



*City of Arts & Innovation*

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# Land Use, Sustainability, and Resilience Committee

**TO: LAND USE, SUSTAINABILITY, AND  
RESILIENCE COMMITTEE MEMBERS**

**DATE: FEBRUARY 13, 2023**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT  
DEPARTMENT**

**WARDS: ALL**

**SUBJECT: UPDATE ON INDUSTRIAL DEVELOPMENT REGULATIONS AND WAREHOUSE  
AND DISTRIBUTION FACILITIES DEVELOPMENT**

## **ISSUE:**

Update on the City's industrial development regulations and development of warehousing and distribution facilities including a matrix of potential policy actions and clarification of existing policy.

## **RECOMMENDATIONS:**

That the Land Use, Sustainability, and Resilience Committee:

1. Receive and file an update on the City's industrial development regulations related to warehousing and distribution facilities; and
2. Provide staff with direction to pursue one or more of the potential policy actions previously presented to the Committee (Attachment 4).

## **BACKGROUND:**

During the January 25, 2022, City Council meeting, following the Public Hearing for the Sycamore Hills Distribution Center project, Councilwoman Plascencia requested a review of the zoning regulations for Warehousing and Distribution Facilities within Riverside and other jurisdictions be brought to a future meeting of the Land Use, Sustainability and Resilience Committee (Committee). The review was to include strategies to address quality of life issues including, but not limited to, reducing Riverside's carbon footprint and exploring community benefits (Attachment 1).

On June 13, 2022, staff presented an update to the Committee on Riverside's current industrial development regulations; a cross-jurisdictional regulatory analysis to determine best practices; ongoing regional and State regulatory efforts; and research on community benefits and sustainability standards (Attachment 2). Staff also presented a vacant site analysis illustrating potential locations for warehouse development in the City and highlighted projects in process to evaluate the percentage of industrially zoned land already developed.

Following the June 13, 2022, presentation, the Committee requested that staff return to a future meeting after initiating outreach efforts with community stakeholders to obtain feedback on Riverside's regulatory efforts related to industrial development and warehousing and distribution facilities. The Committee also requested that staff further explore protections for sensitive receptors by conducting a geospatial analysis to identify which areas of the city have a high concentration of sensitive receptors relative to industrially zoned land.

On December 12, 2022, staff reported on the community outreach efforts, sensitive receptor analysis and proposed policy consideration items (Attachment 3). An update was also presented on best practices related to industrial development regulatory efforts. Following the presentation, the Committee requested that staff return at a future date with additional information about potential policy updates including the required level of effort, timeline, and next steps.

## **DISCUSSION:**

### **Potential Policies Matrix**

The matrix of potential policy actions provides an overview of the workflow for each policy consideration with insight organized by key factors affecting the implementation of each policy (Attachment 4). Of note are estimated level of effort, key stakeholders, anticipated cost, next steps, and a timeline for consideration. Staff is seeking direction from the Committee on whether, and which, of the policy options presented at the previous Committee meeting should be pursued.

### **Clarification of Existing Regulations**

With the adoption of the 2020 Good Neighbor Guidelines (GNG-2020) and associated Title 19 (Zoning Code) amendments, maximum building sizes were established for all industrial development within specified distances of a residential zone or use. If a building is within less than 200 feet of a residential zone or use, the maximum building size is 10,000 square feet. If a building is located within 200 to 800 feet of a residential zone or use, the maximum building size is 100,000 square feet. Sizes of buildings located further than 800 feet from a residential zone or use are controlled by the maximum Floor Area Ratio (FAR, defined as the maximum amount of buildable area relative to the size of the lot).

While Title 19 provides a maximum building size for development adjacent to a residential zone or use, it does not set a limitation on the number of buildings on any given parcel so long as the buildings comply with the FAR and all applicable development standards including setbacks, maximum building size, and maximum building height. For example, in the General Industrial (I) Zone (maximum FAR of 0.6), within 200 feet of a residential zone or use, an individual lot may be developed with one or more buildings each not exceeding the maximum building size of 10,000 square feet and all buildings not exceeding 60% of the lot area. For areas located within 200 to 800 feet of a residential zone or use, the same total square footage may be developed, but each building would be limited to no more than 100,000 square feet.

The purpose of these requirements is to promote lower-intensity uses such as offices, research laboratories and small manufacturing businesses, which often require less space and generate fewer truck trips than warehousing and distribution uses, to act as a buffer between new warehousing and distribution facilities and adjacent residential zones or uses while permitting an appropriate degree of flexibility in site design and allowed uses for new development.

### **Cost-Benefit Study**

The economic benefits and disadvantages of growth in the logistics and goods movement industry

in Southern California have been studied widely, with reports produced in the last year alone by institutions including, but not limited to, the [UC Riverside Center for Social Innovation](#); the [Inland Empire Economic Partnership](#); the [UC Riverside Center for Economic Forecasting and Development](#); and the [Southern California Association of Governments](#). While each of these vary in their methodologies, conclusions and orientations toward the issue, common themes exist. These include that the logistics and goods movement industry drives an increasing proportion of economic activity in the Inland Empire (IE) and have assisted in recovering and exceeding the jobs lost in the Great Recession; that employment growth and overall job quality in this industry are threatened by technological changes and automation; and that IE per capita gross regional product, average wages, and educational attainment continue to lag surrounding areas.

Public comments and Committee discussion have included potential exploration of a deeper study of the costs and benefits of industrial development, specifically of warehousing and distribution facilities, to and within the City. This would involve calculating the direct and indirect economic impacts of warehousing and distribution uses in the City (such as those from private investment; sales and property tax revenues; job growth and local spending; etc.) and contrasting this with direct and indirect costs to the City (such as those from roadway and infrastructure maintenance; traffic congestion; air pollution and greenhouse gas emissions; health impacts, etc.) associated with these uses.

Such a study could help inform future decisions related to land use planning, up to and including a forthcoming comprehensive update of the City's General Plan 2025. If there is interest in pursuing a cost-benefit study, the City could pursue a partnership with an academic institution or organization with expertise in this type of research; however, potential partners would need to be solicited and timing, costs and demands on City resources are unknown. Alternatively, the City could procure professional consulting services to conduct a study without an external partner. Staff estimates that consulting services to perform such a study could cost up to \$200,000.

### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to **Strategic Priority 3 – Economic Opportunity** and **Goal 3.1 – Facilitate** partnerships and programs to develop, attract and retain innovative business sectors, and **Strategic Priority 4 – Environmental Stewardship** and **Goal 4.4 - Implement** measures and educate the community to responsibly manage goods, products, and services throughout their life cycle to achieve waste reduction outcomes.

This Project aligns with the following Cross-Cutting Threads:

1. **Community Trust** – The update on industrial development regulations is presented at an open public meeting and contains transparent information on City processes and regulations.
2. **Equity** – The update on industrial development regulations seeks to promote environmental justice so that impacts of new facilities are minimized on residents.
3. **Fiscal Responsibility** – The update on industrial development regulations will not have any fiscal impact to the City.
4. **Innovation** – The update on industrial development regulations is seeking best practices that will innovate how the City addresses these facilities in the future.

5. **Sustainability & Resiliency** – The update on industrial development regulations seeks to minimize environmental impacts of these facilities in the future.

### **FISCAL IMPACT:**

There is no direct fiscal impact to the General Fund associated with this report.

Several of the policy options presented would require professional consulting services that may range in cost from \$50,000 to \$200,000 each. If the Committee directs staff to pursue these policy options, funding sources would need to be identified and Council approval for the appropriation of funds would be necessary.

Prepared by: Jennifer Lilley, Community & Economic Development Director  
Approved by: Rafael Guzman, Assistant City Manager  
Certified as to  
availability of funds: Edward Enriquez, Interim Assistant City Manager/Chief Financial Officer/City Treasurer  
Approved as to form: Phaedra A. Norton, City Attorney

### **Attachments:**

1. City Council Meeting Minutes – January 25, 2022
2. Land Use, Sustainability and Resilience Committee Staff Report – June 13, 2022
3. Land Use, Sustainability and Resilience Committee Staff Report – December 12, 2022
4. Matrix of Potential Policy Actions
5. Public Comments
6. Presentation