



City Council Memorandum

City of Arts & Innovation

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TO: HONORABLE MAYOR AND CITY COUNCIL DATE: MARCH 24, 2026

FROM: COMMUNITY & ECONOMIC DEVELOPMENT WARD: 2
DEPARTMENT

SUBJECT: PR-2024-001666 (RZ, PM, DR, DA, EIR) – ZONING CODE (MAP/TEXT) AMENDMENT, TENTATIVE PARCEL MAP, DESIGN REVIEW, DEVELOPMENT AGREEMENT, AND ENVIRONMENTAL IMPACT REPORT – A REQUEST TO CONSIDER THE FOLLOWING ENTITLEMENTS TO FACILITATE DEVELOPMENT OF TWO WAREHOUSE BUILDINGS CONSISTING OF 99,900 SQUARE FEET AND 99,950 SQUARE FEET: 1) ZONING CODE (MAP/TEXT) AMENDMENT TO CHANGE THE INNOVATION DISTRICT OVERLAY ZONE SUBDISTRICT FROM EE - EMPLOYMENT EMPHASIS AND HE - HOUSING EMPHASIS SUBDISTRICTS TO IE – INDUSTRIAL EMPHASIS SUBDISTRICT, TO ALLOW FOR THE WAREHOUSING AND DISTRIBUTION FACILITY USE, AND MODIFY DEVELOPMENT STANDARDS OF THE IE - INDUSTRIAL EMPHASIS SUBDISTRICT; 2) TENTATIVE PARCEL MAP FOR A TWO LOT SUBDIVISION FOR CONDOMINIUM PURPOSES; 3) DESIGN REVIEW OF PROJECT PLANS; 4) DEVELOPMENT AGREEMENT; AND 5) ENVIRONMENTAL IMPACT REPORT, LOCATED AT 2626 KANSAS AVENUE, 2069 MASSACHUSETTS AVENUE, AND 1989 MASSACHUSETTS AVENUE, SITUATED ON THE NORTH SIDE OF MASSACHUSETTS AVENUE, EAST OF KANSAS AVENUE AND SOUTH OF ROBERTA STREET

ISSUE:

Consideration of the following entitlements to facilitate development of two warehouse buildings consisting of 99,900 square feet and 99,950 square feet:

- Zoning Code Map/Text Amendment to change the Innovation District Overlay Zone subdistrict from the EE – Employment Emphasis and HE – Housing Emphasis subdistricts to the IE – Industrial Emphasis subdistrict, , and modify development standards of the Innovation District, IE – Industrial Emphasis subdistrict;
- Tentative Parcel Map for a two-lot subdivision for condominium purposes;
- Design Review of project plans;
- Development Agreement; and
- Environmental Impact Report.

RECOMMENDATIONS:

That the City Council:

1. Adopt the attached Resolution certifying the Final Environmental Impact Report for the Massachusetts Point Project 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 Mitigation Monitoring and Reporting Program attached to the California Environmental Quality Act Resolution;
4. Find that no feasible alternatives to the Project have been proposed that will avoid or substantially lessen the environmental effects as set forth in the Final Environmental Impact Report;
5. Reject all late comments as untimely;
6. Approve Planning Case PR-2024-001666 (Zoning Code Map/Text Amendment, Tentative Parcel Map, Design Review, Development Agreement, and Environmental Impact Report, based on and subject to the Planning Commission findings and recommended conditions found in the attached staff report;
7. Introduce and subsequently adopt the attached Ordinance to amending the Zoning Map of the Riverside Municipal Code;
8. Introduce and subsequently adopt the attached Ordinance to amending Title 19 (Zoning) of the Riverside Municipal Code;
9. Introduce and subsequently adopt the attached Ordinance approving the Development Agreement; and
10. With at least five affirmative votes, authorize the Chief Financial Officer, or designee, to record an increase in revenues and equal amounts appropriated to support city expenditures associated with the development agreement to be paid for by developer deposits, as follows:
 - a. Record an increase in revenue in the amount of \$200,000 and a supplemental appropriation in an equal amount in the General Fund, Massachusetts Point Public Art Program revenue and expenditure accounts; and
 - b. Record an increase in revenue in the amount of \$100,000 and a supplemental appropriation in an equal amount in the Grants and Restricted Programs Fund, Massachusetts Point Innovation District Marketing Program revenue and expenditure accounts.

BACKGROUND:

The project site consists of three contiguous parcels consisting of approximately 14.42-acres and

is partially developed with two industrial buildings totaling 99,850 square feet, two accessory buildings totaling approximately 11,000 square feet, and bus parking and storage.

Development in the surrounding area consists of industrial uses to the north (across Roberta Street), industrial uses to the south (across Massachusetts Avenue), a homeless shelter and services building and industrial use to the east, and a recycling center to the west (across Kansas Avenue).

On January 29, 2026, the Planning Commission recommended to City Council to approve the requested Zoning Code Map/Text Amendment, Tentative Parcel Map, Design Review, Development Agreement, and Environmental Impact Report by a vote of 7 ayes, 0 noes, and 1 abstention (Attachment 5).

DISCUSSION:

Development Summary

The proposal is to demolish the existing industrial buildings and construct two new industrial buildings on a 10.21-acre portion of the site (2626 Kansas Avenue and 2069 Massachusetts Avenue). No development is proposed on 1989 Massachusetts Avenue.

Building 1

Building 1 is proposed to consist of 99,900 square feet and include 93,900 square feet of warehouse area and 6,000 square feet of ground floor office space. Building 1 will include 17 dock doors located along the southern side of the building. The truck dock doors are interior to the site, and not visible from the right-of-way. Building 1 is proposed to be oriented to the north, with frontages along Roberta Street to the north and Kansas Avenue to the west.

Building 1 development will include a 6-foot-high perimeter fence (consisting of a 4-foot-high block wall with 2 feet of tubular steel on top) installed along the northern property line (adjacent to Roberta Street) and a portion of the northwest property line (along Kansas Avenue). A 6-foot-high tubular steel fence is proposed along the southern property line, where the truck trailer parking is located. Additionally, 6-foot-high metal sliding gates are proposed at the two driveways on Roberta Street and at the east and west entrances to the truck court to provide controlled access. A combination of a 6-foot-high block wall and a 6-foot-high tubular steel fence are proposed along the eastern property line.

Building 2

Building 2 is proposed to consist of 99,950 square feet and include 91,700 square feet of warehouse area, 6,000 square feet of ground floor office space, and 2,250 of mezzanine office space. Building 2 will include 22 dock doors located along the northern side of the building. The truck dock doors are interior to the site, and not visible from the right-of-way. Building 2 is proposed to be oriented to the south, with frontages along Kansas Avenue to the west and Massachusetts Avenue to the south.

Building 2 development will include a 6-foot-high fence (consisting of a 4-foot-high block wall with 2 feet of tubular steel on top) installed along the western property line (adjacent to Kansas Avenue) and along the southwest and southeast portions of the southern property line (adjacent to Massachusetts Avenue). Additionally, 6-foot-high metal sliding gates are proposed at the driveway on Massachusetts Avenue, at the northwest entrance to the passenger vehicle parking, and along the eastern entrance to the truck court to provide controlled access. A 6-foot-high

tubular steel fence is proposed along eastern property line.

Circulation and Parking

The project will construct five new driveways:

- Driveway 1 will be a cul-de-sac driveway located at the northeast portion of the project site, along Roberta Street.
- Driveway 2 will be located at the northwest portion of the project site, along Roberta Street. This driveway is restricted to only passenger vehicles.
- Driveway 3 will be centrally located along Kansas Avenue and will provide access to both passenger vehicles and trucks.
- Driveway 4 will be located at the southwest portion of the project site, along Kansas Avenue, and will be restricted to only passenger vehicles.
- Driveway 5 will be located along Massachusetts Avenue and will provide both passenger and truck access.

Access to Building 1 would be provided via driveways 1, 2, and 3. Access to Building 2 would be provided via driveways 3, 4, and 5. Trucks are expected to primarily utilize Kansas Avenue, Massachusetts Avenue, and 3rd Street.

Landscaping

The project includes approximately 22,240 square feet (0.51 acres) of ornamental landscaping around the perimeter of the site and within parking areas. Landscaping would include 24-inch and 36-inch-box trees, 5-gallon shrubs, accents, and groundcover to screen the proposed building, parking, and loading areas.

Zoning Code Map/Text Amendment

The applicant proposes a Zoning Code Map/Text Amendment to change the Innovation District Overlay Zone subdistrict of the project site from EE – Employment Emphasis and HE – Housing Emphasis subdistricts to IE – Industrial Emphasis subdistrict, to allow for the Warehousing and Distribution Facility use, and modify development standards of the Innovation District, IE – Industrial Emphasis subdistrict (Exhibits 6 and 8). The Zoning Code Text Amendments modifications include, but are not limited to, the following development standards: Floor Area Ratio, Building Height, Setback, Architectural Feature Projections, Off-Street Parking, Common Ground Open Space, Outdoor Storage, and Edge Conditions.

Development Agreement

As part of this application, the Developer has agreed to provide the following community benefits and enhanced project features (Exhibit 10):

Community Benefits:

- Project Building Facades – The facades of the Project buildings facing Massachusetts Avenue will include brick.
- Public Art – Developer will provide one sculpture at a cost of \$250,000 at the corner of Massachusetts Avenue and Kansas Avenue. Developer will also pay a \$200,000 public art fee to the City to be used at the City's discretion. Developer will also donate the sum

of \$50,000 to the University of Riverside on the condition that it be used to support its student art program.

- Hulen Place Funding – At the City’s direction, Developer shall work with the Hulen Place Board to identify key issues to which Developer will contribute a total of \$250,000.
- Job Training – Developer will contribute the sum of \$250,000 to the Riverside Community College workforce training program connecting workers to high-paying jobs in quality technical careers.
- City and Innovation District Signage – Developer will work with City to place signage worth \$250,000 at strategic locations in the City and in the Innovation District to attract affordable housing developers, cutting-edge green businesses, and enriching entertainment options.
- Innovation District Marketing – Developer will provide \$100,000 to the City’s Community & Economic Development Department - Economic Development Division to promote the Innovation District and attract clean and green uses to the City.

Enhanced Project Features:

- Commitment to Pursue Union Labor – Developer will pursue using Union Labor on all key trades (60% of the project, 210 jobs) including , steel (Local 433), Electrical (Local 440) and Plumbing (Local 398).
- Commitment to Pursue Highest LEED Certification Achievable – Developer commits to pursuing the highest LEED certification achievable for the Project by including, for example, on-site renewable energy production, locally sourced/recycled materials, lower carbon emissions and alternative transportation features.

Environmental Impact Report

An Environmental Impact Report was prepared for the project and analyzed all impact categories, pursuant to Sections 15161 and 15126.6 of the CEQA Guidelines and City of Riverside Resolution No. 21106 (Exhibits 13 and 14). A Notice of Preparation (NOP) was circulated on December 12, 2024, with the review period ending January 20, 2025.

CEQA Guidelines indicate a Project EIR should focus primarily on the changes in the environment that would result from the project. The EIR should describe a range of reasonable alternatives to the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project and evaluate the comparative merits of the alternatives.

The Draft EIR includes three alternatives to the project:

- Alternative 1 – No Projective/No Development Alternative;
- Alternative 2 – Reduced Project Alternative (50-percent reduction in square footage and operational intensity); and
- Alternative 3 – No Project/Buildout of Employment Emphasis Subdistrict.

The EIR concludes that none of the Alternatives would meet any or all of the Project objectives or would result in greater impacts than the proposed project. All impacts related to the proposed project have been identified as less than significant or have been reduced to below the level of significance with mitigation.

FISCAL IMPACT:

The total fiscal impact of the Development Agreement will be an increase in revenues and expenditures of \$300,000. Upon Council approval, the increase in revenues and appropriated expenditures will be recorded in the amount of \$300,000 as indicated in Table 1.

Table 1.

| Fund | Program | Account | Amount |
|------------------------------|---|----------------|------------------|
| Revenue | | | |
| General Fund | Massachusetts Point Public Art | 9934200-339000 | \$200,000 |
| Grants & Restricted Programs | Massachusetts Point Innovation District Marketing | 9934210-339000 | \$100,000 |
| Expenditures | | | |
| General Fund | Massachusetts Point Public Art | 9934200-440309 | \$200,000 |
| Grants & Restricted Programs | Massachusetts Point Innovation District Marketing | 9934210-440309 | \$100,000 |
| Total Expenditures | | | \$300,000 |

Prepared by: Candice Assadzadeh, Senior Planner
 Approved by: Jennifer Lilley, Community & Economic Development Director
 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

Attachments:

1. Resolution Certifying Final EIR and Adopting the Findings of Fact and the Mitigation Monitoring and Reporting Program
2. Ordinance Amending the Zoning Map of the Riverside Municipal Code
3. Ordinance Amending Title 19 (Zoning) of the Riverside Municipal Code
4. Ordinance Approving the Development Agreement
5. Planning Commission Report and Exhibits – January 29, 2026
6. Final Environmental Impact Report and Updated Appendices
7. Draft Environmental Impact Report
8. Presentation

Final and Draft EIR – Also on File at:

- City’s Community & Economic Development Department, 3900 Main Street, 3rd Floor, Riverside, CA 92522