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Napa Pipe: Modified (63 Acre) Project

Final EIR -- Supplemental Environmental Analysis

February 10, 2012

Since the circulation of the Draft Environmental Impact Report (EIR) in October 2009 and the Supplement to the 2009 Draft EIR in March 2011 for the Napa Pipe Project ("Project"), County staff has developed a new alternative to the Project. This Supplemental Environmental Analysis (SEA) or Addendum to the Final EIR (FEIR) has been prepared to allow for the consideration and potential adoption of this new alternative (referred to as the "Modified (63 Acre) Project" or "modified project") pursuant to the California Environmental Quality Act (CEQA) (Pub. Resources Code, § 21000 et seq.).

The potential environmental impacts anticipated as a result of the modified project are presented in Section II of this SEA, which also discusses the mitigation measures that would apply. Section II also compares the modified project to the proposed project and to alternatives analyzed in the 2009 Draft EIR and the 2011 Supplement to the Draft EIR. This SEA concludes that the Modified (63 Acre) Project will have incrementally different impacts than the proposed project, but will not result in new significant and unavoidable impacts or require new mitigation measures. Rather, the Modified (63 Acre) Project represents a hybrid of alternatives already analyzed in the EIR. For these reasons, and based on the specific analysis and evidence presented here, revisions and recirculation of the project EIR would not be required if County decision makers wish to consider and adopt the modified project.¹

I. Description of the Modified (63 Acre) Project

With the Modified (63 Acre) Project, County decision-makers would be asked to adopt a General Plan amendment and rezoning affecting a 63-acre portion of the 154-acre Napa Pipe site at 1025 Kaiser Road in unincorporated Napa County. The new zoning would permit phased construction of a new neighborhood on the portion of the site that lies between the Napa River and the railroad tracks. At build-out, the new neighborhood would have publically-accessible

¹ CEQA Guidelines Section 15088.5 discusses the circumstances under which revision and recirculation are necessary.

open space and a combination of residential, neighborhood- serving retail, a hotel, and light industrial/R&D/warehousing and office space.

The 91 acre parcel east of the railroad tracks and adjacent to the City's Napa Valley Corporate Park would contain project-related open space and roadways, but would build-out under its current Industrial zoning. County staff has assumed that development on the 91-acre parcel would ultimately consist of up to 550,000 square feet of warehousing, distribution, office, R&D and/or light industry uses.² The entire site would retain its existing Airport Compatibility (:AC) overlay zoning, and all development would be required to be compatible with the County's Airport Land Use Compatibility Plan.

Key project features would include:

- ◆ Remediation of the entire 154-acre site in compliance with a clean-up plan approved by requirements of the Regional Water Quality Control Board;
- ◆ Grading and filling to raise the elevation of the 63-acre waterfront parcel and major access roads on the 91-acre parcel;
- ◆ New roads, sidewalks and other infrastructure, plus approximately 27.3 acres of new public parks, open spaces and wetlands, including a new segment of the Napa River trail about 0.8 miles long;³
- ◆ Development of up to 700 dwelling units (or 945 units with a State-required density bonus for exceeding County affordability requirements). The dwelling units would be provided in a variety of building types, and would average about 1,200 square feet;

² While maximum build-out under the zoning would permit more square footage, 550,000 square feet is considered a reasonable built-out given the availability and demand for light industrial land in the County. The project applicant has also expressed a willingness to cap development at this level via a development agreement following rezoning of the 63-acre parcel. If approved, a condition of approval incorporated into the 63-acre proposal would provide that development on the easterly parcel could not exceed 550,000 square feet without performing supplemental environmental review. Because applicable zoning requires a discretionary use permit for industrial uses, the County has a mechanism for enforcing such a condition of approval.

³ The applicant would be required to make a "fair share" contribution to a trail connection to the south of the site, and would also be required to construct an at-grade trail connection to the north (to Kennedy Park) if an easement can be obtained from Syar Corporation. Approximately 8.1 acres of the required public open spaces would be on along the railroad tracks on the 91-acre parcel; and 19.3 acres would be on the 63-acre parcel.

- ◆ Development of a 150-unit Continuing Care Retirement complex with 225 beds that would provide independent living for seniors, with common dining, recreational activities, housekeeping and transportation as well as assisted care for seniors;
- ◆ Development of community facilities encompassing a total of 15,600 square feet, including a transit center, interpretive nature center, boat house, public safety building, café/visitor pavilion and drydock theater;
- ◆ Development of approximately 40,000 square feet of neighborhood serving retail and restaurant uses;
- ◆ Development of a 150 suite hotel with associated uses, such as meeting space and spa; and
- ◆ Development of up to 100,000 square feet of office space.

County staff is recommending that approval of design guidelines be required before development can proceed, and that the project be phased by conforming to the County's growth management system, which limits the number of residential building permits that can be issued each year.

The entire site would continue to be served by the Napa County Fire Department and the Napa County Sheriff, and would continue to use a mix of groundwater and surface water purchased from the City of Napa. Specifically, staff is recommending that an investor-owned utility or a mutual water company provide water to the site by purchasing water from the City of Napa, using groundwater only as a backup source unless the City of Napa declines to sell water to the site.⁴ Wastewater treatment and recycled water supplies (for irrigation) would be provided by the Napa Sanitation District (NSD).

The Modified (63 Acre) Project represents a hybrid of alternatives analyzed in the EIR. In particular:

- ◆ With respect to the use of land on the 63 acres between the railroad tracks and the Napa River, the project is the same as the Mid-Range Density Alternative.
- ◆ With respect to the use of land on the 91 acres east of the railroad tracks, because this portion of the project site would not be rezoned, the project resembles the "No Project

⁴ In this way, the proposal would mirror the City Water Alternative (Option B) described in the EIR.

1B" alternative, which also assumes the retention of existing land-use designations and zoning, except that light industrial development would be capped at 550,000 square feet.

- ◆ With respect to potable water supply, the modified project incorporates the "City Water Alternative," in that the project would rely on the City as a source of supply, with ground water relied upon as a back-up supply in the event the City declines to sell water to the site.

To assist the public and decision makers in comparing attributes of the Modified (63-Acre) Project to the developer's proposed project, County staff has prepared a stand-alone matrix that should be reviewed in conjunction with this SEA. The first column in the matrix summarizes the developer's proposed project, which is now identical to the Mid-Range Density Alternative included in the EIR with 2,050 dwelling units and a mix of other uses on a 134-acre site. The middle column summarizes the Modified (63-Acre) Project, and the third column summarizes the 20-acre alternative referred to in the EIR as the Off-Site/RHNA Transfer Alternative (Option A).⁵

II. Environmental Analysis

The analysis which follows analyzes the Modified (63-Acre) Project by examining the environmental topics considered in the EIR. In each instance, the analysis compares the impacts and mitigation measures required for the Modified (63-Acre) Project to the impacts and mitigation measures required for the developer's proposal, using the same CEQA significance thresholds as the 2011 Supplement to the Draft EIR.⁶

A. Land Use and Public Policy

The proposed project would result in a significant but mitigable impact associated with land use conflicts between the project site and surrounding land uses, and less-than-significant impacts associated with the physical division of established communities, on-site land use conflicts, consistency with General Plan and ALUCP policies, and effects on the county's industrial land supply.

⁵ The Mid-Range Density Alternative is identified as the "environmentally superior" alternative in the EIR. RHNA stands for Regional Housing Needs Allocation.

⁶ As indicated in the Final EIR, the text and analysis of the EIR has not been modified to reflect the developer's decision to reduce the size of the project to include 2,050 dwelling units instead of 2,580 dwelling units, so the EIR somewhat overstates impacts of the project as currently proposed.

No existing residential communities exist in the immediate vicinity of the project site and therefore no existing established communities would be divided or encroached upon by the modified project. Therefore, it would be similar to the proposed project in that it would not physically divide an established community.

The Modified (63 Acre) Project would place dwelling units in proximity to existing and potential future industrial uses and a railroad corridor. Like with the proposed project, the modified project would reduce the number of railroad crossings and formalize the remaining crossings to include safety gates and signals; it would also fence the remainder of the right-of-way to prevent unauthorized crossings. These changes would address safety concerns.

Like residents of the proposed project, residents of the modified project could experience noise resulting in land use conflicts with existing and future industrial uses north of the site.⁷ (With the modified project, residents would also be about as close to new industrial uses on the 91-acre portion of the site as the residents of the proposed project would be to uses in the City's business park. However, just as uses in the existing business park are screened by their rear yards and a berm with landscaping, the modified project would separate residents from businesses by constructing public open space along the east side of the railroad right-of-way.) Potential land use conflicts between residents and businesses would be addressed by implementation of mitigation measure Noise-1 requiring sound-rated building construction and other measures to achieve acceptable indoor noise levels and mitigation measure AQ-4 to reduce potential exposures to air quality nuisances, including pollution and dust associated with adjacent industrial uses. There is no reason to expect that significant and mitigable impacts attributable to the project will be any more or less severe with the modified project, although fewer potential residents would be involved.

In terms of compatibility with applicable land use plans, policies, or regulations, both the proposed project and the modified project would comply with the Airport Land Use Compatibility Plan, and neither would remove the :AC overlay zoning that applies to the site. Residences would only be constructed in "Zone E" under that plan, and the hotel and other uses in "Zone D" would have to comply with population density requirements in the Compatibility Plan.

Unlike the proposed project, the Modified (63-Acre) Project would conform with the County's Growth Management System. As a result, the modified project would not require a General Plan amendment to exempt Napa Pipe from the annual permit limit. The Modified Project would also preserve the portion of the site east of the railroad tracks exclusively for light

⁷ Uses north of the site include a haul road used by the Syar quarry, which has proposed an expansion in its activities, as well as a rebar manufacturer which is proposing to expand its operations on its existing site.

industrial (including warehousing and R&D) uses. Thus, the entire site would accommodate up to 650,000 square feet of office and light industrial uses (100,000 sf of office on the westerly 63 acres, and 550,000 sf of light industrial uses on the easterly 91 acres), and like the project would not adversely affect the County's overall ability to meet the demand for industrial land through the General Plan horizon of 2030.

In conclusion, the modified project would not result in any new land use impacts in comparison to the proposed project as analyzed in the FEIR, and would not increase the severity of significant land use impacts that were previously identified. No changes or additions to the mitigation measures identified to address potential land use conflicts would be required.

B. *Population, Employment and Housing*

As analyzed in the FEIR, the proposed project would result in 2,730⁸ housing units (including seniors-only housing), 5,901 residents, 430,000 square feet of non-residential space (consisting of 140,000 square feet of R&D/warehousing/light industrial, 50,000 square feet of office space, 40,000 square feet of retail and restaurants and 200,000 square feet of hotel uses) and 721 jobs. Due to the proposed mix of housing types/sizes, the average household size for the project would be 2.2 persons per housing unit and an average 1.5 people per seniors-only housing unit. With the same housing types and persons per unit, the 63-acre modified project would result in a population increase of up to 2,304 people for the 945 housing units and 150 senior housing units. Using employee generation rates of one job per hotel room, two jobs per 1,000 square feet of retail space, three jobs per 1,000 square feet of office, and one job per 14 residents in the seniors-only housing facility, the modified project would generate approximately 546 jobs. An additional 1,100 jobs would be generated with build-out of the 550,000 square feet of light industrial space assumed under existing zoning on the 91 acre parcel, for a total of 1,646 jobs on site.

The proposed project would have an unavoidable significant impact on population, employment and housing since it exceeds the population increase projected by ABAG and would have a significant but mitigable impact because it would exceed the growth permitted by the County's Growth Management System (annual permit limit). Impacts associated with exceeding the County's Growth Management System would be addressed via mitigation requiring adoption of a project phasing plan. The project would not exceed housing growth projections contained within the Napa County General Plan EIR.

⁸ See footnote 6 above. The FEIR analyzes a project with 2,580 units rather than 2,050 units and thus somewhat overstates impacts of the project currently proposed by the applicant.

Likewise, the Modified (63-acre) Project would fall within the General Plan EIR's housing projections. However, unlike the proposed project, this modified project would not exceed the County's Growth Management System, and would not require mitigation for associated impacts. The Growth Management System has a current annual permit limit of 115, and allows unused allocations to accrue either indefinitely (for affordable units) or for three years (for market rate units) and the Modified (63-acre) Project could be phased to build-out within these limitations. Thus Mitigation Measure PEH-1 would no longer be required.

Like the proposed project (and the Napa County General Plan), the Modified (63-acre) Project would exceed ABAG projections for population and housing growth. This would be considered a significant and unmitigable impact, although it simply highlights the nature of regional projections, which are based on ABAG's understanding of regional economic trends and site capacity under each jurisdiction's currently adopted general plan. This significant and unmitigable impact would be less severe than it would under the proposed project.

The modified project is anticipated to result in approximately 1,646 jobs as compared to ABAG projections of around 4,000 jobs between 2010 and 2030. Therefore, ABAG projections for employment growth would not be exceeded. Also, the modified project would result in a similar jobs to housing ratio as the existing job/housing ratio for the unincorporated county. This modified project would result in 1,646 new jobs and 945 new housing units, resulting in roughly the same job/housing balance as the existing 2.3 jobs per household for the unincorporated area (23,180 existing jobs + 1,645 new jobs / 10,090 existing households + 945 new households) and would maintain the existing 1.4 jobs per household for the county as a whole (70,690 existing jobs + 1,646 new jobs / 49,270 existing households + 945 new households). Also like the proposed project, the modified project would not displace any existing housing units or people, since there are no existing houses on the project site.

In conclusion, as under the proposed project, the modified project would result in growth that exceeds the growth projected by ABAG, although that exceedence would be reduced. This impact would remain significant and unavoidable. However by complying with the County's Growth Management System, the Modified (63-acre) Project would eliminate the need for the mitigation measure recommended to address potential adverse impacts of the proposed project (see Mitigation Measure PEH-1). Therefore, the modified project would not result in any new significant impact or increase the severity of an impact related to population, employment and housing when comparison to the proposed project as analyzed in the FEIR.

C. *Traffic and Transportation*

Under the Modified (63 Acre) Project (assuming build-out of the 91-acre parcel as well as the 63-acre parcel), the square footage for warehousing, distribution, office, R&D and/or light industry

uses at the project site would be increased, but the residential uses would be decreased compared to the proposed project. The traffic analysis for the modified project indicates that the trip generation for the modified project would be less than that of the proposed project and about the same as the Mid-Range Density Alternative with 2,050 dwelling units. (See Figure 1, below.)

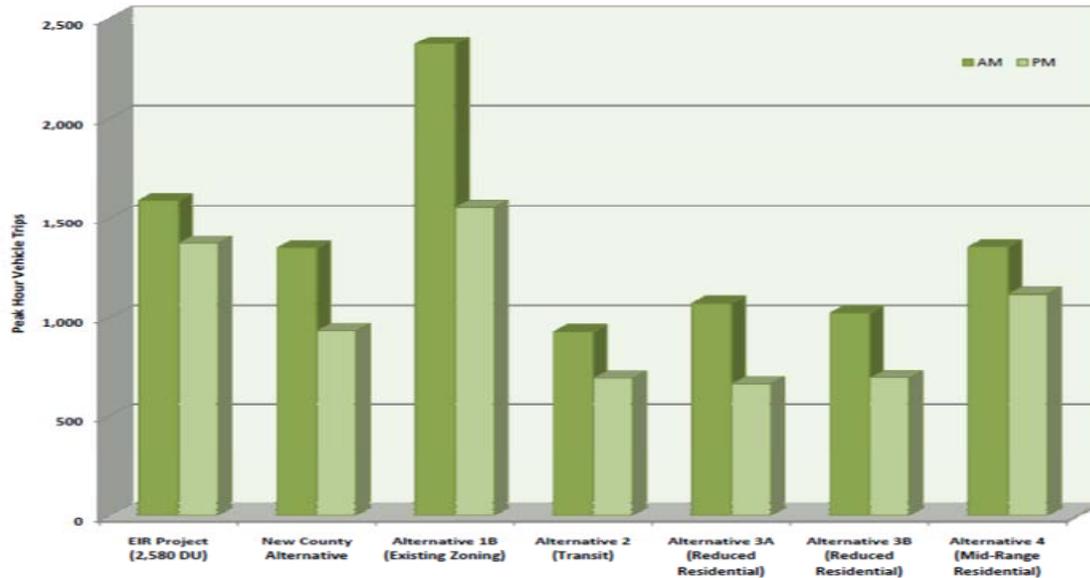


Figure 1: Trip Generation Summary

Source: Fehr & Peers, January 2012

The Modified (63 Acre) Project was assessed to determine whether associated traffic would alter the project-specific and cumulative impacts identified for the project at area intersections. The analysis, which is attached, compared the level of service (LOS) with the modified project to the existing LOS at area intersections, to the LOS with the project, and to the LOS assuming cumulative growth in the region with and without planned (but unfunded) transportation network improvements.

Using existing conditions as the baseline, the modified project would eliminate significant impacts associated with the project at the intersections of First/Soscol, and Imola/Soscol in the PM Peak Hour. However impacts at these intersections would remain significant and unavoidable in the cumulative scenarios (with and without planned and unfunded network improvements). Similarly, the project-specific impact at SR221/Kaiser Road would improve in the AM Peak Hour, but would remain significant and unavoidable in the cumulative scenarios. Feasible mitigation measures have been identified for all of these intersections except for First/Soscol and would require the applicant to make “fair share” contributions to planned improvements. Impacts have been characterized as significant and unavoidable simply because

it is unclear whether the agencies with jurisdiction over the intersections will be able to obtain the balance of funding required to remedy the cumulative impacts.⁹

In the cumulative impact scenarios (with and without planned and unfunded network improvements), the Modified (63 Acre) Project would contribute to one fewer significant impact than the proposed project, avoiding considerable contributions at American Canyon/Newell intersection (AM and PM Peak Hour) when the network is analyzed with funded improvements only, and at SR29/Napa Junction (PM Peak Hour) when all planned network changes are assumed.

There are a number of locations where the traffic analysis indicates that the Modified (63 Acre) Project would increase the intensity of impacts associated with the proposed project, and these circumstances have been closely examined to determine whether recirculation of the EIR would be triggered.¹⁰ These have been summarized below.

Table 1: 63-Acre Project Intersection Analysis

| Intersection | Discussion |
|----------------------------------|--|
| 5. Third/Silverado/East/Coombsv. | This intersection operates unacceptably under existing conditions, the proposed project, and the modified project. Mitigation Measure TRA-2 already addresses this impact. |
| 6. Silverado (SR 121)/Soscol | This intersection will operate unacceptably in all cumulative scenarios (with the proposed project, the modified project, or no development on the project site). Mitigation Measure TRA-19 already addresses this impact. |
| 8. SR29 Northbound Ramps/Imola | This intersection has been improved since the traffic analysis was prepared and is no longer expected to operate unacceptably under any project or cumulative scenario. |
| 9. Imola (SR 121)/Jefferson | This intersection will operate unacceptably in all cumulative scenarios (with the proposed project, the modified project, or no development on the project site). Mitigation Measure TRA-4 already addresses this impact. |
| 10. Imola (SR 121)/Coombs | This intersection will operate unacceptably in all cumulative scenarios (with the proposed project, the modified project, or no development on the project site). There is no feasible mitigation |

⁹ As drafted, many of the transportation mitigation measures in the FEIR refer to phasing associated with the original project proposal, and not the Modified (63 Acre) Project. As a result, these measures will need to be revised in the CEQA findings to include alternative phasing mechanisms. The required Mitigation Monitoring and Reporting Program would ensure implementation of “fair share” measures via creation of a traffic fee mitigation program.

¹⁰ Section 15088.5(a)(2) requires recirculation if there is “a substantial increase in the severity of an environmental impact... unless mitigation measures are adopted.”

| Intersection | Discussion |
|----------------------------|---|
| | identified. The project’s contribution to the growth in traffic at this intersection was estimated at 2.4-3.1%. With the Modified (63-Acre) Project, the percentage contribution would be 2.7-4.0%. This projected increase is not considered “substantial” because they are within the range of typical daily fluctuations in traffic. |
| 12. Imola (SR 121)/ Soscol | This intersection operates unacceptably under existing conditions, the proposed project, and the modified project. Mitigation Measure TRA-5 already addresses this impact. |

Source: Fehr & Peers, Napa County Conservation, Development & Planning, January 2012

Further information regarding project-specific and cumulative contributions of the Modified (63-acre) Project is available in the attached analysis by Fehr & Peers.

In conclusion, the modified project would not result in any new significant transportation impacts in comparison to the proposed project as analyzed in the FEIR, and would not substantially increase the severity of significant impacts that were previously identified. No substantive changes or additions to the mitigation measures identified to address potential transportation impacts would be required. However, as noted above, the timing or phasing of mitigation measures would have to be adjusted to omit references to the phasing proposed as part of the original project. Also, because certain mitigation measures require the project to pay its “fair share” for traffic improvements (MMs TRA-4, -5, -9, -10, -11, -12, -13, -19), and the modified project’s relative contribution to traffic differs slightly from the Proposed Project, the modified project’s fair-share percentage contribution towards the identified improvements would change as well. Fehr & Peers has identified the fair-share percentages that would apply under this modified project and this information is available in the project file. Mitigation measures proposed as part of the proposed project to address traffic congestion as well as transportation demand management (TRA-1b), construction management (TRA-14), pavement conditions (TRA-15), bicycles (TRA-16), transit (TRA-17), and parking (TRA-18) would all remain relevant to the Modified (63 Acre) Project.

D. *Biological Resources*

Under the Modified (63 Acre) Project, the western portion of the site would be built out to a similar extent as under the proposed project and the eastern portion would build out under existing industrial zoning. While the site is already disturbed and there is little potential for significant biological impacts, the potential impacts on biological resources identified in the FEIR would still be possible under the modified project. Mitigation Measures BIO-1 through BIO-5 are recommended to address potential adverse impacts of the project on sensitive resources and would still apply under the modified project. (The Napa Sanitation District would serve the Modified (63-acre) Project, eliminating the recycled water pipeline analyzed in

the Supplement to the DEIR, and thus eliminating the need for Mitigation Measure BIO-6.) Therefore, the modified project would not result in any new biological resources impacts or increase the severity of any impacts previously identified with the proposed project.

E. *Noise*

The Modified (63 Acre) Project would result in mix of uses within the project site, similar to the proposed project, but only on the western portion of the site. On the eastern portion of the site, the modified project would allow build-out under current zoning and assumes construction of up to 550,000 gsf of warehousing, distribution, R&D and/or other light industrial uses.

Similar to the proposed project, the modified project would result in less-than-significant impacts from permanent increase in ambient noise levels, temporary or periodic increase in ambient noise levels, and exposure of people to excessive aircraft noise levels. Also similar to the proposed project, the modified project would result in significant impacts resulting from the exposure of people to or generation of excessive groundborne vibration or noise, and the exposure of people or sensitive receptors to noise levels in excess of established standards. However, because the modified project involves fewer residential units than the proposed project, such impacts would be reduced compared to the proposed project. Moreover, these impacts could be mitigated with the same Mitigation Measures NOISE-1 and NOISE-2 as the proposed project to less-than-significant levels. Therefore, the modified project would not result in any new significant impacts or increase the severity of potential noise impacts identified with the proposed project.

F. *Air Quality*

Similar to the proposed project, the Modified (63 Acre) Project would introduce housing units to the unincorporated area of the county, increasing population, VMT, and vehicle emissions over what was projected in the 2005 Clean Air Plan, resulting in an inconsistency with the Plan. This is considered a significant and unavoidable impact.

However, the Modified (63-acre) Project would involve less grading during site preparation since housing is not proposed on the eastern portion of the site. While grading could occur on the eastern portion of the site in the future when individual projects are proposed under existing zoning, the site would not be entirely graded following site remediation, resulting in fewer air pollutant emissions during the two-year period of site preparation. Nonetheless, the quantification of construction emissions presented in SDEIR Table 4.6-1 has not been re-done based on the Modified (63 acre) Project, and it is assumed that under some scenarios (depending on whether fill is imported from near/far by truck or barge), construction emissions would remain above the BAAQMD's significance threshold. Mitigation Measure AQ-2 would

continue to apply and because its effectiveness is uncertain, the impact would remain significant and unavoidable.

Similar to the proposed project, development of the modified project would produce air pollutant emissions from operation of the proposed land uses, introduce new sensitive receptors to the site, and result in potential odor complaints. Such impacts would be less than with the proposed project due to the lower number of housing units planned for the site and the reduction in vehicle miles travelled described in the transportation section, above. Mitigation Measures AQ-3 and AQ-4 recommended to address potential adverse impacts of the proposed project would also apply to the modified project. (Onsite wastewater treatment is no longer proposed as part of the project or the Modified (63-acre) Project, so Mitigation Measure AQ-5 in the DEIR and SDEIR would no longer apply.) Therefore, the modified project would not result in any new significant impacts related to air quality or increase the severity of air quality impacts identified with the proposed project.

G. *Greenhouse Gas Emissions*

Similar to the proposed project, in the western portion of the site, the Modified (63 Acre) Project would provide housing closer to job centers in Napa County, thus potentially reducing in-commute distances. Traffic analysis for the modified project indicates that the trip generation for the modified project (including consideration of uses on the western and eastern portions of the site) would be somewhat less than with the proposed project analyzed in the FEIR and about the same as the mid-range density alternative (See Figure 1, above). However, more of the site would accommodate industrial uses, with trucking and other activities that may generate more greenhouse gas (GHG) emissions.

To compare operational emissions of the Modified (63 Acre) Project (plus the assumed build-out of the 91-acre eastern parcel under existing zoning) to the proposed project, the County's EIR consultants used the BGM model promulgated by the Bay Area Air Quality Management District to prepare a rough estimate. It should be noted that the BGM provides a gross analysis based on land uses, and should be used for comparative purposes only. The model incorporates emission reduction measures adopted by the State since 2005 and therefore understates "business as usual" emissions, and also does not incorporate some project features designed to achieve LEED-ND rating and reduce project emissions (thereby overstating project emissions).

With these caveats, the Modified (63 Acre) Project was predicted to result in 24,781 Metric Tons (MT) of carbon dioxide equivalents (CO₂e) annually, and somewhat less (19,812 MT CO₂e)

when some of the project's emission reduction measures are factored in. This compares to 32,833 MT CO₂e and 26,520 MT CO₂e with the project analyzed in the SDEIR.¹¹

Since the SDEIR was prepared, the County issued a Revised Climate Action Plan (CAP) (October 31, 2011), which contains a forecast of future emissions based on the current General Plan. The Climate Action Plan contains a commitment to monitor GHG emissions and update the plan over time as necessary and would serve as the County's CEQA significance threshold if adopted. Since both the proposed project and the Modified (63 Acre) Project would amend the County's General Plan, the approval of either one would need to be addressed in the next regular update to the Climate Action Plan. Also, any discretionary approval associated with the Napa Pipe project that occurs after the CAP is adopted, will have to comply with the CAP's requirements, including a more refined analysis of GHG emissions.¹²

Mitigation Measure GH-1, which was recommended to address potential adverse impacts of the proposed project, would also apply to the Modified (63 Acre) Project, and would reduce its impacts. Although as with the proposed project, the effectiveness of this measure is not certain and thus the impact would remain significant. Nonetheless, the analysis has shown that the modified project would not result in any new significant impacts or increase the severity of greenhouse gas emissions impacts anticipated with the proposed project.

H. *Hazards and Hazardous Materials*

The proposed project would result in significant but mitigable impacts from hazards and hazardous materials due to the past release of hazardous materials on the project site. Under the Modified (63 Acre) Project, the project site would be built out to a similar extent as under the proposed project, although only the west side of the site would include residences.

¹¹ The Planning Center DCE, February 7, 2012 Memorandum to Napa County. Also See Table 4.6-2 in the SDEIR.

¹² The Revised Climate Action Plan (CAP) issued on October 31, 2011 would require discretionary projects to reduce their GHG emissions by 38% when compared to "business as usual" in 2020. Projects can achieve some of their required reductions by accounting for State-imposed measures like improved fuel efficiency standards and adoption of the CalGreen Building Code, but will also need to take aggressive measures to reduce energy use, encourage alternatives to the private automobile, and generate energy on-site. If the CAP is adopted it will essentially become the County's CEQA significance threshold for discretionary projects (i.e. projects that comply with the CAP will be considered to have less than significant impacts). Adoption of the CAP will also allow for development of a local carbon offset program, whereby project applicants who cannot reduce their emissions by 38% on site can purchase "credits" by helping to fund emission reduction programs with co-benefits in Napa County (e.g. habitat restoration, energy conservation, waste-to-energy).

The site would be remediated subject to the RQWCB's clean-up orders, and consistent with a Remedial Design and Implementation Plan (RDIP) conditionally approved by the RWQCB.¹³ Mitigation Measures HAZ-1 through HAZ-3 recommended to address potential adverse impacts of the proposed project would also apply to the modified project, and would reduce impacts to less than significant levels. Therefore, the modified project would not result in any new significant impacts or increase the severity of potential impacts associated with potential hazards and hazardous materials impacts.

I. *Geology, Soils and Seismicity*

The proposed project would result in significant impacts associated with ground shaking, liquefaction, lateral spreading, settlement and expansion of soils as a consequence of earthquakes near the site. However, these impacts would be mitigated to less-than-significant levels through design modifications. The project would also result in less-than-significant impacts due to soil erosion and ground rupture.

Under the Modified (63 Acre) Project, the project site would also be fully developed but would, on average, have less residential uses on site. A 55-foot height limit (rather than 85 feet with the project) would be in place. Due to the lower residential population, risks to public safety would be reduced.

Mitigation Measures GEO-1 through GEO-5 recommended to address potential adverse impacts of the proposed project would also apply to the modified project, and would reduce impacts to less than significant levels. Therefore, the modified project would not result in any new significant impacts or increase the severity of potential geologic hazards when compared to the proposed project.

J. *Hydrology and Water Quality*

The Modified (63 Acre) Project would impose essentially the same impedance to flood flows from the Napa River on the western portion of the site as would occur with the proposed project, and would have similar conditions and impacts in terms of drainage patterns and storm water runoff on the western portion of the site.

Because eastern portions of the site would not be raised above flood elevations, less than significant impacts of the project on future flooding downstream¹⁴ would be reduced.

¹³ The applicant has indicated that the site will be cleaned-up as planned, and no amendment to the RDIP will be proposed due to a decision that would allow residences on the western parcel only.

¹⁴ See the May 2009 Flood Hazard Assessment by Phillip Williams & Associates included in Appendix I to the 2011 SDEIR.

However, drainage patterns and the potential for flooding on the eastern portion of the site would be different than analyzed in the FEIR. Specifically, storm water flows could accumulate such that eastern portions of the site would be inundated in extreme flood events, particularly as climate change contributes to rising water levels.

Raising the level of access roads serving the western portion of the site and implementing Mitigation Measure HYDRO-7a (construction and operation of flood gates at the railroad right of way) would ensure that access to the site would be preserved in 100-year flood events. Compliance with Mitigation Measure HYDRO-7b would ensure that signs are installed in the railroad park area to inform park patrons of potential inundation during flood events. Implementation of HYDRO-6 would ensure compliance with FEMA flood hazard requirements and implementation of HYDRO-3 would ensure that storm water drainage systems are improved to appropriately convey and retain storm water in compliance with the County's road and street standards. These existing mitigation measures, already recommended to reduce impacts of the project, would ensure that impacts of the Modified (63 Acre) Project related to flooding and storm water runoff are reduced to less than significant.

As with the proposed project, cleanup of past contamination of the site may result in contaminants potentially discharging to the surface water unless appropriate safeguards are in place. Erosion can occur during and after construction phases of the project. Compliance with Mitigation Measures HAZ-1 and HYDRO-4 would ensure that potential impacts are mitigated to less-than-significant levels by implementing the approved clean-up plan and complying with storm water pollution prevention programs overseen by the County and the RWQCB.

As explained in the FEIR, the City of Napa Water Department has historically provided some potable water to the site, and industrial uses on the site have relied on groundwater. The proposed project originally proposed relying exclusively on groundwater (up to 620 acre feet per year), and later proposed relying on surface water from a tributary of the Sacramento River, which would be imported to the site through the North Bay Aqueduct (NBA). Due to capacity constraints in the NBA, the surface water option also included between 0 and 164 acre feet per year of ground water in a "conjunctive use" arrangement, consistent with County General Plan Policy CON-51 (which is nonetheless proposed for modification as part of the project).

With the Modified (63 Acre) Project, the applicant has indicated that importation of surface water would no longer be economically feasible. Instead, the modified project would rely on water from the City of Napa Water Department with groundwater as a back-up supply unless the City and the water purveyor cannot reach agreement on the sale of water to the Modified (63 Acre) Project. In the event that water from the City of Napa is not available, the modified project would use an estimated 278 acre feet of groundwater per year and industrial

development on the eastern 91-acre parcel would use an estimated 62 acre feet of groundwater per year, for a total of 340 acre feet of groundwater per year.

Because obtaining City water for the Modified (63 Acre) Project is uncertain, the modified project has been analyzed two ways, assuming the use of groundwater exclusively, and assuming the use of groundwater and City water in a “conjunctive use” arrangement, where groundwater is used as a back-up source in dry years. In both instances, an investor-owned utility or a mutual water company would provide for treatment and monitoring of groundwater and distribution of potable water to customers on site.

In the event that the Modified (63 Acre) Project is served exclusively by groundwater, impacts would be proportionally less than with the proposed project (groundwater option) because 340 rather than 620 acre feet per year would be used. The groundwater analysis completed for the project demonstrates that sufficient groundwater supplies are available to serve the site, taking into account existing and possible future users of the aquifer, and that no connection/impacts to the nearby Milliken-Sarco-Tulocay (MST) groundwater deficient areas would occur. (See the revised Water Supply Assessment contained in Appendix I to the FEIR.)

Mitigation Measure HYDRO-5 would ensure that any existing wells that are unused are decommissioned to avoid providing a pathway for contamination, and Mitigation Measure HYDRO-2 would ensure that groundwater use is monitored as the site is built-out and conservation measures are implemented as needed. With these measures, there would be no new significant impacts with the Modified (63 Acre) Project and none of the potentially significant impacts identified with the proposed project (groundwater use option) would be made more severe. Nonetheless, the exclusive use of groundwater is *not* the most desirable outcome from the County’s perspective, due to its stated goal of prioritizing groundwater for agriculture and rural residential uses (General Plan Goal CON-11).

As discussed in the attached memorandum from Brownstein Hyatt Farber Schreck (February 6, 2012), the City has sufficient water to serve the site without impacting existing customers, even taking into consideration possible future uses identified in the City’s Urban Water Management Plan. In the event that the City of Napa agrees with this conclusion and provides water to the site at its regular “out of City” rates, groundwater would be used to supplement the City’s water in “single dry years” when the City’s plan projects a deficit. Groundwater could also be made available to the City in these years for use by other customers. Mitigation Measures HYDRO-5 and HYDRO-2 (see above) would still apply.

The West Yost study completed in 2008 indicated that several upgrades to the City of Napa’s water system could be required, including: a new treated water storage facility with a capacity of approximately 2.5 million gallons with an associated pumping station; increased incremental

pumping capacity of 1 million gallons per day (MGD) at the proposed Westside Pump Station; and increased incremental pumping capacity of 1 MGD at the Jamieson Water Treatment Plant. The 2008 West Yost study was based on the project as proposed at the time (3,200 residential units) and assumed higher water use factors than were ultimately determined to apply to the project. Thus, the study assumed a level of potable water demand at the site that is no longer expected to occur. As a result of the reduced potable water demand, the improvements identified in the 2008 study would be reduced in scale or no longer needed. An engineering analysis based on the revised water demand would be required to determine whether the system improvements identified in 2008 would still be needed.

Similar improvements were identified and analyzed in the EIR. The project, as identified in the October 2009 DEIR, consisted of 2,580 dwelling units with groundwater as the source of supply. The project also included facilities to treat, store, and distribute this groundwater, including 1.81 million gallons of storage capacity, a 500 gallons per minute treatment facility, and pump stations. The site plan reserved an area in the southeast corner of the site for these facilities, and the DEIR concluded that the construction and use of these facilities would not result in significant environmental impacts (DEIR Section 4.13(A)). These improvements, scaled to reflect the smaller size of the project, would still be needed even if water is purchased from the City of Napa to ensure that groundwater is available as a back-up source.

In the event that an agreement between the City of Napa and the water purveyor for the Modified (63 Acre) Project is executed, the City may decide that it would be preferable to construct water treatment and storage facilities and pump stations off-site, rather than on-site. As indicated in the analysis of the City Water Alternative in Chapter 5 of the SDEIR, the needed off-site improvements were not addressed in the project EIR. In the event the City were to determine that storage, treatment and pump facilities should be constructed off-site, such improvements could be constructed within the footprint of City facilities (e.g. Jamieson Canyon Water Treatment Plant) such that significant environmental impacts would not occur.

To ensure that needed facilities are constructed if deemed necessary, the following new mitigation measure is proposed for the Modified (63 Acre) Project:

UTIL-3: If the City of Napa agrees to provide potable water to the project, the applicant shall:

- fund an updated study by the City's Water Department to determine whether the storage, treatment, and pumping facilities identified in 2008 are still needed;
- reserve an area in the southeast corner of the site of sufficient size to accommodate storage, treatment, and pumping facilities necessary to serve the project, and construct the on-site treatment and storage facilities and an associated pumping station deemed necessary;

- if it is determined that treatment, storage, and pumping facilities are still necessary and should be constructed off-site, fund incremental increases in storage facilities and pumping capacity at the Westside Pump Station and the Jamieson Canyon Water Treatment Plant; and
- demonstrate that treated groundwater supplies shall be available to the site in dry years when City water is unavailable.

The applicant has agreed to implement this measure if the City agrees to serve the site, which is the County's preference from a policy-perspective. Mitigation measures related to cultural resources (see below) would apply to any off-site excavation that is needed, and storm water pollution prevention measures would be required by the City, County, or the RWQCB, depending on the location of the work and the ground area to be disturbed. For all of these reasons, the modified project would not result in any new significant impact or increase the severity of potential hydrology and water quality impacts identified in the FEIR.

K. *Cultural Resources*

Under the Modified (63 Acre) Project, the western portion of the project site would be developed with a new mixed-use neighborhood and the eastern portion of the project site would be developed under existing zoning. As such, the same amount of land area would be disturbed during construction and project build out as under the proposed project, and the remaining features of the Basalt Shipyard would be demolished. Thus, as under the proposed project, the modified project would result in a significant and unavoidable impact on historic resources, despite implementation of Mitigation Measures CULT-1 (recordation and interpretation).

With ground-disturbing activity similar to the project's, the Modified (63 Acre) Project would also have potentially significant impacts associated with previously unidentified buried archaeological deposits, buried Pleistocene fossil deposits and human remains. These potential impacts would be mitigated to less-than-significant levels with implementation of Mitigation Measures CULT-2 through 4. Therefore, the modified project would not result in any new significant impacts or increase the severity of potential impacts to cultural resources when compared to the project analyzed in the FEIR.

L. *Public Services and Recreation*

As analyzed in the Draft EIR and the SDEIR, the proposed project would include 2,580 dwelling units housing approximately 5,901 new residents. As a result of the attendant increase in County residents and students, demands on public services including law enforcement, fire protection, emergency medical response and libraries have been identified as significant

impacts. The population increase would also increase the demand for school facilities in the area and the applicant had agreed to go beyond the legal requirement (i.e. payment of school fees) to offer a school site adjacent to the project. (See the SDEIR.)

The Modified (63 Acre) Project would involve uses that are consistent with the existing industrial zoning on the eastern portion of the site and up to 945 residential dwelling units, retail space, a hotel, a continuing care retirement complex and office space on the western portion of the site. It would therefore result in less population-based public service demand than the proposed project. It would also include a 7-acre community park and park space adjacent to on-site wetlands, the Napa River, Asylum Slough, and the drydocks, though it would not include a connection to Kennedy Park unless the Syar Corporation agrees to provide an easement for an at grade connection. Mitigation measures recommended to address potential adverse impacts of the proposed project on fire, public safety, and library services (Mitigation Measures PS-1, -2 and -4) would also apply to the modified project, and would reduce impacts to less-than-significant levels.

With the reduced school-aged population likely under the Modified (63 Acre) Project, the number of school-aged children will be less than half than with the proposed project, and Napa Valley Unified School District's (NVUSD) would be affected to a lesser extent. Specifically, using the student generation and school capacity figures presented in the DEIR and the SDEIR, the students generated by the Modified (63 Acre) Project would exceed the capacity of NVUSD's elementary facilities, but would not exceed the capacity of either middle school or high school facilities.¹⁵ As a result, under the modified project, the applicant would not propose to make a school site available, and Mitigation Measure PS-3 would no longer apply. Consistent with California Government Code Section 65995, collection of school fees at the time of construction would mitigate the impacts of new development and local agencies are precluded from imposing additional mitigation measures.¹⁶

For all of these reasons, the modified project would not result in any new significant impact or increase the severity of previously identified impacts on public services and recreation impacts when compared to the proposed project analyzed in the FEIR.

¹⁵ See DEIR Table 4.12-8 (for student generation) and Table 4.12-6 (for school capacity). With 945 maximum total units, the Modified (63 Acre) Project would be equivalent to 37% of the proposed project analyzed in the DEIR, or all of Phase I plus a fraction of Phase II as presented in Table 4.12-8.

¹⁶ Using the fee of \$3.73 per square foot of residential development effective in January 2012 (945 housing units x 1,200 square feet per unit on average), plus \$0.47 per square foot of commercial development (40,000 sf retail/restaurant + 100,000 sf of office + 550,000 sf of light industrial space), the project would generate a total of about \$4.5 Million in school fees.

M. Utilities

As discussed in the hydrology section, above, the Modified (63 Acre) Project would use potable water provided by an investor-owned utility or a mutual water company using groundwater as its source or by connection to the City of Napa. If groundwater is relied on for potable water, the modified project would result in similar potential impacts to groundwater resources as the proposed project. If City water is utilized, impacts would be as described in the hydrology section, above, and the new mitigation measure UTIL-3 would apply.

As with the project, the NSD would provide wastewater service and recycled water to the Modified (63 Acre) Project and on-site treatment of wastewater is no longer an option. As described in the FEIR, Mitigation Measures UTIL-1 and -2 would address potential impacts to NSD's system, which are expected to be less than with the proposed project due to the reduction in residential uses. (Water demand is generally a good measure of wastewater treatment demand, and as described above, total demand for potable water would decrease from 620 AFY to 340 AFY with the Modified (63 Acre) Project.)

Using the solid waste generation rates presented in DEIR Section 4.13, Utilities, it can be expected that the additional employees generated by the Modified (63 Acre) Project could generate additional pounds of solid waste per day than expected under the proposed project. However, the increase in solid waste would not be significant when considering the remaining capacity at the Keller Canyon Landfill.¹⁷

Demand for energy systems would be similar under the modified project as under the proposed project and energy use would also be moderated by the implementation of mitigation measures related to traffic, air quality, and GHG emissions. With these measures, the modified project would not waste or inefficiently or unnecessarily consume energy, and resulting energy use is considered a less than significant impact.

For all of the reasons provided above, the modified project would not result in any new significant impacts or increase the severity of previously identified significant impacts related to utilities when compared to the project, with the exception of the water supply infrastructure impact that would be addressed by new Mitigation Measure UTIL-3. The applicant has agreed to implement this measure.

¹⁷ See DEIR p. 4.13-39. Keller Canyon has a permitted capacity of 3,500 tons per day, yet only receives 2,500 tons per day. Even if the Modified (63 Acre) Project would generate substantially more solid waste than the project (estimated at 3.8 tons/day at build-out), it would not exceed the landfill's permitted capacity.

N. *Aesthetics*

The Modified (63 Acre) Project would involve redevelopment of the project site from its underutilized industrial/shipyard use to a mixed-use neighborhood, with new buildings ranging in building types of heights up to 55-feet on the western portion of the site, and a continuation of warehousing, distribution, and light industry uses on the eastern portion of the site in conformance with existing zoning. Due to compliance with existing regulations, an absence of officially-designated scenic routes and vistas in the project vicinity and the orderly, compatible urban aesthetic of the proposed development, the modified project would not result in significant aesthetic impacts, and would benefit the visual quality of the site and surroundings. Therefore, the modified project would not result in any new significant impacts or increase the severity of impacts related to aesthetics identified in the FEIR.

III. **CEQA-Required Assessment Conclusions & Summary**

Like the proposed project, the Modified (63 Acre) Project would result in new housing, population and employment due to development on the western (63-acre) Napa Pipe parcel and the 91-acre Napa Pipe parcel to the east. This growth would be a direct impact of the modified project and its effects are compared to effects of the project throughout this supplemental analysis. The Modified (63 Acre) Project would not induce additional growth because it would not extend infrastructure to unserved areas or encourage growth to occur elsewhere. Like the original project, the Modified (63 Acre) Project would represent an efficient development pattern, putting growth on a “brownfield” site that is already urbanized, and thus could actually reduce -- rather than increase -- development pressure on more traditional “greenfield” sites in the North Bay. Like the project, the modified project could also meet the County’s need for sites to accommodate its Regional Housing Needs Allocation (RHNA), potentially making it feasible for the County to eliminate other sites identified in its Housing Element.

Table 2 summarizes the findings and conclusions of the supplemental analysis conducted on the modified proposal for the Napa Pipe project, including unavoidable significant impacts. As indicated below, the implementation of the Modified (63 Acre) Project described in Section I of this supplemental environmental analysis will not result in new significant impacts, or exacerbate already identified potentially significant impacts when compared to those presented in the 2009 DEIR and 2011 Supplement to the 2009 DEIR. The only new potentially significant impact, related to potable water infrastructure, would be addressed by a new mitigation measure UTIL-3, which the applicant has agreed to implement. Also, this measure itself does not constitute new information, since it reiterates information from the West Yost study in 2008 that was cited and summarized in the DEIR.

Table 2: Comparison of Potential Impacts – Modified (63 Acre) Project & Project Analyzed in the FEIR

| Topic Area | Summary of Impacts of Modified (63 Acre) Project | Comparison to Analysis of Impacts in 2009 DEIR and Supplement to 2009 DEIR |
|---|--|--|
| Land Use and Planning | Less than Significant | No new impacts |
| Population and Housing | Significant and Unavoidable | No new impacts |
| Transportation/Traffic | Significant and Unavoidable | No new impacts |
| Biological Resources | Less than Significant | No new impacts |
| Noise | Less than Significant | No new impacts |
| Air Quality | Significant and Unavoidable | No new impacts |
| Greenhouse Gas Emissions | Significant and Unavoidable | No new impacts |
| Hazards/Hazardous Materials | Less than Significant | No new impacts |
| Geology and Soils | Less than Significant | No new impacts |
| Hydrology/Water Quality | Less than Significant | No new impacts* |
| Cultural Resources | Significant and Unavoidable | No new impacts |
| Public Services and Recreation | Less than Significant | No new impacts |
| Utilities and Services Systems | Less than Significant | No new impacts* |
| Aesthetics | Less than Significant | No new impacts |
| *One new potentially significant impact related to potable water infrastructure would be reduced to less than significant with implementation of new Mitigation Measure UTIL-3. The applicant has agreed to implement this measure. | | |

Source: Napa County Conservation, Development & Planning

February 2012

The Modified (63 Acre) Project would place residential uses on a former industrial site, and therefore – like the proposed project -- includes a change in land use that would commit future generations. The modified project would also include clean-up of the site, and like the project, could involve some risk for environmental accidents. However clean-up activities and other activities involving the use of hazardous materials on site would be subject to regulatory oversight, avoiding substantial risks or the potential for irreversible damage. Nonrenewable resources, such as energy (for construction and operation) and soil/aggregate (for grading and filling the site) would be used for the Modified (63 Acre) Project, however there would be no impact to agricultural resources, since the site is entirely urbanized already. In addition,

mitigation measures have been included in the project to reduce potential conflicts between residential uses on the project site and non-residential uses, including nearby Syar quarry. For this reason, the modified project, like the proposed project, is not expected to affect the extraction or use of mineral resources.

IV. Finding: No Required Recirculation

Title 14, California Code of Regulations section 15088.5 (“CEQA Guidelines”) provides that an EIR should be re-circulated when significant new information is added to the EIR after public notice and comment. It further provides that new information is not “significant” unless the EIR is changed in a way that deprives the public of a meaningful opportunity to comment upon an substantial adverse environmental effect of the project, or a feasible way to avoid or mitigate such an effect that the project proponent has declined to implement.

In the absence of the type of “significant new information” contemplated under CEQA Guidelines section 15088.5, County staff believes that the environmental analyses and conclusions from the circulated 2009 DEIR and Supplement to the 2009 DEIR are sufficient and properly encompass what additional or different incremental changes may occur in response to the Modified (63 Acre) Project. As indicated in the analysis presented in Section III, potential impacts in each environmental category will be the same as or less than those analyzed in the 2009 DEIR and Supplement to the 2009 DEIR. As a result, no recirculation is required, or necessary.

Attachment 1: Fehr & Peers Traffic Analysis, February 6, 2012

Attachment 2: Brownstein Hyatt Farber Schreck Water Supply Analysis, February 6, 2012