

**Addendum to the
2035 General Plan Final Environmental
Impact Report and 2009 Morgan Hill
Downtown Specific Plan Final
Environmental Impact Report**

**Morgan Hill Hale Lumber
Land Exchange Project**



August 2018

**ADDENDUM TO THE 2009 DOWNTOWN SPECIFIC PLAN FINAL ENVIRONMENTAL
IMPACT REPORT FOR THE
MORGAN HILL HALE LUMBER LAND EXCHANGE PROJECT**

August 2018

1.0 BACKGROUND INFORMATION

In November 2009, the City of Morgan Hill adopted the Morgan Hill Downtown Specific Plan, which provides strategies for achieving the community's vision of redevelopment in the Downtown area outlined in the City-adopted 2030 General Plan. The Morgan Hill Downtown Specific Plan outlines policies and design guidelines that promote redevelopment in the 20 Blocks addressed by the Specific Plan. The *Final Master Environmental Impact Report for the Morgan Hill Downtown Specific Plan* (Downtown Specific Plan FEIR), certified in November 2009, in conformance with California Environmental Quality Act (CEQA) Guidelines Section 15175(a), identifies the impacts of the Downtown Specific Plan in order to streamline the later environmental review of projects and approvals required to implement the Specific Plan. The intent was for the Downtown Specific Plan FEIR to be a program-level document from which subsequent development consistent with the Specific Plan could tier from (in conformance with CEQA Guidelines Section 15176(d)).

The Downtown Specific Plan provides development projections for Blocks 1-20 for years 2015 and 2030. The purpose of the development projections is to identify the likely development that might reasonably be assumed to occur by the 2015 and 2030 timeframes in order to provide CEQA clearance for future projects developed consistent with the Specific Plan. The Specific Plan supports the development of a mix of residential and commercial uses within the Morgan Hill Downtown boundary along with other associated improvements such as the realignment of Depot Street to Church Street through the Community and Cultural Center Parking lot.

The City of Morgan Hill is the Lead Agency under CEQA and has prepared this Addendum to address the impacts of implementing the currently proposed project. This Addendum is being prepared to conform to the requirements of the CEQA, the CEQA Guidelines (California Code of Regulations §15000 et.seq.) and the regulations and policies of the City of Morgan Hill. The Addendum evaluates the environmental impacts that might reasonably be anticipated to result from implementation of the proposed project. The proposed project is consistent with the development assumptions in the Downtown Specific Plan. As discussed in the following analysis, the proposed project is within the Downtown area, consistent with the development assumptions in the Downtown Specific Plan and related FEIR, and no new significant impacts, nor a substantial increase in the severity of previously identified impacts, are expected to occur from the implementation of the proposed project, therefore this Addendum has been prepared in conformance with CEQA.

2.0 PURPOSE OF ADDENDUM

The California Environmental Quality Act (CEQA) recognizes that between the date an environmental document is completed and the date the project is fully implemented, one or more of the following changes may occur: 1) the project may change; 2) the environmental setting in which the project is located may change; 3) laws, regulations, or policies may change in ways that impact the environment; and/or 4) previously unknown information can arise. Before proceeding with a

project, CEQA requires the Lead Agency to evaluate these changes to determine whether or not they affect the conclusion in the environmental document.

The CEQA Guidelines §15162 state that when an EIR has been certified, no subsequent EIR shall be prepared for that project unless the lead agency determines, on the basis of substantial evidence in light of the whole record, one or more of the following:

1. Substantial changes are proposed in the project which will require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects;
2. Substantial changes occur with respect to the circumstances under which the project is undertaken that will require major revisions of the previous EIR, due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; or
3. New information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified as complete shows any of the following:
 - a. The project will have one or more significant effects not discussed in the previous EIR;
 - b. Significant effects previously examined will be substantially more severe than shown in the previous EIR;
 - c. Mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects of the project, but the project proponents decline to adopt the mitigation measure or alternative; or
 - d. Mitigation measures or alternatives which are considerably different from those analyzed in the previous EIR would substantially reduce one or more significant effects on the environment, but the project proponents decline to adopt the mitigation measure or alternative.

CEQA Guidelines §15164 states that the lead agency or a responsible agency shall prepare an addendum to a previously certified EIR if some changes or additions are necessary, but none of the conditions described in §15162 (see above) calling for preparation of a subsequent EIR have occurred.

The purpose of this Addendum is to provide a program-level CEQA analysis of the proposed project, as part of the adopted 2009 Downtown Specific Plan EIR.

This Addendum will not be circulated for public review, but will be attached to the Downtown Specific Plan FEIR, pursuant to CEQA Guidelines §15164(c). All documents referenced in this Initial Study/Addendum are available for public review in the Community Development Department at the City of Morgan Hill during normal business hours.

3.0 PROJECT INFORMATION

3.1 Project Title

Morgan Hill Hale Lumber Land Exchange Project, General Plan Amendment No. GPA2018-0005, Zoning Amendment No. ZA2018-0004, Disposition Development Agreement File No. DA2018-0005

3.2 Project Location

The project site (APNs 726-13-049 and -052) is located within Blocks 6 and 8 of the Morgan Hill Downtown Specific Plan area. The project site is adjacent to the Union Pacific Railroad (UPRR) tracks to the east, the surface parking lot and public park to the north, East Dunne Avenue to the south, East Fifth Street and single-family residences to the west and northwest, and the Morgan Hill Community and Cultural Center and residences located to the west and southwest. The regional map, vicinity map, and aerial photograph and surrounding land uses are shown in Figures 1, 2 and 3 respectively.

3.3 Lead Agency Contact

Tiffany Brown, Associate Planner
City of Morgan Hill
Community Development Agency
17575 Peak Avenue
Morgan Hill, CA 95037
Phone: (408) 310-4655
Email: Tiffany.Brown@morganhill.ca.gov

3.4 Assessor's Parcel Numbers

APNs 726-13-049 and -052

3.5 General Plan Land use and Zoning District

General Plan Land Use Designation:	Mixed Use and Public Facility
Zoning District:	Downtown Mixed Use (MU-D, no maximum residential density) and Public Facilities District
Specific Plan:	Downtown Specific Plan

Figure 1 Regional Map

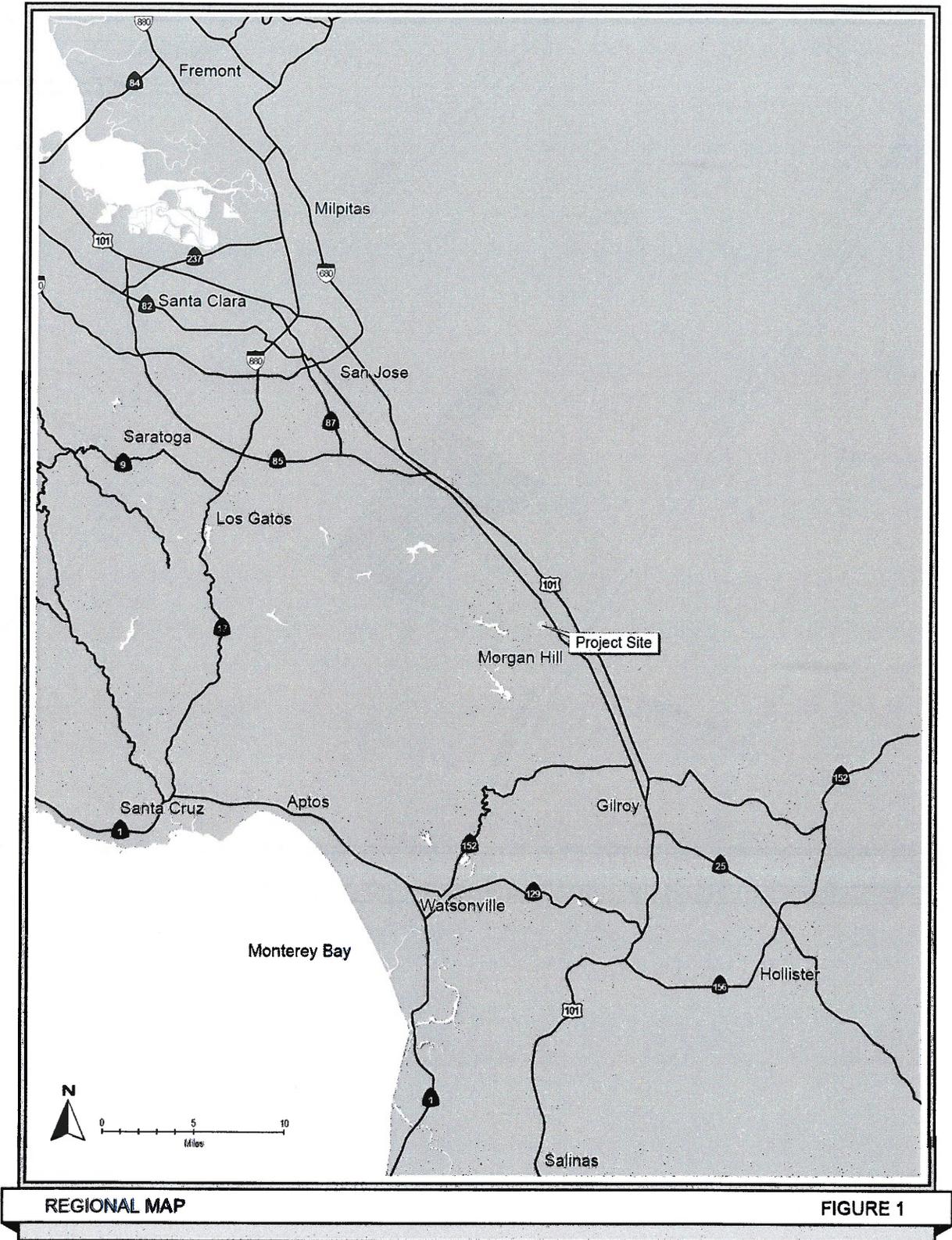


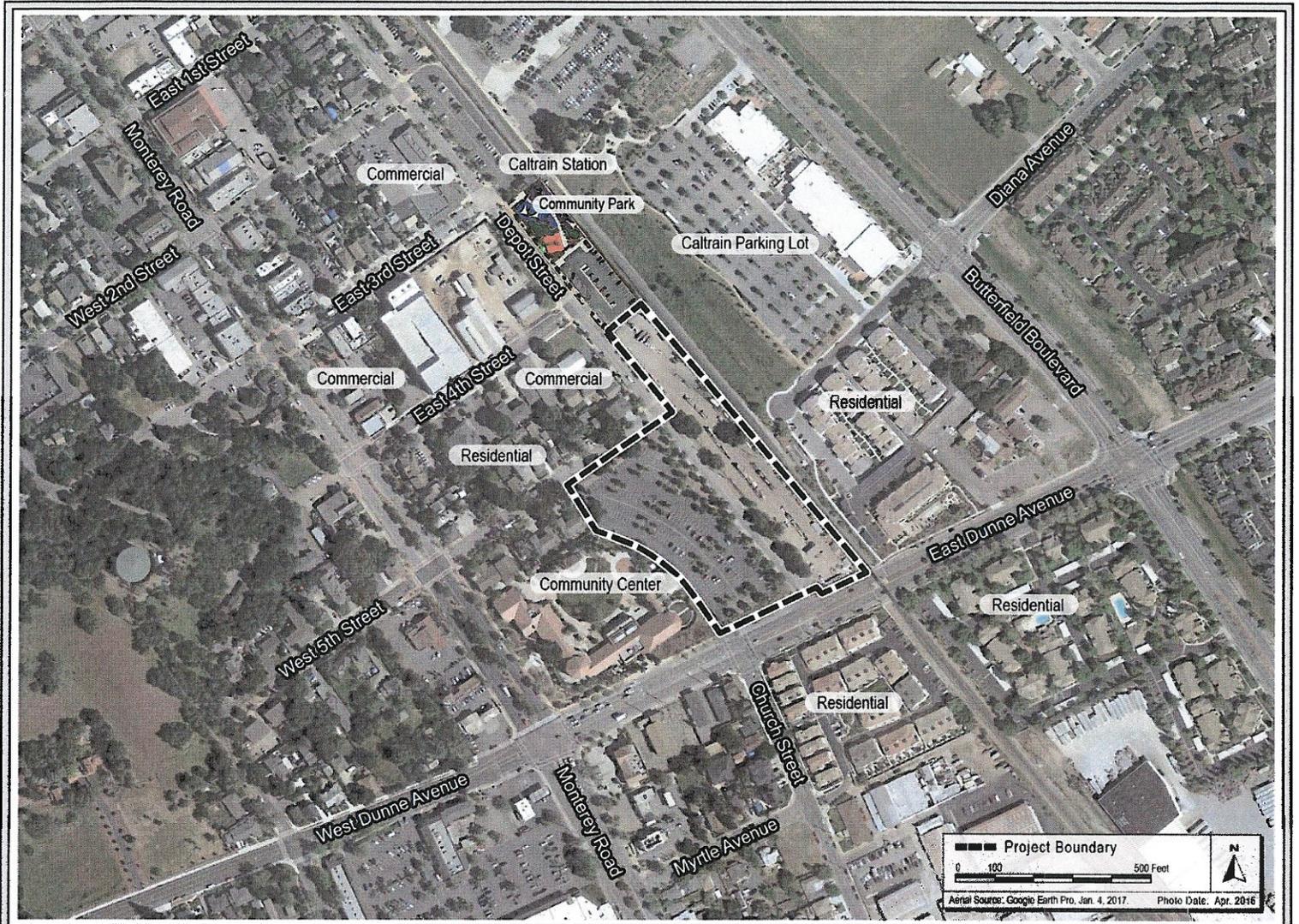
Figure 2 Vicinity Map



VICINITY MAP

FIGURE 2

Figure 3 Aerial Photograph and Surrounding Land Uses



AERIAL PHOTOGRAPH AND SURROUNDING LAND USES

FIGURE 3

3.6 Project-Related Approvals, Agreements, and Permits

The project would require the City to approve a land transaction with an adjacent private property owner with a General Plan Amendment and Zoning Amendment to amend the maps to support the Depot Street realignment.

Each of the project components related to this land transaction (future mixed-use development and realigned Depot Street right-of-way, and parking lot improvements) will undergo separate project-level environmental review prior to the City taking an action committing to their respective implementation, or in the case of the mixed-use development, prior to issuance of entitlements.

3.7 Habitat Plan Land Use Designation

Private Development Areas:	Urban Development Equal to or Greater Than 2 Acres Covered
Land Cover:	Urban - Suburban
Land Cover Fee Zone:	Urban Areas (No Land Cover Fee)
Burrowing Owl Survey and Fee Zone:	N/A

4.0 PROJECT DESCRIPTION

4.1 Project Overview

This Addendum provides program-level CEQA analysis for a General Plan Amendment and Zoning Amendment for the proposed land transaction between the City and the adjacent private property owner, to allow for the transfer of approximately .29 acres of land currently occupied by Depot Street lot located in Downtown Morgan Hill. Once the land transaction is complete, a mixed-use development project of approximately 48 townhome style attached residential units with approximate 3,000 square foot office space with condos above would be built on the enlarged parcel, the Depot Street right-of-way would be relocated approximately 230 feet west of its current alignment to form the northern leg of the existing East Dunne Avenue and Church Street signalized intersection as consistent with the Morgan Hill General Plan Policy TR-3.15 and Downtown Specific Plan Chapter 7, Transportation Projections and Improvements, and improvements to the community center surface lot would be constructed to insure no net loss of parking spaces. (See Figure 6).

4.1.1 Environmental Setting

The mixed-use project site (APNs 726-13-049, and -052) on the current Hale Lumber site and the Depot Street right-of-way is approximately 2.29 acres. Depot Street will be realigned through the Community and Cultural Center parking lot. (See Figure 5). The project site is adjacent to the Union Pacific Railroad (UPRR) tracks to the east, the Caltrain surface parking lot to the north, East Dunne Avenue to the south, East Fifth Street and single-family residences to the northwest, and the Morgan Hill Community and Cultural Center and residences located to the west and southwest.

The two parcels (APNs 726-13-049 and -052) that constitute the project site is a developed property with a warehouse and lumber yard.

4.2 Project Description

4.2.1 Land Transaction, General Plan Amendment, and Zoning Amendment

The specific project addressed within this Addendum includes a land transaction between the City and an adjacent private party to convey land area currently devoted to Depot Street right-of-way to provide additional land area for a future mixed-use development project of approximately 48 three-story attached townhome style units, an approximate 3,000 square foot office space with condos above, and the realignment of Depot Street (which would transect the Community and Cultural Center parking lot to form an intersection with Church Street). The realignment of Depot Street includes this General Plan Amendment and Zoning amendment to assign the Mix Use Downtown designation to the vacated portion of Depot Street and increase the Mixed Use Downtown (zoning designation currently applied to the Hale Lumber site) by approximately .29 acres.

The project site is within Block 6 and 8 of the Specific Plan area (See Figure 4). The Morgan Hill Community and Cultural Center is located on Block 6 which consists of buildings, landscaping and surface parking spaces. Block 8 is currently developed with a warehouse and lumber yard which is

separated from existing residential uses by Depot Street. A project-level analysis of future development for the attached three story townhome style units with 3,000 square feet of office with condos project, and the realignment of Depot Street we be completed as more detail becomes available about each prior to the City taking actions to commit to each component's respective implementation, in accordance with CEQA and City standards.

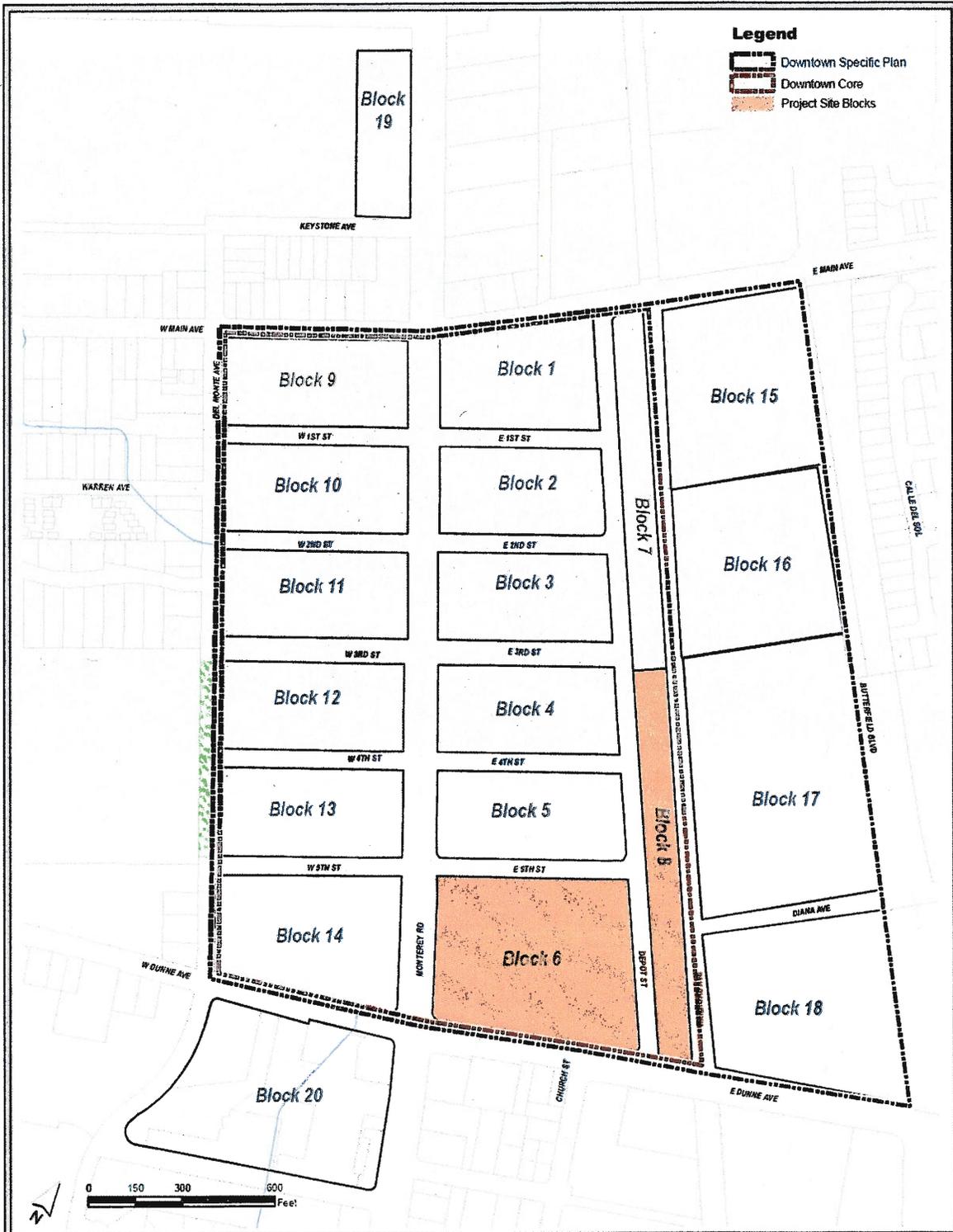
4.2.2 Reasonably Foreseeable Future Indirect Environmental Changes

This land transaction will be the first step to provide additional land area for a future mixed use project of approximately 48 attached residential townhome style units with 3,000 square feet of office space and condos above that would occur on the Hale Lumber site and the .29 acres of Depot Street adjacent to the site. In addition, the existing Depot Street will be relocated west within the Morgan Hill Community and Cultural Center surface parking lot and connect to East Dunne Avenue at the Church Street intersection to form the fourth leg, and the parking spaces lost from incursion of Depot Street will be recouped through surface parking enhancements and constructing new surface parking within existing landscaped area of the Community and Cultural Center parking lot.

The Downtown Specific Plan FEIR previously evaluated the project sites on either side of Depot Street as potential locations for residential development and a parking structure, respectively. The proposed Depot Street realignment was disclosed as an alternative roadway improvement to enhance circulation within downtown and allow for the potential implementation of a grade separation at the UPRR crossing in Downtown Specific Plan FEIR and the Morgan Hill Circulation Element EIR. Therefore, the proposed project is consistent with the development assumptions disclosed in the 2009 Morgan Hill Downtown Specific Plan and Downtown Specific Plan FEIR.

There are no specific development plans currently proposed that permit evaluation of the project-level impacts of the realignment of Depot Street and the mixed-use development on the Hale Lumber site after expansion from the land transaction. Therefore, the land transaction involving realignment of Depot Street and the mixed-use project will undergo a subdivision map with design review (RDCS submittal with associated development agreement for the residential portion of the project) and a project-level environmental review in accordance with CEQA and City standards, once sufficient detail becomes available and prior to their implementation. The only action currently to be taken by the Morgan Hill City Council is the proposed land transaction, and this Addendum is focused on the reasonably foreseeable indirect future environmental changes that could result from the proposed land transaction. Project-level environmental review will be completed prior to any City actions to approve the mixed-use development project on Hale Lumber site, to realign and construct Depot Street, and construct associated enhancements to the community center surface parking lot.

Figure 4 Specific Plan Blocks



SPECIFIC PLAN BLOCKS CORRESPONDING TO THE PROPOSED PROJECT FIGURE 4

Figure 5 Existing Areas

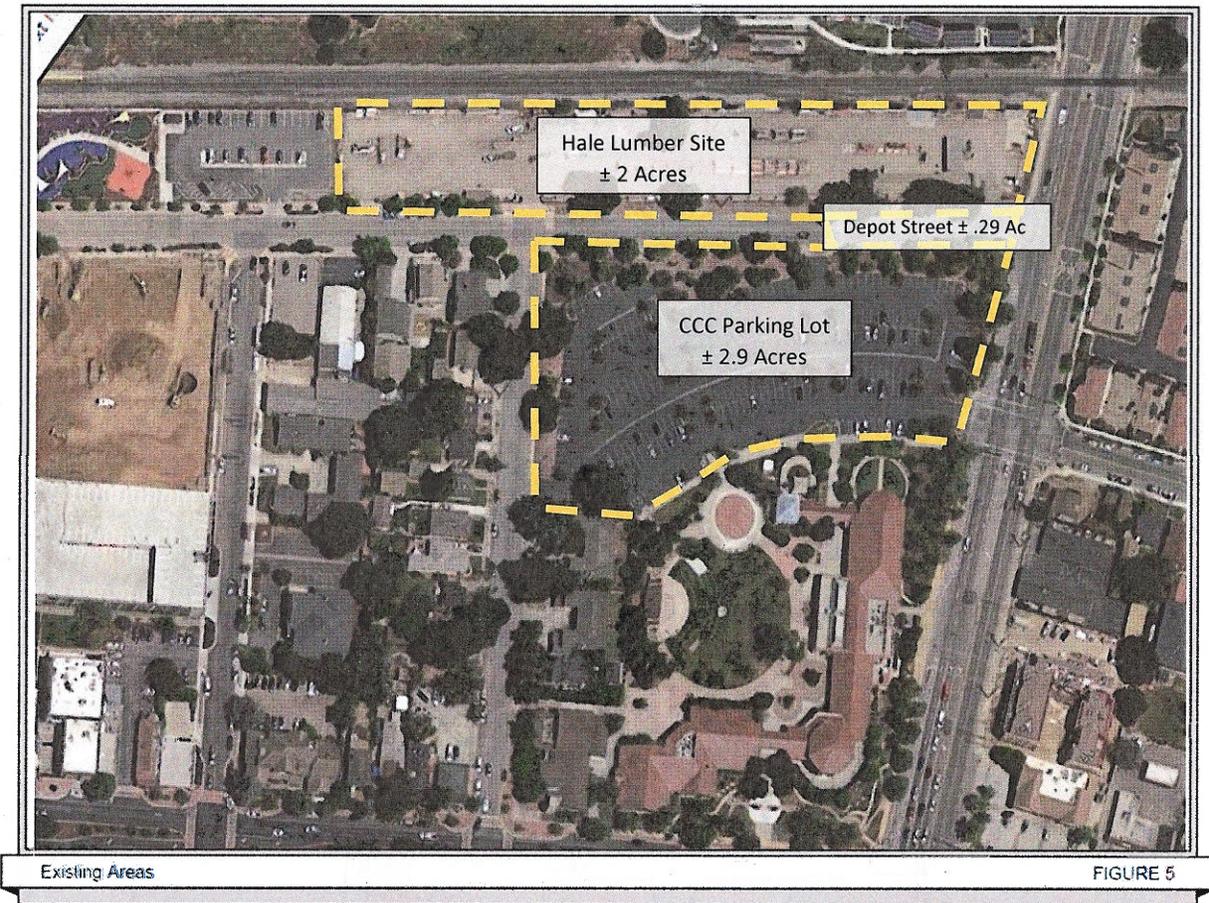
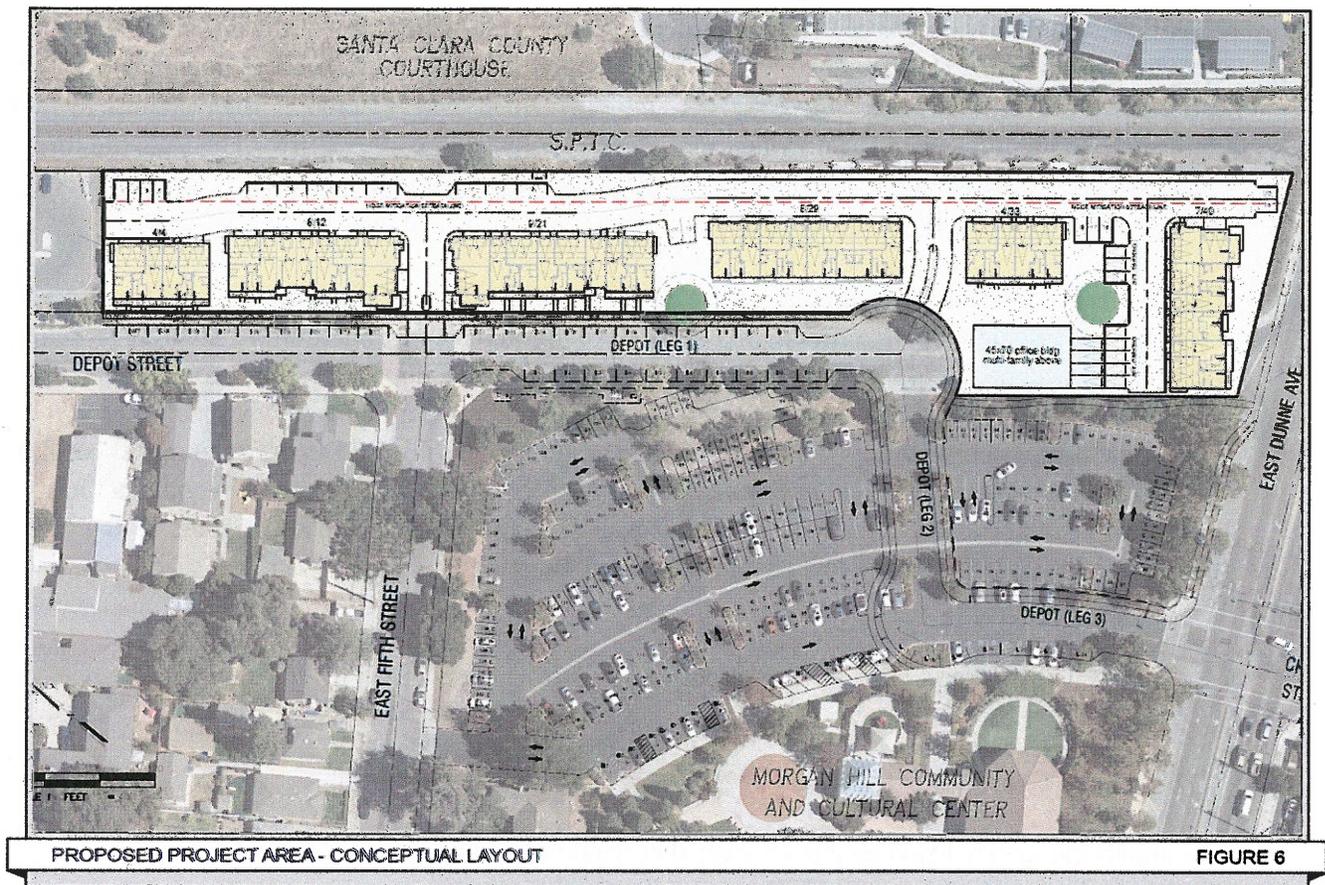


Figure 6 Proposed project Areas – Conceptual Layout



5.0 ENVIRONMENTAL IMPACTS OF THE PROPOSED CHANGES TO THE PROJECT

The discussion below describes the environmental impacts of the modified project (i.e. implementation of the Downtown Specific Plan development program that would now include future realignment of Depot Street west to connect to the East Dunne Ave./Church St. intersection), as they compare with the impacts of the previously evaluated project in the 2009 FEIR. This Addendum only addresses those resource areas that would be potentially negatively affected by the proposed changes to the previously evaluated project.

The reasonably foreseeable indirect negative environmental effects of the proposed land transaction are primarily associated with a future mixed-use development on the Hale Lumber site (construction and ongoing occupancy of residences), and the realignment of Depot Street (street construction and ongoing vehicular travel). The revisions to the project (i.e. the overall Downtown Specific Plan development program would now be implemented assuming a realigned Depot Street and expanded Block 8 mixed use parcel) would have no effect on the following resource areas beyond what has been previously disclosed in the 2009 FEIR because these impact areas are not affected by the foreseeable future indirect physical changes resulting from the land transaction:

- Aesthetics
- Agricultural and Forestry Resources
- Historic Resources
- Geology and Soils
- Land Use
- Mineral Resources
- Population and Housing
- Public Services
- Recreation
- Utilities

The impact categories listed above are areas that would not be affected beyond what has been previously disclosed in the 2009 FEIR because the land transaction would not lead to an expansion of the boundaries of the Downtown Specific Plan, nor involve enough increase in the amount of development included in the Downtown Specific Plan that would induce unplanned population growth nor displace existing housing, nor place additional new burdens on public services, recreation facilities, and utilities and service systems beyond what was disclosed in the 2009 FEIR.

Additionally, the land transaction would not involve lands that were identified as sensitive for aesthetics, agricultural and forestry resources, historic resources, geologic hazards, and mineral resources. Impacts in these areas, therefore, would be consistent with those disclosed in the 2009 FEIR, and no further discussion is warranted.

The revised project (i.e. the overall Downtown Specific Plan development program would now be implemented assuming a realigned Depot Street and expanded Block 8 mixed use parcel) would entail future mixed-use development on the Hale Lumber site after expansion from the land transaction that the realignment of Depot Street. This Addendum, therefore, evaluates the impacts of the revised Downtown Specific Plan project in regards to the following environmental issues:

- Air Quality
- Biological Resources
- Archaeological Resources
- Greenhouse Gas Emissions
- Hazards and Hazardous Materials
- Hydrology and Water Quality
- Noise
- Transportation

5.0.1 Direct vs. Indirect Effects

There will be no direct environmental changes that would result from the land transaction between the City of Morgan Hill and private property owner, but it is foreseeable the land transaction would indirectly lead to future physical changes to the environment given the City would at a later time, once more detail was available for each, take action on the following components that would lead to physical changes to the environment:

- Expansion of Hale Lumber site located in Block 8 into existing Depot Street right-of-way resulting in a total of approximately 2.29 acres of residential development with 3,000 square feet of office (APNs 726-13-049 and -052) to facilitate a future mixed use project of approximately 48 units.
- Realignment of Depot Street 230 feet west to run through the existing Morgan Hill Community and Cultural Center parking lot and ultimately become the fourth leg of the existing East Dunne Avenue and Church Street intersection. The 2009 Downtown Specific Plan FEIR evaluated modifications to Depot Street to plan for future grade separation of East Dunne Ave with the UPRR railroad tracks in which it was anticipated Depot Street would terminate if not realigned prior to reaching newly grade-separated East Dunne Avenue. Although discussed in the 2009 Downtown Specific Plan FIER, the alignment for Depot Street (which is the current proposed land transaction) was not evaluated in the 2009 EIR by creating a new connection at the East Dunne Ave/Church St. intersection.

5.1 AIR QUALITY

Downtown Specific Plan FEIR – Air Quality Conclusions

The air quality analysis in the Downtown FEIR found that build-out of the Specific Plan would result in significant unavoidable increases in emissions of reactive organic gases (ROG) and coarse particulate matter (PM10). Impacts to nearby receptors and to local air quality from construction and demolition were also found to be significant, however mitigation measures were included to reduce construction-related impacts to a less than significant level. The Specific Plan was found consistent with the Bay Area Clean Air Plan, and no violations of carbon monoxide standards were expected from build-out of the Plan Area. Impacts to future residents of the Specific Plan area from existing sources of toxic air contaminants (TACs) as well as impacts to nearby sensitive receptors from construction-related TACs were found to be less than significant.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development – The foreseeable future development of approximately 48 units and 3,000 square feet of office is consistent with the development assumptions in the Downtown Specific Plan and, therefore, is consistent with the development and population growth projections that were evaluated in the Downtown Specific Plan FEIR. The FEIR found that development under the Specific Plan would be consistent with the Bay Area Clean Air Plan because it would place

housing near transit and would be consistent with the City of Morgan Hill’s Residential Development Control System (RDSCS) population cap. The proposed project is consistent with the Specific Plan and therefore is consistent with the Bay Area Clean Air Plan. The foreseeable future development is consistent with the Specific Plan designation for the site and with the vehicle trip generation forecasts made for it, and would not result in new or greater carbon monoxide impacts than previously evaluated for the site. Therefore, the foreseeable future residential project would have a less than significant impact on local air quality.

Since the certification of the 2009 Downtown FEIR, the BAAQMD updated the thresholds of significance for air quality impacts. Table 5.1-1 below shows the current BAAQMD thresholds. The updated thresholds of significance lowered the significance thresholds for ROG, NO_x, and PM_{2.5}, but slightly increased (i.e. relaxed) the emission standard for PM₁₀. Comparing the emissions predicted in the FEIR to the current thresholds of significance, the conclusions of the FEIR remain the same: build-out of the Specific Plan would result in significant unavoidable impacts from emissions of criteria pollutants above the BAAQMD thresholds.

Table 5.1-1 Thresholds of Significance for Air Quality Impacts		
Pollutant	Operation-Related	
	Average Daily Emissions (pounds/day)	Maximum Annual Emissions (tons/year)
ROG, NO_x	54	10
PM₁₀	82	15
PM_{2.5}	54	10
Fugitive Dust (PM₁₀/PM_{2.5})	None	None
Risk and Hazards for New Sources and Receptors (Project)	<ul style="list-style-type: none"> • Increased cancer risk of >10.0 in one million • Increased non-cancer risk of > 1.0 Hazard Index (chronic or acute) • Ambient PM_{2.5} increase: > 0.3 μ/m³ [Zone of influence: 1,000-foot radius from property line of source or receptor] 	
Risk and Hazards for New Sources and Receptors (Cumulative)	<ul style="list-style-type: none"> • Increased cancer risk of >100 in one million • Increased non-cancer risk of > 10.0 Hazard Index (chronic or acute) • Ambient PM_{2.5} increase: > 0.8 μ/m³ [Zone of influence: 1,000-foot radius from property line of source or receptor] 	
Sources: <i>BAAQMD Thresholds Options and Justification Report (2009)</i> and <i>BAAQMD CEQA Air Quality Guidelines</i> (dated May 2011).		

Since the foreseeable future project assuming approximately 48 units is below the construction and operational screening size for criteria air pollutants (451 dwelling units for operations and 240 dwelling units for construction of condo/townhouses), the future housing alone would not result in significant criteria air pollutant emissions. The future housing would contribute, however, to the significant unavoidable cumulative criteria pollutant air quality impacts identified for development of

the Plan Area in the Downtown Specific Plan EIR. The future housing would implement the mitigation measures from the 2009 DEIR (MM AQ-1 and AQ-2), as conditions of project approval.

Since the future mixed-use development and roadway realignment project would be constructed in close proximity to residences and require the use of various diesel-powered equipment, construction-related activities could adversely expose receptors to TACs. New sensitive receptors are proposed near the Union Pacific Railroad (UPRR) and within the vicinity of stationary sources of toxic air contaminants. Impacts to new sensitive receptors at the enlarged Block 8 mixed-use site from activities along the UPRR will be evaluated prior to City Council approval to ensure the emissions will not pose a hazard or risk to sensitive receptors. Appropriate setbacks between sources of air pollution or mitigation measures will be assessed using guidance provided by the BAAQMD and the California Air Resources Board.

In addition to emitting TACs, demolition, grading, and construction activities also emit fugitive dust and particulate matter. Given the proximity of sensitive receptors, dust emissions during construction could result in significant impacts. Implementation of 2009 FEIR mitigation measures MM AQ-4.1 through MM AQ-4.7 would reduce potential fugitive dust impacts to a less than significant level. The proposed residential development would not be a source of new odors in the area.

Realigned Depot Street - The proposed land transaction will lead to the realignment of Depot Street by transecting the Community and Cultural Center parking lot to form an intersection with Church Street/E. Dunne Avenue. The realignment of Depot Street was disclosed as a potential alternative roadway improvement in the Downtown Specific Plan and Circulation Element EIRs. Construction activities including demolition, grading and paving would generate air pollutant emissions. Implementation of 2009 FEIR mitigation measures MM AQ-4.1 through MM AQ-4.7 as discussed above would reduce the impacts to a less than significant level. The 2009 FEIR found that vehicular traffic under alternate roadway conditions would not cause any new violations of the eight-hour standards for carbon monoxide and, therefore, would not significantly increase carbon monoxide concentrations. The realignment of Depot Street would not be a major source of TACs or odors in the area.

5.2 BIOLOGICAL RESOURCES

Downtown Specific Plan FEIR – Biological Resources Conclusions

The Downtown Specific Plan FEIR concluded that due to the highly urbanized nature of the Specific Plan area, development under the Specific Plan would not result in impacts to special-status plant and wildlife species, with the exception of raptors (birds of prey) that could use the trees in the area for nesting. Implementation of mitigation measures (such as pre-construction nesting surveys) would reduce the impacts of development on raptors to a less than significant level. There are no sensitive habitats in the Downtown Specific Plan area, including areas of high biological diversity, areas providing important wildlife habitat, or unusual or regionally restricted habitat types.

Based on the FEIR, the Specific Plan area contains a few underutilized parcels (portions of Block 8) which could provide habitat for Burrowing Owls. Burrowing owls typically dwell in open grassland habitats. The project site is not considered owl habitat, due to the urban development in the area and

lack of suitable habitat. If a burrowing owl were to nest on the ruderal portion of the site which currently consists of non-native grasses, prior to the onset of construction, however, project construction activities could lead to the abandonment of active nests or direct mortality of these birds. Given the developed nature of parcels in Downtown Morgan Hill, such an event is considered highly unlikely. Nonetheless, if burrowing owl nests are identified on the project site, the Standard Measures SM BIO-1, SM BIO-2 and SM BIO-3 outlined in the 2009 Specific Plan FEIR will be implemented to avoid direct impacts to burrowing owls and to offset impacts to their habitat.

Several large, mature indigenous oak trees are found on the project site. The City of Morgan Hill Municipal Code (Chapter 12.32) Significant Tree Removal Ordinance regulates the removal of trees in the City. An arborist report was prepared and peer reviewed by another arborist. Prior to planning entitlements for the mixed use project, the site design will take the arborist report into account including the construction protection for trees that will remain. Any trees to be removed will follow the City's Tree Removal Ordinance.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development – The development site is approximately 2.29 acres of relatively flat land and is located within the Santa Clara Valley Habitat Conservation Plan/Natural Communities Conservation Plan (HCP/NCCP) area. Under the HCP/NCCP, which was adopted after preparation of the FEIR and adoption of the Downtown Specific Plan, the proposed residential development is considered a 'covered activity' occurring in an Urban Development/Private Development Area. The HCP/NCCP has classified the land cover type as "Urban Parks and Urban/Suburban. The Downtown area is not within a planned Priority Reserve Area or within an Urban Reserve System Interface Zone.

As stated in the Specific Plan FEIR, due to the highly urbanized nature of the project area, proposed development would not result in impacts to special-status plant and wildlife species, with the exception of raptors (birds of prey) that could use the trees and vacant sites in the Specific Plan area for nesting. Implementation of mitigation measures 2009 FEIR mitigation measures BIO -1.1 and 1.2 would reduce impacts to tree-nesting raptors to a less than significant level.

Mature trees are located on various parcels throughout the Specific Plan project area. The City of Morgan Hill Municipal Code (Chapter 12.32) Significant Tree Removal Ordinance regulates the removal of trees in the City. The future project-level analysis will describe the health and condition of all trees on the project site, including street trees that could be affected by proposed construction. To fulfil downtown FEIR mitigation measure SM BIO-4, this description will be based on a tree survey that will be completed by a certified arborist for the project. The project-level analysis will also describe the existing habitat on the project site and any CEQA biological impacts based on the project plans. Mitigation measures for significant biological resource impacts will be identified, as appropriate.

Realigned Depot Street – As discussed above, under the HCP/NCCP the proposed realigned Depot street project component is a covered activity occurring in an Urban Development/Private Development Area. As the Depot Street right-of-way is being realigned in a fully developed urban

area, no biological resources are expected to be impacted by the proposed project component. Some trees could be removed and their impacts will be studied at a project-level before the City Council approves the specific realigned roadway design.

To ensure that the project (including the realigned Depot Street and private mixed use development components) complies with conditions of the HCP/NCCP, the conditions will be applied to each component as part of the entitlement approval conditions and/or other permits (i.e. grading permits, building permits, etc.).

5.3 ARCHAEOLOGICAL RESOURCES

Downtown Specific Plan FEIR - Cultural Resources Conclusions

As described in the Downtown Specific Plan FEIR, with the implementation of standard measures, development under the Downtown Specific Plan would not result in significant impacts to buried materials, including archaeological and paleontological resources, or historic resources.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development with Realigned Depot Street - Based on a historic resource assessment completed for the Downtown Specific Plan EIR by *Circa* in 2008, none of the structures on the project site, or adjacent to the site, are designated as historic or cultural resources nor are they eligible for listing on the National Register of Historic Places, California Register of Historical Resources, or local listing. No new historic resources have been documented in the project area since the 2008 *Circa* assessment was prepared.

Given that the proposed residential and office development would not likely require excavation five feet below ground surface, paleontological resources would not likely be discovered during construction. The project would, therefore, not result in a significant impact to paleontological resources.

Consistent with the conclusions in the Downtown Specific Plan FEIR and the City's Archaeological Sensitivity Map, a portion of the project site is in an archaeologically sensitive area. In accordance with Standard Measure CULT-2 identified in the Downtown Specific Plan EIR, the applicant will contract an archaeologist to be present on-site to monitor all ground-disturbing activities. The project-level environmental review will include mitigation measures and/or standard conditions of approval that will reduce any significant cultural resources to a less than significant level.

5.4 GREENHOUSE GAS EMISSIONS

Downtown Specific Plan FEIR - Greenhouse Gas Emissions Conclusions

Greenhouse gas emissions are discussed in the Section 5.2.5, *Cumulative Global Climate Change Impacts* of the Downtown Specific Plan FEIR. Implementation of air quality and energy mitigation and avoidance measures would reduce greenhouse gas emissions impacts from buildout of the Specific Plan to a less than significant level.

Since the approval of the Downtown Specific Plan FEIR, the Bay Area Air Quality Management District adopted The Bay Area 2010 Clean Air Plan (an update to the Clean Air Plan adopted in 2000 that was discussed in the Downtown Specific Plan FEIR) which is a multi-pollutant plan prepared that addresses GHG emissions along with other air emissions in the San Francisco Bay Area Air Basin. The current CAP also includes performance objectives, consistent with the State's climate protection goals under AB 32 and SB 375, designed to reduce emissions of GHGs to 1990 levels by 2020 and 40 percent below 1990 levels by 2035.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development – The proposed development would allow development of vacant lumber land to a more intense uses (dwelling units, new building area, etc.). The primary sources of greenhouse gas emissions from implementation of the proposed project are anticipated to be from the generation of electricity (i.e., for lighting, cooling, pumping water), demolition activities and vehicle trips. A small amount of GHG emissions are generated by the breakdown of solid waste from the sites.

The project site is located in an urbanized location, within close distance of construction supplies and equipment, which will help minimize greenhouse gas emissions generated from transport of construction materials and waste. There is no reliable method to estimate construction-related emissions associated with the manufacturing of project materials. Neither the City of Morgan Hill nor the BAAQMD have quantified thresholds for construction activities, and given that the project site is in an urban setting close to construction supplies and equipment, manufacture and construction of the projects will not contribute substantially to greenhouse gas emissions.

GHG (e.g., carbon dioxide, methane, and nitrogen dioxide) from operation of the project will include electricity and natural gas used by residents of the site, and fuel burned for transportation to and from the site. Indirect emissions will include utility usage by building residents for water conveyance, wastewater treatment, and solid waste disposal. Based on BAAQMD GHG screening guidelines for the operation of new developments, the future approximately 48-unit townhome development with 3,000 square foot of office is expected to be below the operational screening size (78 dwelling units) for new condo/townhome developments and office. The future residential project would not likely, therefore, warrant a project-level GHG assessment. The future residential project, however, would be required to implement several mitigation and avoidance measures adopted in the Downtown FEIR to reduce greenhouse gas emissions from transportation, building, and/or solid waste.

Realigned Depot Street –GHG emissions primarily result from demolition activities and vehicle trips. The proposed realigned Depot Street would accommodate the mixed-use development that was assumed in the Downtown Specific Plan and would not cause an increase in emissions beyond what was disclosed in the Downtown FEIR.

5.5 HAZARDS AND HAZARDOUS MATERIALS

Downtown Specific Plan FEIR – Hazards and Hazardous Materials Conclusions

Many of the existing and past businesses located in the downtown area use, store, and dispose of hazardous materials. There is one site in Block 6 that was identified in the Downtown FEIR as a known contaminated site. The site is located at 17090 Monterey Road and its status is closed as of January 5, 1998. The Union Pacific Railroad (UPRR) right-of-way runs between properties fronting on Depot Street. Soils on Block 8 near the railroad tracks may be contaminated with chemicals that were historically used for dust suppression and weed control along rail lines. Based on the Downtown FEIR findings, soil and/or groundwater in the project area may be contaminated by hazardous materials that could be disturbed, exposed, or released due to development and redevelopment in the project area.

The Downtown Specific Plan FEIR concluded that with the implementation of mitigation measures MM HM-1.1 through MM HM-1.4 for soil and/or groundwater contamination disclosed in the EIR, development under the Specific Plan would have a less than significant impact on the public or environment. With implementation of standard measures SM HM-1 through SM HM-4 to reduce impacts of hazardous building materials, development under the Specific Plan would have a less than significant impact on construction workers and the public.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development with Realigned Depot Street - The future residential and office development would routinely use limited amounts of cleaning materials and would not generate substantial hazardous emissions or accidental chemical releases from hazardous materials use, storage, or transport. As applicable, current regulations and programs for regulated hazardous materials use would reduce impacts to a less than significant level.

Mitigation measures (MM HM-1.1 and MM HM-1.2) from the Downtown FEIR state that Phase I Environmental Site Assessments shall be required for all properties proposed for redevelopment with residential uses where previous uses including industrial, commercial or agricultural use that could have led to soil and/or groundwater contamination. The mitigation measures also state that a Phase II Environmental Site Assessment, which identifies specific remediation measures required to ensure the site is suitable for residential development, and remedial action shall be completed, if warranted. Based on this, the future residential and office project project-level environmental review will include a project-level Phase I ESA and Phase II, if required, to document current site conditions and any necessary remediation to prepare the property for residential use.

Due to the age of the structures in the Specific Plan area, the existing structures may contain asbestos and lead-based paint, including the structure on the Hale Lumber site. Standard Measures (SM HM-1 – SM HM-4) outlined in the Downtown FEIR would reduce exposure of hazardous building materials to a less than significant level. The standard measures are in accordance with standards for California Occupation Safety and Health Administration (Cal/OSHA), U.S. OSHA, and BAAQMD standards; as well as U.S. EPA's National Emission Standards for Hazardous Air Pollutants (NESHAPs) for removing ACMs and lead-based paint prior to demolition.

The project site is not located within two miles of a public airport, nor is it on one of the City's designated evacuation routes. Based on Specific Plan FEIR findings, the Specific Plan project area is not located within a very high fire hazard severity zone.

5.6 HYDROLOGY AND WATER QUALITY

Downtown Specific Plan FEIR – Hydrology and Water Quality Conclusions

With the implementation of standard measures, the Downtown Specific Plan EIR concluded that development under the Specific Plan would not increase stormwater runoff and would not exceed the capacity of planned stormwater drainage facilities. Development under the Specific Plan would result in less than significant flooding, water quality, and groundwater supply impacts.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development – The project site consists of impervious and pervious surfaces (unpaved surfaces). The land use changes and development proposed by the foreseeable development on the Hale Lumber site would result in an increase in impervious surfaces in the project area and stormwater runoff within the Specific Plan area. Implementation of standard measures from the Downtown FEIR, SM HYDRO-1 to SM HYDRO-4, would ensure that construction of the proposed development would not increase more stormwater runoff than allowed for in the Specific Plan and would not exceed the capacity of planned stormwater drainage facilities.

Construction activities temporarily increase the amount of debris on-site and grading activities, which could increase pollutant loads of eroded material in stormwater runoff. There are no waterways on or adjacent to the project site; therefore, the impacts of increased pollutant loads in stormwater runoff on local waterways should be minimal. Compared to existing conditions, vehicle use and human activity would increase with the future residential and office development and, as a result, the amount of pollution carried by runoff could increase. Stormwater from urban uses contains metals, pesticides, herbicides, and other contaminants such as oil, grease, lead, and animal waste. Runoff from the future development may contain oil and grease from parked vehicles, as well as sediment and chemicals (i.e., fertilizers, pesticides, etc.) from the landscaped areas or new roof areas. Implementation of the standard measures, SM HYDRO-7 and SM HYDRO-8 (from the Downtown FEIR), would ensure that construction of the proposed development would result in less than significant water quality impacts.

As disclosed in the Downtown Specific Plan EIR, a portion of the project site is located in a 100-year flood zone based on the Federal Emergency Management Agency's Flood Insurance Rate Map. Implementation of standard measures, SM HYDRO-5 and SM HYDRO-6 from the Downtown FEIR, would ensure flooding impacts to future development would be less than significant.

Groundwater beneath the project sites is likely present at depths of approximately 20 to 40 feet bgs. The future development is likely to include excavation of approximately five feet bgs. Based on this assumption, the groundwater would be deep enough such that the future construction would not interfere with groundwater flow or expose any aquifers.

The future development project-level analysis will describe existing runoff, runoff under project conditions, and proposed stormwater detention structures and flood protection measures based available information. The future residences and office space must comply with Morgan Hill Municipal Code Chapter 18.42, the Flood Damage Prevention Ordinance, which requires new residential construction to elevate habitable spaces one foot above anticipated flood levels and non-residential construction to be flood-proofed, and subgrade floors to withstand hydrostatic flood forces. Mitigation measures will be described for significant hydrology and/or water quality impacts, as appropriate, at the time of project-level environmental review.

Realigned Depot Street - The circulation and infrastructure improvements proposed by the Realigned Depot Street project component would occur primarily on existing impervious surfaces and therefore would not increase the stormwater runoff within the area. Construction activities temporarily increase the amount of debris on-site and grading activities, which could increase pollutant loads of eroded material in stormwater runoff. There are no waterways on or adjacent to the project site; therefore, the impacts of increased pollutant loads in stormwater runoff on local waterways should be minimal. Implementation of the standard measures, SM HYDRO-7 and SM HYDRO-8 from the Downtown FEIR, would ensure that construction of the proposed development would result in less than significant water quality impacts.

5.7 NOISE AND VIBRATION

Downtown Specific Plan FEIR – Noise and Vibration Conclusions

The 2009 Downtown FEIR found that noise levels from traffic and the railroad would exceed the City of Morgan Hill's interior and exterior noise standards for residential uses allowed under the Specific Plan, resulting in significant and unavoidable impacts despite the incorporation of mitigation measures. The FEIR also found significant unavoidable impacts related to construction noise because construction activities, although mitigated with noise control measures, could impact noise-sensitive receptors for more than one year. All other noise and vibration-related impacts were found to be either less than significant or less than significant after the incorporation of mitigation measures.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development - The biggest noise sources in the project area are the Caltrain/UPRR tracks and vehicle traffic on Monterey Road, Dunne Avenue, and Depot Street. Construction activities can generate high noise levels, especially during demolition, excavation, and foundation construction when heavy equipment is used. Implementation of standard measures (SM NOI-1 through SM NOI-7) will reduce potential construction related noise impacts to nearby sensitive receptors. The proposed residential and office development would not generate substantially more noise in operation than the other surrounding commercial and residential developments do. The main source of noise associated with the development in operation would be vehicle traffic. The Downtown Specific Plan FEIR calculated the growth of traffic volumes with build-out of the Specific Plan as well as the associated noise increases. Traffic noise levels along major routes are anticipated to increase by one to two dBA Ldn by 2030, which was found to be a less than significant impact. The proposed residential development is consistent with the Specific

Plan assumptions and would not increase traffic (and the associated noise) above the volumes estimated in the Downtown Specific Plan FEIR.

Pavement removal and excavation could produce substantial vibration. Mitigation Measure MM NV-3.1 from Downtown FEIR shall be implemented as part of the site development permit process for development allowed under the Specific Plan to reduce impacts to residents from ground-borne vibration to a less than significant level.

The future Hale Lumber site residents are sensitive receptors. Consistent with the Downtown FEIR and the City of Morgan Hill policy, the future residential development would implement mitigation measures MM NOI-5 through MM NOI-7 to reduce the noise impacts to future residents of the project site. The future townhome development will be adjacent to the UPRR tracks and adjacent and/or near public roadways. A project-level noise assessment will evaluate the compatibility of the project with surrounding uses, and the project's potential to generate noise levels that will exceed any limits or result in a substantial temporary or permanent increase in noise will be conducted in the future. The assessment will also evaluate the compatibility of the future on-site noise-sensitive receptors.

Realigned Depot Street – Construction activities can generate high noise levels, especially during the construction of project infrastructure when heavy equipment is used. Implementation of standard measures (SM NOI-1 through SM NOI-7) will reduce potential construction related noise impacts to nearby sensitive receptors. The main source of noise associated with the realigned Depot Street project component in operation would be vehicle traffic. The Downtown Specific Plan FEIR calculated the growth of traffic volumes with build-out of the Specific Plan as well as the associated noise increases. Traffic noise levels along major routes are anticipated to increase by one to two dBA Ldn by 2030, which was found to be a less than significant impact. The proposed project component is consistent with the Specific Plan assumptions and would not increase traffic (and the associated noise) above the volumes estimated in the Downtown Specific Plan FEIR.

Pavement removal and excavation could produce substantial vibration. Mitigation measure MM NV-3.1 from the Downtown FEIR shall be implemented as part of the site development permit process for development allowed under the Specific Plan to reduce impacts to residents from ground-borne vibration to a less than significant level. A new realigned roadway is not considered noise- or vibration-sensitive uses, and would not be subject to such impacts from the surrounding environment.

5.8 TRANSPORTATION

Downtown Specific Plan FEIR – Transportation/Traffic Conclusions

The traffic analysis prepared in support of the Downtown FEIR evaluated traffic impacts of the Specific Plan by analyzing projected 2015 and 2030 development conditions against existing conditions. The Downtown Specific Plan FEIR concluded that build out of the Specific Plan under 2030 conditions would result in significant intersection level of service impacts.

The realignment of Depot Street was disclosed as an alternative roadway improvement in the Downtown Specific Plan and Circulation Element EIRs. The realignment was evaluated for trip redistribution and level of service and concluded that the new alignment with the new mixed use development is within the scope of the General Plan FIER and Downtown Specific Plan Master FIER. Therefore, no further review is needed.

Foreseeable Indirect Environmental Changes from the Land Transaction

Residential and Office Development - The approved Downtown Specific Plan will add housing, retail, and office/service land uses within the Specific Plan project area. The FEIR's analysis of projected 2030 development in the Specific Plan project area included an increase of approximately 1,200 multi-family residential units, 93,490 square feet of retail, and 85,590 square feet of office/service development in the Specific Plan project area. The enlarged Hale Lumber site would eventually be developed with approximately 48 residential units and 3,000 square foot of office. According to the TIA prepared for the FEIR, this development was projected to generate a total of approximately 10,520 daily, 807 AM peak-hour, and 911 PM peak-hour trips. Intersection levels of service were calculated with projected 2030 development traffic volumes, and the FEIR disclosed that under projected 2030 conditions all of the signalized intersections would operate acceptably except the Main Avenue/Monterey Road intersection which would operate at LOS E during the AM peak hour and LOS D during the PM peak hour. In addition, the following four unsignalized study intersection operations would be degraded to LOS E or F during one or both peak hours:

- Monterey Road/Central Avenue (LOS F, AM and PM peak hours)
- Monterey Road/Fourth Street (LOS F, AM and PM peak hours)
- Monterey Road/Fifth Street (LOS E, AM peak hour and LOS F, PM peak hour)
- Main Avenue and Depot Street (LOS E, AM peak hour)

The remaining unsignalized study intersections would operate at acceptable levels of service during both peak hours. A signal warrant analysis was conducted as part of the FEIR TIA for each unsignalized study intersection operating at LOS E or F. Under projected 2030 conditions, the Main Avenue and Depot Street intersection is the only intersection operating at LOS E or F that would meet the peak-hour warrant criteria for signalization during either the AM or PM peak hours.

The future development on the enlarged Hale Lumber site would be consistent with the development assumptions in the Downtown Plan that were analyzed in the FEIR TIA. Therefore, the future development will contribute to the traffic impacts disclosed in the FEIR.

Realigned Depot Street - The Morgan Hill 2035 General Plan discusses routing Depot street south through the existing community and cultural Center parking lot to provide a continuous north-south travel route to, from, and within Downtown. The Downtown Specific Plan assumed closure of Depot Street north of East Dunne Avenue and grade separating East Dunne Avenue and the UPRR rail line. The realignment of Depot Street was disclosed as an alternative roadway improvement in the Downtown Specific Plan and Circulation Element EIRs, however, this realignment was not evaluated for trip re-distribution and level of service. A East Dunne Avenue/Church Street/Depot Street intersection Traffic Study was conducted and concludes that the level of service analysis is projected

to operate acceptably with implementation of the proposed project under the 2035 General Plan and Downtown Specific Plan.

5.9 CUMULATIVE IMPACTS

Under Section 15065(a)(3) of the CEQA Guidelines, a lead agency shall find that a project may have a significant effect on the environment where there is substantial evidence that the project has potential environmental effects “that are individually limited, but cumulatively considerable.” As defined in Section 15065(a)(3) of the CEQA Guidelines, cumulatively considerable means “that the incremental effects of an individual project are significant when viewed in connection with the effects of past projects, the effects of other current projects, and the effects of probable future projects.” In addition, under Section 15152(f) of the CEQA Guidelines, where a lead agency has determined that a cumulative effect has been adequately addressed in a prior EIR, the effect is not treated as significant for purposes of later environmental review and need not be discussed in detail.

The foreseeable future development activities that would result from the proposed land transaction are consistent, as explained previously, with the development assumptions in the Downtown Specific Plan. The Downtown Specific Plan FEIR concluded that development allowed under the Specific Plan, including the foreseeable future development activities facilitated by the land transaction, would be consistent with adopted regional Clean Air Plan and, therefore, would not have a cumulatively considerable contribution to a significant cumulative air quality impact. A screening level health risk assessment associated with construction-related toxic air emissions will be completed prior to the issuance of the project’s grading permit. Results of the analysis would determine if implementation of additional construction mitigation measures would be necessary to reduce toxic air contaminant emissions below BAAQMD health risk thresholds, both as a matter of single-source and cumulative conditions reflecting combined emissions from other nearby sources.

The future development anticipated on the enlarged Hale Lumber site is below the BAAQMD screening thresholds for GHG emissions from construction and operations of new condo/townhome developments. The project would, therefore, not result in a cumulatively considerable GHG impact. GHG mitigation measures from the Downtown Specific Plan FEIR would be implemented to further reduce GHG impacts.

The Downtown Specific Plan FEIR disclosed that buildout of the Specific Plan would result in significant unavoidable intersection level of service impacts. Since the proposed mixed use development components were assumed in the Specific Plan, the project would contribute to the significant unavoidable intersection level of service impacts disclosed in the Downtown Specific Plan FEIR. The Depot Street realignment was evaluated for trip re-distribution and level of service in the Downtown Specific Plan and confirm its acceptable operation according to City’s adopted level of service policy, both under existing and 2030 Downtown Specific Plan cumulative buildout conditions and is consistent with what was disclosed previously in the Downtown Specific Plan FEIR.

The cumulative impacts on aesthetics, agricultural lands, biological resources, cultural resources, geology and soils, hazards and hazardous materials, hydrology and water quality, land use, noise,

population and housing, public services, recreation, and utilities and service systems from buildout of the Specific Plan were analyzed in the certified Downtown Specific Plan FEIR. The proposed land transaction would not lead to future development activities that would result in any new or more significant cumulative impacts than the previously approved Downtown Specific Plan project disclosed in the Specific Plan FEIR. Mitigation measures were adopted for the previously approved project where feasible, and will be implemented by the proposed project.

There are no recently approved or reasonably foreseeable projects that, when combined with the proposed project, would result in a new or greater cumulatively considerable impact not previously identified by Downtown Specific Plan FEIR. While the San Jose to Merced segment of the CA High-speed Rail project is evaluating an alignment that would run east of the project area, that project's environmental review has not yet been made public by the High-speed Rail Authority and it is not possible for the City of Morgan Hill to predict the impacts of that project for purposes of cumulative impacts assessment without speculation.

6.0 CONCLUSION

Based on the above analysis and discussion, no substantive revisions are needed to the *2009 Morgan Hill Downtown Specific Plan FEIR*. No new significant impacts or impacts of substantially greater severity would result from the modified project because there have been no major changes in circumstances in the project area that would result in new significant environmental impacts or substantially more severe impacts; and no new information has come to light that would indicate the potential for new significant impacts or substantially more severe impacts than were identified in the 2009 FEIR. The General Plan Amendment and Zoning Amendment is to amend the map to support the realignment of Depot Street. The realignment is consistent with the 2035 General Plan and Downtown Specific Plan as discussed throughout this report and therefore, no further evaluation is required, and no Subsequent EIR is needed pursuant to State CEQA Guidelines Section 15162. An Addendum to the Downtown Specific Plan 2009 FEIR and the 2035 General Plan FEIR is the appropriate review document for the modified project, pursuant to Section 15164.

Tiffany Brown, Associate Planner
City of Morgan Hill

Signature

Date