

[DATE TBD]

FACT SHEET

Virginia Water Protection Individual Permit No. 19-2036
Wegmans Distribution Center

DEQ has reviewed the application for the Virginia Water Protection (VWP) Individual Permit Number 19-2036 and has determined that the project qualifies for an individual permit.

The following details the application review process and summarizes relevant information for developing the Part I - Special Conditions for permit issuance.

1. Contact Information:

Permittee Legal Name and Address:

Wegmans Food Markets, Inc.
Attn: Douglas Viets
1500 Brooks Avenue, P.O. Box 30844
Rochester, NY 14603-0844
doug.viets@wegmans.com
585-720-5777

Agent Legal Name and Address:

Timmons Group
Attn: Matt Neely
1001 Boulders Parkway, Suite 300
Richmond, VA 23225
matt.neely@timmons.com
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2. Processing Dates:

Received Application:	December 2, 2019
Application Complete:	March 20, 2020
Permit Fee Deposited by Accounting:	February 21, 2020
Processing Deadline (120 days from Complete Application):	July 14, 2020
1 st Request for Additional Information Sent:	December 16, 2019
Final Response for Additional Information Received:	March 20, 2020
Notification of JPA sent to Local Government(s):	December 9, 2019
Request for comments sent to VDH, VDGIF, VDCR, VMRC:	December 9, 2019
Letters sent to Riparian Land Owners:	December 11, 2019
Draft Permit Package Issued:	[DATE TBD]
Copy of Public Notice sent to DEQ Central Office:	[DATE TBD]

Copy of Public Notice sent to Local Gov't and Planning District: [DATE TBD]
 Public Notice of Draft Permit and Hearing: [DATE TBD]
 End of Public Comment Period: [DATE TBD]
 Received Verification of Publication: [DATE TBD]
 Public Meeting or Hearing (if applicable): [DATE TBD]
 SWCB Meeting: [DATE TBD]
 Permit Issued: [DATE TBD]

3. Project Location:

The project is located south of Ashcake Road (Route 657), northwest of Sliding Hill Road (Route 656), and east of Egypt Road (Route 741) in Hanover County, Virginia.

City/County: Hanover
 Basin: York River
 Subbasin: Pamunkey
 Section: 3
 Class: III
 Special Standards: None
 HUC: 02080106
 Latitude & Longitude: 37.711605, -77.42552
 U.S.G.S. Quadrangle: Yellow Tavern
 State Watershed No.: YO30

4. Project Description:

4.1 Application

The application for this project consists of the Joint Permit Application (JPA) received on December 2, 2019, additional information submitted by the applicant on December 13, 2019, December 20, 2019, December 23, 2019, February 21, 2019, March 12, 2020, March 16, 2020 and March 20, 2020 including all associated appendices, and all other information submitted by the applicant to DEQ. This information will be hereto referred to as the “application”. The original application received on December 2, 2019 was submitted on behalf of Hanover Economic Development for Project Tiger. Since that time, the applicant information has been updated to Wegmans Food Markets, Inc.

4.2 Project Purpose and Need

The purpose and need of the project is provided in Section 4.0 of the application document, dated November 2019 and received on December 2, 2019. As described in the application, the purpose of the project is to provide a “regional grocery distribution center that will (a) serve existing retail locations, (b) relieve transportation burdens from existing supply centers, and (c) provide a base of support to serve future retail locations in the mid-Atlantic region.” According to the application, the project is needed to develop a new regional distribution center centrally located to accommodate existing and proposed retail locations in the mid-Atlantic region in a “logistically responsible and cost-efficient manner.”

The applicant currently operates two Northeast distribution centers located in Pottsville, Pennsylvania and Rochester, New York. A typical regional distribution center can efficiently serve 45-50 retail locations. The desired goal as stated by the applicant is for each distribution center to serve 45 stores. Currently, the Pottsville Distribution Center is serving 54 stores in the following locations: Pennsylvania (28), New Jersey (9), Massachusetts (6), Maryland (8), Virginia (12), and North Carolina (1), and is operating at 20% overcapacity. The Rochester Distribution Center serves 47 stores within New York and is operating at 4% overcapacity. Section 2.0 of the application includes an explanation that when a regional distribution facility nears 90% capacity, the facility may not be able to meet store growth or unexpected fluctuations in demand. Exceeding 95% facility utilization is not ideal because free space is needed to accommodate item changes and maintain efficient day-to-day operations. At 100% utilization, a facility would result in gridlock with no room to receive supplier deliveries.

Following current trends, Wegmans predicts that they will outgrow the existing Pottsville Distribution Center within the next five years. As depicted on the Wegmans “Here we grow” figure provided on March 16, 2020, five new stores are planned to open in North Carolina as well as six stores in the D.C. metro area within the next five years. The applicant predicts that with the current distribution centers, they will not be able to serve the increased retail locations; therefore, a new regional distribution center is needed that can efficiently supply the anticipated number of retail locations in the rapidly growing mid-Atlantic market.

In addition to relieving demand on the existing distribution centers, the proposed Hanover County Distribution Center would also serve to decrease distance, time, and costs associated with transportation to retail stores in those areas. The Pottsville distribution center currently serving these areas is approximately 370 road miles from the Virginia Beach location and approximately 480 road miles from the planned West Cary, North Carolina location. The distance from Hanover County, VA to Raleigh, NC is approximately 187 miles. A Hanover County Distribution Center would reduce trip miles to the North Carolina store locations by more than 290 miles one way. Reduced distance from a distribution center to a retail store results in a significant reduction in fuel and operational costs associated with each trip. Deliveries for perishable items are often scheduled daily to ensure the highest quality and longest shelf life. Long-distance deliveries can require longer lead times, which can result in unpredictable impacts from weather, shorter shelf life of perishable products, and the potential for increase of damage to sensitive products and loss of product. Servicing northern Virginia stores from the Hanover Distribution Center also reduces the number of trips, trucks originating from the Pottsville Distribution Center need to make through one of the most heavily congested areas of traffic in the nation, the Washington D.C. metro area.

Based on information provided by the applicant regarding lack of adequate capacity at the existing distribution center to accommodate several existing and planned D.C. metro area, Virginia, and North Carolina retail locations, and proximity of the current distribution center from these locations, staff has concluded that the applicant has sufficiently demonstrated the need to construct an additional distribution center.

4.3 Project Scope

As described in Section 5.1 of the application, the facility components include an approximately 1.1 million contiguous square feet (sq. ft.) facility developed in a “L” shape that will house a dry warehouse, refrigerated warehouse, return center, food manufacturing facility, and offices, with the ability to expand with future growth, as well as parking and staging areas for tractor trailers, parking for associates, and ancillary support buildings (i.e. fleet maintenance, dispatch and site security).

4.4 Project Location

The proposed project location is provided in Section 3.1 of the application. The approximately 217-acre site is located in Hanover County southwest of the intersection of Ashcake Road and Sliding Hill Road. The site is surrounded by agricultural and forest land, as well as Ashcake Road to the north, residential development and forest, as well as Sliding Hill Road to the east and south, and the Hanover County Municipal Airport and industrial/commercial development to the west. The project lies within the Pamunkey River Watershed.

4.5 Project Site Conditions

As described in Section 3.2 of the application, the site is comprised of all or a portion of 22 separate tax parcels owned by Airpark Associates and generally consists of mid to late successional mixed pine-hardwood forest. The site consists of generally flat topography ranging from topographic highs of approximately 200 feet above mean sea level (AMSL) in the central portion of the site sloping downward in all directions to topographic lows of approximately 189 feet AMSL along the western site boundary. The wetlands within the project area are dominated by palustrine forested (PFO) wetlands but also contains a small percentage of palustrine scrub-shrub (PSS) and palustrine emergent (PEM) wetlands. A small amount of jurisdictional ditches are also found onsite. Wetlands within the project area persist in the natural depressions within the forested areas and alongside the large drainage system that bisects the southern portion of the site. No stream channels were delineated on site.

5. Avoidance and Minimization Efforts:

In order to avoid and minimize impacts to surface waters to the maximum extent practical, the applicant evaluated several alternatives to the proposed project including a no-build alternative, four off-site alternatives, as well as layouts of the distribution center at the preferred location. While complete avoidance of environmental resources was not feasible, the applicant’s preferred alternative meets both the project purpose and has the least environmental impact.

5.1 Geographic Location

The Richmond metro area was determined by the applicant to be the center of the retail distribution needs. The applicant specifically identified Hanover County as the location for a new regional distribution facility that best serves the needs of the existing and planned retail stores. Upon commencement of operations, the Hanover Distribution Center would immediately begin serving 24 stores in the D.C metro area, Virginia, and North Carolina. A distribution center located in Hanover County increases logistical efficiency due to the ease of access to Interstate 95, allowing the center to not only serve stores in North Carolina and southern Virginia, but also provides a better source of distribution for stores located in Northern Virginia and the D.C. metro

area, where the majority of the stores served by the new distribution center are located. Based on screening criteria identified by the applicant, proximity to Interstate 95, specifically within 3 miles, is needed in order to meet the purpose to develop a distribution center to serve retail stores in a “logistically responsible and cost-efficient manner” and facilitate the logistics train to the northern most stores to be served, while also providing convenient access to other area interstates.

5.2 Alternatives Analysis of Preferred Alternative, Alternatives 1-4, and No Build

A detailed Alternative Analysis, describing how the applicant evaluated and eliminated alternatives, can be found in Section 5.0 of the JPA package dated November 2019 and additional information provided on December 13, 2019, March 12, 2020, March 16, 2020 and March 20, 2020. The initial application included a no-build alternative and an evaluation of two (2) alternative sites, referred to as Alternatives 1 and 2. The applicant provided alternatives analysis for sites referred to as Alternatives 3 and 4 in response to a request by staff to provide additional off-site alternative analyses.

All four (4) alternative sites evaluated by the applicant are located in Hanover County and were proposed as most supporting of the project purpose, in addition to the preferred alternative, as well as a no-build alternative. Screening factors that were analyzed by the applicant in the offsite analysis include:

1. Primary site access within 3 road miles of Interstate 95;
2. Must efficiently serve current and future grocery stores in the Region;
3. Minimized wetland/stream impact and mitigation costs;
4. Can accommodate at least 130 acres of correctly configured construction pad;
5. No potential stream impacts;
6. No potential of RPA impacts;
7. Availability of viable alternate routes (in the event of disruption of the primary route);
8. Properly zoned;
9. Access to connector/dissipater roads without need for improvement;
10. Sufficient labor force;
11. Avoids routing through congested areas to reach primary roads;
12. Ease of utility access (sewer, power, water);
13. No potential threatened and endangered species conflict;
14. Sufficient amount of mitigation credits in the service area.

A comparison of the preferred site and Alternatives 1 and 2 was provided in Table 1 of the Alternatives Analysis as part of the application received on December 2, 2019 and most recently revised to include the Alternatives 3 and 4 in the information materials received on March 12, 2020. The most updated version of this table is incorporated below. The application states that a wetland delineation and perennial stream assessment/resource protection area determination was not available or feasible for all sites evaluated during the alternatives analysis; therefore the aquatic resources for Alternative Sites 1 and 2 were approximated based on National Wetland Inventory (NWI) and National Hydrography Dataset (NHD) mapping.

Table 1. Applicant Screening Factors for Offsite Alternatives Analysis

	Preferred Alternative	Alternative 1	Alternative 2	Alternative 3	Alternative 4
Primary site access within 3 road miles of Interstate 95	Yes	Yes	No	Yes	No
Must efficiently serve current and future grocery stores in the Region	Yes	Yes	Yes	Yes	Yes
Minimized wetland/stream impact and mitigation costs	6.12 ac. 0 lf	15 ac. 0 lf	33.9 ac. 3,704 lf	0.82 ac. 2,900 lf	4.63 ac. 2,250 lf
Can accommodate at least 130 acres of correctly configured construction pad	Yes	Yes	Yes	Limited	No
No potential stream impacts	Yes	No	No	No	No
No potential of RPA impacts	Yes	No	No	No	No
Availability of viable Alternate Routes (in the event of disruption of the primary route)	No	Yes	No	No	Yes
Properly Zoned	Yes	No	No	Yes	Yes
Access to connector/dissipater roads without need for improvement	Yes	Yes	No	Yes	No
Sufficient labor force	Yes	Yes	Yes	Yes	Yes
Avoids routing through congested areas to reach primary roads	Yes	No	Yes	No	No
Ease of utility access (Sewer, power, water)	Yes	Yes	No	Yes	Yes
No potential threatened and endangered species conflict	Yes	No	No	No	No
Sufficient amount of mitigation credits in the service area	Yes	Yes	Yes	Yes	Yes

9VAC25-210-60 B.1.g of the Virginia Water Protection Permit Program Regulation requires that applications include “an alternatives analysis for the proposed project detailing the specific on-site and off-site measures taken during project design and development to first avoid and then minimize impacts to surface waters to the maximum extent practicable in accordance with the “Guidelines for Specification of Disposal Sites for Dredged or Fill Material, 40 CFR Part 230.” Section (a) of 40 CFR Part 230 Subpart B states that “no discharge of dredged or fill material shall be permitted if there is a *practicable* alternative to the proposed discharge which would have less adverse impact on the aquatic ecosystem, so long as the alternative does not have other significant adverse environmental consequences.” An alternative is considered *practical* if it is “available and capable of being done taking into consideration cost, existing technology, and logistics in light of overall project purposes.”

Staff evaluated the preferred alternative, the four offsite alternatives, and the no-build alternative provided in the application taking into consideration the project purpose and need, surface water impacts in accordance with 9 VAC 25-210-10 et seq., and whether the alternative is deemed practical considering cost, logistics, and technology. The evaluation does not consider factors outside the authority of the VWPP Program.

During this evaluation, staff closely reviewed the application to evaluate whether the application demonstrated that the applicant's preferred alternative was the Least Environmentally Damaging Practicable Alternative (LEDPA), satisfying the requirements of 9VAC25-210-80, taking into account, the criteria described in Section (a) of 40 CFR Part 230 Subpart B and overall project purpose and need provided by the applicant. A summary of the details considered in this evaluation is provided in the section below, and additional details can be reviewed in the VWP Permit file 19-2036.

5.2.1 No Build Alternative

The no-build alternative would not impact any surface waters, would not encounter any logistical or technological issues associated with construction, and would not impose any construction costs. The no build alternative is not consistent with the applicant's purpose and need of the project to serve existing retail locations, relieve transportation burdens from existing supply centers, and provide a base of support to serve future retail locations in the mid-Atlantic region. The application included an evaluation of delaying investment in a new facility through revisions to Standard Operating Procedures (SOP) changes and expanding utilization of the existing facilities. However, the applicant determined that the Pottsville Distribution Center constraints would require expansion of the existing facility to meet new retail store demands. Since mid-Atlantic growth is expected to continue, expanding this facility would result in increased transportation costs of supplying stores in the mid-Atlantic Region. In addition, store service and product quality would be at risk due to the long distances and transportation costs associated with expanding stores to the south that would exceed all other alternatives evaluated. The no-build Alternative is not considered practicable because it does not meet the purpose and need of the project.

5.2.2 Alternative 1

Alternative 1 is located southwest of the intersection of Interstate 95 and Kings Dominion Highway. The application states that Alternative 1 consists entirely of pine plantation on a single tax parcel. The zoning for Alternative 1 is currently zoned Agricultural District (A-1), as such a conditional use permit or rezoning proffer may need to be secured.

Purpose and Need: The application states that the proximity to Interstate 95 makes Alternative 1 a viable option. The application concludes that Alternative 1 meets the purpose and need of the project.

Surface Water Impacts: The application states that approximately 15 acres of jurisdictional wetlands would be permanently impacted as a result of project implementation at Alternative 1. Based on the information provided by the applicant, the Alternative 1 would result in approximately 8.88 acres of additional surface water impacts when compared to the preferred

alternative. Additionally, two threatened and endangered species, dwarf wedgemussel and the Atlantic sturgeon, have been confirmed within 2 miles of Alternative 1.

Practical – Costs: The application stated that wetland mitigation credit costs for Alternative 1 will be approximately \$629,650 more expensive than the preferred alternative due to greater surface water impacts. The applicant did not provide any other costs for consideration associated with the construction of the distribution center at Alternative 1; therefore, cost was not considered in the LEDPA evaluation.

Practical – Logistics: The application states that the site access and road infrastructure are sub-par to Interstate 95. This site would require the use of unclassified rural collector roads SR-602 (Mt. Hope Church Road), SR-609 (Taylorsville Road), and Short Cut Road in order to access Route 1 and Route 30 before the Route 30/I-95 interchange. These roads would require significant improvement in order to withstand prolonged tractor-trailer use. However, the site is in close proximity to the Kings Dominion theme park and would likely utilize the same access junction to Interstate 95. As such the potential exists for increased congestion and reduced traffic safety when accessing the interstate. Due to its current use as pine plantation this option would include 130+ acres of tree clearing and the construction of sewer, waterline, and electricity infrastructure to the interior of the site. The applicant states that based on these factors Alternative 1 is not a viable site for development of the proposed facility.

Practical – Existing Technology: The applicant did not identify any technological challenges associated with construction of the distribution center associated with Alternative 1.

5.2.3 Alternative 2

Alternative 2 is located off of Hickory Hill Road east of Interstate 95 and Ashland, Virginia. The majority of the site consists of mixed pine hardwood forest, as well as clear cut land. The site consists of one parcel totaling approximately 505.9 acres and is zoned as A-1, as such a conditional use permit or rezoning proffer may need to be secured.

Purpose and Need: The application states that Alternative 2 is a viable option and meets the purpose and need of the project.

Surface Water Impacts: The application stated that the most practicable site layout at Alternative 2 would result in approximately 33.9 acres of wetlands, 3,704 linear feet of stream bed impacted, and 11.8 acres of RPA impacts. Two threatened and endangered species, the dwarf wedgemussel and the Atlantic sturgeon, have been confirmed within 2 miles of the Alternative 2.

Practical – Costs: The application stated that wetland and stream credit mitigation costs for Alternative 2 will be approximately \$1,994,600 more expensive than the preferred alternative. The applicant did not provide any other costs for consideration associated with the construction of the distribution center at Alternative 2; therefore, cost was not considered in the LEDPA evaluation.

Practical – Logistics: The application states that the Wegmans distribution facility has been designed in an “L-shaped” layout in order to maximize the efficiency of the distribution center

and allow for the greatest reduction in required building footprints and limiting the area of disturbance. Due to an overhead electrical easement that bisects the site, the layout would have to be placed on either side of a set of power lines (and their associated easement) that bisects the property. The applicant has determined it is not feasible to redirect, develop permanent structures within, or otherwise alter the utility easement. Additionally, disconnecting the facility into separate structures such that they are located on either side of the power lines was determined not feasible because it would decrease productivity and operational efficiency and require an increased area of disturbance and result in duplicative infrastructure (i.e. roadways, parking, stormwater, etc.).

The applicant has also determined that the required components of the distribution center cannot be located east of the power lines because it would encroach into the utility easement and potentially adjacent properties. Additional road infrastructure would also need to be developed in order to access the eastern portion of the site via Hickory Hill Road. By placing the facility east of the power lines, the applicant estimates approximately 2,366 linear feet of stream impact, 16.41 acres of wetland impact, and 9.6 acres of RPA impacts, and mitigation costs approximately \$1,438,150 more than the preferred alternative.

Practical – Existing Technology: The applicant did not identify any technological challenges associated with construction of the distribution center associated with Alternative 2.

The applicant states that for the reasons listed above Alternative 2 is not the preferred site for the project.

5.2.4 Alternative 3

Alternative 3 is located in the Town of Ashland west of I-95. The majority of the site consists of mixed hardwood-pine forest and agricultural land. The site consists of 2 parcels totaling approximately 287 acres zoned M-1. Note that the applicant has chosen not to disclose the exact location of Alternative 3 in the application materials in order to protect the privacy of the property owner. Staff has reviewed the information for the site provided by the applicant, and confirmed, with the applicant's agent, the accuracy of the information provided in the alternatives analysis.

Purpose and Need: The application states that Alternative 3 is a viable option and meets the purpose and need of the project.

Surface Water Impacts: Based on previous wetland delineations conducted onsite, NWI, and NHD data, it is probable that there are extensive wetlands and streams extending into the interior portion of the site making impacts to aquatic resources unavoidable. As stated in the application, the optimized onsite layout would require nearly 2,900 linear feet of stream impact, 0.82 acre of wetland impact, and 3.3 acres of RPA impacts. Additionally, two threatened and endangered species, dwarf wedgemussel and yellow lance, have been confirmed within 2 miles of the site.

Practical – Costs: The application stated that wetland and stream mitigation credit costs for Alternative 3 will be approximately \$473,550 more expensive than the preferred alternative. The

applicant did not provide any other costs for consideration associated with the construction of the distribution center at Alternative 3; therefore, cost was not considered in the LEDPA evaluation.

Practical – Logistics: The application states that Alternative 3 is a long and relatively narrow site. Due to the linear characteristics, the required distribution center configuration would span the entire width of the property and making onsite alternatives limited to the inability to rotate or shift planned site design. Additionally, while the site is situated within 3 road miles of an interchange to I-95, as desired by the applicant, accessing the site would require tractor trailers being routed through the Town of Ashland, which creates significant congestion and public safety concerns, according to the applicant. Road access to the site consists of an urban collector and an urban minor arterial, which would not likely require improvements. An elementary school is located immediately south of the site, where the main ingress/egress route for the distribution center would likely be located. This would require distribution center trucks to share the same road with school traffic twice a day.

Practical – Existing Technology: The applicant did not identify any technological challenges associated with construction of the distribution center associated with Alternative 3.

The applicant states that for the reasons listed above Alternative 3 is not the preferred site for the project.

5.2.5 Alternative 4

Alternative 4 is located off a rural minor collector road west of I-95 in Hanover County. The majority of the site consists of mixed hardwood-pine forest, agriculture, and a single residence. The site is comprised of a single parcel totaling approximately 197 acres and is zoned M-1. Note that the applicant has chosen not to disclose the exact location of Alternative 4 in the application materials in order to protect the privacy of the property owner. Staff has reviewed the information for the site provided by the applicant, and confirmed, with the applicant's agent, the accuracy of the information provided in the alternatives analysis.

Purpose and Need: The application states that due to the linear nature of the site, the required building layout cannot fit within the boundary constraints of the parcel in any configuration; therefore, the application concludes that Alternative 4 does not meet the project purpose.

Surface Water Impacts: Based on previous wetland delineations conducted onsite, NWI, and NHD data, it is probable that wetlands and streams extend into the interior portion of the site making impacts to aquatic resources unavoidable. The optimized onsite layout would require nearly 2,250 linear feet of stream impact, 4.63 acres of wetland impact, and significant RPA impact. Additionally, three threatened and endangered species, Atlantic sturgeon, dwarf wedgemussel and yellow lance, have been confirmed within 2 miles of the site.

Practical – Costs: The application stated that wetland and stream mitigation credit costs for Alternative 4 will be approximately \$578,750 more expensive than the preferred alternative. The applicant did not provide any other costs for consideration associated with the construction of the distribution center at Alternative 4; therefore, cost was not considered in the LEDPA evaluation.

Practical – Logistics: Primary site access would likely be routed north to the Route 30/Interstate 95 interchange, approximately 4 miles to the north. Secondary access would be routed approximately 4 miles south through the Town of Ashland. Both routes are further from I-95 interchanges than desired and require trucks to spend more time in frequently congested areas. Additionally, a rural minor collector road and an unclassified rural local road would require approximately 0.5 miles of improvements to provide safe site access from Route 1.

Practical – Technology: The applicant did not identify any technological challenges associated with construction of the distribution center associated with Alternative 4.

The applicant states that for the reasons listed above Alternative 4 is not the preferred site for the project.

5.2.6 LEDPA Conclusion

Based upon staff's review of the application and supplemental materials, the preferred alternative meets the purpose and need provided in the application and represents the least environmentally damaging practical alternative because the other sites had greater surface water impacts or did not meet the purpose and need of the project. For these reasons, cost was not a significant factor in selection of the LEDPA.

5.3 On-Site Avoidance and Minimization

Numerous on-site layouts were examined to develop the regional grocery distribution center in a manner that avoids and minimizes impacts to environmentally sensitive areas to the maximum extent practicable, while meeting configuration requirements necessary to provide efficient long-term operation of the facility. The application states that facility components include an approximately 1.1 million contiguous square feet (sq. ft.) facility developed in a "L" shape that will house a dry warehouse, return center, food manufacturing facility, and offices, with the ability to expand with future growth, as well as parking and staging areas for tractor trailers, parking for associates, and ancillary support buildings (i.e. fleet maintenance, dispatch and site security). As described in the application, after the wetlands were delineated, an engineering plan was developed to meet all needs at the proposed distribution center, while minimizing impacts to Waters of the U.S. and state waters.

In designing the Hanover Distribution Center building, the best design and operational practices were considered from all previous and existing facilities and incorporated. The Hanover County site was designed to maximize the efficiency of the site, to allow for the least amount of impact to identified wetlands and to limit the areas of disturbance.

By implementing Cross docking properly, many benefits can be brought about for organizations including, decreased storage cost, reduced fix price of the storage area, reduced shipment lead time, and increased customer satisfaction via fast delivery. Retail cross docking receives items from different suppliers and classify them into departing trucks for various destinations. A figure provided on March 12, 2020 indicates a schematic portrait of cross docking for various items that leave for separate destinations.

Additionally, there are multiple reasons/benefits that necessitate L-shaped campuses:

- a) The employee parking and administrative areas are positioned centrally to the dry and perishable buildings. This enables a common entry point, shared employee areas, a common area for equipment parking, maintenance and offices. Other layouts result in having to duplicate several of these areas to cut down on the distance employees would need to travel;
- b) Employee parking and truck traffic are kept apart;
- c) Ability for a common outbound trucking operation that is shared for both buildings in terms of tractor and trailer parking, trailer stripping, and other common requirements. Moving trailers throughout the site requires less miles and less fuel because of the L-Shaped common shared trucking concourse as compared to an “in-line” design;
- d) Greater ability to expand each building in the future if this should ever be a requirement.

Regarding the layout to facilitate the “Flow Through” of product, this selection technique facilitates the movement of product through the warehouse without ever having to go into storage.

- a) Smaller warehouse footprint is required due to limiting the amount of product being stored in the warehouse. (In many cases this could be more than 40% of meat and produce);
- b) Decreased handling of product;
- c) Increased freshness to the customer. In many product lines several days of lead time have been removed from the supply chain resulting in increased freshness and shelf life for our customers.

Sections 5.4 and 5.5 of the application and additional information provided on March 12, 2020 suggests that the preferred on-site alternative layout was determined to be the LEDPA, while meeting the needs of the proposed development. The preferred on-site alternative layout provides sufficient area to construct the proposed distribution center in such a way that serves to minimize impacts to streams and wetlands, avoids any floodplain impacts, avoids encroaching on existing easements, and requires the least amount of cut and fill based on the existing percent slope.

Section 5.4 of the application describes an on-site alternative that was considered by the applicant, which would also realize the purpose and need of the project in the required configuration, but would have increased direct impacts on the natural environment through an additional 1.06 acres of jurisdictional wetland impact, thus also increasing mitigation costs.

In order to ensure that impacts to on-site surface waters (including wetlands) are avoided and minimized to the maximum extent practicable, the permittee must describe what specific measures were taken in designing the project to accomplish that. The costs of the measures relative to the project scope are also considered in determining the avoidance and minimization of surface waters.

Information included in Section 6.0 of the application includes on-site techniques that were examined to further minimize impacts, including slope grading, and strict adherence to all state and local erosion and sediment control measures. The fill slopes will be graded to a 3:1 slope. A review of incorporating steeper slopes was analyzed, but given the high level of traffic anticipated for the proposed roadways, 3:1 slopes were utilized for the project in order to safeguard from potential slope failures and they also provide an increased level of safety for

vehicles and pedestrians in the event that either leave the travel way. After further review, the applicant also provided information stating that because of flat nature of the site, there is little difference between the footprint of 2:1 slopes vs. 3:1 slopes. In areas where the proposed site grading diverges from the existing grades, tie-in slopes of 3:1 horizontal to vertical have been utilized to tie proposed grades to existing in a stabilized manner. A 3:1 tie-in slope has little erosion potential and alleviates maintenance concerns.

Staff requested an evaluation of a number of different on-site alternatives in the December 10, 2019 meeting. A response memo was received on December 13, 2019, documenting the analysis of access, parking, stormwater management, building footprint, and minimization of secondary impacts. The following summarizes the on-site avoidance and minimization documented in the December 13, 2019 memo.

- The building footprint could not be reduced by adding a vertical level because the proposed building heights are near the maximum allowable height based on municipal and zoning regulations. Additionally, the proposed configuration is the most efficient based on a review of other large scale distribution facilities in the industry and other similar facilities. Using a different layout would mean a less efficient operation and would also require a larger building to be built.
- The parking space allotment is dictated by the required employee parking spaces, as the facility will employ upwards of 700 people upon project completion, as well as the required truck and trailer access and facilities. While not all 700 employees will be working at the same time, during shift changes the parking facility will experience a high volume of traffic. The size of the parking facility is dictated by the number of employees onsite during peak shift change volume. There will be one primary access from Sliding Hill Road.
- Utility crossings have been designed within roadway crossings in order to reduce the number and area of impacts to surface waters. Additionally, the roadway crossings have been designed to cross perpendicularly to the surface waters and at the narrowest most points feasible. Care has been taken to design roadways, buildings and stormwater facilities so that they do not laterally impact wetland area 10, located between Impacts 4 and 22.
- Due to the flat and expansive nature of the proposed site development, storm sewer pipes cannot daylight in the eastern areas of the site without globally raising the site grading in a way that makes earthwork unfeasible. Curb cuts are not desired as they would become quickly overtaxed by the 100% impervious contributing drainage area. Releasing drainage in this manner would likely create a quality compliance problem as curb cuts achieve zero pollutant removal. Additionally, curb cuts would also defeat the primary intent of the curb at this facility, which is to prevent trailers from being backed up into a light pole or the perimeter fence.
- The proposed wet pond has been sized to provide compliance with the minimum requirements of the Virginia Stormwater Management Program and has been sited outside of the on-site jurisdictional wetlands. These requirements include energy balance, channel and flood protection. Additionally, the main stormwater management facility outflow has been designed to maintain and mimic existing drainage conditions to nearby Totopotomoy Creek. There are no other nearby surface waters anticipated to be impacted by proposed construction activities.

- The impervious areas proposed are all necessary for the adequate flow of truck traffic and personnel on-site during working hours. Parking spaces, drive aisles, and curbing is sited at the minimum offsets/spacing needed as directed by the distribution center end user.

Staff also reviewed the potential for secondary impacts to remaining unimpacted surface waters across the site. Due to stormwater requirements, post development flows have been reduced, resulting in secondary impacts due to diversion of surface water at Impacts 14b and 23. This has resulted in 0.91 acre of forested wetland to be considered secondarily impacted due to a loss of hydrology (these impacts are accounted for in the compensation package proposed by the applicant). Stormwater alternatives that were considered in these areas were to construct curb cuts, however due to the size of the project and the amount of impervious area associated with a warehouse facility curb cuts were deemed infeasible. Additionally, the remaining unimpacted wetlands immediately west of Impacts 6a and 6b were examined, but based on the existing contours associated with that location, it does not appear that pad construction would create a draining effect on the wetland. The remainder of the wetland that is unimpacted will continue to receive adequate hydrology due to precipitation events as well as adjacent sheet flow. The soils in this location are classified as Coxville series loams. These loams are typically poorly drained and possess moderately slow permeability. This is likely due to percentages of clay that can be found in the profile beginning at 11-13 inches, according to information provided by the U.S. Department of Agriculture (USDA).

Staff requested the actual amount of surface waters to remain on-site and the applicant provided a response that indicates undisturbed surface waters on-site will include 10.26 acres of forested wetland, 0.34 acre of scrub-shrub wetland, 0.32 acre of emergent wetland, and 0.11 acre of jurisdictional ditch. The final proposed development plan represents the smallest practicable and best-oriented development that still meets the project's intended purpose and need.

Relevant information regarding the applicant's avoidance and minimization efforts can be found in the application as well as the additional information responses provided on December 13, 2019, December 20, 2019, February 14, 2020, and March 12, 2020.

Based upon staff review, the proposed plan represents the least environmentally damaging and practicable alternative and all unavoidable permanent impacts will be adequately mitigated through the proposed compensation plan.

6. Project Impacts:

This permit authorizes the total impact to 6.12 acres of surface waters.

- Permanent fill impacts are to 4.98 acres of forested wetland and 0.23 acre of emergent wetland.
- Secondary impacts, due to diversion of surface water, are to 0.91 acre of forested wetland.
- Authorized surface water impacts described under this condition are depicted on the impacts map entitled "Project Tiger, Hanover County, Virginia - Figure 5: Preliminary

Jurisdictional Waters of the U.S. Impacts Map” Sheets 1 through 5 dated November 20, 2019, last revised on December 19, 2019, and drawn by Timmons Group.

The project will also fill 1,383 linear feet (0.14 acre) of jurisdictional ditch, which is considered open water (POW); however, these impacts do not require a VWP Permit pursuant to 9 VAC 25-210-60.6.

The forested wetland areas associated with Impacts 1 and 5a were identified in the jurisdictional determination to include approximately 30% and 10% forested wetlands. Therefore the actual wetland impact acreage for each of these areas was identified using 0.3:1 (30%) and 0.1:1 (10%) ratios, respectively. The U.S. Army Corps of Engineers (USACE) confirmed the delineation on October 30, 2019 and most recently revised on February 11, 2020.

7. Compensation for Unavoidable Impacts:

Permanent forested wetland impacts and emergent wetland impacts resulting from fill will be compensated at a 2:1 ratio and 1:1 ratio, respectively. Secondary forested wetland impacts will be compensated at a 2:1 ratio. The permittee will compensate for permanent wetland fill impacts and secondary impacts through the purchase of 12.01 wetland credits from a DEQ approved mitigation bank, an approved in-lieu fee fund, or a combination thereof that is authorized and approved by DEQ to sell credits in the area in which the impacts will occur and has credits available (as released by DEQ). The credit sale will be in accordance with the approved Mitigation Banking Instrument for the mitigation bank. Purchase of required mitigation credits must occur first through the purchase of available released credits followed by the purchase of advance credits.

The compensation package conforms with the preference hierarchy of the 2008 Compensatory Mitigation Rule issued by the U.S. Environmental Protection Agency and the USACE and DEQ’s Guidance Memorandum No. 09-2004 (Applying Compensatory Mitigation Preferences Provided in the EPA Mitigation Rule to Virginia Water Protection Permitting).

8. Site Inspection:

DEQ staff, Bryan Jones, attended a site meeting with Timmons Group and RK&K on August 26, 2019. DEQ staff, Bryan Jones, attended a jurisdictional wetland confirmation site visit with Elaine Holley, of the USACE, Timmons Group, and RK&K on October 16, 2019.

9. Relevant Regulatory Agency Comments:

As part of the application review process, DEQ contacted the appropriate state regulatory agencies. No comments received required a change to VWP individual permit Part I - Special Conditions. Therefore, the staff anticipates no adverse effect on water quality and fish and wildlife resources provided the applicant adheres to the permit conditions.

Summary of State Agency Comments and Actions

By email/letter dated December 9, 2019, comments were requested from the following state agencies: Virginia Department of Game and Inland Fisheries (DGIF), Virginia Department of Conservation and Recreation (DCR), Virginia Marine Resources Commission (VMRC), and Virginia Department of Health (VDH). Failure to provide comments within 45 calendar days of the DEQ request for comments infers that the agency has no comments on the project activities.

Comments were forwarded to the applicant's consultant on January 27, 2020. In addition, DEQ's response to comments are indicated in italics below.

DCR

DCR provided the following comments in a memorandum dated December 18, 2019, and transmitted by email on December 18, 2019:

- According to the information currently in Biotics, natural heritage resources have not been documented within the submitted project boundary including a 100-foot buffer. In addition, the project boundary does not intersect any of the predictive models identifying potential habitat for natural heritage resources.
- DCR concurs with the negative survey results for this project from "Survey for Swamp Pink (*Helonias bullata*), Hanover County, Virginia" prepared on June 17, 2019 by Chris Ludwig, Seedbox Consulting.
- DCR recommends efforts to minimize edge in remaining fragments, retain natural corridors that allow movement between fragments and designing the intervening landscape to minimize its hostility to native wildlife (natural cover versus lawns).
- There are no State Natural Area preserves under DCR's jurisdiction in the project vicinity. The current activity will not affect any documented state-listed plants or insects.

No response necessary.

DGIF

DGIF provided the following comments to DEQ by email dated January 27, 2020:

- DGIF does not currently document any listed wildlife or designated resources under their jurisdiction from the project area. Therefore, DGIF does not anticipate adverse impacts upon such species or resources to result from the proposed work.
- DGIF recommended conducting any in-stream activities during low or no-flow conditions, using non-erodible cofferdams or turbidity curtains to isolate the construction area, blocking no more than 50% of the streamflow at any given time, stockpiling excavated material in a manner that prevents reentry into the stream, restoring original streambed and streambank contours, revegetating barren areas with native vegetation, and implementing strict erosion and sediment control measures.

The special conditions of the permit address these activities.

- DGIF recommended that the permittee avoid and minimize impacts to undisturbed forest, wetlands, and streams to the fullest extent practicable to minimize overall impacts to wildlife and our natural resources. DGIF also recommended maintaining undisturbed naturally vegetated buffers of at least 100 feet in width around all on-site wetlands and on both sides of all perennial and intermittent streams.

Staff reviewed the proposed impacts to surface waters and determined those proposed have been minimized to the maximum extent practicable.

- DGIF recommended that the stormwater controls for this project be designed to replicate and maintain the hydrographic condition of the site prior to the change in landscape.

Oversight of stormwater management and erosion and sediment control measures is the responsibility of DEQ-Stormwater Management or the locality, if such responsibility has been delegated. Any such requirements will be implemented under the oversight of that program.

- DGIF recommended that all tree removal and ground clearing adhere to a time of year restriction protective of resident and migratory songbird nesting from March 15 through August 15 of any year.

This time of year restriction was not included in the permit as it is not associated with a threatened or endangered species. The recommendation was forwarded to the permittee for their consideration.

- DGIF recommended coordination with the USFWS regarding potential impacts upon federally Threatened northern long-eared bats associated with tree removal.

The project is being reviewed by the USACE for an individual permit and coordination with the USFWS will occur under federal coordination procedures.

- DGIF recommended adherence to erosion and sediment controls during ground disturbance. To minimize potential wildlife entanglements resulting from use of synthetic/plastic erosion and sediment control matting, we recommend use of matting made from natural/organic materials such as coir fiber, jute, and/or burlap.

Oversight of stormwater management and erosion and sediment control measures is the responsibility of DEQ-Stormwater Management or the locality, if such responsibility has been delegated. Any such requirements will be implemented under the oversight of that program.

VDH

VDH provided the following comments in a memorandum dated December 10, 2019, and transmitted by USPS received on December 13, 2019:

VDH stated no public raw water intakes were found, in the Commonwealth, downstream from the Project Tiger (Wegmans Distribution Center) area.

No response necessary.

VMRC

VMRC provided the following comments in a letter dated and transmitted by email on December 16, 2019:

After completion of the JPA review process, a No Permit Necessary determination was issued by the VMRC on December 11, 2019, given that no impacts under their jurisdiction were proposed. As such, the VMRC has no objection to DEQ's issuance of a VWP individual permit.

No response necessary.

Summary of Federal Agency Comments and Actions

The project is being reviewed by the USACE for an individual permit.

Federal Consistency Certification

In addition to the coordination with other state agencies during the permit review process described above, DEQ's Office of Environmental Impact Review Program coordinated the Commonwealth of Virginia's review of the federal consistency certification. In accordance with 15 CFR 930.2, a public notice of the proposed review was published in the Office of Environmental Impact Review Program Newsletter and on the DEQ website from November 21, 2019 to December 20, 2019. No public comments were received in response to the notice.

10. Riparian Landowner Notification:

Staff notified 41 riparian landowners located adjacent to the impact area and within one-half mile downstream of each distinct impact area by letter dated December 10, 2019. Two responses were received:

1. On December 20, 2019, Ms. Betty Lozano called regarding a potential cemetery on-site; this information was forwarded to the USACE.
2. On February 14, 2020, Ms. Polly Vaughan called asking for the USACE project manager contact name and asked to be notified when the Public Notice is published. She expressed potential concerns regarding stormwater runoff towards her property at GPIN 7798-67-7448.

Notifications of riparian and adjacent landowners were conducted in accordance with DEQ's Guidance Memorandum No. 11-2005 (Revised Local Government, Riparian Property Owner, Adjacent Property Owner or Resident, and General Public Notification Procedures for VPDES, VPSA and VWP Permit Applications and Draft Permits).

11. Changes in Permit Part I - Special Conditions Due to Public Comments:

The public notice was published in [*Name of Newspaper and Date Published*] on [DATE TBD]. The public comment period ran from [DATE TBD] to [DATE TBD].

12. Special Conditions:

The following conditions were developed to protect instream beneficial uses, to ensure compliance with applicable water quality standards, to prevent significant impairment of state waters or fish and wildlife resources, to provide for no net loss of wetland acreage, and to provide no net loss of functions in all surface waters through compensatory mitigation and monitoring and reporting.

Section A Authorized Activities

Nos. 1-3 addresses the activities authorized by this permit, including impact types and limits.

Section B Permit Term

Nos. 1-2 addresses the permit term and re-issuance process to ensure that all permit conditions are completed.

Section C Standard Project Conditions

No. 1 addresses the requirement for the minimization of adverse impacts to instream beneficial uses.

No. 2 ensures that the project will be executed in a manner that limits the disruption of the movement of aquatic life.

No. 3 ensures that downstream flows will be maintained to protect both instream and off-stream beneficial uses.

No. 4 ensures the minimization of adverse effects on navigation.

No. 5 ensures the passage of high flows.

No. 6 requires maintenance of continuous flow of perennial springs for the protection of instream beneficial use.

No. 7 ensures that dredging and filling operations will minimize stream bottom disturbances and turbidity.

No. 8 requires instream activities to be conducted during low-flow conditions to protect instream beneficial uses.

No. 9 requires that erosion and sediment controls are designed and maintained in accordance with Virginia Erosion and Sediment Control Handbook, Third Edition, 1992.

Nos. 10 through 12 provide requirements and limitations on the entry of various materials (including concrete, fill, construction and waste material, fuels, lubricants, and untreated stormwater runoff) into state waters.

No. 13 limits the use of machinery and equipment in surface waters to protect beneficial uses.

- Nos. 14 through 19 require temporary disturbances to surface waters during construction to be avoided and minimized to the maximum extent practicable and the restoration of such temporary disturbances.
- No. 20 prohibits the violation of Water Quality Standards in surface waters as a result of project activities.
- No. 21 requires the identification of all non-impacted surface waters in the vicinity of the proposed activity to prevent unpermitted impacts.
- Nos. 22 through 26 set forth all reporting requirements concerning construction, monitoring, compensation, and restoration as required by current law and regulations.

Section D Installation of Utilities

- No. 1 requires the minimization of disturbance to surface waters and restoration to preconstruction conditions following utility line installation.
- No. 2 sets a 90-day time limit for temporary sidecasting during trench excavation to minimize impacts to surface waters.
- No. 3 provides the requirements for trench construction to avoid the drainage of surface waters.

Section E Road Crossings

- No. 1 provides specifications for access road construction to minimize adverse effects to surface waters.
- No. 2 ensures pipes and culvert construction is conducted in the dry to protect water quality and wildlife habitat.
- No. 3 requires that temporary impacts be restored immediately following construction to minimize impacts to water quality and fish and wildlife resources.

Numbers 4-7 in this section of the template Special Conditions were not included in this permit because no streams were classified within the project limits.

Section F Stormwater Management Facilities

- No. 1 defines the general requirements for stormwater management facility construction to minimize adverse effects to aquatic resources and provide for long-term aquatic resources protection and enhancement.
- No. 2 provides limits and guidance for maintenance excavation to avoid unpermitted impacts to surface waters.
- No. 3 requires correct draining methods to minimize sedimentation of surface waters.

Section G Project Construction Monitoring and Submittals (Impact Sites)

Nos. 1 through 6 address monitoring and submittals required for pre-construction, during construction and post-construction for the impact areas on site.

Section H Compensatory Mitigation

No. 1 describes the compensatory mitigation required to mitigate for the permitted impacts.

Nos. 2 and 3 describes the hierarchy of credit sources.

No. 4 describes the documentation requirement for the purchase of the required amount of credits.

Sections of the template Special Conditions that were not included in this permit are: Projects Involving Stream Modifications, Including Intake/Outfall Structures, Projects Involving a Golf Course; Projects Involving a Marina; Dredging Activities; On/Off Site Creation, Restoration, and/or Preservation Standard Conditions; Wetland Compensation Site Construction Tasks; Stream Compensation Site Construction Tasks, Monitoring, and Submittals.

13. General Conditions:

The general conditions specified in the effective VWP Permit Program Regulation 9VAC25-210 apply to all VWP individual permits.

14. General Criteria (9VAC25-260-20 A):

State waters, including wetlands, shall be free from substances attributable to sewage, industrial waste, or other waste in concentrations, amounts, or combinations which contravene established standards or interfere directly or indirectly with designated uses of such water or which are inimical or harmful to human, animal, plant, or aquatic life.

Specific substances to be controlled include, but are not limited to: floating debris, oil, scum, and other floating materials; toxic substances (including those which bioaccumulate); substances that produce color, tastes, turbidity, odors, or settle to form sludge deposits; and substances which nourish undesirable or nuisance aquatic plant life. Effluents which tend to raise the temperature of the receiving water will also be controlled. Conditions within mixing zones established according to 9VAC25-260-20 B do not violate the provisions of this subsection.

15. Staff Findings and Recommendations:

- The proposed activity is consistent with the provisions of the Clean Water Act and State Water Control Law, and will protect instream beneficial uses.
- The proposed permit addresses avoidance and minimization of wetland impacts to the maximum extent practicable.
- The effect of the impact, together with other existing or proposed impacts to wetlands, will not cause or contribute to significant impairment of state waters or fish and wildlife resources.
- The proposed permit conditions address no net loss of wetland acreage and no net loss of functions in all surface waters, through compensatory mitigation via the purchase of wetland credits and reporting.
- The draft permit reflects the required consultation with and full consideration of the written recommendations of VMRC, VDH, DCR and DGIF.

Staff recommends VWP Individual Permit Number 19-2036 be issued as proposed.

DRAFT