included in the CAL EEMod construction emission analysis and the specific acreage assumed for each of these expressways.

Traffic: The transportation analysis in the DEIR claims that the proposed Eastside, Westside, and Southside expressways were “removed from the project description.” DEIR, p. 3-242. Despite this claim, the DEIR’s Appendix I Transportation Impact Analysis (“TIA”) states that it does include future roadway network changes “including both the eastside and westside bypass facilities.” DEIR, App. I, p. 38. It is unclear whether the analysis included the southside expressway. Please explain whether the traffic analysis does in fact assume the southside expressway.

Regardless, the project description used in the traffic analysis is inconsistent with the project description used in the other analyses in the DEIR. CEQA requires that an EIR use a stable and consistent project description.

Furthermore, had the EIR’s traffic analysis in fact excluded the expressways, consistent with the DEIR’s claim at page 3-242, then its analysis would have been different. DEIR Appendix E admits that the exclusion of the expressways “would result in a redistribution of forecasted trips within Salinas.” DEIR, App. E. Rincon memorandum, Aug. 31, 2017, p. 4. The EIR provides no analysis of the likely impacts if the expressways are not built.

3. The DEIR fails to assess the proposed annexation of EOA’s D, G, H and M

LU-1.7.2 commits the City to seek to annex EOA's D, G, H and M. These EOA’s are described as follows:

D -Airport West - 343.04 acres. Vacant land is 172 acres. Anticipated land use is Industrial (DEIR Table 5 and Figure 4)

G - Alisal/Airport East Vacant land is 396 acres. Anticipate land use is Industrial (DEIR Table 5 and Figure 4)

H - East Future Growth Area - 1,398 acres (DEIR, Table 2 and Figure 4)

M - Boronda South - 208 acres (DEIR, Table 2 and Figure 4)

Physical impacts caused by annexation of these areas are not analyzed in the EIR. Annexation and subsequent urbanization of these areas would have clear impacts, including loss of farmland, biological resources impacts, aesthetic impacts, and cultural resource impacts. These impacts could and should have been analyzed, even if there were no specific development plans, because urbanization of these areas in any form would clearly result in these four types of impacts, and these impacts are determined simply by the conversion of the existing agricultural land use to any type of urban use.

4. The DEIR fails to assess the proposed implementation of the Salinas Municipal Airport Plan.

LU 1.9.2 commits the City to implement the Salinas Municipal Airport Plan. The EIR references that out-of-date 1982 plan, which had a planning horizon through the year 2000. See DEIR, p. 7-5, referencing http://www.co.monterey.ca.us/planning/docs/plans/SALINAS_CLUP.pdf. However, it appears that the current Salinas Municipal Airport Master Plan is for the period 1990-2010. This plan identifies future improvements for the airport to meet future aviation needs. The plan also addresses land use surrounding the airport. The type of development occurring in the airport environs impacts the safety of aircraft operation, as well as impacting the number of people exposed to aircraft hazards, such as airplane crashes.

The EIR provides no analysis of the implementation of this plan. Instead, it simply states that none of the six target areas under review are within the Airport Area Of Influence. See, e.g., DEIR, pp. 3-170 and 3-183 (hazards section), 3-212 (noise section). For example, there is no discussion of the compatibility of the land use assumptions in that plan and the City's current land use plans, even though those plans may have changed since the adoption of the current Salinas Municipal Airport Master Plan. There is no analysis of the consistency of noise standards in that plan with the City's current noise standards. There is no discussion of airport-related hazards. The DEIR must be revised and recirculated to provide the required analysis.

5. Circulation improvements for Downtown Vibrancy Plan.

ED C-2.2 and Actions C-2.2.1, C-2.2.2, and C-2.2.3 commits the city to implement a set of circulation improvements in the Downtown area including the specific improvements identified in the Downtown Vibrancy Plan and a new interchange at US 101 and Sherwood Drive. The City has promulgated a final version of its Downtown Vibrancy Plan, including an implementation strategy, which calls for specific capital projects. See <https://www.cityofsalinas.org/our-city-services/public-works/upcoming-current-public-works-projects/downtown-vibrancy>; <https://www.cityofsalinas.org/file/814/download>; <https://www.cityofsalinas.org/file/815/download>.

The EIR must be revised and recirculated to provide an analysis of the impacts related to implementing the improvements identified in the Downtown Vibrancy Plan and a new interchange at US 101 and Sherwood Drive.

E. The trip generation assumptions are fundamentally inconsistent in the traffic and air quality/GHG analyses.

An EIR must present a coherent and consistent body of analysis in order to provide substantial evidence to the public and decision makers. The DEIR fails to do so because the trip generation assumptions in the air quality and GHG analyses are fundamentally different than the trip generation assumptions in the traffic analysis.

In particular, the CalEEMod output in DEIR Appendix assumes 125,412.58 daily weekday trips whereas the Traffic Impact Analysis assumes only 82,922 daily trips. DEIR, Appendix E, section 4.2; Appendix I, p. 37. Obviously traffic impacts would be substantially more severe than disclosed by the DEIR since the traffic analysis understates trip generation by 50%. The DEIR must be revised and recirculated to provide an adequate analysis of traffic impacts that is consistent with the Air Quality/GHG analysis.

The TIA purports to base its trip generation assumptions on an undisclosed source for trips per employee. DEIR, Appendix I, p. 37. This method stands in contrast to the typical method of determining trips based on the square footage of the particular land use, as is done by the Institute of Transportation Engineers trip generation manuals or by CalEEMod. Please explain the source for the TIA’s assumed trips per employee. Please provide the ITE and CalEEMod trip rates per 1,000 square feet for the applicable land uses, e.g., strip mall, business park, and industrial. Please explain how the “per employee” assumptions could be consistent with the standard methods for determining trip rates.

F. Data re existing conditions requested in NOP comments was not supplied by DEIR.

LandWatch’s comments on the Notice of Preparation specifically requested that acreage for land within existing City boundaries be identified.

Instead, the DEIR at pages 2-5 and 2-6 identifies acreage within City boundaries *and the Sphere of Influence (SOI)* as follows:

Residential (4,200 acres)	31%
Industrial (1.275)	10%
Commercial/Office (770 acres)	6%
Open space (4,670)	35%
Total	83%

Please clarify if the “Open Space” category includes designated open space, land in active open space uses, or vacant land. Please identify the land uses for the remaining 17% that was not accounted for. Please separately provide these acreage totals for land within City boundaries and land outside City boundaries but within the existing SOI.

Because our NOP comments asked for land use within the City, not the City plus the SOI, we ask again that the EIR provide residential, commercial, industrial, open space, other land uses, and vacant land by acreage for the area *within the City limits*.

The DEIR describes a 2008 SOI amendment for the Future Growth Area of 3,400 acres with 2,388 acres annexed. DEIR, p. 2- 6. Are these acres included in the 4,670 acres of Open Space identified above or are they in addition?

G. GHG analysis and mitigation are not adequate.

1. The DEIR fails to identify a coherent threshold of significance.

The DEIR fails to identify a coherent threshold of significance. The generic threshold of significance identified at DEIR page 3-119 includes two options. A significant impact would occur if (1) the project generates emission “that may have a significant impact” or (2) the project conflicts with an applicable plan, policy, or regulation adopted to reduce GHG emissions. Obviously the first option is circular unless some additional criteria are supplied for what constitutes a “significant impact.”

No qualitative threshold of significance: The second option might permit a qualitative comparison of the project to an existing plan, policy or body of regulations to determine significance. And although the DEIR claims that it is permissible to rely on a purely qualitative threshold (DEIR, p.

3-120), the EIR does not in fact provide a qualitative assessment of the projects compliance with any plan, policy or body of regulations. A qualitative assessment of the proposed project's compliance with existing plans, policies, and regulations would have been possible, and may have provided some insight as to what measures might be necessary to ensure that the project comes into compliance if it is not. However, the DEIR's abbreviated discussion of project consistency with applicable plans, policies, and regulations claims that the City's own General Plan policies are now no longer "valid" and should be replaced with the mitigation measures contained in GHG-1. DEIR, p. 3-135. As discussed below, Mitigation Measure GHG-1 does not actually commit the project to any particular mitigation measures and is improperly deferred. At any rate, the DEIR does not provide any discussion of the project's compliance or consistency with the handful of potential measures that are identified in GHG-1.

EIR proposes then inconsistently disavows a 72% reduction from 1990 emission levels as a quantitative threshold of significance: Absent a qualitative analysis, the DEIR's significance analysis is purely quantitative. The method the DEIR purports to use to determine significance is to calculate new emissions net of baseline emissions and reductions from existing scoping plan reductions and then to compare that figure to "a selected threshold of significance, if any." DEIR, p. 3-125. If net new emissions are significant, the DEIR states that its method would be to propose feasible mitigation, recalculate mitigated GHG emissions, and reassess significance of the mitigated emissions. DEIR, p. 3-125.

As applied in the DEIR, this method requires a numeric threshold of significance. Based on AB 32's 2020 statewide emission reduction target and the Executive Order S-03-05 2050 emission reduction target, the DEIR interpolates that a 72% reduction from 1990 BAU levels would be required to meet statewide goals. DEIR, p. 3-124. However, the DEIR equivocates as to whether this 72% reduction from BAU is actually a threshold of significance: "Though the extrapolated [sic, interpolated] reduction target *is not a threshold of significance per se*, an additional approximately 63.7 percent reduction in the unmitigated emissions volume would be needed to move toward the reduction target." DEIR, p. 3-131, emphasis added. Because the DEIR concludes without analysis that it is "highly unlikely that this magnitude of reductions can be achieved without improvements" in the "current GHG reduction frameworks, tools and technologies" the DEIR states, "the proposed project is assumed to have a significant impact."

The significance analysis is flawed because the EIR simply fails to identify a threshold of significance. The methodology discussion sets up an exclusively quantitative analysis process but then implies that there may not be a threshold to which to compare the quantitative result. DEIR, p. 3-125 (calling for comparison to "selected threshold of significance, *if any*."") And then when the DEIR gets to its significance analysis, its discussion states that the only numeric threshold that is proposed for consideration, a 72% reduction from 1990 BAU levels, "is not a threshold of significance *per se*." DEIR, p. 3-131. The public is left without any clear understanding whether the DEIR finds the impact significant by virtue of its quantitative analysis and, if so, how severe the impact actually is, and how much GHG reduction would be required to mitigate the impact.

2. The DEIR's analysis of GHG significance is flawed under *Newhall*.

Even if 72% reduction were unequivocally identified as the threshold of significance, it is not an adequate threshold under *Newhall*: The *Newhall* case firmly establishes that an agency may not uncritically apply a *statewide* GHG reduction goal as a threshold of significance. The *Newhall* Court set aside the EIR's GHG analysis because the agency failed to connect the dots between the statewide goal and the necessary reductions required for a particular land use project to do its fair share toward meeting that goal:

“ . . . the administrative record discloses no substantial evidence that Newhall Ranch's *project-level* reduction of 31 percent in comparison to business as usual is consistent with achieving A.B. 32's statewide goal of a 29 percent reduction from business as usual. *Ctr. for Biological Diversity v. California Dep't of Fish & Wildlife* (“*Newhall*”) (2016) 62 Cal. 4th 204, 225 (emphasis added).

The Court observed that neither the existing Scoping Plan nor the EIR at issue related the statewide goal for GHG reductions to the reductions that should be required from individual projects, noting obvious reasons that attaining a different level of reduction may be necessary for a particular development project to do its fair share (e.g., the likelihood that new projects must attain greater efficiency than already-built projects to meet the overall target). The Court also pointed out that the EIR at issue improperly relied on unsupported assumptions that the density and intensity of land use at the project site under BAU conditions was consistent with the Scoping Plan's statewide business-as-usual model. In sum, *Newhall* held that the EIR was deficient as an informational document because it “simply assumes that the level of effort required in one context, a 29 percent reduction from business as usual statewide, will suffice in the other, a specific land use development.” *Id.* at 227. Here, to the extent that the DEIR is relying on the statewide 72% reduction goal as a threshold of significance, *it is making exactly the same error that the agency made in Newhall.*

City cannot defer its analysis until some other agency provides a threshold of significance by enacting regulations or a plan: *Newhall* makes it clear that local governments “bear the primary burden of evaluating a project's impact on greenhouse gas emissions.” *Id.* at 230. This is in large measure because “transportation accounts for almost 40 percent of the state's greenhouse gas emissions, and transportation emissions are affected by the location and density of residential and commercial development.” *Id.* at 229. Despite this, the DEIR implies that the City cannot identify a threshold of significance until an agency or the Legislature adopts a set of regulations or a scoping plan to implement the statewide GHG reduction goals that go beyond the AB 32 scoping plan and regulatory programs. DEIR, p. 3-122. In effect, this abdicates what the *Newhall* decision identifies as the primary responsibility of local governments to assess significance.

There is no reason that an agency must await regulatory enactment of statewide GHG reduction goals to make determinations of significance. In *Newhall*, the Supreme Court noted that AB 32 did not create regulations and that regulations were not yet in place that met the requirements of CEQA Guidelines § 15064.4(b)(3) for “regulations or requirements” adopted to implement a plan. *Notwithstanding the lack of a mechanism for determining significance under § 15064.4(b)(3) by reference to regulations implementing GHG reduction goals, Newhall did not excuse the agency from making a significance determination.* However, here, the DEIR apparently assumes that the only valid mechanism for making a significance determination is a reference to enacted regulatory requirements of a statewide GHG reduction plan. Under this approach, agencies would not be able to make significance determinations until the post-2020 reduction targets are implemented through a regulatory program – a process that may not occur until well after the EDE is approved (or, indeed, well after specific development projects consistent with the EDE are approved). There are other methods to determine significance with reference to needed reductions post-2020, and it is up to the City to apply one. An agency may not hide behind the lack of a single universal method for determining significance.

Newhall analysis options: *Newhall* offers guidance for a land use agency to make an adequate significance determination by identifying several “pathways for compliance” with CEQA's requirements to evaluate significance of GHG emissions.

Under the one option, an agency might try to determine and justify a percent reduction compared to BAU at the proposed location, i.e., to cure the defects inherent in the unjustified assumption that meeting a statewide reduction goal is an adequate basis to find a project impacts to be less than significant:

“First, although we have found the particular comparison made here lacking in support, and although doubt has been cast on the Scoping Plan’s project-level appropriateness (see Final Statement of Reasons, supra, at pp. 24–25), a business-as-usual comparison based on the Scoping Plan’s methodology may be possible. On an examination of the data behind the Scoping Plan’s business-as-usual model, a lead agency might be able to determine what level of reduction from business as usual a new land use development at the proposed location must contribute in order to comply with statewide goals.” *Id.* at 229.

As discussed above, the DEIR has not cured the *Newhall* defect of making the uncritical assumption that attaining the statewide goal for GHG reductions is evidence that a particular land use project would have a less than significant impact; the DEIR’s 72% analysis suffers from precisely the same shortcomings as the *Newhall* EIR in making such a determination.

Under another option, an agency might develop and justify a bright-line numerical threshold:

“Third, a lead agency may rely on existing numerical thresholds of significance for greenhouse gas emissions, though as we have explained (ante, p. 14), use of such thresholds is not required. (Guidelines, § 15064.4, subd. (b)(2); see, e.g., Bay Area Air Quality Management Dist. (BAAQMD), CEQA Guidelines Update: Proposed Thresholds of Significance (May 3, 2010), pp. 8–21 [regional air quality district for the San Francisco Bay Area proposes a threshold of 1100 MTCO₂E in annual emissions as one alternative agencies may use in determining CEQA significance for new land use projects].)” *Id.* at 230.

However, the City has not attempted to develop such a numerical threshold.

Under another option, an agency may determine significance by determining whether a project’s emissions will be consistent or comply with a program intended to reduce GHG emissions from “particular activities” or “areas governed by the regulations:”

“Second, a lead agency might assess consistency with A.B. 32’s goal in whole or part by looking to compliance with regulatory programs designed to reduce greenhouse gas emissions from particular activities. (See Final Statement of Reasons, supra, at p. 64 [greenhouse gas emissions —may be best analyzed and mitigated at a programmatic level.]) To the extent a project’s design features comply with or exceed the regulations outlined in the Scoping Plan and adopted by the Air Board or other state agencies, a lead agency could appropriately rely on their use as showing compliance with —performance based standards adopted to fulfill —a statewide . . . plan for the reduction or mitigation of greenhouse gas emissions. (Guidelines, § 15064.4, subds. (a)(2), (b)(3); see also *id.*, § 15064, subd. (h)(3) [determination that impact is not cumulatively considerable may rest on compliance with previously adopted plans or regulations, including —plans or regulations for the reduction of greenhouse gas emissions].) ¶ A significance analysis based on compliance with such statewide regulations, however, only goes to impacts within the area governed by the regulations.” *Id.* at 229.

A significance analysis based on consistency or compliance with such a program only goes to impacts within the area governed by the regulations. That a project is designed to meet high building efficiency and conservation standards, for example, does not establish that its greenhouse gas emissions from transportation activities lack significant impacts. However, nothing in *Newhall* excuses an agency from assessing significance in each sector for which meaningful analysis is possible.

There are clearly regulations in place under AB 32's Scoping Plan that would apply to the project, yet the EIR makes no effort to assess consistency with those regulations. And, as discussed below, meaningful analysis of transportation GHG impacts is possible based on the project's inconsistency with the SB 375 Sustainable Communities Strategy, a regulatory program intended to address local land use transportation GHG impacts.

The DEIR must assess the significance of transportation emissions because they are uniquely under the City's control and are the largest source of GHG emissions. Again, the DEIR makes no effort to assess consistency with any applicable regulatory programs. Here, the elephant in the room is the transportation emissions, which account for 86% of the project's GHG emissions and represent the area of GHG reductions that *Newhall* explains is primarily under local agency control. DEIR, p. 3-127 (Table 24). As noted, *Newhall* explains that that because "transportation emissions are affected by the location and density of residential and commercial development" local agencies bear the primary responsibility to evaluate the significance of a land use project on GHG emissions. *Id.* at 229-230.

The DEIR fails to assess the project's consistency with the most obvious and important regulatory program intended to help local agencies manage transportation impacts of land use, the Sustainable Communities Strategy developed for the County under SB 375, the statute that is specifically intended to implement transportation emission reductions from local land use permitting decisions. The DEIR merely observes that the project cannot rely on SB 375's CEQA *streamlining* because that is applicable only to residential projects. DEIR, pp. 3-113 to 3-114. However, the DEIR fails to disclose that the proposed project is fundamentally inconsistent with the land use assumptions and the goal for compact, urban growth in the Sustainable Community Strategy applicable to Monterey County.

First, the project is inconsistent with the AMBAG Metropolitan Transportation Plan/Sustainable Communities Strategy (MTP/SCS) because the SCS is based on the assumption that growth will occur in areas within each jurisdiction's sphere of influence and in areas designated for growth by existing general plans.

"AMBAG used relevant data and information gathered from local governments and the RTPAs - the Transportation Agency for Monterey County, the Santa Cruz County Regional Transportation Commission and the San Benito County Council of Governments - to develop scenarios using a process that engaged the entire region in envisioning a more sustainable future. For each of these scenarios, *it is assumed that the AMBAG Regional Growth Forecast (three county total) is a constraint (fixed upper limit) to the amount of total development in the region.* Additionally, the hybrid and final preferred scenario ***restricted the majority of growth to the Spheres of Influence of any given city.*** Some growth is accounted for in unincorporated Community Plan Areas (Monterey County), Urban Service Areas (Santa Cruz County) or New Community Study Areas (San Benito County). *All growth is consistent with General Plans* and was based on direction from jurisdiction planning staff. Detailed documentation of the development of the scenarios can be found in Appendices E and F."

AMBAG, Metropolitan Transportation Plan/Sustainable Communities Strategy, June 2014, p. 4-6, available at http://ambag.org/programs/met_transp_plann/documents/Final_2035_MTP_SCS/MovingForwardMontereyBayFinal.pdf.

Unlike the DEIR's reliance on an undated aspirational goal for future population growth, the MTP/SCS emphasizes that its growth forecast was based on established data sources and consultation with the local jurisdictions:

“Over the last two years, the Regional Growth Forecast has been updated to reflect the 2010 Census, data from the California Employment Development Department and InfoUSA, as well as population and household data from the California Department of Finance. Ongoing discussions with local jurisdictions led to refinement of the forecast figures, which resulted in AMBAG's ability to obtain a consensus on the Regional Growth Forecast to serve as the foundation for the 2035 MTP/SCS.” *Id.*, p. 4-6.

The project is fundamentally at odds with the Sustainable Communities Strategy. As discussed above, contrary to the SCS assumptions, the City has *chosen to plan its land use needs based on much higher population projections from its General Plan buildout*, without any information about the likeliness or timeframe of that buildout, other than the observation that it will not occur “for a very long time.” Also contrary to the SCS, the City has *chosen to assume that it cannot or will not plan its growth consistent with the land use limitations in its sphere of influence and General Plan*. In effect, the EDE simply ignores the planning and policies embedded in the collaborative SB 375 process that produced the current MTP/SCS.

The sprawl development proposed by the EDE is inconsistent with the following fundamental MTP/SCS policies:

- “Foster efficient development patterns that optimize travel, housing, and employment choices and encourage active transportation” (MTP/SCS, p. 1-12);
- Recognize that the “geographical relationships between land uses—including density, diversity, and intensity—help determine the need for travel” and plan so as to reduce the need for travel (MTP/SCS, p. 4-3);
- Protect the “the thousands of acres of farmland that produce billions of dollars’ worth of berries and other produce,” including land subject to Williamson Act and prime farmland (MTPSCS, p. 4-75);

Critically, the DEIR consistently fails to assess the very GHG impacts over which the City has the most control: those transportation-related GHG impacts associated with the choice to permit sprawl development rather than compact development. For example, in the alternatives analysis, the DEIR only finds that alternatives will “substantially less” GHG impacts if they would reduce the *absolute amount* of development without reference to its location or density. DEIR, p. 6-51. The DEIR fails to consider whether alternatives that would force compact, infill development would substantially lessen GHG impacts by reducing VMT due to locational benefits. For example, the alternatives analysis dismisses the importance of a 2,190 daily reduction in trips that might be attained by a mixed-use approach, arguing that the non-transportation related GHG impacts would be about the same as the proposed project – even though the transportation-related GHG represents 86% of the total. DEIR, pp. 6-42, 6-4-7. And the GHG significance analysis in section 3.5 entirely fails to address the marginal increase in transportation GHG emissions caused by the choice of sprawl rather than compact development. The public is entitled to know the

GHG cost of the decision to permit sprawl, auto-dependent development rather than compact, infill development.

3. GHG mitigation is flawed.

Mitigation measure GHG-1 proposes that if the City has not adopted a qualifying GHG reduction plan, future applicants should develop ad hoc Greenhouse Gas Reduction Plans (GGRPs) by undertaking the following steps:

- Identify a threshold of significance “based on substantial evidence that it is applicable to the proposed project,” which threshold is to be used as a performance standard;
- Calculate project emissions net of reductions attributable to existing regulatory programs;
- Determine if additional measures are required based on whether the net emission volumes are above the applicable threshold of significance;
- If so, then feasible mitigation measures shall be required and may be selected from various guidance documents;
- If there are insufficient feasible measures to reduce GHG emission below the applicable threshold of significance, obtain an administrative approval from the Community Development Director. See DEIR, pp. 3-133 to 3-134.

Mitigation Measures GHG-1 is fundamentally inadequate under CEQA because it is improperly deferred. The formulation of specific mitigation measures may not be deferred, as it is here, unless 1) the EIR identifies a performance standard by which measures may be designed and their sufficiency evaluated; 2) the mitigation is known to be feasible; 3) approval of the mitigation is not delegated to an unelected decision maker. Here, the DEIR fails to comply with any of these requirements for deferral.

GHG-1 fails to identify a performance standard, so mitigation has been improperly deferred. Instead of providing a performance standard, GHG-1 leaves it to the future applicant to come up with a threshold of significance to use as that standard. In effect, GHG-1 calls for having the applicant provide a future study that comes up with some performance standard and then propose mitigation to meet that standard. CEQA does not countenance this kind of deferral.

The DEIR provides no evidence that mitigation is known to be feasible, so mitigation may not be deferred. Indeed, the DEIR concludes that it is possible that mitigation may not be feasible, and because of this, it concludes that the impact remains significant and unavoidable. DEIR, p. 3-34.

GHG-1 improperly delegates mitigation to unelected decision-makers, the developer and the Community Development Director. It is bad enough that an unelected decision-maker could approve an applicant-supplied performance standard and mitigation plan. It is particularly egregious that an unelected decision-maker could also make a determination that mitigation is not feasible, do so without any standards to determine feasibility, and do so after the City has already approved the EDE program.

CEQA requires that *before the City approves this project*, its decision-makers must make a finding whether sufficient mitigation is infeasible based on specifically identified factors. And if sufficient mitigation is infeasible, the City must either disapprove the project or make findings that there are specific overriding considerations that justify approving it anyway. All of these findings must be based on substantial evidence in the record.

It is not sufficient simply to punt these findings to the future. Merely labeling the impact as significant and unavoidable is not a cure for the failure of analysis and mitigation. For example, the City cannot possibly weight the significant unmitigated environmental impacts against the purported overriding considerations unless it actually knows how severe the environmental impacts would be.

H. Mitigation of lost farmland is inadequate.

The analysis of impacts to farmland acknowledges that the proposed project would convert over 500 acres of important farmland to non-agricultural uses, which is a significant impact. As noted, the analysis is inadequate because it fails to acknowledge the loss of hundreds of additional acres of farmland resulting from the three proposed expressways and the proposed annexation of EOAs D, G, H and M.

Even if the impact analysis were adequate, the proposed mitigation is not. Mitigation measure AG-1 proposes to mitigate the loss of 502 acres of important farmland through one of two methods:

- Dedication of a conservation easement on off-site agricultural land of “equal or better quality at a ratio of 1:1”, or
- Payment of an agricultural conservation in-lieu fee in effect at the time individual projects are proposed, based on the fair market value of permanent conservation easements on agricultural land at the time individual project applications are submitted, updated if necessary at the time of project approval, and identified through a nexus study or other mechanism approved by the City Attorney. DEIR, p. 3-35

Impact fee option: Payment of an in-lieu or impact fee is not adequate mitigation unless the fee program has been proposed, adopted, and environmentally reviewed in either a program EIR for the impact fee program or in the EIR for this project. The DEIR does not identify any agricultural mitigation impact fee program or provide any information about such a program’s environmental review.

The DEIR fails to provide any information that would enable the public to understand how effective such an impact fee program would be or what environmental effects it would have. For example, it is unclear whether the impact fee program would be used to acquire conservation easements or to provide mitigation in some other form. If the impact fees were to be used for conservation easements it is unclear that that agricultural land parcels would be available for such easements; whether the program would require the timely acquisition of an easement after payment of an in-lieu fee; whether the land subject to the easement would be proximate to the City or even in the Salinas Valley; how much land would be required to be conserved; and whether the land would have to be prime, of statewide importance, or unique. If the impact fee were to be used to provide mitigation in some other form, it is unclear what that other form might be. It is unclear how much of the impact fee would be consumed by administrative overhead to run the impact program. We note that housing impact fees seldom result in timely production of affordable housing units. There is no reason to expect that an agricultural mitigation fee would fare any better, particularly since this mitigation measures does not constrain the use of the impact fee or mandate any particular outcomes.

Furthermore, the DEIR fails to specify the amount of the mitigation impact fee or to provide any information that would enable a future decision-maker to determine the fee. Merely calling for a future nexus study does not inform the public how that nexus or the fee will be determined. For

example, if the impact fee program were based on acquisition of conservation easements, it is unclear if the fee would have to be sufficient to acquire land at a 1:1, 1:2, or 1:3 ratio.

Calling for a fee based on the fair market value of permanent conservation easements on agricultural land does not guarantee that permanent conservation easements for comparable land would in fact be available or would actually be acquired. If in fact the fee were to be determined on the basis of the current price for a conservation easement, then presumably there would be a willing seller. If there were a willing seller, there is no reason to process the mitigation through an as-yet-to-be developed impact fee program: the developer should simply make the easement transaction with the willing seller. If there is no willing seller or no actual easement transaction, the City may not identify the mere payment of an impact fee as mitigation.

Conservation easement option: The conservation easement option is not adequate mitigation as proposed. There is no performance standard to define what land is of “equal or better quality.” There is no requirement that the easement be on land proximate to Salinas, or even on land in the Salinas Valley. The mitigation cannot be known to be feasible because the DEIR provides no assurance that land would actually be available for a conservation easement.

The DEIR admits that provision of a conservation easement at a 1:1 ratio does not render the impact less than significant because the conversion of farmland is assumed to be irreversible. Accordingly, the proposed mitigation merely lessens the impact. Where an impact remains significant, an EIR must consider all feasible mitigation. The DEIR fails to justify its assumption that the 1:1 ratio constitutes all feasible mitigation. A higher mitigation ratio, e.g., 1.5:1, 2:1, or 3:1, would likely be feasible and would go much further toward lessening the significant impact. The DEIR should require the highest feasible higher mitigation ratio in view of the conclusion that the impact remains significant even after mitigation at a 1:1 ratio.

AG Land Trust. The Ag Land Trust within the boundary of a permanent agricultural conservation easement holds a portion of Target Area B. Land held under this easement is to be protected in perpetuity for the purpose enumerated in the easement documentation, including in most cases, the continuation of agricultural production. The DEIR finds that implementation of the following mitigation measure (AG-3) would reduce the conflict from proposed future urban development within Target Area B with the existing agricultural conservation easement to less than significant.

- a. Development will be prohibited within parcels under permanent agricultural conservation easement; or
- b. Coordinate with the Ag Land Trust to exchange the existing agricultural conservation easement with which development of Target Area B could be in conflict with one or more new conservation easements placed on agricultural land in an alternative location such that conflicts are eliminated.

Exchanging land under the easement for land in an alternative location is inconsistent with the requirement that the easement remain in perpetuity at that location. The proposed mitigation does not mitigate the project’s impact to less than significance. Since limiting development in Target Area B is the remaining mitigation measure, the feasibility of developing Target Area B as proposed should be addressed.

I. Mitigation of Williamson Act contract conflicts is inadequate.

Mitigation measures AG-2, purporting to mitigate conflicts with Williamson Act contracts in Target Areas B and V must be updated to include any such contracts in other areas covered by Williamson Act contracts, e.g., areas in the proposed expressways or in EOAs D, G, H and M.

The provision in mitigation measure AG-2 that would permit the equivalent acreage of land to be added to other Target Areas would clearly have secondary impacts that have not been discussed. The proposal that this discussion be deferred to some future CEQA review fails to address impacts that must be discussed in this EIR. Accordingly, this portion of AG-2 must be deleted or the secondary impacts must be assessed.

J. Consistency Analysis

General Plan Inconsistency: As noted in the DEIR, the EDE would be inconsistent with the following General Plan Policy:

Minimize disruption of agriculture by maintaining a compact city form and directing urban expansion to the North and East, away from the most productive agricultural land.

While an amendment to the General Plan is proposed to address the issue, the inconsistency should be identified as an unavoidable and significant impact.

County/City MOU Inconsistency. The project is also inconsistent with the County/City of Salinas MOU and Ag Land Trust easements. The inconsistency should be identified as unavoidable and significant impacts.

Local Agency Formation Commission (LAFCO). Under the Section “Effects Found not to Be Significant”, the DEIR identifies Consistency with LAFCO Guidelines. DEIR, p. 3-323. However the project is clearly not consistent with one critical LAFCO Guideline.

The Monterey County LAFCO Policy Guidelines for Spheres of Influence provide:

“LAFCO will generally apply the following policy guidelines in the Spheres of Influence program, in addition to the local conditions and circumstances of each local agency. The Local Agency Formation Commission of Monterey County will consider the particular local conditions and circumstances of each agency and community.

1. LAFCO intends that its Sphere of Influence determination will serve as a master plan for the future organization of local government within the County. The spheres shall be used to discourage urban sprawl; limit proliferation of local governmental agencies; encourage efficiency, economy and orderly changes in local government; promote compact, community centered urban development; and minimize adverse impacts on lands classified as prime agriculture.” (Emphasis added).

All Target Areas outside the City limits and SOI are inconsistent with this major LAFCO policy because they do not promote compact urban development and because they consume prime agricultural land. This inconsistency should be identified as a significant impact.

K. Transportation VMT analysis

Standards of significance for transportation impacts are identified in the DEIR as consistency with LOS standards included in general plans. While this standard is appropriate for addressing project consistency with general plans, it does not address requirements of SB 743, which establishes criteria for determining the significance of a project's transportation impacts based on a project's reduction in mobile source Greenhouse Gas emissions (GHG). Under SB 743, the focus of transportation analysis should shift from driver delay to reduction of greenhouse gas emissions, creation of multimodal networks and promotion of a mix of land uses. Draft amendments to CEQA Guidelines to address SB 743 have been developed (January 2016) but have not been adopted. Until that time, impact analyses are not required to use the proposed methodology for determining significance. However, an analysis of a project's impacts on transportation should identify motor vehicle GHG emissions and determine if they will be reduced to levels of insignificance to be consistent with the requirements of SB 743.

The analysis of the project's impacts on GHG emissions (DEIR, p. 3-129) identifies mobile source GHG emissions as generating 117,189.17 MT CO₂e/year at build-out in 2045. It does not identify or discuss specific mitigation measures for reducing these emissions. The analysis finds that overall project GHG emissions, including mobile source emissions, will have an unavoidable and significant impact. DEIR, p. 3-134. Based on the DEIR's analysis of GHG emissions, 86% of which are from mobile sources, the project's transportation impact should be found to be unavoidable and significant.

L. Failures to assess urban decay

The DEIR acknowledges that big box retail has the potential to cause economic impacts on existing retail in the trade area, and that this may result in physical impacts through deterioration and decay. DEIR, p. 5-18. The DEIR explains that an urban decay analysis should at minimum identify the amount of existing retail trade that would be captured by the newly propose retail. DEIR, p. 5-18. The DEIR fails to provide this information.

While the Salinas Retail Analysis in the EDE discusses the potential capture of retail from outside the City, it does not assess the likely capture of retail from within the City. The Salinas Retail Analysis concludes that capture of existing retail from outside the City would justify adding 63 acres of new retail space. EDE, Vol. 2, App. B, Salinas Retail Analysis, Aug. 2013, p. 2. This first 63 acres of new retail space would come at the expense of retailers from outside the City within 20 minutes driving distance. The magnitude of this projected capture from relatively distant retailers clearly implies a similar magnitude of capture from retailers within the City, retailers that are even closer to the Target Areas.

The DEIR claims that analysis of urban decay impacts is too speculative to undertake because detailed information about likely future retail uses is not available. DEIR, p. 5-19. However, the Salinas Retail Trade Analysis demonstrates that it would have been possible to evaluate the capture of retail sales from within Salinas by the newly proposed retail stores using the same method that was used to project the capture of retail sales from outside of Salinas. It is clear that the proposed new retail uses have the potential to result in the shuttering and blight of dozens of existing Salinas stores. For example:

- The projected capture of retail from outside Salinas accounts for 21,260 square feet of auto parts stores. *Id.* at p. 7. If a similar amount of trade were captured from within Salinas, it could close an existing auto parts store.

- The capture of retail from outside Salinas accounts for 10 average sized electronics/appliance and furniture/home furnishings stores. *Id.* If a similar amount of trade were captured from within Salinas, it could close 10 such establishments.
- The projected capture of retail from outside Salinas accounts for 56,220 square feet of food and beverage stores. *Id.* at p. 7. If a similar amount of trade were captured from within Salinas, it could close one or more existing stores.
- The projected capture of retail from outside Salinas accounts for 20,000 square feet of clothing stores. *Id.* at p. 7. If a similar amount of trade were captured from within Salinas, it could close one or more existing stores.
- The projected capture from general merchandise stores from outside Salinas accounts for 87,268 square feet. *Id.* at p. 7. If a similar amount of trade were captured from within Salinas, it could close up to nine existing stores.
- The projected capture from specialty retail stores from outside Salinas accounts for 107,800 square feet. *Id.* at p. 8. If a similar amount of trade were captured from within Salinas, it could close 36 existing stores.
- The projected capture from foodservice and drinking places from outside Salinas accounts for 50,200 square feet. *Id.* at p. 8. If a similar amount of trade were captured from within Salinas, it could close up to 18 existing establishments.

The DEIR improperly declines to apply the same method it used to assess capture of external retail to assess capture of retail within Salinas. The City has failed to use its “best efforts to find out and disclose all that it reasonably can.” 14 CCR § 1544.

In effect, the DEIR seeks to justify adding 63 acres of sprawl development using a retail capture analysis focused outward, but fails to apply that analysis to the existing fragile Salinas retail environment.

Finally, CEQA does not limit the requirement to undertake urban decay analysis to the agency’s own boundaries. The DEIR should have evaluated the potential for urban decay impacts to the captured business from outside Salinas.

As previously noted, we don’t believe that the deficiencies in the DEIR can be corrected in the FEIR. The City must revise and recirculate an adequate DEIR in order to be in compliance with the California Environmental Quality Act.

Sincerely,



Michael DeLapa
Executive Director