3 PROJECT DESCRIPTION

3.1 PROJECT OVERVIEW

The proposed project, a Wal-Mart Stores East LP regional distribution center, consists of a warehouse, distribution center, and support facilities, and would be located on 230 acres in the City of Merced. The proposed support facilities consist of offices, a cafeteria, and aerosol storage (all located within the warehouse building), as well as a truck gate, a truck maintenance garage, a truck fueling station, a fire pump house, and parking lots. The underlying purpose of the project is storage and distribution of nongrocery goods to Wal-Mart retail stores located throughout the region. No retail commercial is proposed as part of the project.

3.2 REGIONAL LOCATION

The project site is located at the southeast end of the City of Merced in eastern Merced County in the San Joaquin Valley. Merced is approximately 118 miles south of Sacramento and 130 miles east of San Francisco (Exhibit 3-1, "Regional Location Map").

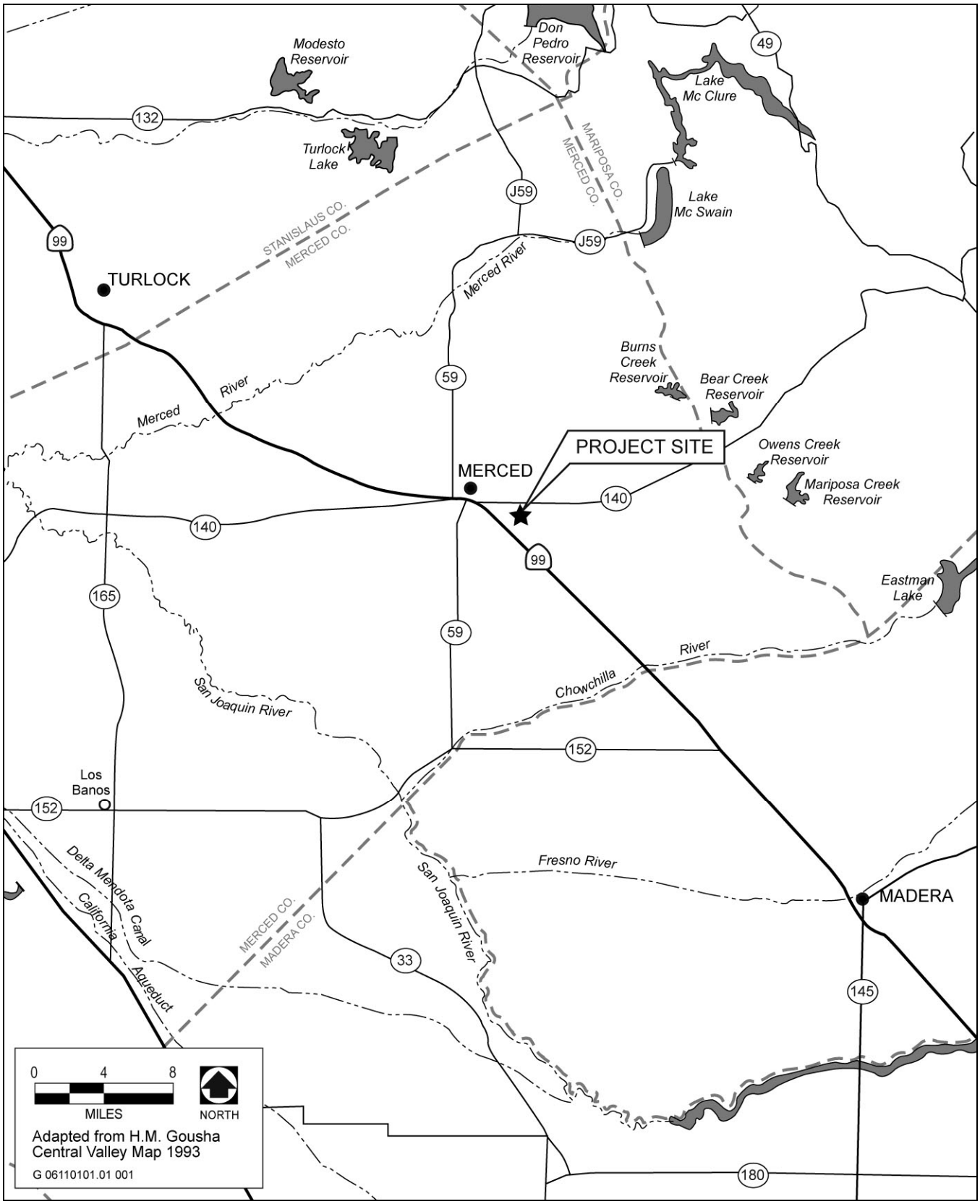
3.3 PROJECT LOCATION AND SITE DESCRIPTION

The approximately 230-acre project site is bounded on the north by Childs Avenue, on the east by Tower Road, and on the south by Gerard Avenue. Kibby Road, which heads north from this area, terminates at Childs Avenue at the north end of the project site (Exhibit 3-2, "Local Vicinity Map"). The future Campus Parkway is approximately 975 feet west of the project site. The site is just over 3 miles southeast of downtown Merced and approximately 1.3 miles directly northeast of the State Route (SR) 99, or 2 miles east of SR 99 by car (via Child's Avenue). Phase I of the Campus Parkway from Mission Avenue/SR 99 to Childs is planned to begin construction in mid-2009 and be complete by mid-2010. This roadway would provide access between the site and SR 99 via the new Mission Avenue interchange with SR 99, which is now complete. The proposed site plan is illustrated in Exhibit 3-3. An aerial photo is shown in Exhibit 3-4.

The City of Merced (City) General Plan designates the site for Industrial uses and the zoning map designates the site as part of a Heavy Industrial District. Merced County (County) and City General Plan land use designations are shown in Exhibit 3-5, and City and county zoning districts are shown in Exhibit 3-6. County General Plan and zoning designations are noteworthy because, while the site is entirely within the Merced city limits, it abuts unincorporated Merced County.

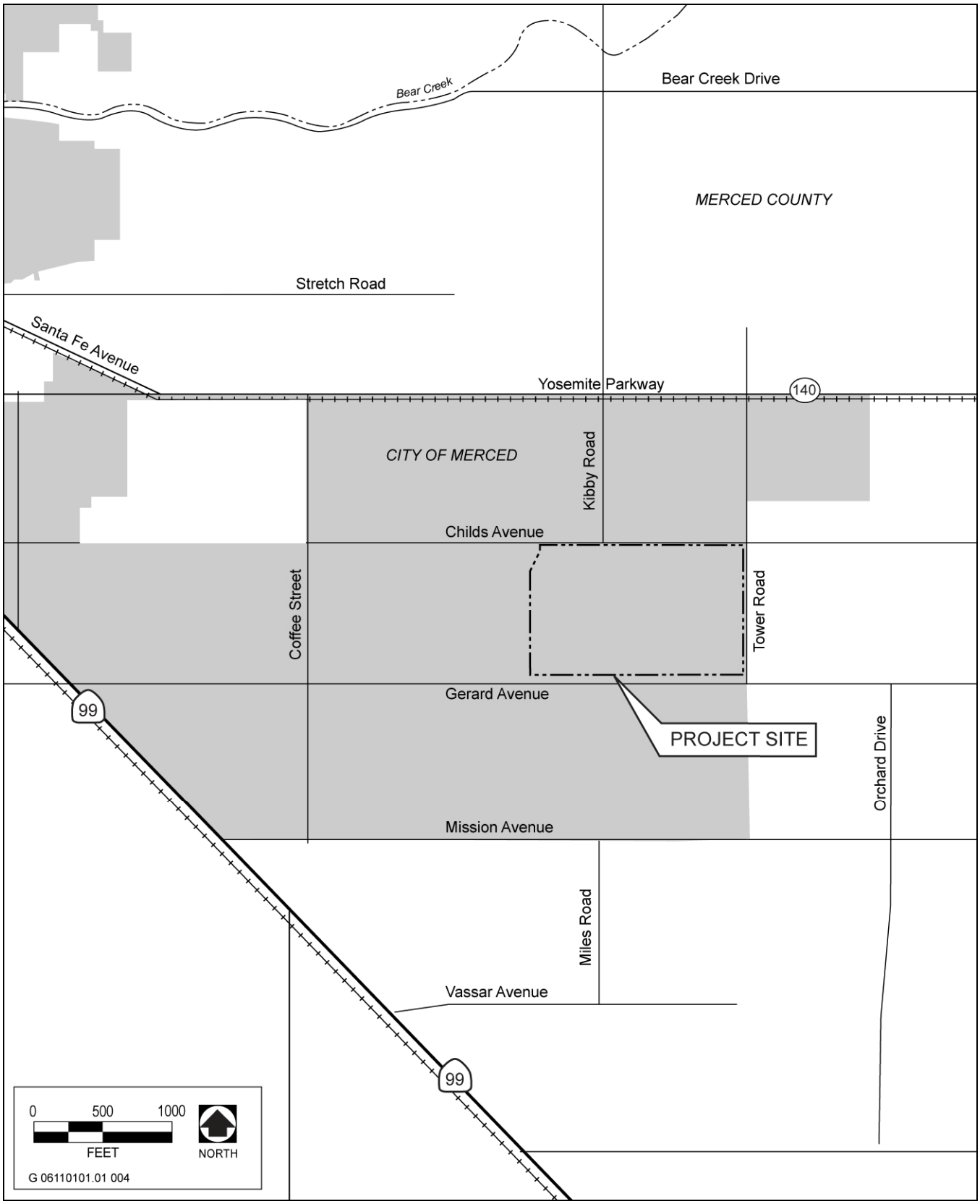
The site consists of two parcels: Assessor's Parcel Numbers 061-250-090 and 061-290-047. The site is located in the northern half of Section 34 and the northern half of Section 35, Township 7 South, Range 14 East, Mt. Diablo Base and Meridian.

The land is generally flat but gently slopes to the west and ranges from 185 to 190 feet above mean sea level. The site contains no structures or improvements, except for an irrigation water well and City of Merced Water Well 10-R2. The western one-third of the site contains an almond orchard, and the eastern two-thirds consist of agricultural fields. The northern, southern, and part of the northeastern boundary of the fields contain irrigation ditches, which connect to the Wilson Substation (approximately 1 mile north of the site) along SR 140. Overhead power lines run through the eastern portion of the site. The area containing these power lines would remain as an easement, and all site development would take place on the approximately 80% of the project site located west of this easement. Relocation of the power lines is not proposed as part of this project. The site includes right-of-way for the extension of Kibby Road between Childs Avenue and Gerard Avenue. This section of right-of-way is proposed to be abandoned to allow project uses as part of site development.



Source: Compiled by EDAW in 2006

Regional Location Map **Exhibit 3-1**



Source: Compiled by EDAW in 2006

Local Vicinity Map **Exhibit 3-2**

The project parcel is bounded by agricultural fields and a few rural residential dwellings across Tower Road to the east and Gerard Avenue to the south. The land east of Tower Road is designated Agriculture in the City General Plan, and land to the north, west, and south is designated Industrial. Undeveloped open lands and industrial lands are located to the north. To the west is another orchard. Also to the west is a Merced Irrigation District (MID) canal.

3.4 NECESSARY ENTITLEMENTS

Zoning districts are shown in Exhibit 3-6. The entitlements required for this proposed project consist of the following:

- CEQA Determination
- Site Plan Approval (required of all principally permitted uses in industrial zones);
- City of Merced General Plan amendment (This is required because the undeveloped Kibby Road right-of-way is proposed to be abandoned between Childs Avenue and Gerard Avenue. Because Kibby Road is designated in the Circulation Element of the General Plan, a General Plan Amendment is required before action can be taken to abandon the unused right-of-way; and
- right-of-way abandonment (Kibby Road).

Subsequent to these actions, the City would be responsible for the issuance of building permits.

Please see Section 1 "Introduction" for a list of local, State, and Federal responsible and trustee agencies.

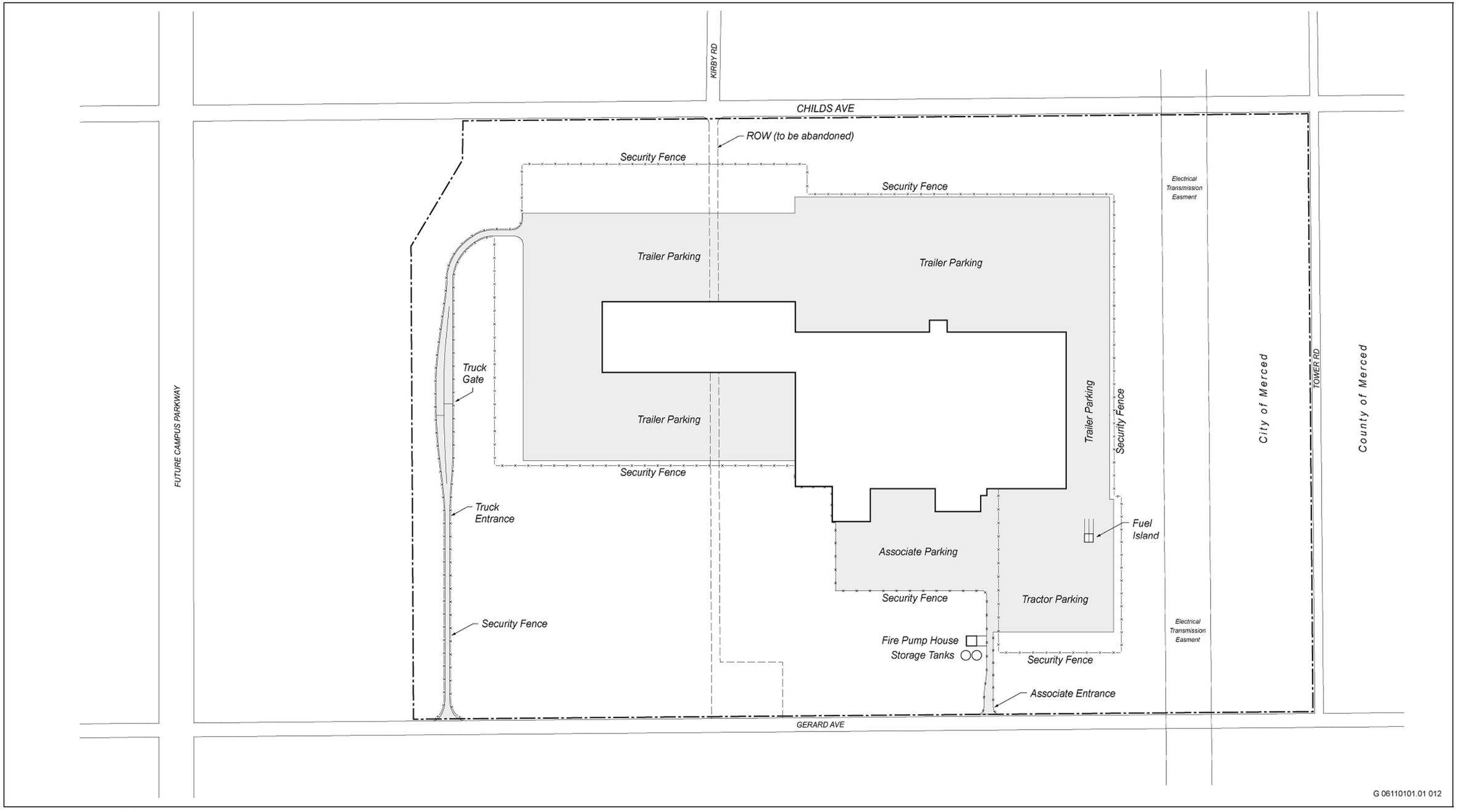
3.5 PROJECT BACKGROUND

The project site is within the city limits of Merced. Land immediately to the south, north, and west of the site is also within the city limits. Land immediately to the east is in unincorporated Merced County, but is within the City's sphere of influence. As described above, the project site is designated Industrial in the Merced General Plan and Heavy Industrial District (I-H) in the zoning ordinance. The site has historically been used for agriculture. (Refer to Section 4.7 "Land Use" for descriptions of these General Plan and zoning districts.)

The site is owned by Wal-Mart Stores East LP. The most recent owner of the site before the Wal-Mart Stores East LP was Lyons Investments, a California Limited Partnership. Wal-Mart Stores East LP supplies the majority of its goods to its retail stores through regional distribution centers. A number of Wal-Mart stores are located throughout the central San Joaquin Valley. Presently, the closest California distribution centers are located in Red Bluff (approximately 250 miles away), Porterville (approximately 130 miles away), and Apple Valley (approximately 230 miles away).

The project applicant (Wal-Mart Stores East LP) conducted an extensive siting study that resulted in selection of the site for the proposed project. This site was selected for multiple reasons, including the following:

- the site's industrial zoning and proximity to other industrial uses,
- Merced's strategic location among the Central Valley's large urban centers and smaller urban and rural markets,
- the site's sufficient size to accommodate the needed building and parking space,
- the site's proximity to SR 99 and access via sufficient local roads,

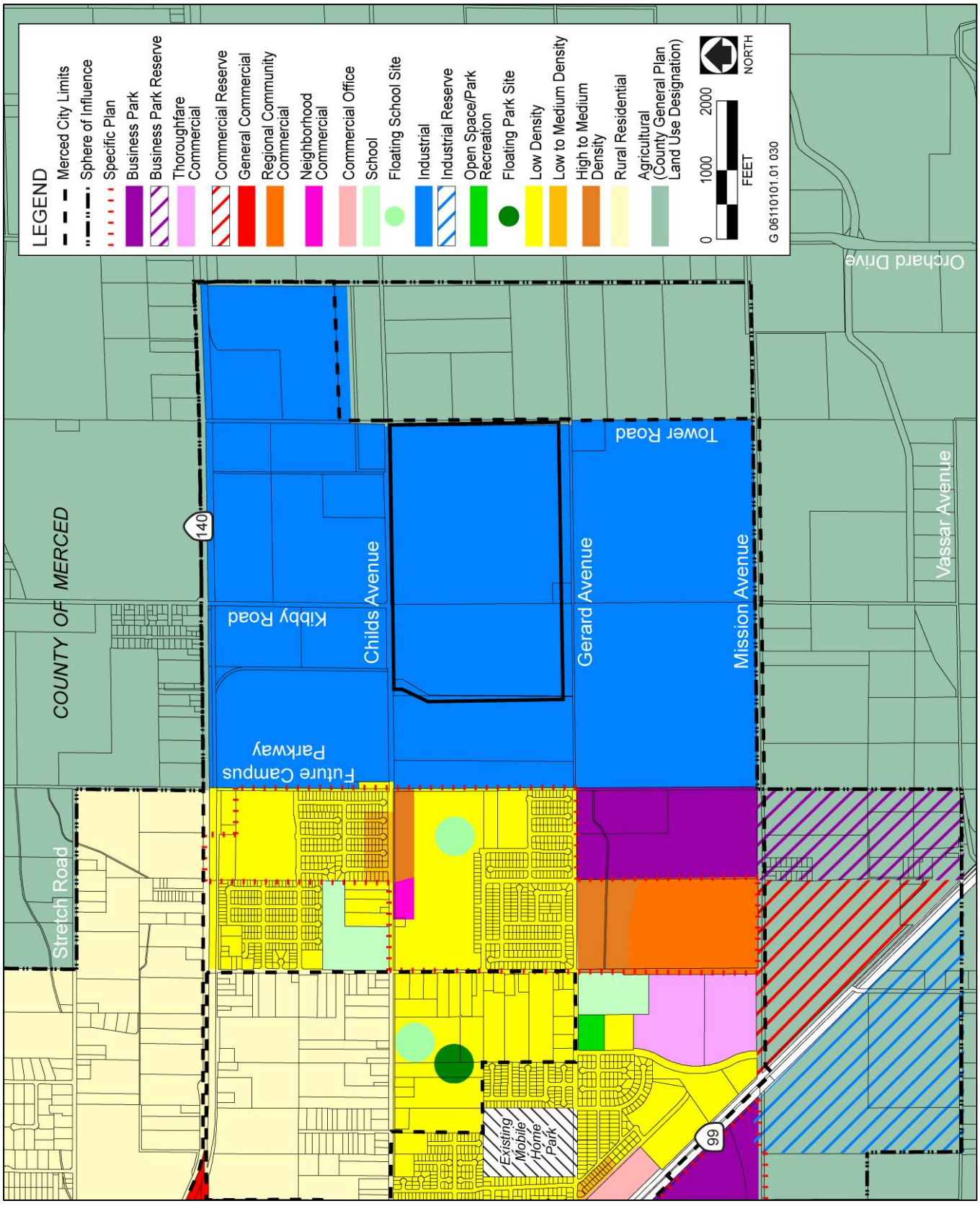


Source: Carter Burgess 2007

Project Site Plan **Exhibit 3-3**

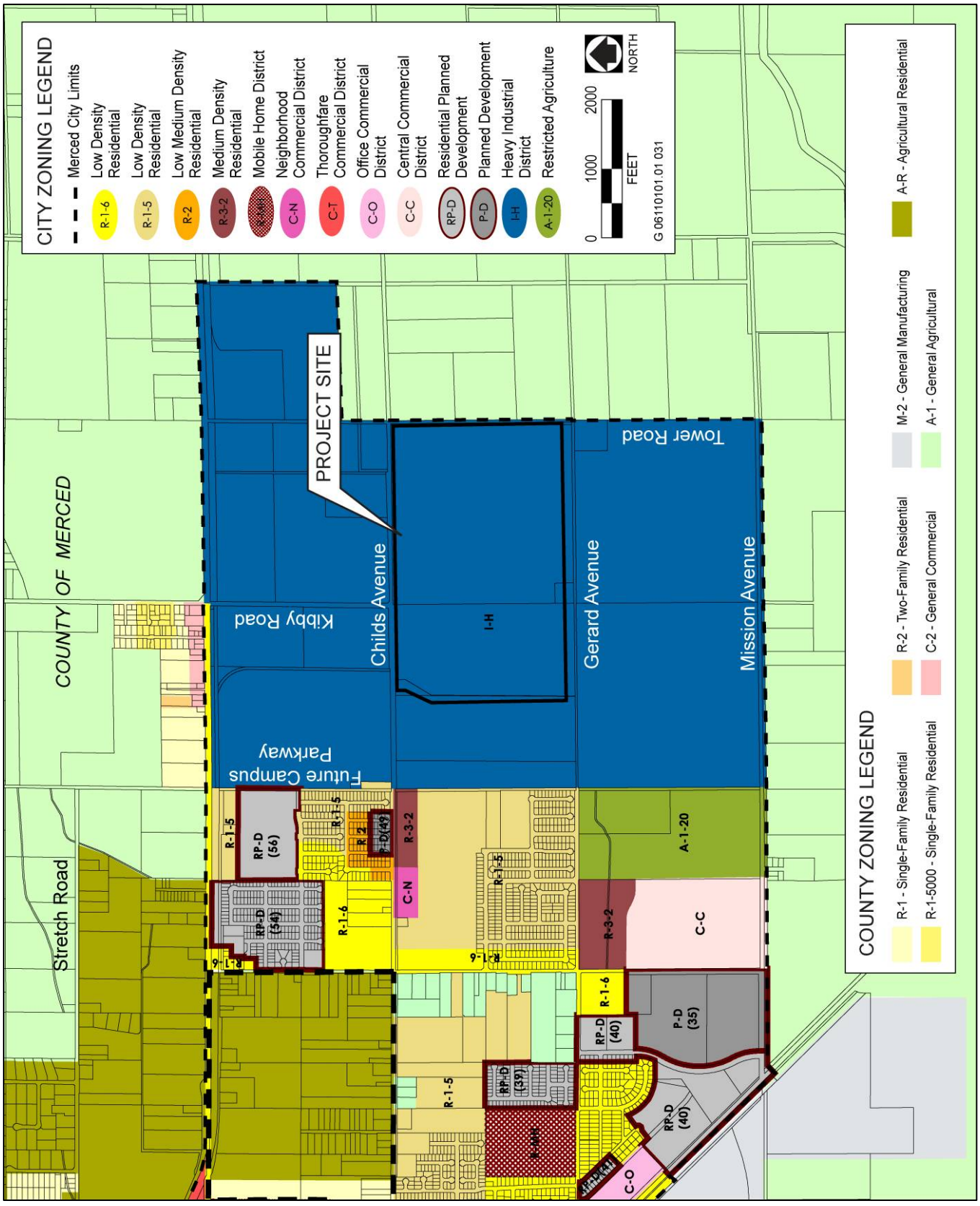
Source: Adapted by EDAW 2008

Aerial Photo of Project Vicinity **Exhibit 3-4**



Source: Merced County Association of Governments 2004

Merced County and City of Merced General Plan Designations **Exhibit 3-5**



Source: Merced Data Special Services, Inc. 2003

Zoning Designations **Exhibit 3-6**

- the site's location allowing access to SR 99 and other highways without drivers having to drive semi-trucks through residential neighborhoods,
- the ability to construct sufficient access points on arterial roads adjacent to the site, and
- the location's proximity to the labor pool of Merced.

This environmental impact report (EIR) uses as a reference document the City General Plan EIR (State Clearinghouse Number 95082050), which was adopted in 1997. The 1997 update of the City General Plan was the update that designated the general plan designation of Industrial for the eastern portion (east of the Kibby Road right-of-way) of the project site. This eastern portion of land was annexed as "Heavy Industrial" in 1999. The western portion (west of the Kibby Road right-of-way) was designated for Industrial use at least as far back as the 1981 City General Plan. This portion of land was annexed as "Heavy Industrial" in 1978.

3.6 PROJECT OBJECTIVES

The objectives of the proposed project from the City of Merced and from the project applicant include the following:

3.6.1 CITY OBJECTIVES

- To develop the industrially zoned area in the City with permitted industrial uses.
- To locate industrial projects in areas with good access to major highway transportation links, and provide opportunities for buffers between industrial and nonindustrial uses.
- To encourage development of industrial projects that will create jobs, including full-time, nonseasonal employment opportunities for local residents.
- To encourage development of projects that will contribute toward improving roadways adjacent to the proposed development site.
- To ensure that industrial areas are developed in an attractive manner.

3.6.2 APPLICANT OBJECTIVES

- To develop a project consistent with the City General Plan and zoning ordinance.
- To develop a distribution/warehouse facility near other industrial uses.
- To construct and operate a distribution/warehouse facility in Merced County to take advantage of the strategic location between large urban centers and smaller urban and rural markets throughout the Central Valley in California.
- To construct a distribution/warehouse facility on a site sufficiently large (a minimum of 230 acres) to allow necessary building space and parking for trucks and employees.
- To construct a distribution/warehouse facility with sufficient space (approximately 1.1 million square feet) to allow operational efficiency and adequate distribution of goods to stores in a broad geographic area in California.

- To locate a distribution/warehouse facility with access to a regional roadway network including interstate, state, and regional roads.
- To locate a distribution/warehouse facility in an area well served by major local thoroughfares to minimize truck traffic traveling through residential neighborhoods.
- To provide sufficient parking for trucks and employees in order to minimize impacts to the surrounding area.
- To take advantage of an existing labor pool living in the Merced area.

The alternatives analysis in Chapter 5 of this EIR uses the project objectives as its starting point. As required by Section 15126.6 of the CEQA Guidelines, this EIR is required to analyze only those alternatives that can feasibly attain most of the project objectives.

3.7 PROJECT ELEMENTS

3.7.1 BUILDINGS AND OPERATIONS

The primary building on the site would be the approximately 1.1-million-square-foot regional distribution warehouse. The warehouse would be primarily a materials-handling operation; it would not handle perishable goods, such as fruit, vegetables, dairy products, bakery goods, and meat. There would also be warehouse support space to house administrative offices, the data processing center, and a cafeteria. Other internal office/support areas for administrative uses would consist of an electric forklift battery charging/maintenance area and an aerosol product storage area. There would be approximately 37,000 square feet of office/support areas within the warehouse. An emergency generator would be located outside, near the warehouse. The generator would have an approximately 500-gallon aboveground diesel fuel tank.

The proposed site plan (Exhibit 3-3) consists of the warehouse with related administrative and support functions, a truck maintenance building, fueling station, a fire pump house, a truck gate, and aerosol storage (located within the warehouse). All buildings would be single-story and constructed of pre-engineered steel components with metal panels. Maximum building height is proposed to be 40 feet above the finished floor level. On three sides of the building the finished floor would be 4 feet above finished grade. The main office floor would be at finished grade level.

The 17,000-square-foot truck maintenance building would be used for routine maintenance of tractor/trailers serving the facility. The building would include a wash bay for trucks and trailers, service bays, break rooms, offices, storage rooms, and restrooms. The truck maintenance equipment would consist of two underground storage tanks near the building; a storage tank for new oil (6,000-gallon capacity) and a storage tank for waste oil (2,500-gallon capacity). Additionally, a fuel dispensing station with two underground storage tanks, each containing 20,000 gallons of diesel fuel is proposed for trucks using the distribution center.

The 1,600-square-foot fire pump house would house the primary and standby fire pumps serving the building fire-sprinkler systems and site fire hydrants. An electric motor would drive the primary fire pump and a diesel engine would drive the standby pump. An aboveground diesel fuel storage tank for the standby pump, with a capacity of approximately 500 gallons, would be located inside the fire pump house. Adjacent to the fire pump house would be two steel aboveground storage tanks, each containing 300,000 gallons of water. The tanks would be directly connected to the fire pumps to serve as their water source.

The truck gate would be located on the truck driveway serving the site and would contain a storage closet, a restroom, and workspace for two security officers. This would involve a building with approximately 500 square feet of floor space.

3.7.2 LANDSCAPING AND LIGHTING

Site lighting would consist of pole-mounted metal halide lamps located approximately 45 feet above the ground. The lighting is designed so that light would not cross the property boundaries except possibly at roadway intersections. The lighting is designed for an average lighting level of 0.5 foot-candle and has not been designed based on a uniformity ratio. To design based on a uniformity ratio would require more lamps than would be provided for the site. Landscaping would be provided for the public road improvements, as required by local ordinance. The City would require, as a condition of approval, submittal of a landscape plan, which would include tree planting consistent with City standards and along the site perimeter. There would be security fencing surrounding the buildings, parking areas, and driveways.

3.7.3 ROADWAYS AND PARKING

The site would be served via two driveways connected to Gerard Avenue. One driveway would be dedicated to employee traffic and the other driveway would be dedicated to tractor trailer traffic. The tractor trailer driveway and parking area would be secured by the truck gate and by a 6-foot-high chain-link fence with three strands of barbwire. The site would have up to approximately 850 employee parking spaces, 1,600 tractor trailer parking spaces, 300 tractor (without trailer) parking spaces, and 300 dock doors. There would be approximately 70 acres of pavement, in addition to the area covered by buildings.

The project proponent intends to widen and upgrade Childs Avenue, Tower Road, and Gerard Road along the site frontages to City of Merced standards. The Kibby Road right-of-way, within the site boundary, would be abandoned and the sewer line would be removed.

3.7.4 PUBLIC UTILITIES AND SERVICES

The City of Merced provides wastewater, water, storm drainage, solid-waste disposal, street maintenance, fire service, and police service to the project site. Either Pacific Gas and Electric (PG&E) or MID can provide electricity to the site. PG&E would provide natural gas service. AT&T, Inc. (AT&T) (formerly SBC Communications) would provide telephone service to the site, and Comcast would provide cable television service. The project site is within the Weaver Union Elementary School District (grades K–8) and the Merced Union High School District (grades 9–12). However, because it includes no residential uses, neither of these districts would directly serve the proposed project.

According to the project engineer, the sanitary sewer line that exists within the Kibby Road right-of-way would be abandoned and replaced with a new sewer line that would be installed along the western boundary of the site. Similarly, the water line that is located within the Kibby Road right-of-way would also be replaced. Preliminary plans indicated that the replacement water line would be installed on the eastern edge of the site.

The distribution center would receive electrical power from Merced Irrigation District via an overhead line that exists within the Childs Road right-of-way. Gas service, to be provided by PG&E, would be extended to the site from a transmission line in Childs Road, approximately one-half mile east of Tower Road. AT&T would extend telephone service to the site from lines located in the rights-of-way of Childs Avenue and Gerard Avenue.

A series of stormwater management detention ponds would serve the site. These ponds and associated drainage-control structures are designed to accommodate stormwater runoff from impervious areas such that system discharge flow rates would be equal to or less than predevelopment flow rates for equivalent events.

3.7.5 EMPLOYMENT

The facility would become fully operational approximately 3 years after opening. Once fully operational, the facility would employ approximately 1,200 employees. The facility would operate 24 hours per day continuously throughout the year.

The proportions of employees in different positions and shifts at an analogous Wal-Mart Stores East LP distribution center in Apple Valley in San Bernardino County were used to determine the following estimates. The project was assumed to employ approximately 1,050 employees at the distribution center, and an additional 150 employees that would be drivers not hired at the facility that would only be on the premises for a limited period of time. Table 3-1 shows the total number of employees by department and title. Table 3-2 shows the number of employees on each shift.

Table 3-1
Employees by Title and Division

Title/Division	Number of Employees
Drivers in Transportation	150
Associates in Transportation	64
Associates in Other Departments	986
Total Employees	1,200

Table 3-2
Number of Employees by Shift

Shift	Number of Employees
Tuesday–Friday 5:30 a.m.–4:00 p.m.	359
Tuesday–Friday 4:00 p.m.–2:30 a.m.	255
Tuesday–Friday 9:00 p.m.–7:30 a.m.	19
Saturday–Monday 5:30 a.m.–4:00 p.m., plus another designated 6-hour day	282
Saturday–Monday 4:00 p.m.–2:30 a.m., plus another designated 6-hour day	272
Saturday–Monday 9:00 p.m.–7:30 a.m., plus another designated 6-hour day	13
Total Employees	1,200

3.7.6 PROPOSED SUSTAINABILITY AND ENERGY CONSERVATION MEASURES

The following information has been provided by representatives of Wal-Mart Stores East LP, and is a part of the project description. Implementation of the measures described below could reduce potential impacts of construction and operation of the proposed distribution center. These reductions could occur in areas such as, but not limited to, energy usage (for buildings and vehicles) and vehicle emissions. The effectiveness of these measures in reducing potential impacts cannot, however, be quantified. As such, they are not analyzed quantitatively in this EIR.

According to Wal-Mart representatives, Wal-Mart Stores East LP has set four primary sustainability goals:

- to be supplied by 100 percent renewable energy,

- to create zero waste,
- to sell environmentally friendly products, and
- to increase truck fleet efficiency

Wal-Mart has indicated an intention to incorporate several environmental and sustainable practices into the construction and operation of the Merced Regional Distribution Center project that would help achieve those goals.

CONSTRUCTION AND OPERATION

According to Wal-Mart representatives, building plans for the Merced Regional Distribution Center would include use of concrete that mixes traditional concrete with industrial by-products, including fly ash and slag. In addition, construction waste would be recycled on-site. The facility would incorporate an energy monitoring and reporting system, high-efficiency interior lighting including a dimming system with sensors, and water-saving bathroom fixtures, such as waterless urinals.

Technologies are currently being developed that would help meet the zero waste and renewable energy goals. Many of these technologies are still being refined, but all viable technologies would be incorporated into the building design and operations plan of the Merced Regional Distribution Center project as they become available. These include the following:

- daylight harvesting system;
- recycled, recyclable, and low toxicity finishes for interior office spaces;
- solar power;
- hydrogen fuel cell forklifts;
- paperless process for managing freight;
- waste recycling programs;
- Material Return Facilities to reduce the amount of waste generated and ensure re-use of shipping materials;
- "smart systems" that power down warehouse equipment when not in use. Wal-Mart has indicated its intention to continue to monitor these technologies and incorporate those that are effective, reliable and make business sense.

Wal-Mart would submit a sustainability plan to the City of Merced, which outlines how each of these measures would be incorporated, and, for those technologies that are currently not available, the plan would identify a timeline for incorporating the measures, as well as alternate technologies that are currently available, which would provide similar impact reductions. The plan would indicate that these alternate technologies would be implemented in the event that the emerging technologies are not available on the date specified by the timeline.

TRANSPORTATION

According to Wal-Mart representatives, to increase the efficiency of its vehicle fleet, all Wal-Mart-owned and operated tractor trailers domiciled at the Merced Distribution Center would comply with EPA 2010 truck fleet requirements, which would result in reduced emissions. Wal-Mart plans to increase its truck fleet efficiency by 25 percent over the next three years and by 50% within 10 years. Following are specific steps Wal-Mart will take in order to reach that goal.

- In June 2007, Wal-Mart's truck fleet was qualified as a "superior environmental performer" by the EPA's SmartWay Partnership, a collaboration between the EPA and the freight industry to increase energy efficiency while reducing greenhouse gases and air pollution. Wal-Mart has indicated its intention to continue its participation in the program as a "superior environmental performer," a title reserved for partners who operate the nation's least polluting fleets. All Wal-Mart trucks based at or serving the proposed Merced distribution center would participate in the SmartWay Partnership.

- All Wal-Mart trucks based at or serving the proposed Merced distribution center that perform overnight trips would be equipped with Auxiliary Power Units. Auxiliary Power Units are small efficient diesel engines used for cabin climate control and communication systems during breaks that operate more efficiently than large tractor engines.

- Wal-Mart has been working with and has indicated its intention to continue working with major truck design companies such as ArvinMeritor, Peterbilt, and International to develop diesel hybrid trucks and aerodynamic trucks that would help achieve efficiency goals.

- All corporate fleet vehicles based at the proposed Merced distribution center would be hybrid vehicles. Hybrid vehicles dramatically reduce gasoline consumption and therefore have lower operating emissions.

- Wal-Mart would offer carpooling incentive programs in an effort to reduce the number of commute trips generated by associates employed at the Merced facility. This program would include having reserved parking spots near the building entrance for carpools of two or more associates.

3.7.7 CONSTRUCTION SCHEDULE

Construction is anticipated to take 12 months for completion, most likely beginning in early January 2010 and ending in late December 2010. Construction worker parking would be provided onsite.