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October 31, 2008

CERTIFICATE OF THE SECRETARY OF ENERGY AND ENVIRONMENTAL AFFAIRS
ON THE
SUPPLEMENTAL ENVIRONMENTAL IMPACT REPORT

PROJECT NAME: North Adams Plaza Redevelopment
PROJECT MUNICIPALITY: North Adams
PROJECT WATERSHED: Hudson
EEA NUMBER: 14180
PROJECT PROPONENT: North Adams Property Development, LLC
DATE NOTICED IN MONITOR: September 24, 2008

As Secretary of Energy and Environmental Affairs (EEA), I hereby determine that the Supplemental Environmental Impact Report (EIR) submitted on this project **adequately and properly complies** with the Massachusetts Environmental Policy Act (M.G.L. c. 30, ss. 61-62I) and with its implementing regulations (301 CMR 11.00).

This project will redevelop an underutilized site thereby minimizing many of the environmental impacts associated with new development. The project has the potential to enhance the local tax base and to provide employment and retail opportunities for the local and regional area. In addition, the proponent has demonstrated its willingness to provide significant environmental mitigation measures, including mitigation of Greenhouse Gas (GHG) emissions.

Project Description

As described in the February 2008 Expanded Environmental Notification Form (EENF), the Single EIR and the Supplemental EIR, the project involves the redevelopment of a vacant strip commercial plaza on an approximately 13.4-acre parcel located on the west side of Route 8 across from the Robert Hardman Industrial Park in North Adams. The site has been underutilized

for approximately a decade and vacant since 2006. An approximately 95,712 square foot (sf) structure that formerly housed a cinema and a mix of restaurant and retail uses remains as well as approximately 630 parking spaces. The redevelopment includes demolition of the existing structure and construction of an approximately 126,500 sf Lowe's home improvement store with an associated 28,630 sf garden center and an approximately 3,600 sf separate drive-through bank or other retail facility on an out-parcel in the southeasterly corner of the site. Previously, a home improvement store was proposed on a site north of the proposed site. An EENF for that project was submitted in July 2005 (EEA# 13578). That project is no longer under consideration.

Approximately 620 parking spaces will be provided as part of the project. Access to the site will be provided via two driveways: 1) the existing signalized driveway to the site will be retained and will serve as the primary access and egress point for the site; and 2) a secondary right-in/right-out driveway is proposed approximately 500 feet north of the existing traffic signal. The existing right-in driveway will be closed.

Jurisdiction

The project is undergoing environmental review and requires the preparation of an Environmental Impact Report pursuant to Section 11.03(6)(a)(6) of the MEPA regulations because it requires state permits and it will generate more than 3,000 new average daily trips on roadways providing access to a single location. The project requires a National Pollutant Discharge Elimination System (NPDES) Construction General Permit from the U.S. Environmental Protection Agency (EPA) and a Vehicular Access Permit from the Massachusetts Highway Department (MassHighway). The Proponent has received a Special Permit from the North Adams Planning Board and a permit from the North Adams Zoning Board of Appeals to reduce parking at the site to less than what is required under local zoning. The Proponent received an Amended Order of Conditions (OOC) from the North Adams Conservation Commission in July 2008.

Because the Proponent is not seeking financial assistance from the Commonwealth for the project, MEPA jurisdiction is limited to those aspects of the project that may cause Damage to the Environment as defined in the MEPA regulations and that are within the subject matter of required or potentially required state permits. In this case, jurisdiction extends to transportation, wetlands and stormwater. In addition, because the project requires a Vehicular Access Permit, the project is subject to the MEPA Greenhouse Gas Emissions Policy and Protocol (GHG Policy).

Review of the Supplemental EIR

The Supplemental EIR was required to provide a reasonably accurate quantitative analysis of total project emissions and potential mitigation that will allow the proponent and reviewers to assess the overall impact of the project as proposed, and the reduction in emissions if various measures are implemented. The Scope identified issues that should be resolved in the

Supplemental EIR to clarify the analysis provided in the Single EIR and to demonstrate that mitigation measures were adequately evaluated following the guidance in the GHG Policy.

The Supplemental EIR, and additional materials submitted on October 1, 2008 during the public comment period, provide a revised GHG analysis, explain discrepancies in the previous analysis and provide additional analysis of the feasibility of installing a solar photovoltaic (PV) system.

The Supplemental EIR clearly demonstrates that the difference between the 2012 Build and the 2012 Build with Mitigation scenarios for stationary sources as presented in the Single EIR (140.3 tpy reduction compared to a 68.7 tpy reduction) is associated with quantification of mitigation measures and not due to the change in the 2012 Build scenario between the EENF and Single EIR. The 2012 Build scenario for stationary sources increased from the EENF (1,122 tpy) and the Single EIR (1,193.5 tpy) due to changes in the model's weather inputs to customize weather patterns for the region. Additional materials, dated October 1, 2008, submitted during the public comment period provide the results from the EPA's COMMUTER Version 2.0 model for reductions of vehicle miles of travel (VMT) and trip reduction based on the proposed TDM measures.

The Supplemental EIR clearly identifies how the proponent has calculated percentage reductions. The percentage reductions are based on the total reductions from project improvements (i.e. 2012 Build – 2012 Build with Mitigation) divided by the total project emissions (2012 Build). Based on this calculation, the project will reduce transportation related GHG emissions by .2 percent and stationary sources by 11.8 percent.

The Supplemental EIR indicates that the GHG analysis was conducted for the entire project, including the 3,600 sf outparcel. However, mitigation measures are only proposed for the Lowe's building. The Supplemental EIR indicates that it will encourage the outparcel tenant to adopt GHG mitigation measures.

The proponent has provided an expanded discussion and analysis of the 50-kilowatt (kW) solar PV system on the proposed Lowe's building pursuant to the requirement of the GHG Policy to consider alternative mitigation measures. The Supplemental EIR indicates that the payback period for a 50 kW solar system at the proposed project would be approximately seven years and would provide an 8.6 percent rate of return. The Supplemental EIR indicates that the PV system is not feasible based on the following:

- the technology is not cost effective for the proposed building type and location;
- the alternative is cost-prohibitive for a project of this scale, due to the projected rate of return; and
- the unpredictability associated with government incentives (in particular the Federal Investment Tax Credit).

The Supplemental EIR indicates that the building could support a potential grid of then cell PVs if such a project were determined to be financially feasible in the future.

Comments from the Department of Environmental Protection (MassDEP) and the Department of Energy Resources (DOER) indicate that the proponent has responded adequately to its comments on the Single EIR. MassDEP and DOER indicate that a power purchase agreement with a third party provider could have a significant impact on the payback period of the solar PV system; however, this option was not analyzed as part of the Supplemental EIR. These comments indicate that detailed information on third party arrangements is available through the Mass Renewable Energy Trust (MRET) at the Massachusetts Technology Collaborative (MTC). In addition, these comments note that, since the filing of the Supplemental EIR, the Federal Investment Tax Credit was renewed as part of HR 1424, "Emergency Economic Stabilization Act of 2008," which addresses another of the proponent's concerns regarding the feasibility of such a system.

MassDEP and DOER urge the proponent to consider a third party arrangement for installation of a solar PV system. In the event that the proponent does not reconsider addition of a solar PV system, they recommend that the building be designed and constructed so as not to preclude future installation of a solar PV system. This would include locating and consolidating the HVAC and other roof-based systems on the north facing side of the roof and providing adequate structural support to accommodate the additional load associated with a PV system (5 – 10 lbs/sq-ft).

Mitigation

The Supplemental EIR indicates that the proponent is committed to the following specific mitigation measures to reduce GHG emissions from stationary sources:

- High-efficiency Energy Star compliant packaged heating, ventilation and air-conditioning (HVAC) systems (EER 11.5);
- Double Low-E glass windows to minimize heat loss;
- Motion sensors and lighting in the building's office space to reduce energy consumption;
- Additional roof insulation to minimize heat loss;
- White thermoplastic olefin (TPO) membrane roofing to reduce heat island effect on rooftop; and,
- Partial skylights at the garden center to reduce electrical usage.

Mitigation measures to reduce GHG emissions from mobile sources were identified in the Expanded ENF and Single EIR. The Supplemental EIR identifies one additional measure:

- The proponent will coordinate with the Berkshire Regional Transit Authority (BRTA) to address the pricing structure of the transit service to the site by encouraging the BRTA to eliminate the additional charge associated with crossing the Adams/North Adams town line.

In addition, the Proponent is committed to the following programs corporate-wide:

- Lowe's Energy Management Program – Lowe's implements energy management systems at each of their stores to reduce energy usage. The Proponent estimates that participation in the Energy Management Program results in an annual reduction of 4.4 tpy of carbon dioxide (CO₂).
- Green Power Purchasing Partnership – Lowe's purchases green power generated from renewable resources and allocates two percent of green power purchasing credit to each store. The Proponent estimates that GHG reductions due to the green power purchasing credit are approximately 18 tpy of CO₂ for the North Adams project.
- SmartWay Transport Partnership Program – This program is a partnership between the U.S. EPA and the freight industry to increase energy efficiency while reducing GHG emissions. The Proponent estimates that participation in the SmartWay program results in a reduction of 11.2 tpy of CO₂.
- Lowe's Energy Awareness Delivers Savings (LEADS) – The LEADs program is an energy awareness program for employees that seeks to promote measures to reduce GHG emissions and water consumption.
- Sale of Energy Star-qualified products – Lowe's participates in the U.S. EPA's Retail Partnership Program, and offers a variety of Energy Star products at its stores, including fans, dishwashers, lighting units, programmable thermostats, and sealing and insulation products.

Upon completion of construction, the proponent should provide a certification to the MEPA Office signed by an appropriate professional (e.g., engineer, architect, general contractor) indicating that the all of the mitigation measures referenced in the Section on Mitigation and Section 61 Findings in the Single EIR and the Supplemental EIR, or equivalent measures that collectively will reduce stationary source GHG emissions by 11.8 percent and mobile GHG emissions by .2 percent, have been incorporated into the project. The certification should be supported by as-built plans. For those measures that are operational in nature (i.e. TDM, recycling) the proponent should provide an updated plan identifying the measures, the schedule for implementation and how progress towards achieving the measures will be obtained. I request that MassHighway incorporate this self-certification requirement into its Section 61 Findings for this project. In accordance with Section 11.12 (5) (e) of the MEPA regulations, final Section 61 Findings must be forwarded by each permitting agency to the MEPA Office, which will publish a Notice of Availability in the Environmental Monitor.

In addition to the above noted measures, I urge the proponent to reconsider installation of a solar PV system in light of the likely continued rise in the electricity prices, the continued reduction in the cost of PV, opportunities for third party PV arrays with power purchase agreements, the recent extension of federal tax credits for solar PV systems and new opportunities for utility ownership of solar installations. A revised analysis could result in an improved projected payback period as suggested in the MassDEP and DOER comment letter. I note that the recently passed Climate Protection and Green Economy Act, M.G.L.c. 21N, mandates economy-wide reduction targets for GHG emissions in Massachusetts of between 10 and 25 percent by 2020. These mandates will be in place by 2011. I encourage the proponent to consider the potential advantages of early GHG reduction under the new law. I also encourage the Proponent to construct the facility with consideration for the added weight of PV systems so that a future installation is not precluded.


Finally, I encourage the proponent to work closely with the tenant of the outparcel to mitigate GHG emissions associated with this building. This could take the form of providing technical information on energy efficiency so that the tenant can benefit from the analysis of the energy savings and GHG reductions that have been identified for the Lowe's buildings, employees, and customers.

Conclusion

With this Certificate, I have found that the project has adequately met the requirements of the MEPA statute and the GHG Policy. However, as a national retailer with a stated commitment to environmental sustainability, energy efficiency and conservation at all of its locations, Lowe's is uniquely situated to go beyond the minimum requirements of today to demonstrate leadership in the emerging areas of renewable energy generation and greenhouse gas emissions reductions. As noted above, once fully implemented, the Climate Protection and Green Economy Act will require measures to reduce greenhouse gas reductions across the economy. In the interim period, Lowe's has an opportunity to take voluntary measures to curb its greenhouse gas emissions, reduce its own energy and operating costs, and lead the way toward the cleaner energy of the future. I encourage the proponent to seriously consider the opportunities available to make significant progress towards its own stated goals of energy use and emissions reduction through the use of new technology. The Executive Office of Energy and Environmental Affairs and the Massachusetts Department of Energy Resources are available to assist the proponent in evaluation and development of alternatives for future Lowe's stores in the Commonwealth.

Based on my review of the Supplemental EIR, review of comment letters and consultation with state agencies, I hereby find that the Supplemental EIR adequately and properly complies with MEPA and its implementing regulations. No further MEPA review is required. The project may proceed to permitting.

October 31, 2008
Date


Ian A. Bowles

Comments received:

10/24/08 Department of Environmental Protection (MassDEP) and Department of Energy Resources (DOER)
10/24/08 Executive Office of Transportation
10/28/08 Berkshire Regional Planning Commission
10/6/08 Julia Reidy

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