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OFFICE OF
ECOSYSTEMS, TRIBAL AND
PUBLIC AFFAIRS

December 18, 2009

Mr. Robert Kellar, Vice President
Federal Reserve Bank of San Francisco
101 Market Street, Mail Stop 270
San Francisco, CA 94105

RE: U.S. Environmental Protection Agency (EPA) comments for the Federal Reserve Bank of San Francisco's (Bank) Draft Environmental Impact Statement (DEIS) on the proposed sale of the building located at 1015 Second Avenue in Seattle, Washington (Building). EPA Project Number: 09-041-FRB

Dear Mr. Kellar:

EPA has reviewed your DEIS and we are submitting comments in accordance with our responsibilities under NEPA and Section 309 of the Clean Air Act (CAA). Section 309 specifically directs the EPA to review and comment in writing on the environmental impacts associated with all major federal actions. In addition to environmental impacts, our review considers the adequacy of the EIS in meeting procedural and public disclosure requirements of NEPA.

We have focused our review on Alternative A because it is our policy to rate the alternative with the most potentially significant environmental impacts when the agency does not identify a preferred alternative. Based on this review we are giving the DEIS a Lack of Objections rating. Although we have not identified any potential environmental impacts requiring substantive changes to the proposal we are providing recommendations for the Final EIS (FEIS) and Record of Decision (ROD). A copy of our rating system is enclosed.

We commend you for your environmental analysis. This analysis generally serves to sharply define environmental issues. We appreciate your consideration of the environmental impacts of a future owner's full redevelopment of the site (Alternative A) and your comparison of those impacts under different redevelopment scenarios. Your inclusion of a total estimated lifespan greenhouse gas emissions comparison is exemplary.

In our August 3, 2009 scoping comments we recommended that the DEIS disclose relevant applicable environmental requirements. If an analysis of applicable environmental requirements showed a significant environmental impact (e.g., a significant difference between the environmental impact of a building redeveloped or renovated under Federal Regulations versus a building redeveloped or renovated under City requirements) then our follow-up recommendation was for the DEIS to consider the, "...costs, benefits and legal context of incorporating special environmentally protective elements into an action alternative".

Unfortunately, the DEIS does not disclose the applicability of relevant Federal Regulations, "Discussion of the Federal Regulations does not imply that they are applicable to the FRBSF or the alternatives assessed in this Draft EIS." (p. 75). Understanding the costs, benefits and legal context

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of incorporating special environmentally protective elements is not possible without understanding the applicability of relevant regulations.

Because we remain interested in which requirements would apply to future renovations or redevelopment under FRBSF ownership (Alternative E) and because we remain interested in the difference between Federal Regulations (if applicable) and City requirements we recommend that the FEIS include additional information on the applicability of Federal Regulations. Please disclose whether or not and how relevant environmental Federal Executive Orders, Acts, Policies and Plans apply to the FRBSF. We recommend you emphasize applicable regulations. Consider – in addition to the regulations included in the DEIS and if appropriate - Section 438 of the Energy Independence and Security Act of 2007[1]. Section 438 requires Federal agencies to reduce stormwater runoff from federal development and redevelopment projects.

We draw attention to Section 438 because stormwater runoff in urban areas is one of the leading sources of water pollution in the United States and in the Puget Sound. Indeed, according to the DEIS, "sewage and stormwater" (p. 10) is one of the "...probable, significant environmental impacts of possible future Downtown redevelopment..." (p.9). While we do not believe changes in stormwater runoff associated with your action will directly or indirectly lead to significant water quality impacts we are concerned about the cumulative impacts of multiple redevelopment projects.

Decreasing water pollution to Puget Sound is a complex and iterative process. Reducing stormwater runoff and Combined Sewer Overflow events will require effort at every opportunity. The sale of 1015 Second Avenue may represent one of these opportunities. We recommend that the FEIS disclose, therefore, how this project could potentially impact water quality through effects on water consumption, sewage and stormwater runoff. Your "Energy" analysis provides a conceptual example. If and where your analysis identifies potentially adverse impacts consider the costs, environmental benefits and legal context of incorporating special environmentally protective elements into an action alternative.

We support and appreciate the Bank's contributions to environmental stewardship and thank you for this opportunity to comment. If you have any questions or concerns please contact Erik Peterson of my staff at (206) 553-6382 or by electronic mail at peterson.erik@epa.gov.

Sincerely,

Teresa Kubo, Acting Manager
Environmental Review and Sediment Management Unit

Enclosures
EPA Rating System for Draft Environmental Impact Statements

[1] See http://www.epa.gov/owow/nps/lid/section438/ for more information

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