
V. GENERAL IMPACT CATEGORIES

A. SUMMARY OF SIGNIFICANT UNAVOIDABLE IMPACTS

Section 15126.2(b) of the CEQA Guidelines requires that an EIR describe any significant impacts which cannot be avoided. Specifically, Section 15126.2(b) states:

“Describe any significant impacts, including those which can be mitigated but not reduced to a level of insignificance. Where there are impacts that cannot be alleviated without imposing an alternative design, their implications and the reason why the project is being proposed, notwithstanding their effect, should be described.”

Based on the analysis contained in this Draft EIR, implementation of the proposed Project would result in **significant and unavoidable** environmental impacts related to:

- Impact AIR-2: Operational impacts associated with the Project would result in a cumulatively considerable net increase of any criteria pollutant for which the Project region is non-attainment under an applicable federal or state ambient air quality standard
- Impact GHG-1: The Project would generate greenhouse gas emissions, either directly or indirectly, that would have a significant impact on the environment
- Impact TRANS-2: The Project would conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b). (Project Home-based Work VMT per Employee [Existing Plus Project])
- Impact TRANS-5: The Project would conflict or be inconsistent with CEQA Guidelines section 15064.3, subdivision (b). (Project Home-based Work VMT per Employee [Cumulative Plus Project])

B. GROWTH INDUCING IMPACTS OF THE PROPOSED PROJECT

Section 15126.2(d) of the CEQA Guidelines requires a discussion of the ways in which a proposed action could be growth inducing. This includes ways in which the project would foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Section 15126.2(d) of the CEQA Guidelines reads as follows:

“Discuss the ways in which the proposed project could foster economic or population growth, or the construction of additional housing, either directly or indirectly, in the surrounding environment. Included in this are projects which would remove obstacles to population growth (a major expansion of a waste water treatment plant might, for example, allow for more construction in service areas). Increases in the population may tax existing community service facilities, requiring construction of new facilities that could cause significant environmental

effects. Also discuss the characteristic of some projects which may encourage and facilitate other activities that could significantly affect the environment, either individually or cumulatively. It must not be assumed that growth in any area is necessarily beneficial, detrimental, or of little significance to the environment.”

The following analysis is based in part on the *Public Revenue and Economic Impact Analysis of the OMP Warehouse in Milpitas* (Economic & Planning Systems, Inc., August 7, 2020) (Appendix E). The proposed Project would not directly induce population growth during the demolition and construction phases as it does not include residential uses. While the proposed Project would add short-term employment opportunities during the demolition and construction phases, it is likely that the construction workers would be taken from the labor pool currently residing in the Bay Area, as this work would be temporary in nature and would not provide long-term employment opportunities that would encourage population growth. This increase in construction jobs would result in some short-term economic growth but it would not represent “substantial population growth” if such employees permanently relocated their residences to Santa Clara County from outside the County.

According to the project’s public revenue and economic impact analysis (Appendix E), the construction of the project will generate one-time economic impacts, estimated to include about 198 job-years and associated employee compensation of about \$19.7 million. In other words, project construction would support 198 construction jobs if completed over the course of a year, or 99 construction jobs over the course of two years.

Upon completion, the Project’s proposed uses are to include advanced manufacturing, e-commerce, light assembly, warehouse/distribution, among other uses permitted by code. The project site has been used for industrial use but has been vacant since 2015. The proposed Project will generate about \$240,000 annually in public revenues to the City of Milpitas General Fund at project completion. This includes approximately \$180,000 annually in net new property tax revenues and an additional \$60,000 annually from other revenues sources such as sales and use taxes, franchise taxes, and other charges and services. Over a 20-year period, this would sum to about \$4.8 million to the City’s General Fund (in 2020 dollar terms). These revenues would be available to the City to support expenditures on General Fund public services, including police, fire, and parks and recreation services.

At project buildout, property tax is expected to generate approximately \$1.1 million in net new property taxes, based on the estimated incremental increase in the assessed value of the property. County departments and districts collectively receive 20 percent of the property tax revenue, or \$220,600 annually and \$4.41 million over 20 years. The remaining share of the Project’s property tax revenue is allocated to the San Jose-Evergreen Community College District, the State’s Education Revenue Augmentation Fund, and a water and air quality districts.

The Project applicant expects the proposed Project will support about 375 ongoing on-site jobs based on warehouse size and parking availability. This represents about 0.76 employees per 1,000 square feet, which is consistent with industry standards. Annually, a total of \$24.4 million

in employee compensation is expected to be associated with the ongoing operation of the warehouse.

Levels of service related to public services and utilities would not be substantially affected by proposed Project. The project site is located within a developed urban setting in the City's Industrial Zone M2. Off-site water and sewer mains, storm drains, and utility infrastructure adjacent to the site would service the proposed Project and would not require the extension of existing utilities or new utilities which would induce growth. Further, the proposed Project would be adequately served by existing public services such as fire/emergency and police services in the vicinity of the project site.

C. SIGNIFICANT IRREVERSIBLE CHANGES TO THE ENVIRONMENT

Section 15126.2(c) of the CEQA Guidelines states that significant irreversible environmental changes associated with a proposed Project shall be discussed, including the following:

- *Uses of nonrenewable resources during the initial and continued phases of the project that may be irreversible because a large commitment of such resources makes removal or nonuse thereafter unlikely;*
- *Primary impacts and, particularly, secondary impacts (such as highway improvement that provides access to a previously inaccessible area), which generally commit future generations to similar uses; and*
- *Irreversible damage that could result from environmental accidents associated with the project.*

Construction of the proposed Project would require the use of nonrenewable resources (i.e., wood, metals, sand, gravel, fossil fuels) for building materials and to fuel construction vehicles and equipment. Subsequent use and maintenance of the Project would also require the long-term consumption of these nonrenewable resources. Energy usage on the project site during construction would be temporary in nature and would be relatively small in comparison to the State's available energy sources. The use of construction materials and nonrenewable resources is not unusual or extraordinary, and, as a result, there would be no significant irreversible environmental effects related to resource consumption during construction.

On a permanent, long term basis, the proposed Project would consume energy associated with the daily operation of the project site and transportation off-site. This energy use would be a long-term commitment and the use of energy would be irretrievable, although energy-saving features of the Project would reduce this commitment. For example, Level 2 EV Charging stations will be installed at a count of 4% of the total parking spaces (approximately 14). Additionally, 25% of the truck dock doors will be provided as Level 2 EV Capable for future EV truck charging. The proposed Project will be constructed to California Green Building Standards Code (CALGreen) standards Tier I or Tier II, which would help to reduce energy and natural gas consumption. Air quality and greenhouse gas mitigation measures included in this Draft EIR will also reduce the consumption of energy during the construction and operational phases of the

Project. The project site does not contain any significant mineral, oil, or other energy sources that would be adversely affected by project implementation. No potentially significant loss of availability of a known mineral resource of value to the region and the residents of the state would occur as a result of the project.

The project would use common cleaning and maintenance materials, which would be shipped, stored, used and disposed of in accordance with applicable regulations. Otherwise, the proposed Project would not involve the routine use, transport, or disposal of hazardous materials. During project construction the Project would be required to follow all applicable requirements to ensure safe use, storage and disposal of any hazardous materials or waste that could be used. For these reasons, the Project would not result in any significant hazards to the public or the environment through the routine transport, use or disposal of hazardous materials, or through upset or accident conditions.