



REPORT TO CITY COUNCIL

To: Honorable Mayor and Members of the City Council

From: Jason Simpson, City Manager

Prepared by: Damaris Abraham, Interim Assistant Community Development Director

Date: April 25, 2023

Subject: **Council Policy No. 400-16 – Good Neighbor Policy for Warehousing, logistics, and Distribution Uses**

Recommendation

1. Find Council Policy No. 400-16 Exempt from the California Environmental Quality Act (CEQA), pursuant to CEQA Guidelines Section 15061(b)(3);
2. Adopt A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LAKE ELSINORE, CALIFORNIA, ADOPTING COUNCIL POLICY NO. 400-16 ESTABLISHING GOOD NEIGHBOR POLICY FOR WAREHOUSING, LOGISTICS, AND DISTRIBUTION USES WITHIN THE CITY; and
3. Direct staff to amend Title 17 (Zoning) of the Lake Elsinore Municipal Code to include definitions and modify applicable Zoning Districts for Warehousing, Logistics, and Distribution Uses.

Background

By Memorandum to City Manager Jason Simpson dated June 28, 2022, Council Member Bob Magee outlined a “Proposed Good Neighbor Policy” to address issues regarding large warehouse/logistic centers near sensitive receptors such as residential structures, schools, day cares, hospitals, senior/assisted living homes, and outdoor recreational areas. The stated purpose and intent of the Good Neighbor Policy is to “... preserve the City Council’s vision and our 2040 plan.”

At the July 26, 2022 City Council meeting, the City Council established a Council subcommittee that included Council Members Bob Magee and Steve Manos to work with City staff to develop recommendations regarding policies and standards for the Good Neighbor Policy.

The subcommittee has worked with City staff to develop policies and standards that would be appropriate for most warehouse, industrial, or distribution land uses with buildings that are 250,000 square feet in size or larger. This policy will ensure that larger-scale warehousing, logistics and distribution projects will be designed and operated in order to mitigate negative impacts on sensitive receptors and the environment and will preserve and advance the City Council's vision as set forth in the City's General Plan and Dream Extreme 2040 Plan.

At the February 14, 2023 and March 28, 2023 City Council meetings, the City Council continued consideration of the Draft Policy to allow time for the subcommittee to meet and get feedback from the Business Community and for the public to provide comments.

The subcommittee met with the Business Community on March 3, 2023 and April 14, 2023 to discuss the proposed Draft Policy and the recommended standards. Feedback received from the Business Community has been incorporated into the Draft Policy.

Several comments from the public regarding the Draft Policy have also been received. All public comments received as of the writing of this staff report are provided as an attachment to this staff report (Attachment 2).

Discussion

In recent years, the Inland Empire has seen significant growth in the warehousing, logistics, and distribution industries. It is expected that market conditions for these industries will remain strong in the Inland Empire and that demand for more sites will also remain strong. As neighboring communities reach significant levels of build out, it is anticipated that Lake Elsinore will become an increasingly attractive location for these market segments. The City of Lake Elsinore recognizes that the construction and operations of these uses may generate negative impacts to residences and/or other sensitive land uses ("sensitive receptors") that must be mitigated in order to maintain quality of life; protect public health, safety, and welfare; and ensure orderly development. Sensitive receptors generally include existing residences (excluding those located in Industrial zoning designations), areas entitled for residences, schools, active parks (excluding passive parks and trails), playgrounds, community centers, assisted living, day care centers, nursing homes, hospitals, places of religious assembly or institution (excluding those located in Industrial zoning designations), and similar uses.

This policy provides a framework for larger-scale warehousing, logistics and distribution projects to be designed and operated in order to mitigate negative impacts on sensitive receptors and the environment and to preserve and advance the City Council's vision as set forth in the City's General Plan and Dream Extreme 2040 Plan. This policy is meant to apply Best Management Practices ("BMPs") to help minimize potential impacts to sensitive receptors and will be used in addition to applicable requirements of the City's Zoning Code and the California Environmental Quality Act (CEQA). This policy does not replace the need for preparation of appropriate project-specific environmental review and application of any necessary mitigation measures. This policy provides a series of development and operational criteria that can be implemented to supplement project-level mitigation measures in order to adequately mitigate impacts related to warehousing, logistics and distribution land uses on sensitive receptors.

Applicability

This policy applies to warehousing, logistics, and distribution land uses with buildings that are 250,000 square feet in size or larger. *Warehousing, logistics and distribution facility* means those facilities used for the storage and/or consolidation of manufactured goods and/or raw materials (excluding bulk storage of materials which are flammable or explosive or create hazardous or commonly recognized offensive conditions) before their distribution to retail locations or other off-site facilities. These facilities may include manufacturing, assembly, and/or fabrication operations. They are typically characterized by dock high loading doors that could be on opposing sides of the building (cross dock facility); significant movement and storage of products, materials, or equipment; truck activities frequently outside of the peak hour of the adjacent street system; and freeway access, including: freight yards/forwarding terminals, warehousing distribution/high cube distribution centers, moving agencies, parcel delivery terminals, railroad freight stations, shipping/receiving yards, and truck terminals.

This policy provides guidance that will be appropriate for most warehouse, industrial, or distribution land uses with buildings that are 250,000 square feet in size or larger.

Project-level review under CEQA will continue to apply to any and all projects, regardless of their square footage and size, and may include technical reports including, but not limited, noise, air quality, and traffic related impact evaluations. The hearing body (Planning Commission or City Council) has sole discretion and authority to approve projects that deviate from the guidance provided in this policy, subject to site-specific conditions (such as the specifics of site topography, proximity of adjacent sensitive receptors, and other relevant factors), appropriate environmental review, and other factors that the City Council may consider at its sole discretion.

Environmental Determination

This policy is exempt from the California Environmental Quality Act (CEQA) per CEQA Guidelines Section 15061(b)(3) Common Sense Exemption based on the “general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment.” The use of this exemption is appropriate if it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. This policy will not approve any specific project nor allow any development with the potential to cause a physical environmental impact. The policy itself would only apply to future development and would actually lessen the potential for future physical environmental impacts pursuant to CEQA. Furthermore, as the policy would not result in a direct or reasonably foreseeable indirect physical change to the environment and would ultimately be more protective of the environment, approval of the project itself would not be deemed a “project” for CEQA purposes based on the language under Section 15060(c)(2) of CEQA Guidelines.

Fiscal Impact

Costs related to the implementation of this policy will be paid by fees collected from developers through entitlement review application fees and the City’s cost recovery program.

Attachments

Attachment 1 – Resolution

Exhibit A – Council Policy No. 400-16 Good Neighbor Policy

Attachment 2 – Public Comments

