

REPORT TO THE PLANNING COMMISSION



DATE: July 10, 2012

TITLE: Consideration of a resolution granting a one-year extension of time to a Development Permit, for an approximately 2.6 million square foot industrial warehouse and distribution center on approximately 161 acres (150 net acres) located at the southeast corner of North Indian Canyon Drive and 18th Avenue (APN's 666-340-004 and 666-340-006)

CASE NO: Development Permit No. 05-11/Design Review No. 06-11

RECOMMENDATION:

Staff recommends that the Planning Commission adopt Resolution No. PC 06-12, granting a one-year extension of time to a Development Permit, for an approximately 2.6 million square foot industrial warehouse and distribution center on approximately 161 acres (150 net acres) located at the southeast corner of North Indian Canyon Drive and 18th Avenue (Exhibit 1), based upon the attached findings and subject to the attached Conditions of Approval.

BACKGROUND:

In November 2008, the Applicant, ARES Management, LLC, originally received entitlements from the County of Riverside ("County") for a Change of Zone (CZ07597) from Manufacturing Service Commercial (M-SC), Industrial Park (I-P) and Controlled Development Areas (W-2), to Manufacturing Service Commercial (M-SC), and a Plot Plan (PP23155), to allow the construction of an approximately 2.6 million square foot industrial warehouse and distribution center ("Project"). The Project will consist of four warehouse/office buildings ranging in size from approximately 271,000 to 1,170,000 square feet, with a building height of approximately 42 feet and parking for 1,830 automobiles and 1,230 freight trucks (Exhibit 2).

According to the County's conditions of approval, the entitlements were valid for a period of two (2) years from the date of approval (November 2010). However, prior to the expiration of the two year period, the Applicant could request a one-year extension of time. Under the County's zoning code, a maximum of three (3) one-year extension of time requests are permitted. The Applicant applied and received approval for the first extension on the entitlements from the County on November 17, 2011. However, the Applicant has not yet commenced construction.

As a result of the I-10 annexation, which took effect on September 12, 2010, the project now lies within the City limits. Given poor market conditions, the Applicant is seeking approval from the City of a second extension of time to keep the entitlements valid. The Applicant's goal is for the economy to improve to allow the construction of the facility.

Because the property was annexed into the City, the City's Zoning Code now applies to the project. The City's Development Permit process is analogous to the entitlements utilized by the County to allow the Applicant to construct the warehouse and distribution center. Pursuant to Section 17.92.100 of the City's Zoning Code, 30 days prior to the expiration of a Development Permit, a developer may apply for a one-year extension of time. Under the City's Zoning Code, any extension of time requires the developer to comply with all current zoning ordinance provisions. Staff has determined that the project will require modifications to the existing Conditions of Approval.

General Plan and Zoning Designations

The Project Site consists of two vacant parcels totaling approximately 161 acres. Surrounding land uses include scattered residential and commercial uses to the north, light industrial uses to the south, vacant land to the east, and vacant land to the west which is in the City of Palm Springs.

According to the I-10 Community Annexation Agreement with the County, and State Law, the City is restricted for a period of two years after the effective date of the annexation, from amending the zoning designation for the annexation area. As previously discussed, the I-10 Annexation took effect on September 12, 2010. On September 12, 2012, the territory will fall under the City's land use control. When the City updates the General Plan Land Use and Zoning maps later this year, the proposed land use and zoning designation will be Industrial/Employment which is consistent with the County's designations and will allow the proposed development and use.

The existing County General Plan land use designation for the site is Light Industrial (LI). Surrounding General Plan land use designations include Rural Desert (RD) to the north (County), Light Industrial (LI) to the east (City) and south and Office with a Wind Energy Overlay (O-WEO) in the City of Palm Springs to the west.

The existing County Zoning designation for the site is Manufacturing-Service Commercial (M-SC). Surrounding Zoning designations include Controlled Development (W-2) to the north and east (City), Manufacturing-Service Commercial (M-SC) to the south (City) and Manufacturing (M-2) in the City of Palm Springs to the west.

Size, Coverage and Height – The size of the buildings are as follows (Exhibit 3):

Use	Bldg. 1	Bldg. 2	Bldg. 3	Bldg. 4	Totals
Office	24,000	18,000	16,000	15,000	73,000
Mezzanine Office			16,000	15,000	31,000
Mezzanine Storage	24,000				24,000
Warehouse	898,642	1,152,859	238,900	227,216	2,517,617
Totals	946,642	1,170,859	270,900	257,216	2,645,617

The maximum allowable lot coverage is 5,259,870 square feet, or 75%. The Project will cover approximately 2,645,617 square feet or 50% of the site; well within the allowable lot coverage of the M-SC zone. All building heights are proposed at forty-two feet in height, not exceeding the 50 foot maximum height within M-SC zone. The Project will also comply with City lot coverage requirements (75%) and height limits (50 feet) of the City's I-L zoning district.

Setbacks – As noted in the following table, the building setbacks from the property line will comply with setback requirements of the M-SC zone.

Location	Required Setbacks	Proposed Setbacks
Front	25 feet	97 feet
Side	25 feet	200 feet
Side	25 feet	181 feet
Rear	25 feet	150 feet

The Project will also comply with the setback requirements of the City's I-L zoning district which are 20 feet from the front property line and 10 feet from the side and rear property lines.

Site Circulation – The site can be accessed from all four sides of the project boundary via North Indian Canyon Drive, 18th Avenue, 19th Avenue and Calle De Los Romos. North Indian Canyon Drive is designated on the City's General Plan as an Urban Arterial with a 134 foot right-of-way. This includes a six (6) lane divided roadway between Interstate 10 to the south and Dillon Road to the north. Three (3) ingress/egress points are proposed off of North Indian Canyon Drive. The center entrance is proposed to be sixty (60) feet wide and the other two entrances are proposed to be forty (40) feet wide. The proposed entrances off of 18th Avenue include three (3) ingress/egress points as well, each being sixty (60) feet wide. The proposed entrances off of 19th Avenue include three (3) ingress/egress points and one egress-only point. The egress-only driveway would be fifty-eight (58) feet wide and the ingress/egress points would have widths of thirty-five (35), fifty-eight (58) and sixty (60). The proposed entrances off of Calle De Los Romos include three (3) ingress/egress points. The ingress/egress points proposed along this roadway would have widths of fifty (50) feet each.

All driveways will provide ingress and egress for customers, employees, and freight trucks for product drop off and distribution. Delivery trucks will enter the site from all entry points and exit the property using the same 19th Avenue driveway. Employee and customer parking will be provided in front of buildings three and four. Freight truck parking will be provided along interior building aisles and along the north and east of the site.

Off-Street Parking – The project proposes to provide 3,060 total spaces (i.e. standard, ADA, and trailer parking spaces) as noted below:

Standard Spaces:	1,780
ADA Spaces:	50
Trailer Spaces:	1,230
TOTAL SPACES:	3,060

The proposed parking exceeds the parking required under County standards (1,699 spaces) but is lower than parking required under current City standards (3,527 spaces) by 467 spaces. Although the parking provided is approximately 13% less than would be required under City standards, Staff is comfortable with the amount of parking provided due to the fact that a great majority of the building area (approximately 95%) is dedicated to open warehouse space which has a lower employee-to-floor area generation ratio, and therefore lower parking demand, than typical general industrial uses assumed under the City's parking standards. Specifically, the Institute of Transportation Engineers employee generation rate for warehousing is 4.96 employees per 1,000 square feet of floor area while the corresponding rate for general light industrial is 6.97 employees per 1,000 square feet of floor area.

Elevations, Colors and Materials – The buildings will be standard tilt-up concrete construction with a variety of architectural treatments such as a mixture of architectural façades with various color schemes, metal window screening, building pop-outs at the entrances and office areas, anodized mullions and blue reflective glass glazing (Exhibit 4). Varying heights will be integrated within the building facades and along the roof lines to minimize the bulk of the buildings and also provide screening for roof-mounted mechanical equipment.

The building colors are a variety of desert tones. The primary color of the buildings is “Burbury Beige” and “Tavern Taupe.” Accent bands along the top, middle and lower portions of the building will be painted “Tucson Clay” to complement the primary color. All exterior materials and textures will be appropriate for the architectural style or theme of the buildings. Overall, the building design and color scheme will create a distinctive master planned industrial development that contributes to the overall design quality of the North Indian Canyon Drive corridor and the City of Desert Hot Springs.

Landscaping – The site plan was designed to provide a landscaped buffer around the entire site (Exhibit 5). A total of 758,021 square feet of landscaping will be provided. This accounts for approximately 11% of the total property area. The conceptual landscape plan proposes a high level of landscaping and a variety of trees for the site. Landscaped buffer areas will include Desert Willow, Cork Oak, Phoenix Mesquite, Blue Palo Verde, and additional trees. A variety of shrubs will also be provided and will include, among others, Blue Hibiscus, Texas Ranger, and Lavender Star Flower. All landscaped areas have decorative groundcovers and ornamental grasses.

The key feature of the landscape plan is the parkway portion along North Indian Canyon Drive. This feature will include a combination of mature trees shrubs, sidewalk, and a landscaped gateway center island along the North Indian Canyon Drive frontage. In the City's desire to enhance the street arterial corridor with attractive green belts, this feature will help to screen and soften the view of the front buildings along this street.

Drainage & Water Quality – The site currently has a gentle slope from north to south. The Conceptual Grading Plan (Exhibit 6) will maintain this natural grad for drainage. The project will include infiltration basins along the southern project boundary along 19th Avenue. The basins will have capacities ranging from 6.9 to 9.1 acre-feet and have been sized to hold and retain the 24 hour, 10-year storm event on-site and allow for the storm water to slowly infiltrate and percolate back into the ground water. As such, these

basins will serve a dual purpose; they will not only treat onsite flows for water quality purposes but will also attenuate onsite flows to address hydrologic conditions of concern.

The Applicant's engineer prepared a preliminary Water Quality Management Plan (WQMP) for the project. A copy of the primary text of the preliminary WQMP (Exhibit 7) is attached for Commission review and reference. Because of the large size of the document (544 pages) the supporting exhibits were not copied for Commission distribution. However, if any Commissioner wishes to review the entire document, Staff will make arrangements to accommodate the review of the supporting exhibits.

FISCAL IMPACTS

An economic analysis (Exhibit 8) completed by the City's economic development consultant estimates the Project would generate a one-time sales and use tax revenue of \$1,460,000.00, if the City is designated as the "Construction Project Site" pursuant to the State Board of Equalization's Publication 28 provisions. The analysis also estimates the City will receive an annual revenue stream of \$263,360.53 from Project-generated property taxes. It is also estimated that the Project will generate 1,217 construction jobs and 2,134 permanent jobs at build out.

COMPARISON OF CONDITIONS OF APPROVAL (COUNTY VS. CITY)

As mentioned earlier, this project already has entitlements from the County and is now in the City as a result of an annexation. Staff did a comparison of the Conditions of Approval between the County and the City and determined that they required modifications in order to establish current City Conditions of Approval. Therefore, when the development does start construction, the City can easily refer to, and implement, City requirements as opposed to the County's requirements for all of the improvements. The attached Resolution (Exhibit 9) has the City's Conditions of Approval for consideration and adoption by the Planning Commission.

ENVIRONMENTAL ANALYSIS:

An Initial Study was prepared for this project by the County, in accordance with the California Environmental Quality Act ("CEQA"). The study revealed that the project, as proposed, would not have significant impacts on the environment. Therefore, a Mitigated Negative Declaration ("MND") was prepared and circulated for public review in August 2008. In conjunction with the project entitlements, the Riverside County Board of Supervisors adopted the MND on October 28, 2008.

Pursuant to Section 15162(a) of the CEQA Regulations, once an MND has been adopted for a project, no subsequent environmental review needs to be completed unless there are substantial changes in the project that warrant additional review. The overall project characteristics, in terms of total development area, building heights, lot coverage and parking remain the same as approved by the County. Only minor changes are proposed including the following: increase the right-of-way for North Indian Canyon Drive from 128 feet to 134 feet; increase the right-of-way for Calle de Los Ramos from 64 feet to 88 feet, to accommodate the City's roadway design standards. These changes do not affect the analysis and findings of the IS/MND and will actually work to further improve traffic flow and access to the site.

The approval of an extension of time is a discretionary act, which is a project subject to CEQA. However, under Section 15061(b)(3) of the CEQA Regulations, a project is exempt if it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment. As noted above, the extension of time will not alter the project that was originally approved. Therefore, the City may rely on the exemption set forth in Section 15061(b)(3) of the CEQA Regulations and no further action is required. A notice of Exemption will be filed with the County Recorder.

EXHIBITS:

1. Vicinity Map
2. Site Plan
3. Building Floor Plans
4. Building Elevations
5. Conceptual Landscape Plan
6. Conceptual Grading Plan
7. Preliminary Water Quality Management Plan Excerpt

8. Fiscal Impact Analysis
9. Resolution No. PC 06-12
 - A. Conditions of Approval
 - B. Notice of Exemption