

## 6 OTHER CEQA-MANDATED SECTIONS

### 6.1 GROWTH INDUCEMENT

California Environmental Quality Act (CEQA) Section 21100(b)(5) specifies that the growth-inducing impacts of a project must be addressed in an environmental impact report (EIR). Section 15126.2(d) of the State CEQA Guidelines provides the following guidance for assessing growth-inducing impacts of a project:

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 wastewater 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 characteristics 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.

A project can induce growth directly, indirectly, or both. Direct growth inducement would result if a project involved construction of new housing. Indirect growth inducement would result, for instance, if implementing a project resulted in any of the following:

- ▲ substantial new permanent employment opportunities (e.g., commercial, industrial, or governmental enterprises);
- ▲ substantial short-term employment opportunities (e.g., construction employment) that indirectly stimulates the need for additional housing and services to support the new temporary employment demand; and/or
- ▲ removal of an obstacle to additional growth and development, such as removing a constraint on a required public utility or service (e.g., construction of a major sewer line with excess capacity through an undeveloped area).

Growth inducement itself is not an environmental effect but may foreseeably lead to environmental effects. If substantial growth inducement occurs, it can result in secondary environmental effects, such as increased demand for housing, demand for other community and public services and infrastructure capacity, increased traffic and noise, degradation of air or water quality, degradation or loss of plant or animal habitats, conversion of agricultural and open-space land to urban uses, and other effects.

#### 6.1.1 Summary of Capitol Area Plan EIR Analysis of Growth-Inducing Impacts

The EIR prepared for the 1997 Capitol Area Plan (CAP) previously addressed growth-inducing impacts associated with development of State facilities within the Capitol Area as envisioned in the plan. The boundary of the Capitol Area encompasses the Resources Building Replacement Project (project) site, located on the blocks between 7<sup>th</sup> and 8<sup>th</sup> and N and O Streets and 7<sup>th</sup> and 8<sup>th</sup> and O and P Streets in downtown Sacramento. The northern block is occupied by the Employment Development Department (EDD) Subterranean Building and is identified in the CAP as “office” (see “Block 203” in the CAP). The Subterranean Building was constructed and occupied at the time of the CAP. The block between 7<sup>th</sup> and 8<sup>th</sup> and O and P Streets (P Street Block) is currently occupied by surface parking and the Heilbron House. The CAP identifies the P Street Block (identified in the CAP as “Block 204”) as “office,” except for the corner of

the block at 7<sup>th</sup> and O Streets encompassing the Heilbron House, which is shown as “other existing use” because the Heilbron House was not State owned in 1997. The CAP office development program also identifies the P Street Block for construction of a new office building, approximately 628,000 gross square feet (GSF) in size (CAP Figures 2-2, 2-4, and 3-1) (DGS 1997a). The 1997 CAP Implementation Program is consistent with the CAP, identifying an office building of approximately 628,000 GSF on the P Street Block, with a building net square footage of approximately 471,000, approximately 18 floors, and inclusion of approximately 5,000 to 8,000 square feet (sq. ft.) of commercial space, and 355 parking spaces (DGS 1997b). Figure 3-5 of the CAP Implementation Plan provides a conceptual massing with approximately five levels on the northeast and southwest corners, and an approximately 18 story tower on the southeastern portion of the block at 8<sup>th</sup> and P Streets, providing consistency with the Capitol View Protection Act’s 250-foot height limit on the northeast corner of the block and stepping back the office building from the Heilbron House. The most recent 2015 CAP Progress Report continues to identify the P Street Block for a new office building at the same size and with the same amenities as identified in the CAP and CAP Implementation Program. However, the 2015 Progress Report Land Use Diagram identifies the entire P Street Block, including the corner with the Heilbron House, as “office” (DGS 2015).

The analysis of growth inducement in the CAP EIR (DGS 1997b) concludes that implementing the plan would have the following growth-inducing effects:

- ▲ *Elimination of Obstacles to Growth.* Plan implementation would provide a policy for the State to consolidate its future office development within the Capitol Area instead of spreading the office development throughout the region. This would result in more office development in the downtown Sacramento area, possibly inducing localized growth.
- ▲ *Increased Demand on Secondary Markets.* Implementing the CAP would result in a substantial increase in the demand for support businesses and services in the downtown area; therefore, the plan would be a significant economic catalyst for downtown Sacramento.
- ▲ *Land Use Intensification.* Full buildout of State facilities consistent with the CAP may result in increased pressure to intensify land uses/development on many of the privately owned parcels within the Capitol Area.

## 6.1.2 Growth-Inducing Impacts of the Project

As of 2015, 1.2 million GSF of State owned facilities have been constructed in the Capitol Area, leaving the need to construct 1.3 million GSF to meet the CAP goal of 2.8 million GSF (DGS 2015). The proposed demolition of surface parking and construction of a new office building on three-fourths of the P Street Block, leaving the Heilbron House in place on the corner of the block at 7<sup>th</sup> and O Streets, consistent with the State’s CAP designation as “office.” The proposed office building would be larger (approximately 800,000 GSF) than the office space identified in the CAP Implementation Plan and 2015 Progress Report (628,000 GSF). However, the project would further intensify office space on the underutilized site, allowing for consolidation of State agencies in the Capitol Area, consistent with the principals of the CAP. The proposed 20-story office building would also be taller than estimated in the CAP and CAP Implementation Plan, but would be consistent with the Capitol View Protection Act, which limits the building height on the northeastern corner of the block to 250 feet (see Exhibit 4.15-1). Additionally, the proposed child care facility on the roof of the Subterranean Building north of P Street Block would not alter the State’s office building use of that block, which would remain consistent with the CAP’s designation of “office.” Therefore, the project would be consistent with the State-designated land uses for the project site (see Impact 4.2-2). Although the project is consistent with the CAP, because the EIR for the CAP was prepared in 1997 and substantial changes have occurred in downtown Sacramento since that time, a further analysis of the growth-inducing effects of the proposed project is provided here.

## GROWTH-INDUCING EFFECTS OF CONSTRUCTION

During peak construction activity, the project is estimated to generate approximately 590 temporary construction jobs. As identified in Table 4.3-3 of this DEIR, in 2000, 32,400 residents in Sacramento County were employed in the construction industry, construction jobs declined to 23,500 in 2010 and have since started to rise again with 30,700 construction jobs in 2015. Based on the 2015 unemployment rate of 6.0 percent for Sacramento County, approximately 1,800 construction employees could be available in Sacramento County. Construction jobs supporting the proposed project would be temporary and it is the nature of construction work that construction contractors bid and work on projects based on their availability and need for work, and in regions that are accessible to their work force. As existing construction projects near completion, contractors may seek out new construction projects to maintain employment for the same workers. Although it is possible that some construction workers could move to the city or the region as a result of the proposed project and the cumulative projects, the existing labor force is anticipated to be sufficient to meet construction employment needs for these projects. Furthermore, the Sacramento 2035 General Plan anticipates continued growth in jobs and includes policies, such as Policy LU 2.8.6, that promote the designation of sufficient land and development potential for housing and employment opportunities for a range of incomes and household types throughout the city, and encourages a balance between job type, workforce, and housing development. For these reasons, substantial population growth or increases in housing demand in the region as a result of project-related temporary construction jobs is not anticipated. Therefore, the project would not be expected to directly induce population growth by bringing substantial numbers of construction jobs to the area, or to result in associated increases in demand for housing or goods and services.

## GROWTH-INDUCING EFFECTS OF OPERATION

The project site is located within downtown Sacramento, which has an established roadway network and utilities infrastructure. The roadways providing access to and through downtown Sacramento in the project vicinity would not be altered, and no new roadways would be constructed. The new office building would connect to existing City of Sacramento water supply pipelines and the City's combined sewer system (CSS). As documented in Section 4.5, "Utilities," there is sufficient water supply and conveyance, CSS conveyance, and wastewater treatment capacity to serve the project. The project would not require new water entitlements, nor expanded, upgraded, or new water or wastewater infrastructure beyond the new building's connections and improvements in the immediate project vicinity. The State's Central Plant would provide heating and cooling; it also has sufficient capacity and conveyance to serve the new office building. The project would therefore not induce growth through extending roadway or utility infrastructure to new areas or from increasing infrastructure capacity.

The Resources Replacement Building would have sufficient office space to accommodate up to approximately 3,500 employees. It is anticipated that staff occupying the proposed building at the P Street Block would initially be occupied by employees relocated from the State-owned Resources Building (Exhibit 3-2), which includes staff from the California Natural Resources Agency and from the following departments: Water Resources, State Parks, Fish and Wildlife, Conservation, Forestry and Fire Protection (CalFire), Conservation Corps, and the Wildlife Conservation Board. Given that the existing Resources Building has a capacity of approximately 2,300 employees, all of which, for the purposes of this EIR, are assumed to be relocated to the proposed building on P Street Block, the project would provide for an increase in downtown Sacramento office capacity of approximately 1,200 staff. (The transfer of 2,300 staff would not be considered an increase in employment in downtown, but rather would shift the location of these existing State employees.) In addition, the project's child care, food court, and retail space would generate up to and estimated 100 full-time equivalent employees. The project-related employment increase of up to 1,300 jobs in downtown Sacramento would be growth inducing. The project could directly increase the number of jobs in the City of Sacramento by approximately 0.6 percent of the total number of jobs in 2015 (see Table 4.3-2). This growth is expected to attract commensurate economic growth to the vicinity to satisfy demand for goods and services such as restaurants and retail. The project-related employment growth could also result in an associated increase in housing.

After construction of the new office building and relocation of employees from the Resources Building (or other vacated State office space), those building(s) may be renovated and repopulated in the future. As explained in the Chapter 3, “Project Description,” there are no details currently available regarding the timing or nature of renovation or future re-occupation of the Resources Building and approval is not being sought through this environmental document or process. However, it is considered to be a reasonably foreseeable indirect effect of the project. Therefore, in addition to the direct growth in employment of 1,300 new jobs, the project could, in the long term, indirectly contribute to the generation of approximately 2,300 new jobs in Sacramento through the future renovation or replacement of the Resources Building. In this respect, the proposed project would also be indirectly growth inducing, which could foster both economic growth and demand for housing.

In 2015, there was an estimated 213,700 employees in the city and the unemployment rate was 6.4 percent. In the county, there was an estimated 615,600 jobs in 2015 (EDD 2016) with an unemployment rate of 6.0 percent. As addressed in Section 4.3, “Population, Employment, and Housing,” these numbers indicate that it is reasonable to anticipate that the long-term increase in 3,600 new jobs created in downtown Sacramento by the project would be filled by existing regional residents. In addition, the ratio of jobs to housing units in the region is relatively balanced and is projected to remain balanced in future planning periods for the city and region. As discussed under “Housing” in Section 4.3-2, the vacancy rates indicate the housing market for homeowners has a limited supply, but the rental market is balanced. The jobs/housing index further supports the limited housing supply in the city. However, the jobs/housing index for Sacramento County and the region indicate that the number of jobs, and amount of housing necessary to meet the demands associated with employment opportunities, is generally balanced. SACOG projections for jobs and housing, which take into account local agency land use plans, indicate jobs/housing index in the region and the county will become more balanced through 2036 (see Table 4.3-4). The Sacramento 2035 General Plan and 2016 MTP/SCS plan for growth in population, employment, and housing in the city and region through 2035 and 2036. As shown in Table 4.3-4, an additional 320,925 housing units are projected to be added in the region by 2036, which would include an additional 17,886 housing units in the central city area. When viewed in conjunction with current and future housing projects (such as Sacramento Commons and Rail Yards, see Chapter 5, “Cumulative Impacts”), overall housing opportunities in Sacramento should increase over time with the increased housing demand (see Tables 4.3-2 and 4.3-3 of this DEIR).

Furthermore, construction of a new office building in downtown Sacramento on a currently underutilized site is consistent with the State’s CAP and the City of Sacramento 2035 General Plan. Also, the City’s 2035 General Plan designates the project site, and the site of the existing Resources Building, “Central Business District,” (CBD) which contemplates relatively high intensity office uses with a floor area ratio (FAR) of up to 15.0 (City of Sacramento 2015). The maximum FAR for the new office building would be approximately 22 (based on approximately 800,000 GSF and an approximately 36,000 square foot footprint for tower levels), which is greater than the City’s maximum FAR of 15 for office uses within the CBD. However, the State is not subject to City standards. The building would be visually consistent with other towers in downtown Sacramento, including the 30-story Wells Fargo Center at 400 Capitol Mall, the 25-story U.S. Bank Tower at 621 Capitol Mall, the 25-story Bank of the West Tower at 500 Capitol Mall, the 18-story Office Buildings 8 and 9 at 744 P Street, and many others. Furthermore, the intensification of office uses in the CBD would be consistent with both the State’s CAP and the City’s General Plan assumptions for employment generation and, subsequently, growth projections. Therefore, although the proposed project would directly and indirectly induce growth, the level of growth is anticipated in both local and regional plans and would not require development of housing or other facilities that is not identified in these plans.

## 6.2 SIGNIFICANT AND UNAVOIDABLE ADVERSE IMPACTS

The State CEQA Guidelines Section 15126.2(b) requires EIRs to include a discussion of the significant environmental effects that cannot be avoided if the proposed project is implemented. As documented throughout Chapter 4 (project level impacts) and Chapter 5 (cumulative impacts) of this DEIR, after

implementation of the recommended mitigation measures, most of the impacts associated with the proposed project would be reduced to a less-than-significant level. The following impacts are considered significant and unavoidable; that is, no feasible mitigation is available to reduce the project's impacts to a less-than-significant level.

## 6.2.1 Noise

### Impact 4.8-1: Short-term construction-generated noise levels

Proposed construction areas would be in close proximity to existing noise-sensitive receptors. Most noise-generating construction activity would be performed during daytime hours, when construction noise is exempt from noise standards by the City of Sacramento Noise Control Ordinance. However, it is possible that construction activity may be required during the non-exempt evening and nighttime hours (6 p.m. to 7 a.m., Monday through Saturday, and between 6 p.m. and 9 a.m. on Sunday) for activities such as large continuous concrete pours. Thus, potential nighttime construction activities could expose nearby noise-sensitive receptors to noise levels that exceed City of Sacramento Noise Control Ordinance nighttime noise standards.

Implementation of Mitigation Measures 4.8-1a, "Implement construction-noise reduction measures," and 4.8-1b, "Implement additional measures to reduce exposure to construction noise reduction during noise-sensitive time periods," would provide substantial reductions in levels of construction noise exposure at noise-sensitive receptors by ensuring proper equipment use; locating noise-generating equipment away from sensitive land uses; requiring a temporary solid barrier around the project site and staging area; and requiring the use of enclosures, shields, and noise curtains (noise curtains typically can reduce noise by up to 10 dBA [EPA 1971]). Although, noise reduction would be achieved with implementation of these measures, reductions of up to 11 dBA would be required during more intensive nighttime construction (if necessary), to comply with the City of Sacramento's nighttime interior standard of 45  $L_{eq}$ . Reductions of this magnitude are not expected to be achieved under all potential circumstances with implementation of Mitigation Measures 4.8-1a and 4.8-1b. Because it cannot be assured that nighttime construction will not be needed, and if needed that applicable noise standards can be met, this impact would not be reduced to a less-than-significant level.

Chapter 7, "Alternatives," includes a discussion of alternatives to the project. Alternatives considered in Chapter 7 would reduce or eliminate construction-generated noise, including the No Project Alternative and implementing the project in another location. However, as described in Chapter 7, these alternatives may be infeasible, may not meet the basic project objectives, or may result in other environmental consequences.

Consequently, mitigation is available to only partially mitigate the impacts of the project on related to construction-generated noise. Therefore, this impact would be **significant and unavoidable** after application of all feasible mitigation measures.

## 6.2.2 Cultural and Tribal Cultural Resources

### Impact 4.12-4: Potential for Impacts on Historic Architectural Resources

The development of the P Street Block, changing the surface parking lot to a high-rise office building in the immediate surroundings of the Heilbron House, would cause a substantial adverse change in the historic significance of this building. Therefore, the project would cause a significant impact on the environment as described in State CEQA Guideline 15064.5(b)(1).

The Heilbron House would be protected during construction, remain in its original location, and not be altered as a result of the proposed project. The proposed project would respect the historic site and lot configuration of the Heilbron House, would have low rise construction in closest proximity to the Heilbron House, and high rise construction further away on the same block. The Heilbron House would remain at its current location (704 O Street) but would be vacated during construction. In accordance with the Capitol

View Protection Act's height restriction map, any portion of the proposed office building in the northwest corner of the P Street Block would comply with the 250-foot height limit. However, the portion of the new office building outside of the Capitol View Protection Act would likely be taller than 250 feet, and is evaluated in this DEIR as being up to 300 feet tall. The tallest tower of the proposed project would be located in the southeast corner of the block, the furthest possible distance it can be from the Heilbron House and still be on the same block. Based on a conceptual building massing model, a four-story section of the tower could back up adjacent to east side of the House lot. Based on the shadow analysis (see Section 4.15 of this DEIR), the Heilbron House would be in shadow almost all day in the winter months and mornings through mid-day in the spring and fall months. Once the Sacramento Commons is built immediately east of the proposed Resources Building Replacement project, the Heilbron House would be in shadow essentially all day in winter, and potentially well into parts of the spring and fall. The Heilbron House is listed on the National Register of Historic Places (NRHP), is therefore automatically listed on the California Register of Historic Resources (CRHR), and is therefore considered a historical resource under CEQA Guidelines 15064.5(a)(3). The physical alteration of the immediate surroundings of this historical resource by the introduction of an office building of this scale would result in a substantial adverse change per CEQA Guideline 15064.5(b)(2)(A) which states that a resource is materially impaired when project work demolishes or materially alters in an adverse manner those physical characteristics of an historical resource that convey its historical significance and that justify its inclusion in the CRHR.

Implementation of Mitigation Measures 4.12-4 and 4.12-5 would partially minimize the impact caused by the change in the immediate surroundings of the Heilbron House by softening the visual transition between the Heilbron House and the proposed replacement building and by restoring some of the lost historic features and spaces of the house for the enjoyment and education of the public. However, there would still be significant effects on its immediate setting and on shadows by the introduction of a high-rise office building.

Chapter 7, "Alternatives," includes a discussion of alternatives to the project. Alternative 2 proposes to relocate and restore the Heilbron House next to the Stanford Mansion. If the Heilbron House remained listed on the NRHP following the move, this alternative would mitigate the effect of the move to less than significant. This is because under the special considerations of the CRHR for moved buildings, it would retain its status as being automatically listed on the CRHR. However, there would still be significant shadow effects on the Heilbron House, cast by the existing high rise Resources Building. Other alternatives considered in Chapter 7 would likely avoid impacts to the Heilbron House, including the No Project Alternative, and implementing the project in another location; however, as described in Chapter 7, these alternatives may be infeasible, may not meet the basic project objectives, or may result in other environmental consequences.

Consequently, mitigation is available to only partially mitigate the impacts of the project on the historic Heilbron House. Therefore, this impact would be **significant and unavoidable** after application of all feasible mitigation measures.

### 6.2.3 Aesthetics, Light, and Glare

#### **Impact 4.15-4: Potential for structures to cast shadows on shadow-sensitive uses**

The proposed office building would be a maximum of 300 feet tall, which could cast shadows over Capitol Tower residences during the day, consistent with other mid- to high-rise buildings in the project vicinity. Shadows generated by the project would not fall on any particular shadow-sensitive areas for a substantial portion of the day during summer, fall, and spring months. However, during winter months, a relatively small area of the eastern portion of the Capitol Tower super-block, across from the intersection of 7<sup>th</sup> and O Streets, would be shadowed by the proposed building for a substantial portion of the morning hours. However, there is no feasible mitigation to reduce the overall area of the shadow and also meet the project objectives.

Chapter 7, "Alternatives," includes a discussion of alternatives to the project. Alternatives considered in Chapter 7 would likely avoid shadow impacts, including the No Project Alternative and implementing the project in another location. However, as described in Chapter 7, these alternatives may be infeasible, may not meet the basic project objectives, or may result in other environmental consequences.

There is no feasible mitigation to reduce the overall area of the shadow and also meet the project objectives. An unavoidable outcome of higher density urban development with high rise buildings is increased periods of shadow at ground level locations. Therefore, this impact is **significant and unavoidable**.

### 6.3 SIGNIFICANT AND IRREVERSIBLE ENVIRONMENTAL CHANGES

The State CEQA Guidelines requires a discussion of any significant irreversible environmental changes that would be caused by the project. Specifically, the State CEQA Guidelines section 15126.2(c) states:

Uses of nonrenewable resources during the initial and continued phases of the project may be irreversible, since a large commitment of such resources makes removal or nonuse thereafter unlikely. Primary impacts and, particularly, secondary impacts (such as highway improvement which provides access to a previously inaccessible area) generally commit future generation to similar uses. Also, irreversible damage can result from environmental accidents associated with the project. Irretrievable commitments of resources should be evaluated to assure that such current consumption is justified.

The project would result in the irreversible and irretrievable commitment of energy and material resources during construction and operation, including the following:

- ▲ construction materials, including such resources as soil, rocks, wood, concrete, glass, and steel;
- ▲ water supply for project construction and operation; and
- ▲ energy expended in the form of electricity, natural gas, diesel fuel, gasoline, and oil for equipment and transportation vehicles that would be needed for project construction and operation.

These nonrenewable resources would represent only a modest portion of the resources available in the region and would not affect the availability of these resources for other needs within the region.

Demolition and construction activities would not result in inefficient use of energy or natural resources. During demolition of the parking lot, materials such as concrete and steel would be separated, sorted, and recycled. During construction, contractors would use best available engineering techniques, construction and design practices, and equipment operating procedures.

Operation of the project would be typical of office and commercial uses requiring electricity and natural gas for lighting, climate control, kitchen facilities, and day-to-day activities. Indirect energy use would include wastewater treatment and solid waste removal. As described in Impacts 4.5-6 and 4.5-7 of this DEIR, electricity and natural gas services for the project would be provided by SMUD and PG&E, respectively. The project would increase electricity and natural gas consumption relative to existing conditions and would construct new utility connections to existing electrical and natural gas lines.

As addressed in Impact 4.5-8 of this DEIR, The State Administrative Manual and EO-18-12 require that the new office building perform 15 percent better than the relevant Title 24, Part 6 Energy Efficiency Standards. The project will be subject to the 2016 version of this standard, which is considered to be an aggressive energy efficiency target. Additionally, the project's energy goal is to achieve zero net energy (ZNE), consistent with Executive Order B-18-12. The project would achieve this goal by constructing a 400-kW PV solar system and supplementing the energy supply with 100 percent renewable energy provided through SMUD

renewable energy programs. The project would also meet or exceed LEED v4 Silver certification, and would have an Energy Use Index (EUI) of up to 30, well below the EUI for other buildings in the area. To meet these requirements, it is likely that the building would require a high-performance HVAC system, low energy LED lighting, daylight dimming and associated controls, a high-performance façade, and potential for some areas of operable windows with automated controls (ARUP 2017a). Building standards and energy efficiency features included in the project would be expected to reduce per capita energy use compared to similar developments.

In addition, the office building would include water conservation and reuse measures that exceed 2016 Title 24 water efficiency requirements. All plumbing fixtures in the building would be low-flow/high-efficiency fixtures, and other measures would be selected by the design-build team (e.g., rainwater collection, use of grey water, use of recycled water) to meet or exceed this standard. Public transit would be available for use by employees because the project site is located at the Sacramento Regional Transit's 8<sup>th</sup> and O Street light rail station and there are also several bus stops for several different routes and transit providers (e.g., Sacramento Regional Transit, El Dorado Transit) within four blocks of P Street Block. Finally, employee bicycle parking and showers and lockers would be provided in the office building.