



*City of Arts & Innovation*

# City Council Memorandum

**TO: HONORABLE MAYOR AND CITY COUNCIL      DATE: DECEMBER 14, 2021**

**FROM: COMMUNITY & ECONOMIC DEVELOPMENT      WARD: 2**  
**DEPARTMENT**

**SUBJECT: CERTIFY THE ENVIRONMENTAL IMPACT REPORT FOR PLANNING CASES P20-0025 PARCEL MAP, P19-0626 MINOR CONDITIONAL USE PERMIT, P19-0627 DESIGN REVIEW, P20-0258 VARIANCE, P20-0282 GRADING EXCEPTION, AND P20-0024 ENVIRONMENTAL IMPACT REPORT; DENY THE APPEAL OF THE PLANNING COMMISSION RECOMMENDATION BY GOLDEN STATE ENVIRONMENTAL JUSTICE ALLIANCE; AND APPROVE THE PROPOSAL BY DARRELL BUTLER AND KHOSRO KHALOGHLI OF KB DEVELOPMENT FOR THE CONSTRUCTION OF TWO WAREHOUSE BUILDINGS TOTALING 603,100 SQUARE FEET - SITUATED ON THE NORTH SIDE OF ALESSANDRO BOULEVARD, EAST OF BARTON STREET AND WEST OF SAN GORGONIO DRIVE**

## **ISSUE:**

Certify the Environmental Impact Report for Planning Cases P20-0025 Parcel Map, P19-0626 Minor Conditional Use Permit, P10-0627 Design Review, P20-0258 Variance, P20-0282 Grading Exception and P20-0024 Environmental Impact Report; deny the appeal of the Planning Commission recommendation by Golden State Environmental Justice Alliance; and approve the proposal by Darrell Butler and Khosro Khaloghli of KB Development to facilitate the development of two warehouse buildings totaling 603,100 square feet on 48.64 acres, situated on the north side of Alessandro Boulevard, east of Barton Street, west of San Gorgonio Drive (Project).

## **RECOMMENDATIONS:**

That the City Council:

1. Adopt the attached Resolution certifying the Final Environmental Impact Report for the Sycamore Hills Distribution Center and finding that the Final Environmental Impact Report:
  - a. Has been completed in compliance with the California Environmental Quality Act;
  - b. Was presented to the City Council and the City Council reviewed and considered the information contained in the Final Environmental Impact Report prior to approving the Project; and
  - c. Reflects the City's independent judgment and analysis and making certain findings of fact.

2. Concur with the findings contained in the Final Environmental Impact Report, the attached California Environmental Quality Act Resolution, the case file and the administrative record, and adopt the Findings of Fact attached to the California Environmental Quality Act Resolution;
3. Adopt the Statement of Overriding Considerations attached to the California Environmental Quality Act Resolution;
4. Adopt the Mitigation Monitoring and Reporting Program attached to the California Environmental Quality Act Resolution;
5. Find that no feasible alternatives to the Project have been proposed that will avoid or substantially lessen the significant environmental effects as set forth in the Final Environmental Impact Report;
6. Reject all late comments as untimely;
7. Deny the appeal of the Planning Commission recommendation by Golden State Environmental Justice Alliance; and
8. Approve Planning Cases P20-0025 Parcel Map, P19-0626 Minor Conditional Use Permit, P19-0627 Design Review, P20-0258 Variance, P20-0282 Grading Exception, and P20-0024 Environmental Impact Report, based on and subject to the Planning Commission findings and recommended conditions found in the attached staff report.

### **PLANNING COMMISSION RECOMMENDATION:**

On August 19, 2021, the City Planning Commission, by a vote of 7 ayes, 1 no, and 0 abstentions, recommended that the City Council approve the Project and find that: 1) the Draft Environmental Impact Report (EIR) has been completed in compliance with the California Environmental Quality Act (CEQA); 2) the Project will have a significant effect on the environment; but 3) there are no feasible alternatives to the project or mitigation measures that will avoid or substantially lessen the significant environmental effects as identified in the Draft Environmental Impact Report for project specific and cumulative impacts to Transportation/Vehicle Miles Traveled (Attachments 2, 3 and 4).

### **BACKGROUND:**

The project site consists of three contiguous vacant parcels, totaling approximately 48.64 acres, with an average natural slope of 7.49 percent. The three parcels are irregular in shape, with frontage on Alessandro Boulevard and Barton Street. The topography includes natural rolling terrain and undulating hills descending gradually from a west to east direction.

Surrounding land uses include the Sycamore Canyon Wilderness Park to the north, vacant parcels to the east, Barton Street and a wastewater treatment plant to the west, and Citywide Self-Storage Facility and Alessandro Boulevard to the south. Commercial and residential uses are located south of Alessandro Boulevard, within the City and County of Riverside jurisdictions.

Approximately 41 acres of the project site is comprised of non-native vegetation; the remaining five acres are comprised of riparian woodland. Granitic rock outcroppings are located throughout the western portion of the site. The project site contains two jurisdictional features: (Drainage A and Drainage B) which consist of riparian/riverine habitat and associated drainage. Drainage A crosses the western portion of the site from west to east. Drainage B crosses the middle of the

site and flows from south to north. There is also a riparian area (Area C) located at the south of the site; this area contains riparian dominated habitat but does not exhibit a channel or drainage feature (Attachment 5).

The project site contains 11.6-acres of Restricted Property for preservation of jurisdictional drainages and riparian habitat. This extends along the southern boundary, facing Alessandro Boulevard, and continues northwards through the middle of the site. The Restricted Property was created to mitigate impacts associated with the construction of the Grove Community Church located at 19900 Grove Community Drive. Future development is required to maintain and preserve the Restricted Property (Attachment 5).

For additional background, please refer to the August 19, 2021, City Planning Commission staff report, recommended conditions of approval and minutes (Attachments 2, 3, and 4).

## **DISCUSSION:**

### **Project Description**

The Project consists of the subdivision of the Project Site into two numbered and three lettered lots, and the construction and operation of two warehouse distribution buildings totaling 603,100 square feet.

The following summarizes the proposed project:

- **Parcel 1** is situated on the east side of the project site and consists of 24.31 acres. Parcel 1 is proposed to be developed with a 400,000 square foot warehouse building (**Building A**) consisting of 390,000 square feet of warehouse area and 10,000 square feet of office area.

A total of 39 dock doors are proposed on the west side of Building A, and 49 dock doors are proposed on the east side of Building A. The loading docks will be screened by 15-foot-high concrete tilt-up walls painted to match the building. A total of 388 parking spaces and 110 trailer parking spaces are proposed for Building A.

A driveway on Alessandro Boulevard provides access to Building A. As part of the proposal, an existing traffic signal to the west of Parcel 1, located at Alessandro Boulevard and the driveway entrance to Citywide Self-Storage, will be removed. A new traffic signal will be installed at Vista Grande Drive and the driveway for Parcel 1.

- **Parcel 2** is situated on the west side of the project site and consists of 10.32 acres. Parcel 2 is proposed to be developed with a 203,100 square foot warehouse building (**Building B**) consisting of 193,100 square feet of warehouse space and 10,000 square feet of office area.

A total of 34 dock doors are proposed on the south side of the building. The loading docks will be screened by 15-foot-high concrete tilt-up walls painted to match the building. Building B will be served by 235 parking spaces and 45 trailer parking spaces.

Access to the building will be provided via two driveways on Barton Street. Parcel 1 will be separated from Parcel 2 by the Restricted Property (portion of Parcel A); no vehicular or pedestrian access is provided between the parcels.

- **Parcels A and B** are located along the south of the project site, adjacent to Alessandro

Boulevard and extend north through the middle of the project site. These parcels are Restricted Property; development is prohibited within the Restricted Property.

Parcels A and B are bisected by the access driveway leading to Parcel 1. The access driveway will include two metal culverts allowing drainage and wildlife connectivity between Parcels A and B. The proposed project includes removal of 0.81 acres of the existing Restricted Property for the access driveway, and the incorporation of an additional 1.44 acres to the Restricted Property resulting in a total area of 12.23 acres. Parcels A and B will be managed in perpetuity by a professional conservation organization funded by the applicant.

- **Parcel C** is situated on the north of Parcel 2 and consists of 1.18 acres. Parcel C is proposed to be developed with a decomposed granite trailhead parking lot for the Sycamore Canyon Wilderness Park and includes 53 parking spaces, landscaping, shade structures, and drinking fountains. Trail fencing, gates, and signage will also be installed to direct access, circulation, and trail connection to the existing trailhead at the northerly terminus of Barton Street. The proposed trailhead parking lot is not required but is being provided by the applicant as an amenity for resident use. Access to the trailhead parking lot will be provided via a driveway on Barton Street. The parking lot and trailhead in Parcel C will be dedicated to the City and operated and managed by the City's Parks, Recreation, & Community Services Department.

The applicant has indicated Buildings A and B will operate 24 hours a day, 7 days a week. There are no specific tenants identified for the buildings. Construction is anticipated to last approximately 15 months.

### Required Entitlements

Implementation of the Project requires approval of the following entitlements:

- *Parcel Map No. 37789*: To subdivide the 48.64-acre project site into two numbered and three lettered parcels;
- *Minor Conditional Use Permit*: To permit two warehouses totaling 603,100 square feet on 48.64 acres;
- *Design Review*: Site design and building elevations;
- *Variances*:
  - To allow a total of 388 parking spaces for Building A, where a minimum of 430 parking spaces are required by the Zoning Code.
  - To allow two combination freestanding and retaining walls along the easterly property line of Parcel 1, wherein the retaining portion is higher than the 4 feet as permitted by the Zoning Code, as follows:
    - Installation of 132 linear feet of combination freestanding and retaining wall where the retaining portion is up to 6.4 feet in height.
    - Installation of 204 linear feet of combination freestanding and retaining wall where the retaining portion is up to 7.6 feet in height.
  - To allow the installation of 205 linear feet of combination freestanding and retaining wall with an overall height of 14.4 feet, where a maximum overall height of 10 feet is permitted by the Zoning Code.
- *Grading Exceptions*: To allow three retaining walls not visible from the public right of way (Barton Street) exceeding the Grading Code's maximum allowable height of 6 feet, as

follows:

- Installation of a retaining wall, up to 11.5 feet in height, in the northeast corner of Parcel 2;
- Installation of a retaining wall, up to 8.2 feet in height, in the southeast corner of Parcel 2; and
- Installation of a retaining wall, up to 10 feet in height, in the southeast corner of Parcel 2.

#### Final Environmental Impact Report

- In conjunction with the Project, an Environmental Impact Report (EIR) has been completed in accordance with all CEQA requirements (Attachments 9 and 10).
- Staff received a total of fifteen comment letters on the project. Four of those letters were received after the Draft Environmental Impact Report (DEIR) comment period (Attachment 7). Responses to all comments are provided in the Final EIR. The comment letters do not identify any significant new environmental issues or impacts that were not already addressed in the DEIR. Further, any changes made to the DEIR clarifies, amplifies or makes insignificant modifications to the EIR.
- Written responses to public agency comments were also provided by the City to those commenting public agencies ten days prior to this meeting. Any clarifications requested by those who commented on the project do not result in significant new information or additional environmental impacts. Any change made to the DEIR clarifies, amplifies or makes insignificant modifications to the EIR.

#### Planning Commission Appeal

On August 23, 2021, a timely appeal was filed from Hannah Bentley of Blum Collins, LLP, on behalf of Golden State Environmental Justice Alliance (GSEJA) (Attachment 6). The appeal letter indicates the DEIR is inaccurate and disagrees with the conclusions. The appeal also claims the Planning Commission approved the project without a Final EIR.

The GSEJA claims that the DEIR is inaccurate are addressed in the Final EIR. The assertion that the project was improperly approved is also false as the project has not been approved. Planning Commission is a recommending body to the City Council who have the final approval authority.

The Final EIR was prepared in compliance with the CEQA Guidelines for consideration by the City Council. With implementation of the recommended mitigation measures and conditions of approval, the impacts related to the project have been adequately addressed.

#### **STRATEGIC PLAN ALIGNMENT:**

This item contributes to the Envision Riverside 2025 City Council **Strategic Priority 3 – Economic Opportunity (Goal 3.3 – Cultivate a business climate that welcomes entrepreneurship and investment)**.

The Project aligns with the following Cross-Cutting Threads:

1. Community Trust – As part of the environmental review process for the proposed project, a Scoping Meeting was held with the community. The Good Neighbor Guidelines 2020 were considered as the project was being designed; the Project complies with all applicable Good Neighbor Guidelines 2020. The project was also considered at a public meeting held

by the City Planning Commission where public comment is part of the process.

2. Equity – The proposed project will provide employment opportunities available to all residents.
3. Fiscal Responsibility – The applicant is responsible for all project costs. Additionally, the Project will increase Business Tax revenue when the distribution center is open for business.
4. Innovation – The proposed project is a well-designed project in the area, sensitive to the adjacent Sycamore Canyon Wilderness Park, biological habitat, and single-family residences.
5. Sustainability & Resiliency – The proposed project will be required to follow all requirements related to water collection, recycling, and conservation.

### **FISCAL IMPACT:**

There is no fiscal impact since all Project costs are borne by the Applicant.

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

### **Attachments:**

1. Resolution Certifying Final EIR and Adopting the Findings of Fact, and the Mitigation Monitoring and Reporting Program
2. City Planning Commission Report – August 19, 2021
3. City Planning Commission Recommended Conditions – August 19, 2021
4. City Planning Commission Minutes – August 19, 2021
5. Drainages and Restricted Property Map
6. Golden State Environmental Justice Alliance Appeal Letter – August 23, 2021
7. Public Comment Letters
8. Final Environmental Impact Report
9. Draft Environmental Impact Report
10. Presentation