City Council Memorandum

City of Arts & Innovation

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE:** MAY 19, 2026

FROM: COMMUNITY & ECONOMIC DEVELOPMENT DEPARMENT **WARDS:** ALL

SUBJECT: URGENCY ORDINANCE ESTABLISHING MORATORIUM ON NEW OR EXPANDED WOODEN PALLET STORAGE YARDS

ISSUE:

Adopt an urgency ordinance establishing a 45-day moratorium on the establishment or expansion of wooden pallet storage yards city-wide pending the development of updated Zoning regulations for such uses.

RECOMMENDATION:

That the City Council adopt, with a four-fifths affirmative vote, an urgency ordinance establishing a 45-day moratorium on the establishment or expansion of wooden pallet storage yards within the City of Riverside.

BACKGROUND:

Title 19 (Zoning) of the Riverside Municipal Code (RMC) does not specifically regulate the storage, repair, assembly and disassembly of wooden pallets as a unique land use. Pallet storage yards and facilities are treated as general outdoor storage or indoor warehousing uses pursuant to Table 19.150.020(A) (Base Zones Permitted Land Uses Table). Outdoor storage uses are subject to minimum site improvement, screening, landscaping, lighting and fencing standards. In certain Zones, standalone outdoor storage uses are only permitted subject to the granting of a Minor Conditional Use Permit.

The storage of combustible materials such as lumber, including wooden pallets, are subject to the provisions of RMC Chapter 16.32 (Fire Prevention) and the 2025 California Fire Code (CFC) Chapter 315, local amendments included. The Riverside Fire Department (RFD) Fire Prevention Division will inspect pallet storage yards every four years for compliance and, should violations be observed, corrections and citations will be issued and the case will be referred to Code Enforcement for further inspection and enforcement. Where manufacturing, assembly and disassembly occur, building and electrical permits for occupancy and equipment are required, and stringent explosive dust control measures per the CFC apply.

Interim Ordinance

Pursuant to California Government Code Section 65858, in order to protect the public safety, health, and welfare, the City may adopt an interim ordinance on an urgency basis prohibiting any uses that may be in conflict with a contemplated general plan, specific plan or zoning proposal that the legislative body, planning commission or the planning department is considering, studying, or intends to study within a reasonable time. A legislative body can only adopt or extend any interim ordinance pursuant to this section if the ordinance contains legislative findings that there is a current and immediate threat to the public health, safety, or welfare, and that the approval of additional subdivisions, use permits, variances, building permits, or any other applicable entitlement for use which is required in order to comply with a zoning ordinance would result in that threat to public health, safety, or welfare. Gov. Code, § 65858, subd. (c).

DISCUSSION:

Unregulated and under-regulated stockpiling and storage of combustible wooden pallets has become a persistent issue in the City's industrial areas subject to Code Enforcement and Fire Department corrective action. The lack of Zoning standards exacerbates this issue, as the general standards applicable to all outdoor storage uses are not designed to address the specific hazards associated with wooden pallet storage yards, including but not limited to:

1. Fire Risk: Wooden pallet storage yards present an obvious fire hazard due to the storage of large quantities of wood, a combustible material, at a single site. Most recently, in March 2026, a large fire originating at a pallet storage yard in the Northside neighborhood damaged and destroyed multiple businesses, sending three Riverside Fire Department personnel to the hospital. According to RFD, since January 2025, there have been a total of 29 incidents involving pallet storage yards and requiring emergency response.

2. Stacking Hazards: Pallet storage yards often store wooden pallets in high stacks. Without adequate regulation of the location, height, and volume of these stacks, or the separation between these stacks, the health, safety, and welfare of the public may be endangered. The improper or unsafe stacking of wood pallets could also be a falling risk, endangering employees, and visitors to these sites, or may become a fire hazard, endangering the public and neighboring properties.

In addition, recent Code Enforcement activity related to pallet storage yards has highlighted aesthetic, neighborhood livability, and land use compatibility concerns. These arise from pallet storage yards and stacked pallets that are not properly screened from view of surrounding properties and public streets; do not provide adequate on- and off-site circulation for transportation of materials; do not provide adequate fencing, lighting, property maintenance, security, and pest control; and, in some cases, are engaged in unpermitted outdoor manufacturing activities such as assembling and disassembling pallets. Since 2023, Code Enforcement has issued a total of 36 Notices of Violation to 11 different pallet storage businesses throughout the City, nine of which have ongoing Code Enforcement cases as of the writing of this report.

For the foregoing reasons, staff believes that the continued approval of entitlements, building permits, or other approvals for new pallet storage yards or expanded pallet storage yards without further studies and regulatory standards poses a current and immediate threat to public health, safety, and general welfare. Staff intends to study the issues associated with wooden pallet yards including new development standards that may be imposed on their operation to mitigate any potential impacts. This could include evaluating all land use districts in which wooden pallet yards are permitted for suitability and evaluating development standards and best practices from other jurisdictions

REQUIRED INTERIM ORDINANCE FINDINGS:

As discussed above, in order to protect the public safety, health, and welfare, the City may adopt an interim ordinance prohibiting any uses that may be in conflict with a contemplated general plan, specific plan or zoning proposal that the legislative body is considering, studying, or intends to study within a reasonable time. Such an interim ordinance requires a four-fifths vote of the City Council for adoption.

An interim ordinance is only effective for an initial period of no more than 45 days. Prior to its expiration, the City Council may, after a public hearing, extend the interim ordinance for up to 10-months and 15-days, and be subsequently extended for one year. Extensions also require a four-fifths vote.

If adopted, the proposed interim ordinance will prohibit the approval or issuance of any entitlement, permit or other authorization to establish a new, or expand an existing, wooden pallet storage yard. Adoption of an urgency ordinance is necessary due to an immediate threat to the public health, safety and welfare based on the following findings:

1. The City Council hereby finds wooden pallet storage yards pose a current and immediate threat to the public health, safety and welfare on the citizens of the City and are a use which may be in conflict with a contemplated general plan, specific plan, or zoning proposal that the City Council,

Planning Commission or the Planning Division is considering or studying or intends to study within a reasonable time.

2. The City Council further hereby finds that the approval of land use permits, building permits, business licenses, or any other applicable approval or decision for the establishment or expansion of wooden pallet storage yards would result in that threat to public health, safety, or welfare.
3. These findings are based upon all of the facts recited in this staff report and in the proposed Urgency Ordinance accompanying this report, all matters and information presented to this City Council at its meeting on May 19, 2026.
4. The City Council hereby directs the Planning Division and the City's Fire Department to work together to consider and study impacts and adoption of zoning and regulatory standards to protect the public health, safety, and welfare and to create new or revised regulations and/or ordinances that address such impacts.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by:	Matthew Taylor, Principal Planner
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Certified as to availability of funds:	Julie Nemes, Interim Finance Director
Approved by:	Mike Futrell, City Manager
Approved as to form:	Rebecca McKee-Reimbold, Interim City Attorney
Concurs with:	Steve McKinster, Fire Chief

Attachments:

1. Draft Urgency Ordinance
2. Presentation