



M E M O R A N D U M

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To: California State Lottery Commission

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Director

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Subject: Item 9(c) - Public Hearing and Certification of the Mitigated Negative Declaration for the California State Lottery Complex

ISSUE

Should the California State Lottery Commission (Commission) adopt the Mitigated Negative Declaration (MND), Findings, and Mitigated Monitoring and Reporting Program prepared for the California State Lottery Complex project?

RECOMMENDATION

Due to the lack of significant environmental effects resulting from the implementation of the project and the proposed mitigation measures, California State Lottery (Lottery) staff recommends that the Commission:

1. Adopt the written finding allowing for the text change to mitigation measure 6a-2 as shown in the Mitigated Negative Declaration; and
2. Adopt the Mitigated Negative Declaration prepared for the California State Lottery Complex Project, as well as the supporting Mitigation Monitoring and Reporting Program.

BACKGROUND

The California Environmental Quality Act (CEQA) was adopted in 1970, and incorporated in the Public Resources Code §§21000-21177. The purpose of CEQA is to inform governmental decision makers, and the public about the potential significant environmental effects of proposed activities, and identify ways that environmental damage can be avoided or significantly reduced, and may require changes in projects through the use of alternatives or

mitigation measures when feasible. CEQA applies to projects undertaken, funded or requiring an issuance of a permit by a public agency, which includes the proposed project.

According to CEQA Guidelines Sec. 15070, a MND is necessary when the initial study identifies potentially significant environmental effects associated with the development of a project that can be reduced to a less than significant level based on feasible revisions in the project plans or proposals made by, or agreed to by the applicant. These changes or improvements would constitute as feasible mitigation only if they themselves avoid triggering new environmental impacts. Before a proposed MND is released for public review, there must be substantial evidence in the record that the proposed project would avoid environmental effects or mitigate the effects to a point where clearly no significant effects would occur.

Prior to release of the Draft MND, the Lottery and their environmental consultant, PBS&J performed technical studies and consulted with responsible parties in order to establish the evidence needed in the record to adopt a MND. This information can be found in the technical appendix of the Draft MND. The Lottery and PBS&J staff coordinated with City of Sacramento staff, Caltrans, and other interested parties in order to ensure that a comprehensive CEQA analysis was performed that incorporated the effects of the cumulative development of the area. The MND provides a sound evaluation of the potential environmental impacts associated with the development of the proposed project, and recommends feasible mitigation measures to reduce potentially significant impacts caused by the project to a less than significant level (CEQA Guidelines Sec. 15071 (e)).

On November 24, 2008, a Draft Mitigated Negative Declaration for the California State Lottery Office Complex was prepared by the consulting firm PBS&J, and circulated for public review. The proposed project would involve the construction, and operation of a new State Lottery Office Complex consisting of approximately 484,648 sf of office and retail space in three six-story office buildings, and one single-story retail building, one six-story parking garage and surface parking (totaling 1,747 spaces), 88 bicycle parking spaces, and 100,320 sf of shaded passive recreational areas on the existing, 13-acre Lottery property on North 10th Street and Richards Boulevard in the City of Sacramento.

The MND was made available to the public for review and comment for the 30 days, in accordance with CEQA Guidelines Sec. 15073 (a).

Copies of the MND were made available to the appropriate responsible agencies and were available to the public at the California State Lottery Office at 600 North 10th Street, Sacramento, CA 95811. The official public comment period for the Draft MND ran from November 24, 2008 to December 24, 2008. All comments received during that period were included in the project record. Comments received after December 24th were not included in the project record. This Commission Item 9(c) is the public hearing to receive oral comments, discuss the environmental analysis included in the Draft MND, and potentially adopt the MND, a written finding, and a Mitigated Monitoring and Reporting Program.

DISCUSSION

Pursuant to the CEQA Guidelines 15071, a Draft MND was prepared in order to address any potentially significant environmental effects associated with the Proposed Project. In accordance with Appendix G of the CEQA Guidelines, the following environmental topics were evaluated in the initial study checklist portion of Draft MND for the California State Lottery Complex project:

- Aesthetics, Light and Glare;
- Water;
- Air Quality;
- Biological Resources;
- Cultural Resources,
- Seismicity, Soils, and Geology,
- Hazards and Hazardous Materials,
- Hydrology and Water Quality
- Land Use and Agricultural Resources,
- Mineral Resources,
- Noise,
- Population and Housing,
- Public Services,
- Transportation and Circulation
- Utilities.

The initial study identified potentially significant impacts with regards to the following issue areas prior to the implementation of mitigation measures:

- Seismicity, Soils, And Geology
- Hydrology and Water Quality

- Transportation and Circulation
- Noise
- Biological Resources; and
- Cultural Resources

The identified mitigation measures are needed to reduce impact associated with the proposed project to a less than significant level. A Mitigation Monitoring and Reporting Program has also been prepared in order to ensure that the mitigation is implemented appropriately. During public circulation of the Draft MND, only two comments were received on the document. The State Clearinghouse prepared a letter confirming receipt of the document, and the City of Sacramento recommends a language change regarding the traffic mitigation measure 6a-2. In accordance with CEQA Guidelines 15074.1, the Lottery may change mitigation where it is determined that the new mitigation is "equivalent or more effective," which is the case with the traffic mitigation. The Commission is required to adopt a written finding recognizing the change of a mitigation measure at the public hearing immediately prior to adoption of the MND at that hearing. Due to the lack of significant environmental effects resulting from the implementation of the project and the proposed mitigation measures, staff recommends that:

1. The Commission adopt the written finding allowing for the text change to mitigation measure 6a-2 as shown in the MND; and
2. The Commission adopt the MND prepared for the California State Lottery Complex project, as well as the supporting Mitigation Monitoring and Reporting Program.