



# City of Rialto

## Legislation Text

File #: PC-18-1141, Version: 1

For the Planning Commission Meeting of November 28, 2018

TO: Honorable Chairman and Planning Commissioners  
 APPROVAL: Robb Steel, Assistant CA/Development Services Director  
 REVIEWED BY: Gina M. Gibson-Williams, Planning Manager  
 FROM: Daniel Casey, Senior Planner

**Variance No. 2018-0002:** A request to allow a variance from Section 18.35.030A of the Rialto Municipal Code to increase the maximum allowable building height from 35 feet to 44 feet, as it relates to a proposal to develop a 74,466 square foot industrial warehouse building on 3.72 gross acres of land (APN: 0132-191-15) located on the south side of Valley Boulevard approximately 330 feet east of Lilac Avenue. This project includes a Mitigated Negative Declaration (**Environmental Assessment Review No. 2018-0046**) for consideration in conjunction with the project.

### APPLICANT:

CDRE Holdings 12, LLC, 523 Main Street, El Segundo, CA 90245.

### LOCATION:

The project site consists of one (1) parcel of land located on the south side of Valley Boulevard approximately 330 feet east of Lilac Avenue (APN: 0132-191-15) (Refer to the attached Location Map (**Exhibit A**)).

### BACKGROUND:

#### *Surrounding Land Use and Zoning*

<b>Location</b>	<b>Existing Land Use</b>	<b>Zoning</b>
Site	Vacant Land	Industrial Park (I-P)
North	Steel Manufacturer / Diesel Truck Repair	Freeway Commercial (F-C)
East	Union Hall	Industrial Park (I-P)
South	I-10 Freeway	N/A
West	Motel	Industrial Park (I-P)

#### *General Plan Designations*

<b>Location</b>	<b>General Plan Designation</b>
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Site	Business Park with a Specific Plan Overlay (Gateway SP)
North	General Commercial with a Specific Plan Overlay (Gateway SP)
East	Business Park with a Specific Plan Overlay (Gateway SP)
South	N/A
West	Business Park with a Specific Plan Overlay (Gateway SP)

*Site Characteristics*

The project site is a relatively flat, rectangular-shaped piece of land comprised of one (1) parcel. The parcel is 3.72 gross acres in size with approximate dimensions of 307 feet (east-west) by 528 feet (north-south). The property is entirely undeveloped and covered only with natural grasses. The project site is bound on the north by Valley Boulevard and a flood control channel to south.

*Surrounding Area*

To the north of the project site, across Valley Boulevard, is a steel manufacturing facility (Steel Unlimited, Inc.) and a diesel truck repair facility (Jack’s Diesel Repair), and to the east is a union hall (Teamsters 63). To the south is the I-10 Freeway, and to the west is a three-story motel (Days Inn). The zoning of the project site and the properties to the east and west is Industrial Park (I-P) within the Gateway Specific Plan, and the zoning of the properties to the north is Freeway Commercial (F-C) within the Gateway Specific Plan.

**ANALYSIS/DISCUSSION:**

*Project Proposal*

CDRE Holdings 12, LLC, the applicant, proposes to construct a 74,446 square foot warehouse building on the project site. There is no proposed tenant for the new building at this time, but the building’s design will accommodate a wide-range of warehouse uses.

*Site Design*

According to the site plan (**Exhibit B**), the applicant will construct the building in the center of the project site. The proposed layout will place the truck court on the south side of the building and the employee/customer parking areas on the north and east sides of the building. The proposal also includes one (1) forty (40) foot driveway connected directly to Valley Boulevard near the east side of the project site, as well as landscape planters around the perimeter of the building and the project site itself.

*Floor Plan*

The floor plan (**Exhibit C**) indicates that the building will consist of 6,000 square feet of office space and 68,466 square feet of warehouse space. The office space will occupy the northeast corner of the building, with 3,000 square feet on the first floor and another 3,000 square feet up above on a second floor. The south wall of the building will have twelve (12) dock high doors and one (1) grade level roll-up door. The applicant will place the main entrance to the building on the north side of the office space for convenient access to the employee/customer parking lot, along with eleven (11) secondary/emergency exits distributed amongst all four (4) sides of the building.

*Architectural Design*

The proposed building will feature significant vertical and horizontal wall plane articulation in the form

of projected masses and panel height variations on all the sides of the building that are visible from the public right-of-way. As shown on the elevations (**Exhibit D**), the building height ranges from thirty-eight (38) feet to forty-four (44) feet from the finished grade, with the highest points being the corners on the north side of the building and the heightened wall panels on the south side of the building. The exterior of the building will be of concrete tilt-up wall construction painted with a palette of five (5) different colors. The main wall plane will feature a light white tone with a color band that alternates between a vibrant green accent and a medium gray accent. The projected masses will alternate between three (3) different variations of gray depending upon the location on the building. Other architectural features of the building include panel reveals, a steel canopy, and generous amounts glazing.

*Variance No. 713 / Building Height*

The maximum building height of the project, as measured from the finished grade, is 44 feet, while the I-P zone requires a maximum building height of 35 feet. The proposed building height is 9 feet more than that allowed in the I-P zone. Modern day warehouse buildings utilizing current logistic technologies often need a minimum interior clearance of 35 feet. Additional building height is then necessary to facilitate proper drainage and to provide adequate screening of rooftop equipment. For these reasons, nearly all of the warehouse buildings constructed within the City of Rialto in the last 10 years have building heights well above 35 feet. Furthermore, warehouses within the same I-P zone have recently received approval to have building heights above 35 feet. For instance, Panattoni Development Company, Inc. received approval to construct a warehouse building approximately 0.32 miles to the west of the project site that will have a height of 47 feet via Variance No. 2017-0011. Additionally, the motel immediately to the west of the project site features a tower element with signage that reaches 58.8 feet in height. Therefore, a building height of 44 feet will not be out of character with the heights of existing and future buildings in the area.

The purpose of a variance is to provide flexibility to prevent practical difficulties or unnecessary hardships that occur through the strict enforcement of development standards. The following findings from Section 18.64.020 of the RMC must be made prior to Planning Commission approval of the Variance:

1. That there are exceptional circumstances or conditions applicable to the property involved, or to the intended use of the property, that do not apply generally to the property or class of use in the same vicinity or district.

*Strict enforcement of the maximum building height restriction of 35 feet required by the I-P zone will prevent the applicant from providing the highest quality design and securing a tenant and/or buyer for the proposed building. The applicant will construct the proposed project as a modern industrial building. There is a high demand for buildings with higher clear ceilings in order to accommodate the storage/racking needs my industrial users now require. This is due in large part to the rapidly expanding e-commerce sector. For this reason, the marketplace views existing industrial buildings with lower clear heights as inferior and often face difficulty competing with higher clear height buildings. Over time, this requirement for higher clear heights will become more stringent, rendering existing buildings with lower clear heights potentially obsolete, thereby increasing the likelihood of extended periods of vacancy.*

2. That such variance is necessary for the preservation and enjoyment of a substantial property right of the applicant as possessed by other property owners in the same vicinity and district.

*The proposed development offers the highest and best use of the property under the current zoning. However, in order to develop a viable warehouse building that allows for the installation of the latest technologies and equipment used by logistics companies, a building height in excess of 35 feet is required. The variance will further assist the developer in securing a tenant, which otherwise might not be possible. As previously mentioned, a warehouse project to the west recently received a variance allowing a building height of 47 feet. Without a variance, the applicant cannot construct a competitive distribution warehouse on the site, thereby giving an unfair advantage to other industrial warehouse/development projects not restricted by the 35-foot building height limitation.*

3. That the granting of such variance will not be materially detrimental to the public welfare or injurious to the property or improvements in such vicinity and district in which the property is located.

*The 9-foot difference in building height is negligible considering the proposed warehouse to the west will stand even higher at 47 feet and the motel immediately adjacent to the west features a tower element that reaches up to 58.8 feet. The warehouse building will have a high-quality design and will not be unsightly or otherwise injurious to the property or improvements in the vicinity or detrimental to public welfare.*

4. That the granting of such variance will not adversely affect the master plan.

*Granting the variance will facilitate the development of a high-quality warehouse building in keeping with General Plan Land Use Element Goal 2-22, which requires the City to “Promote commercial and/or industrial development planned that is well designed, people-oriented, environmentally sustainable, sensitive to the needs of the visitor or resident, and functionally efficient for its purpose”. Additionally, a precedent has already been set to allow I-P projects beyond the 35-foot maximum building height, as established by Variance No. 2017-0011 for Panattoni Development Company, Inc., as many warehousing projects require building heights with an interior clearance of at least 35 feet and an exterior height well above that to shield rooftop equipment.*

Planning staff concludes that the project meets all of the findings required for the Variance request, as documented above.

#### *Parking*

The development will have 64 auto-parking spaces, including three (3) disabled parking spaces. This quantity exceeds the minimum parking requirement as shown in the parking calculation chart below and as required by Sections 18.58.050D and 18.58.050J(2) of the Rialto Municipal Code, which requires one (1) parking space for every 250 square feet of office gross floor area on the ground floor, one (1) parking space for every 500 square feet of office gross floor area on the second floor, one (1) parking space for every 1,000 square feet of warehouse gross floor area up to 10,000 square feet, and one (1) parking space for every 2,000 square feet of warehouse gross floor area beyond 10,000 square feet:

<b>Type of Use</b>	<b>Floor Area (square feet)</b>	<b>Parking Ratio</b>	<b>Number of spaces required</b>
Office Ground Floor Second Floor Warehouse	3,000 3,000	1 / 250 1 / 500	12 6
Floor area up to 10,000 square feet	10,000	1 / 1,000	10
Floor area 10,001 square feet or more	58,466	1 / 2,000	30
<b>Total Required/Total Provided</b>			<b>58/64</b>

**Landscaping**

The landscape coverage for the project is 14.0 percent, which exceeds the minimum required amount of 10.0 percent. This includes a 25 foot landscape setback along Valley Boulevard, as well as planters around the perimeter of the building and the project site. All of the landscape planters will feature a variety of trees spaced every 30 feet and an abundant amount of shrubs and ground cover (**Exhibit E**).

**Fiscal Analysis**

Prior to completion of the project, the applicant will be required to pay plan check, permit, and development impact fees to the City. The applicant will pay approximately \$555,000 for those one-time fees, as shown in the chart below:

<b>Fee</b>	<b>Capital</b>	<b>Operating</b>	<b>Total</b>
Development Impact Fees	\$450,000	-	\$450,000
Building Plan Check / Permit Fees	-	\$20,000	\$20,000
Planning Fees	-	\$5,000	\$5,000
Engineering Plan Check / Permit Fees	-	\$80,000	\$80,000
<b>One Time Fee Revenues</b>	<b>\$450,000</b>	<b>\$105,000</b>	<b>\$555,000</b>

Additionally, the project will generate approximately \$73,500 in annual recurring revenues to the City General Fund. The applicant will pay increased property taxes, business license taxes, and utility taxes on a recurring basis.

<b>Revenue Source</b>	<b>Estimated First Year Revenue</b>
Property Taxes	\$4,500
Utility Taxes	\$5,100
Business License Tax	\$3,750

<b>Total Annual Revenues</b>	\$13,350
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Furthermore, the project will generate approximately 35 to 45 jobs with a warehouse use tenant. Not only will the project provide additional employment opportunities for City of Rialto residents, but it will also result in employees spending their discretionary income as they frequent local restaurants, gas stations, and other local businesses.

*Development Review Committee*

The Development Review Committee (DRC) reviewed the project on June 13, 2018. The DRC recommended approval of the project subject to the applicant revising the site design to incorporate additional landscaping and to acknowledge the need to relocate an existing sewer line that runs through the project site. The applicant incorporated each of the DRC’s revisions into the project plans attached to the agenda report. After Planning Commission review of the variance request, the project will return to the Development Review Committee for finalization of all Precise Plan of Design development-related conditions.

**GENERAL PLAN CONSISTENCY:**

The project is consistent with the following goals of the Land Use Element of the Rialto General Plan:

**Goal 2-16:** Improve the architectural and design quality of development in Rialto.

**Goal 2-22:** Promote commercial and/or industrial development that is well designed, people-oriented, environmentally sustainable, sensitive to the needs of the visitor or resident, and functionally efficient for its purpose.

**ENVIRONMENTAL IMPACT:**

*California Environmental Quality Act*

The applicant engaged Lilburn Corporation to prepare an Initial Study (Environmental Assessment Review No. 2018-0046) for the project in accordance with the requirements of the California Environmental Quality Act (CEQA). The Initial Study is attached to the agenda report (**Exhibit F**). Based on the findings and recommended mitigation within the Initial Study, staff determined that the project will not have an adverse impact on the environment, provided that mitigation measures are implemented, and prepared a Mitigated Negative Declaration. The Planning Division published a Notice of Intent to adopt the Mitigated Negative Declaration for the project in the San Bernardino Sun newspaper, and mailed notices to all property owners within 300 feet of the project site. A twenty (20) day public comment period for the Mitigated Negative Declaration began on October 3, 2018 and ended on October 22, 2018. The Planning Division received two (2) comment letters during this period, one (1) Mr. Juan C. Gonzalez, General Manager of the Days Inn and the other from Colton Joint Unified School District (CJUSD).

On October 12, 2018, the Planning Division received a letter Mr. Juan C. Gonzalez, General Manager for the Day Inn motel located immediately adjacent to the west of the project site. Mr. Gonzalez’s letter specified a concern about the proposed height of the building and the effect it will have on the visibility of the Days Inn. On October 31, 2018, the Planning Division, in coordination

with Lilburn Corporation, sent a response to Mr. Gonzalez to address his concerns. The response included photo renderings showing what the visibility window will look like upon completion of the project, and noted that the project will have no effect on views of the Days Inn from the west, south, or north, and only a limited effect on views from the east as the proposed warehouse building will have a setback of 145 feet from the southern property line. The response also noted that the Days Inn includes a tower element with signage that stands at 58.8 feet, which is well above the tallest point of the proposed warehouse building. Mr. Gonzalez did not provide any further comment upon receiving the response.

In an email sent and received on October 23, 2018, one (1) day after the closing of the public review period, the CJUSD requested additional information with respect to the storage of hazardous materials, population growth, and construction related traffic. On October 31, 2018, the Planning Division, in coordination with Lilburn Corporation, sent a response to the CJUSD that included the requested information and additional analysis on those subjects. The CJUSD did not provide any further comment upon receiving the response.

The comment letters received and the responses to the comments are attached to the agenda report (**Exhibit G**).

#### *Native American Tribal Consultation (Assembly Bill 52)*

In accordance with California Assembly Bill 52, the Planning Division mailed notices to six (6) Native American tribes informing them of the project and allowing them to request consultation on the project. The six (6) tribes were given thirty (30) days, from September 10, 2018 to September 29, 2018 to request consultation on the proposed project. One (1) tribe, The Gabrieleño Band of Mission Indians-Kizh Nation (Kizh Nation), requested formal consultation during the period. Planning staff conducted formal consultation with Chairman Andrew Teutimez-Salas and Matt Teutimez of the Kizh Nation on October 24, 2018. The topics discussed included a basic background of the project and the anticipated construction activities. During the consultation, Chairman Teutimez-Salas requested the ability to allow a certified Native American Monitor on-site during all ground disturbance activities. The Draft Resolution of Approval includes a Condition of Approval requiring the applicant to coordinate with the Kizh Nation to allow access to the project site during all ground disturbance activities.

#### **PUBLIC NOTICE:**

The City mailed public hearing notices for the proposed project to all property owners within 300 feet of the project site, and published the public hearing notice in the *San Bernardino Sun* newspaper as required by State law.

#### **RECOMMENDATION:**

The Planning Division recommends that the Planning Commission:

- Adopt the attached Resolution (**Exhibit H**) to approve the Mitigated Negative Declaration for the proposed project and authorize staff to file a Notice of Determination with the Clerk of the Board of San Bernardino County; and

- Adopt the attached Resolution (**Exhibit I**) to approve Variance No. 2018-0002 to increase the maximum building height from 35 feet to 44 feet as it relates to a proposal to develop a 74,466 square foot warehouse building, subject to the findings and conditions therein.