March 19, 2018

Mr. Ken Alex, Director
Office of Planning and Research
Office of Governor Edmund G. Brown, Jr.
1400 10th Street
Sacramento, California 95814

Dear Mr. Alex:

The Jobs and Economic Improvement through Environmental Leadership Act (Assembly Bill 900, statutes of 2011) authorizes the Governor to certify a leadership project for streamlining under the California Environmental Quality Act (CEQA) if the project meets certain conditions. One condition for certification is that the project does not result in any net additional emissions of greenhouse gases (GHG), including GHG emissions from employee transportation, as determined by the California Air Resources Board (CARB).

1045 Olive, LLC (the Applicant) submitted an original application to CARB on December 22, 2017, and clarifying documentations on January 22, 2018, for the proposed 1045 Olive Street project (Proposed Project). As required by the Governor’s Guidelines for Streamlining Judicial Review under CEQA, the application includes proposed GHG quantification methodologies and supporting documentation. CARB staff conducted an evaluation of the GHG emission estimates and voluntary improvement measures submitted by the Applicant, and confirmed that the Applicant’s methodology, calculations, and documentation are adequate. Based on the documentation submitted by the Applicant, CARB has determined that the Proposed Project will not result in any net additional GHG emissions for purposes of certification under AB 900 once the conditions of approval of the project described in the enclosed staff analysis document are satisfied. CARB staff’s evaluation and an Executive Order noting CARB’s determination are enclosed.

If you have any questions regarding the evaluation or determination, please contact Dr. Michael Benjamin, Chief of Air Quality Planning and Science Division at (916) 201-8968 or by email at michael.benjamin@arb.ca.gov.

Sincerely,

Richard W. Corey
Executive Officer

Enclosures
cc:  (continued, via email):

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Dr. Michael Benjamin, Chief
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WHEREAS, in September 2011, Governor Brown signed the “Jobs and Economic Improvement through Environmental Leadership Act” (AB 900);

WHEREAS, under AB 900, the Governor may certify certain projects for judicial streamlining under the California Environmental Quality Act (CEQA) if certain conditions are met;

WHEREAS, under California Public Resources Code section 21183, subdivision (c), one condition for the Governor’s certification is that the project does not result in any net additional emission of greenhouse gases (GHG), as determined by the California Air Resources Board (CARB);

WHEREAS, the Governor’s Guidelines for Streamlining Judicial Review under the California Environmental Quality Act require for purposes of CARB’s determination on GHG emissions that an applicant submit electronically to CARB a proposed methodology for quantifying the project’s net additional GHG emissions and documentation that the project does not result in any net additional GHG emissions;

WHEREAS, pursuant to the Governor’s Guidelines, 1045 Olive, LLC (the Applicant) submitted its initial proposed GHG quantification methodologies and documentation to CARB on the proposed 1045 Olive Street Project (proposed project) on December 22, 2017, and clarifying documentations submitted on January 22, 2018;

WHEREAS, the application submitted for the proposed project estimates the project’s net additional GHG emissions as follows:

1. Construction GHG Emissions: Additional 7,113 metric tons CO2e emissions from project construction and demolition activities. Construction-generated GHG emissions were estimated from equipment used for construction activities and from both on-site and off-site vehicles and equipment;

2. Operation-Related GHG Emissions: Additional 9,681 metric tons CO2e emissions during the first full year of project operation (2023) and declining operational emissions in future years over the lifetime of the project.

WHEREAS, in the application, the applicant proposes to secure 7,113 metric tons of one-time carbon credits to offset emissions generated during construction and to secure
230,886 metric tons of carbon credits on a net present value basis to offset the net increase in emissions generated during project operation through purchasing credible offset credits issued by a recognized and reputable carbon registry to fully offset these identified construction and operational GHG emissions;

WHEREAS, on September 1, 2017, the applicant has entered into a binding and enforceable agreement with the City of Los Angeles (the lead agency) that all mitigation measures required to certify the project under AB 900 shall be conditions of approval of the project, and those conditions will be fully monitored and enforced by the lead agency for the life of the obligation, pursuant to Public Resources Code section 21183, subdivision (e).

WHEREAS, CARB staff reviewed and evaluated the application in consultation with the lead agency (the City of Los Angeles);

WHEREAS, CARB staff conducted an evaluation of the GHG emission estimates and voluntary mitigation included in the application submitted by the applicant and confirmed the documentation provides an adequate technical basis for estimating total GHG emissions and voluntary mitigation for the proposed project;

WHEREAS, CARB’s review and determination on the proposed project’s GHG emissions is for the limited purpose of the Governor’s findings and certification under AB 900 and should not be construed as meeting any other requirement under State or federal law, including CEQA; the lead agency remains responsible for full CEQA compliance for this project;

NOW, THEREFORE, based on CARB Staff’s Evaluation (Attachment 1) of the documentation submitted by the Applicant (Attachment 2), I determine that the 1045 Olive Street Project will not result in any net additional GHG emissions pursuant to Public Resources Code section 21183, subdivision (c) for purposes of certification under AB 900.

Executed this nineteenth day of March 2018, at Sacramento, California.

Richard W. Corey
Executive Officer

Attachments
1. CARB Staff Evaluation of AB 900 Application for 1045 Olive Street Project
2. 1045 Olive Street Project Greenhouse Gas Emissions Methodology Documentation for AB 900 Application