



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: OCTOBER 25, 2016

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARDS: ALL
DEPARTMENT

SUBJECT: REVIEW OF GOOD NEIGHBOR GUIDELINES AND ZONING CODE
DEVELOPMENT STANDARDS FOR INDUSTRIAL DEVELOPMENT ADJACENT
TO RESIDENTIAL ZONES

ISSUE:

Consider a review of the City's *Good Neighbor Guidelines for Siting New and/or Modified Warehouse Distribution Facilities* and Zoning Code development standards for industrial/warehouse development projects when located adjacent to residential zones.

RECOMMENDATIONS:

That the City Council:

1. Direct staff to prepare changes to the City's existing "Good Neighbor Guidelines", as outlined in this report.
2. Direct staff to prepare an amendment to the Zoning Code to incorporate applicable requirements currently contained in the Good Neighbor Guidelines into the Zoning Code; and
3. Direct staff to prepare an amendment to the Zoning Code and any applicable Specific Plans reflecting the recommendations found in this staff report regarding development standards for industrial zones, including any minor variations that may be warranted based on further analysis and input received from the community.

COMMITTEE RECOMMENDATION:

At the May 19, 2015 City Council meeting Councilmember Melendrez requested a staff presentation to the Utility Services/Land Use/Energy Development Committee (LUC) on existing City policies and standards regarding industrial/warehouse development in relation to adjacent residential zones.

On March 10, 2016, the Utility Services/Land Use/Energy Development Committee (LUC) received a staff presentation on the City's policies and Zoning Code standards for industrial buildings, and directed staff to: (1) review the City's "*Good Neighbor Guidelines for Siting New and/or Modified Warehouse Distribution Facilities*", and determine if changes are warranted; (2) analyze the City's existing development standards for industrial projects adjacent to residential zones; and (3) present staff's findings directly to the City Council, rather than returning to the Committee. The LUC direction was approved unanimously by the members present, including Councilmembers Mac Arthur, Gardner and Melendrez, who had substituted for Councilman Soubirous.

BACKGROUND:

WRCOG Good Neighbor Guidelines for Warehouse Facilities

In 2003, in response to air quality concerns associated with the proliferation of logistic warehousing, the Riverside County Board of Supervisors, in partnership with the Western Riverside Council of Governments (WRCOG), formed the Regional Air Quality Task Force (RAQTF). The RAQTF was comprised of representatives from a variety of industries, and was envisioned as a group who would recommend air quality mitigation measures for the WRCOG region. The RAQTF's work was underscored by the South Coast Air Quality Management District's second Multiple Air Toxics Emissions Study (MATES II), which in 1998 found that:

- Diesel exhaust is responsible for about 70 percent of the total cancer risk from air pollution;
- Emissions from mobile sources – including cars and trucks as well as ships, trains and planes – account for about 90 percent of the cancer risk. Emissions from businesses and industry are responsible for the remaining 10 percent; and
- The highest cancer risk occurs in South Los Angeles County – including the port area – and along major freeways.

The RAQTF's efforts resulted in the "*Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities*" (aka, "Good Neighbor Guidelines"), which was finalized by WRCOG in September 2005.

WRCOG is currently considering an update to their 2005 GNG. A draft of the revised guidelines was recently made available for City review, however it has not been vetted by WRCOG member agencies and an analysis is not included as part of this report.

City of Riverside Good Neighbor Guidelines for Warehouse Facilities

In October 2008 the City of Riverside City Council adopted its own "*Good Neighbor Guidelines for Siting New and/or Modified Warehouse/Distribution Facilities*" (Reso No. 21734). Using the WRCOG's Guidelines as a template, the City's Good Neighbor Guidelines (GNG) were created to better address the City's established land use patterns, and adopted regulations and policies. The Good Neighbor Guidelines are intended to provide an understanding of the impacts of diesel particulate matter (PM) from on-road trucks associated with warehouses and distribution centers. As "guidelines" they only provide a framework for discretionary decisions; they are not mandated requirements. Additionally, they only related to diesel emissions, and do not address other "neighborly" issues, such as noise, hours of operation, light/glare, building massing, privacy or aesthetics/architecture.

South Coast Air Quality Management District

The South Coast Air Quality Management District (SCAQMD) is the regulatory authority for air quality within the Los Angeles basin, which includes the County of Riverside. While the City's Planning Division has a working knowledge of air quality issues, staff defers to SCAQMD's expertise and authority to establish air quality thresholds.

The SCAQMD continually evaluates air quality and revises their regulations based on monitoring, scientific advancements, and new Federal and State mandates. AQMD's efforts to update regulations is best reflected in their Multiple Air Toxics Exposure Studies (MATES), which are conducted every five to ten years. The most recent MATES analysis was conducted in 2012-2013 (MATES IV).

The City consulted with SCAQMD staff to obtain feedback on Good Neighbor Guideline related issues, and input on whether the existing Guidelines need to be updated. SCAQMD staff indicated that the assessment criteria and recommendation in the GNG remain good "best practices" from an air quality perspective, including WRCOG existing suggested 300 meter (1,000 foot) buffer between residential and industrial properties, and the City's requirement to conduct a health risk assessment when a project is proposed within 1,000 feet of residentially zoned properties. SCAQMD staff clarified, however, that their primary objective is to ensuring that the region meets the mandated air quality targets of the State and Federal governments; therefore SCAQMD's focus is on regional impacts, not the specific relationship between warehouse projects and adjacent properties. To address air quality impacts from large warehouse projects, SCAQMD typically recommends that a jurisdiction's environmental impact reports (EIR) include the following conditions:

1. Require the use of 2010 and newer diesel haul trucks (e.g., material delivery trucks and soil import/export) and if the lead agency determines that 2010 model year or newer diesel trucks cannot be obtained, the lead agency shall require the use of trucks that meet EPA 2007 model year Knox emissions requirements.
2. Provide minimum buffer zone of 300 meters (approximately 1,000 feet) between truck traffic and sensitive receptors based on California Air Resources Board (CARB) guidance.
3. Limit the daily number of trucks allowed at each facility to levels analyzed in the Final EIR for the specific project.
4. Design the site such that any check-in point for trucks is well inside the facility to ensure that there are no trucks queuing outside of the facility.
5. Truck routes clearly marked with trailblazer signs, so that trucks will not enter residential areas.
6. If significant regional emissions are generated by a project, the lead agency should require mitigation that accelerates the phase-in for non-diesel powered trucks.

DISCUSSION:

The Land Use Committee directed staff to review two separate but related items. The first is the evaluation of the City's Good Neighbor Guidelines to determine their effectiveness and, if merited, recommend revisions. The second is to evaluate development standards for industrial projects adjacent to residentially zoned properties. The following is an analysis these items:

Comparison of Good Neighbor Guidelines:

The WRCOG GNG includes the following seven goals, which are supported by action policies:

1. Minimize exposure of diesel emissions to neighbors that are in close proximity to warehouse/industrial center.
2. Eliminate diesel trucks from unnecessarily traversing through residential neighborhoods.
3. Eliminate trucks from using residential areas and repairing vehicles on the streets.
4. Restrict diesel truck idling on-site.
5. Establish a diesel minimization plan by encouraging cleaner fleet vehicles.
6. Educate truck drivers of the health effects of diesel emissions.
7. Establish a public outreach program and conduct periodic community meetings to address neighbor issues.

Staff surveyed 18 cities within the WRCOG region, seven neighboring San Bernardino cities, as well as the counties of Riverside and San Bernardino. Staff found that three jurisdictions actively apply Good Neighbor Guidelines to industrial projects. These include the City of Moreno Valley, March Joint Powers Authority (MJPA) and the City of Riverside. Moreno Valley, like the City of Riverside, has adopted its own GNG; whereas MJPA utilizes the WRCOG GNG. Attachment 1 provides a detailed comparison of the goals and action policies of the three GNGs.

The three jurisdictions have also adopted different thresholds for the size of development that is subject to these guidelines. These thresholds, as shown in Table A below, significantly affect the type and number of projects that are subject to the Good Neighbor Guidelines:

Table A – Good Neighbor Guidelines: Thresholds	
Jurisdiction	Projects Subject to GNG Policies
WRCOG/MJPA	Any industrial building with more than three bays or generating more than 150 diesel trips per day
City of Riverside	400,000 sf industrial warehouse
City of Moreno Valley	650,000 sf industrial warehouse

As noted in Table A, the City of Riverside and City of Moreno Valley only include four of the seven WRCOG GNG goals in their adopted guidelines. They do not include Goals 5, 6, and 7: “encouraging clean fleet vehicles”; “educating truck drivers to health effects of diesel emissions”; and, “establish public outreach to address neighborhood issues”, respectively.

The WRCOG GNG recommends a 300 meter (1,000 foot) buffer zone between warehouse/distribution facilities and sensitive receptors, such as housing, schools, day cares, hospitals, etc. The WRCOG guidelines states that the buffer area could be used as office uses, employee parking and/or greenbelts. The 1,000 foot guideline may be a “best practice” for greenfield development in undeveloped areas of the County. However, it is challenging to implement in Riverside where existing land use patterns, and zoning place industrial and residential uses in close proximity, and land values dictate the efficient use of property.

Good Neighbor Guidelines – Staff Analysis and Recommendation:

Staff does not recommend making significant changes to the City's 2008 "Good Neighbor Guidelines" at this time. Staff's recommendation is based on the following findings:

1. The current requirement for the preparation of a Health Risk Assessment already provides an analysis and disclosure of potential health impacts on residential areas and includes recommended mitigation measures, where feasible.
2. There would be significant practical challenges associated with implementing WRCOG Good Neighbor Guidelines in Riverside due to existing land use patterns and established zoning designations.
3. There are a limited number of industrial properties in the City that are adjacent to residential zones that could accommodate large warehouses due to the primarily built-out nature of the City.
4. SCAQMD staff verified that the more recent MATES IV research concluded similar results for cancer risk from diesel emissions as the MATES III research, which was the basis of the City's 2008 Good Neighbor Guidelines.
5. SCAQMD staff, it was indicated that the continued use of the City's GNG is recommended to address localized mitigation measures, and that the City's approach of requiring a Health Risk Assessment for properties within 1,000 feet of residential zones is a reasonable approach for determining air quality impacts and mitigations.

While significant revisions to the City's GNG are not recommended by staff, there is merit in considering minor changes that would (1) better define emission expectations when preparing a required Health Risk Assessment, (2) require Health Risk Assessments for smaller development projects (i.e., make the threshold lower than the current 400,000 sf); and (3) ensure that the most recent SCAQMD recommended mitigation measures are incorporated, such as SCAQMD's recent efforts to reduce Nitric Oxides (NOx).

Most importantly, staff recommends that parts of the GNG be codified as development standards, rather than having them in a stand-alone policy document. As an example, the Municipal Code could be amended to require the Health Risk Assessment for industrial projects near residential zones, rather than rely on the Guidelines, which are not adopted law. This approach would be consistent with how the City of Moreno Valley has implemented their Good Neighbor Guidelines.

Zoning Code Development Standards – Analysis and Recommendation:

An extensive survey of surrounding jurisdictions was conducted to identify best practices relating to development standards for industrial building adjacent to residential uses. Staff found that the development standards jurisdictions use to ensure compatibility between industrial and residential zones most fall into four main categories: 1) minimum building setbacks; 2) maximum building heights; 3) minimum landscape setbacks and planting requirements; and, 4) perimeter block wall/fencing requirements. The comparative survey of surrounding jurisdictions is provided in Attachment 2 and summarized below.

Minimum Building Setbacks:

The Riverside Zoning Code currently requires a minimum building setback of 50 feet for industrial buildings adjacent to residential zones. In comparing setback requirements of other jurisdictions, staff found that Riverside's 50 feet minimum setback is equal to or more

restrictive than most other communities surveyed. The only jurisdiction that is more restrictive is the City of Moreno Valley, which requires projects in their Light Industrial zone that have a building area over 50,000 square feet to set back buildings, truck court or loading areas a distance determined by an air quality and noise impact analysis, but not less than 250 feet. However, properties in Moreno Valley's Business Park District or Industrial zones, and Light Industrial zone projects less than 50,000 square feet, are only subject to a 20 feet setback.

Recommendation: Maintain the existing minimum 50 feet building setback requirement. Require greater setbacks for taller buildings.

Maximum Building Height:

The Zoning Code currently allows a maximum building height of 45 feet for industrial buildings adjacent to residential zones. Building height is often identified as a compatibility issue when industrial buildings are located near residential zones because of the visual massing associated with large industrial buildings. Industrial buildings are typically tilt-up-concrete structures with high ceilings to accommodate manufacturing equipment and/or high-pile storage. Most jurisdictions that address height compatibility do so by requiring taller industrial buildings to be set back farther from the adjacent residential property. Often this is done with a "graduated setback", where the maximum allowable height of the industrial building increases the farther it is from the property line. The Zoning Code currently has a graduated setback requirement for commercial development over two stories; however, it does not have a graduated height requirement for industrial zones. The cities of Moreno Valley, Corona, Eastvale and Wildomar have a graduated setback for industrial projects adjacent to residential property.

Recommendation: (1) Reduce the existing maximum permitted height from 45 feet to 35 feet for buildings set back between 50 and 70 feet from a residential property line; (2) After 70 feet base the maximum height on a ratio of one foot in height for every two feet of distance from the property line, but not to exceed a height of 50 feet; and (3) allow for taller buildings with the approval of a conditional use permit.

Minimum Landscape Setbacks and Planting Requirements:

The Zoning Code currently requires a minimum landscape setback of 5 feet adjacent to parking lots and/or outdoor storage. The Zoning Code does specify a minimum number or type of trees to be planted. This is in contrast to other cities that require landscape setbacks of 10 to 30 feet. Additionally, some jurisdictions, such as MJPA, Rancho Cucamonga, Fontana, and Lake Elsinore, require that the landscaping meet specific requirements related to initial tree size, tree type, and tree spacing.

A landscape buffer can be an effective means of minimizing potential privacy concerns, visual and odor impacts, diesel emissions, and to a lesser extent, noise impacts.

Recommendation: Require a minimum landscape setback of at least 15 feet when abutting a residential zoned property or sensitive uses. Require prescriptive standards, such as non-deciduous trees spaced a maximum of 30 feet apart to ensure a continuous horizontal screening at maturity of at least 20 feet in height.

Perimeter Block Wall/Fencing Requirements:

The Zoning Code currently requires a six foot high block wall be constructed along the perimeter property line separating industrial from residential uses. Many urban communities in Southern California require industrial projects to construct a decorative masonry block wall at a property line when adjacent to a residential zone. In most cases the requirement is for a minimum wall height of six feet, although some communities require an eight foot wall. Additionally, most jurisdictions require a block wall for the purpose of screening outdoor storage in industrial zones.

A block wall is a highly effective way to reduce potential impacts including privacy, visual, odor, emissions and noise. An eight foot high wall is significantly more effective than a six foot high wall.

Recommendation: Require an eight foot high decorative masonry wall along perimeter property lines abutting residential properties and other sensitive uses.

Summary of Recommendations:

Overall, staff found that the City's Good Neighbor Guidelines provide practical guidance for the City in determining the appropriateness and compatibility of industrial buildings in relation to residential land uses given the existing land use patterns and constraints in Riverside. However, adjustments to the Guidelines, including adoption of the standards prescribed in the GNG, into the Zoning Code, are warranted to ensure clarity and consistency in the interpretation and implementation of those standards. Staff also determined that changes to the City's Zoning Code development standards should be considered by Council to ensure compatibility between industrial and residential land uses.

Therefore, staff recommends that the City Council direct staff to proceed with:

1. An amendment to the City's Good Neighbor Guidelines to (a) better define emission expectations as part of the required Health Risk Assessment, (b) consider requiring Health Risk Assessments for smaller development projects (i.e., make the threshold lower than the current 400,000 s.f.); and, (c) ensure that the most recent SCAQMD recommended mitigation measures are incorporated, such as SCAQMD's recent efforts to reduce Nitric Oxides (NOx).
2. An amendment to the Zoning Code to: 1) incorporate applicable requirements currently contained in the Good Neighbor Guidelines, such as the requirement to prepare a Health Risk Assessment, into the Zoning Code; and 2)
3. An amendment to the Zoning Code and any Specific Plans that include industrial-zoned properties adjacent to residential zones, reflecting the recommendations found in this staff report regarding development standards for industrial uses, and including any minor variations that may be warranted based on further analysis and input received from the community.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Rafael Guzman, Community & Economic Development Director
Certified as to
availability of funds: Scott G. Miller PhD, Chief Financial Officer/City Treasurer
Approved by: Al Zelinka, FAICP, Assistant City Manager
Approved as to form: Gary G. Geuss, City Attorney

Concurs with:

A handwritten signature in black ink, reading "Chris Mac Arthur", written over a horizontal line.

Chris Mac Arthur, Chair
Utility Services Land Use Energy Development Committee

Attachments:

1. Comparison of Good Neighbor Guidelines (Table B)
2. Survey of Development Standards for Industrial Building Sites Adjacent to Residential Zones (Table C)
3. Illustration Showing Implementation of Development Standards
4. Industrial and Single-Family Zoned Properties Map
5. Land Use Committee Report – March 10, 2016
6. City of Riverside Good Neighbor Guidelines - 2008
7. WRCOG Good Neighbor Guidelines – 2005
8. City of Moreno Valley Codified Good Neighbor Guidelines
9. Presentation