



# City of Rialto

## Legislation Text

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For City Council Meeting [January 12, 2021]

TO: Honorable Mayor and City Council

APPROVAL: Sean Grayson, Acting City Manager

FROM: Karen Peterson, Acting Community Development Director

Request City Council to Conduct Public Hearing on Zoning Code Amendment No. 20-0004 and Zoning Code Amendment No. 20-0005 and Adopt **Ordinance No. 1653** Regulating Indoor Storage Facilities and **Ordinance No. 1654** Regulating Outdoor Storage Uses.

**(ACTION)**

### **BACKGROUND**

In the past few years, industrial developments related to trucking and distribution have accelerated due to the increase in e-commerce. While this industrial sector has contributed to the local economy, created employment opportunities, and spurred related development, City representatives have expressed concerns about the impacts of trucking on the community as a whole.

Specifically, concerns have focused on protecting residential neighborhoods from the disruption and potentially negative health effects of distribution and truck traffic, reevaluating truck routes and commercial vehicle enforcement options to protect both residential and commercial areas, ensuring new facilities pay their fair share of needed infrastructure improvements, evaluating opportunities to offset roadway maintenance costs, and ensuring facilities are developed in an orderly and high quality manner.

These concerns, combined with a need for more protective regulation, led to the adoption of moratoriums related to truck yards and distribution warehouses, as outlined below. Other moratoriums related to prohibiting truck traffic on Ayala through the Renaissance commercial area and preventing the installation of medians on Riverside Avenue south of the I-10 Freeway were also enacted as ways of addressing concerns.

With respect to truck yards, on October 8, 2019, the City Council adopted Urgency Ordinance No. 1624, establishing a 45-day moratorium on the establishment, expansion, or modification of truck terminals, truck/container storage yards, and truck/container parking and other related uses. On November 12, 2019, the City Council adopted Urgency Ordinance No. 1628, which extended the moratorium for an additional ten (10) months and fifteen (15) days, or until October 7, 2020. On September 22, 2020, the City Council extended the moratorium until February 25, 2021, and directed staff to complete the draft regulations.

With respect to warehouses, on January 14, 2020, the City Council adopted Ordinance No. 1633 to require the approval of a Conditional Development Permit to establish a storage warehouse in all

industrial zones and Specific Plans where storage warehouses were previously permitted. However, it was recognized that there is a need for additional locational criteria and other policy guidance to protect sensitive uses and address the various issues associated with warehouses in general.

As such, on February 11, 2020, the City Council adopted Urgency Ordinance No. 1634, establishing a 45-day moratorium on the establishment, expansion, or modification of warehouses, distribution facilities, and similar uses located adjacent to, or across the street from, residences and schools. The Renaissance Specific Plan area was excluded from the moratorium. On March 24, 2020, the City Council adopted Urgency Ordinance No. 1636, which extended the moratorium for an additional ten (10) months and fifteen (15) days, or until February 10, 2021.

### **ANALYSIS/DISCUSSION**

To address the concerns related to trucking while supporting a vital component of the City's economy, a multi-pronged and multi-departmental approach is being implemented, including:

- Establishing new and updated development standards to protect sensitive uses such as residential neighborhoods, schools, and parks and open space from the disruption and potentially negative health effects of distribution uses and truck traffic;
- Re-evaluating truck routes and commercial vehicle enforcement options to protect both residential and commercial areas; and,
- Evaluating opportunities to ensure regular roadway maintenance and offset roadway maintenance costs.

The tasks below, shown with their status, are part of this comprehensive approach:

<b>Task</b>	<b>Status</b>
Adopt locational and development standards for truck yards to protect sensitive uses.	The proposed regulations for <b>outdoor storage uses</b> will address this task; anticipated to be adopted in early 2021 after the Planning Commission's public hearing on December 9 and the City Council's public hearing on January 12.
Adopt locational and development standards for warehouse/distribution facilities to protect sensitive uses.	The proposed regulations for <b>indoor storage uses</b> will address this task; anticipated to be adopted in early 2021 after the Planning Commission's public hearing on December 9 and the City Council's public hearing on January 12.
Evaluate existing truck routes and modify routes to ensure the most efficient truck routes and best protection of sensitive uses.	In progress; on November 10, 2020, the City Council authorized a Citywide Speed and Volume Survey with Truck Route Study (Advantec Consulting Engineers, Inc.).
Evaluate commercial vehicle enforcement needs (i.e., signage, etc.).	In progress; this is part of the Truck Route Study.

Evaluate cost impacts for roadway maintenance related to heavy truck use and options to reduce or offset costs.	To be included in the CIP; staff will evaluate if consultant assistance is necessary.
Confer with industry stakeholders and community members.	In progress.

### **Regulations for Outdoor and Indoor Storage Uses**

#### *Outdoor Storage Uses*

The proposed zoning ordinance for outdoor storage uses (Attachment A) is intended to address the truck yard moratorium. Outdoor storage uses are currently addressed by Chapter 18.104 (Outdoor Storage Uses) of the Zoning Code. However, the requirements are oriented towards all types of storage, including storage of merchandise. The proposed regulations would modify Chapter 18.104 (Outdoor Storage Uses) to clarify that truck yards are a type of outdoor storage and include specific provisions for them.

Below is a summary of the requirements that are included in the draft ordinance for outdoor storage uses:

- **Process:** Would continue to require a conditional development permit for outdoor storage uses and clarify truck yards are a type of outdoor storage use.
- **Locational Requirements:** Would prohibit truck yards adjacent to residences, schools, parks, and open space.
- **Truck Routing:** Would require an operations and truck route plan that avoids traveling past residences, schools, parks, and open space to the greatest extent feasible.
- **Building and Site Design:** Would clarify that buildings associated with outdoor storage uses must comply with the City's Design Guidelines, clarify paving is required for all drive aisles and parking/storage areas, and require underground stormwater chambers or aboveground basins if no fencing is needed and the basin can be landscaped.
- **Screening:** Would require effective screening of stored items, including eight (8) to fourteen (14) foot minimum decorative walls along street frontages outside required front and side yard setbacks and allow a combination of eight (8) foot fencing and landscaping along sides and rear not visible to the public.
- **Parking and Access:** Would require enough on-site parking and stacking/queuing so trucks do not park or stack in the street.
- **Landscaping:** Would require landscaping to be provided along street frontages and areas that are visible to the public.
- **Security:** Would require on-site lighting and security cameras that are connected to the City's law enforcement system.
- **Maintenance:** Would require on-going maintenance of exterior areas, including paved areas, and anti-graffiti wall treatments or equivalent measures.
- **Exemptions:** Would provide exemptions for uses that rely on the outdoor display of goods such as vehicle, boat, and recreational vehicle dealerships and temporary seasonal displays and uses (e.g., Christmas tree lots, overflow merchandise storage, etc.).

#### *Indoor Storage Uses*

The proposed zoning ordinance for indoor storage uses (Attachment B) are intended to address the warehouse moratorium. Warehouses are currently addressed in Chapter 18.66 (Conditional Development Permits) of the Zoning Code. This requirement was added in January 2020. However, this only requires the approval of a Conditional Development Permit for warehouse developments and does not establish any other specific requirements. The proposed regulations would create Chapter 18.112 (Indoor Storage Facilities) to define storage warehouses and fulfillment centers as types of indoor storage facilities and to include specific provisions for them separate from any standard provisions that apply in an underlying zone or in Chapter 18.61 (Design Guidelines) of the Zoning Code.

Below is a summary of the requirements that are included in the draft ordinance for indoor storage uses:

- **Process:** Would continue to require a conditional development for indoor storage uses.
- **Locational Requirements:** Would prohibit new storage warehouses larger than 50,000 square feet and fulfillment centers of any size adjacent to or across the street from residentially zoned land, schools, and parks and open space **BUT** provide an option for new uses that can route their traffic away from these sensitive uses and provide additional buffering/setbacks and edge treatments to be considered for approval by the Planning Commission through the conditional development permit process. Would also allow the Planning Commission to ensure the scale of development adjacent to sensitive uses is acceptable and consider the best way to route truck past sensitive uses, if no other options exist.
- **Truck Routing:** Would require an operations and truck route plan that avoids traveling past residences, schools, parks, and open space to the greatest extent feasible. Speculative use buildings would project a reasonable “worst case” scenario and future tenants would need to abide by the approved plan or seek a modification to the plan through the conditional development permit process.
- **Building and Site Design:** Would continue to require indoor storage uses to comply with the City’s Design Guidelines, would prohibit stairwells along street frontages to minimize the height and bulk of buildings, would require underground stormwater chambers or aboveground basins if no fencing is needed and the basin can be landscaped, and would require site improvements such as “pork-chop curbs” to help direct traffic in the desired location.
- **Screening:** Would require effective screening of truck courts, trailers, and dock doors with decorative walls, pilasters every 70 feet, solid gates and would require berming for eight (8) foot and taller walls that are above or below grade to soften the height of walls.
- **Parking and Access:** Would clarify paving is required for all drive aisles and parking/storage areas, would require enough on-site parking and stacking/queuing so trucks do not park or stack in the street and require separation of truck and passenger vehicle parking areas so employee parking is accessible.
- **Landscaping:** Would require a 15-foot landscape setback along street frontages and ten (10) foot side and rear yard landscape setbacks.
- **Security:** Would require on-site lighting and security cameras that are connected to the City’s law enforcement system.
- **Maintenance:** Would require on-going property maintenance and anti-graffiti wall treatments or equivalent measures.
- **Performance Measures:** Would require a standard condition of approval to require new

tenants or end users to demonstrate that they will operate in compliance with the project described in the approved conditional development permit and its conditions of approval. If the new tenant or end user will deviate from the approved entitlement in a way that generates more vehicle trips or creates other new impacts, the new use will require a modification to the approved conditional development permit. Would also require a standard condition of approval to require operators to address any parking, traffic, noise, or safety issues within 48 hours of being notified by the City that an issue exists.

In developing the draft zoning regulations, staff has received input from the Economic Development Committee and Planning Commission. Staff has also discussed the draft zoning regulations with industry stakeholders. In general, they have requested that the City avoid a “one size fits all” approach and provide flexibility in the regulations to address specific locations and issues.

- On November 18, 2020, the Economic Development Committee considered the components of the draft regulations, heard public comments from an industry stakeholder, and directed staff to proceed.
- On November 18, 2020, the Planning Commission held a public workshop to discuss the proposed regulations and hear public comments. Four members of the public provided comments. In general, the speakers requested additional flexibility in the regulations and noted a “one size fits all” approach would not target the specific issues that need to be addressed. Concerns and questions were expressed related to the need for screening requirements in industrial areas, the definition for “open space” and the requirement for a new tenant to either demonstrate they have the same or less traffic than what is allowed by an current entitlement (i.e., conditional development permit) or to modify the permit to allow more traffic.
- At the conclusion of the workshop, the Planning Commission indicated general support for the draft regulations and directed staff to continue working on refinements. They expressed concerns about speculative buildings with no identified tenant and whether the true level of impact would be evaluated and mitigated. Staff confirmed that the draft regulations require a reasonable “worst case” scenario to be evaluated. They endorsed the requirement for a new tenant to demonstrate they will not cause more impacts than what was previously entitled for a project site through the administrative Business License/Business Compliance Certificate process. They also supported having operators bear more of the burden of roadway maintenance costs, evaluating funding sources for roadway maintenance (i.e., vehicle license fees), and improving methods of patching roads (i.e., cold vs. hot patches). Staff confirmed these topics will be a future work effort by Public Works.
- On December 9, 2020, the Planning Commission held a public hearing to consider the draft regulations. Two public comments were received. One commentor, Bill Blankenship representing the NAIOP Inland Empire Chapter, expressed appreciation for the opportunity to provide technical comments to the City and work in collaboration with staff to develop the draft regulations for outdoor and indoor storage uses.

The other commentor offered technical comments on the draft regulations for indoor storage

uses, including a comment to exclude office areas in calculating the size of new storage warehouses. This could allow buildings larger than 50,000 square feet to be located adjacent to sensitive uses without additional mitigation. The Planning Commission did not support this request and maintained the 50,000 square foot threshold.

This commentor also requested greater flexibility and discretion in routing vehicle traffic for sites with very limited or no option to avoid passing sensitive uses. In response, the Planning Commission modified the draft regulations to allow greater flexibility in routing traffic past sensitive uses when it can be demonstrated that 1) the proposed routing and amount of traffic will not create a significant impact in the level of service or safety of the roadway; and 2) it will not be disruptive to the affected sensitive uses.

The Planning Commission also enhanced the locational requirements for indoor storage uses that are larger than 50,000 square feet and fulfillment centers of any size that are proposed to be adjacent to sensitive uses to 1) ensure the placement and size of the building will not overwhelm adjacent sensitive uses; and 2) ensure truck courts and other areas of operational activity on the site are located away from, and will not be, disruptive to sensitive uses. They also added a requirement for property maintenance plans to be submitted for both outdoor and indoor storage uses and added a performance measure/standard condition of approval to require operators to maintain their sites in good condition over time.

At the conclusion of the public hearing, the Planning Commission recommended that the City Council adopt the ordinances, as modified.

#### *Environmental Review of Outdoor and Indoor Storage Uses*

In addition to the discretionary review of projects through the conditional development process, any proposed project would also be evaluated for potential environmental impacts in accordance with the California Environmental Quality Act. In addition, new projects would be reviewed for conformance with the General Plan's level of service standards to determine the need for any fair share contributions towards needed infrastructure improvements.

#### **ENVIRONMENTAL IMPACT**

The adoption of the proposed Ordinances is exempt from the California Environmental Quality Act (CEQA). Pursuant to Section 15378 of the California Environmental Quality Act, a 'Project' means the whole of an action, which has a potential for resulting in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. A project does not include changes to development standards that will not result in direct or indirect physical changes in the environment. The Planning Division will file a Notice of Exemption with the Clerk of the Board of San Bernardino County in accordance with CEQA upon completion of the Ordinances.

#### **GENERAL PLAN CONSISTENCY**

Approval of this action complies with the following City of Rialto Guiding Principles, General Plan Goals and Policies, "Our City government will lead by example, and will operate in an open, transparent, and responsive manner that meets the needs of the citizens and is a good place to do business."

#### **LEGAL REVIEW**

The City Attorney has reviewed and supports this staff report.

**FINANCIAL IMPACT**

Operating Budget Impact

Adoption of Ordinances will not incur any direct costs and is not expected to have any operating budget impact.

Capital Improvement Budget Impact

There is no capital improvement budget impact.

Licensing

There is no licensing associated with this request.

**RECOMMENDATION**

Staff recommends that the City Council approve Zoning Code Amendment No. 20-0004 and Zoning Code Amendment No. 20-0005 and adopt ordinances to regulate outdoor and indoor storage uses.