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BUDGET OFFICER	<i>caf</i>
CITY ATTORNEY	<i>Res</i>
CITY MANAGER	<i>MS</i>

Report to City Council

TO: Mayor and City Council

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: May 22, 2012

TITLE: PUBLIC HEARING REGARDING THE EXPANSION OF THE APPLICATIONS FOR A GENERAL PLAN AMENDMENT (PA12-0010), CHANGE OF ZONE (PA12-0012) AND SPECIFIC PLAN (PA12-013) FOR THE WORLD LOGISTICS CENTER PROJECT AND A RECOMMENDATION FROM THE CITY COUNCIL TO INCLUDE PROPERTIES NOT OWNED BY OR PARTICIPATING WITH THE PROJECT APPLICANT, HIGHLAND FAIRVIEW PROPERTIES.

RECOMMENDED ACTION

Staff recommends that the City Council conduct the Public Hearing and thereafter direct staff to apply one of the alternatives set forth below pertaining to properties not owned by or participating with Highland Fairview Properties in their applications for a general plan amendment, change of zone and specific plan for the World Logistics Center Project.

BACKGROUND

In April 2011, the City Council adopted a comprehensive Economic Development Action Plan (EDAP) that identified the Moreno Highlands area, generally located east of Redlands Boulevard and south of the Moreno Valley Freeway (Highway 60), as an "area of opportunity for logistics development". The Plan also identified logistics as a prime area of focus and opportunity for the City in an effort to increase employment and revenue to benefit residents and local businesses and support the provision of public services.

On March 19, 2012, Highland Fairview Properties (HFP) submitted General Plan Amendment, Change of Zone and Specific Plan applications to the Planning Division for the proposed World Logistics Center (WLC) Project. The WLC Project is the type of

project envisioned by the adopted City Council EDAP and could further the implementation of the EDAP.

The WLC Project applications include land owned or participating with HFP in the WLC Project and a number of properties not owned by or participating with HFP in the WLC Project or the applications. HFP has also submitted Tentative Parcel Map, Annexation and Development Agreement applications for the same project. All land in the last three applications is owned by or participating with HFP. The General Plan Amendment, Change of Zone, Specific Plan and Tentative Parcel Map were deemed to be complete for processing on April 18, 2012.

The proposed World Logistics Center Specific Plan is a master plan for the development of up to 41.6 million square feet of modern high-cube logistics warehouse distribution facilities on approximately 2,665 acres of land located generally east of Redlands Boulevard, south of the Moreno Valley Freeway (Highway 60) and west of Gilman Springs Road. The General Plan Amendment and Change of Zone, which cover approximately 3,820 acres, also include 1,136 acres of open space and 19 acres of existing public utility facilities located south of the Specific Plan area and north of the City limits. The majority of the Project area is currently covered by the Moreno Highlands Specific Plan, a 3,038 acre master plan approved in 1992 with a mixture of residential, commercial, business park and public/recreation uses.

DISCUSSION

The Municipal Code authorizes an amendment to the General Plan to be initiated by any one of three actions: (1) recommendation of the Planning Commission and City Council concurrence; (2) recommendation of the City Council; or (3) a privately filed application for a specific property or properties submitted by the property owner or owner's authorized agent (MC Section 9.02.040). The Municipal Code similarly authorizes an amendment for a change of zone to be initiated by one of three actions: (1) recommendation of staff or the Planning Commission; (2) recommendation of the City Council; or (3) a privately filed application from a property owner or the owner's authorized agent relating to the owner's property (MC Sections 9.02.050). The Municipal Code does not have explicit provisions to include properties not providing authorization for a Specific Plan or similar type of project (MC Section 9.02.190). For such projects, the practice has been to include only properties providing authorization. Therefore, staff is requesting City Council direction as set forth below.

The majority of Specific Plan area is owned by HFP affiliated companies. Authorization has also been provided by the second largest owner in the Specific Plan area, the Henrietta Lee Trust. In addition, a group of owners in the southwest portion of the Specific Plan area and one owner on Theodore Street have provided authorization for the Project.

The approximate 1,155 acres located outside of the Specific Plan area but within the General Plan Amendment and Change of Zone applications are owned by the California

Department of Fish and Game, San Diego Gas & Electric and the Southern California Gas Company. None of these entities have provided authorization for the Project. Attachment 1 provides a map of the ownership and location of the properties identified above in this paragraph.

Approval of the WLC Project would require the elimination of the Moreno Highlands Specific Plan (MoHi) that covers most of the Project area, including all of the area outside of the proposed WLC Specific Plan. The MoHi plan has been covered by a 20-year development agreement negotiated by the original master developer, that until this year precluded action by the City or any single landowner to revise the area's land use or zoning. To eliminate the MoHi plan, the utility and open space outside the proposed WLC Specific Plan need to be included in the General Plan Amendment and Change of Zone applications to provide alternative land use designations compatible with the current use of the property for utility facilities and open space.

Within the Specific Plan area, there are 18 owners (total of 21 parcels) that have not provided authorization for the Project. The largest landowner of these parcels is the Metropolitan Water District of Southern California (MWD) which owns 132 acres, but only uses 18 acres of the property for its Inland Feeder water transmission system. The remaining 114 acres has been determined as surplus by MWD. These parcels total approximately 294 acres or 11% of the Specific Plan area. The majority of the other parcels (13 total parcels) are located northeast of Theodore Street and Dracaea Avenue; three parcels are northeast of Redlands Boulevard and Dracaea Avenue; three parcels are northwest of Theodore Street and Alessandro Boulevard; and two are northeast of Cactus Avenue and Merwin Street. All of these properties are located outside of the MoHi plan area. Some of the parcels are developed with single family homes and accessory structures. Others have agricultural activities or are vacant. Only seven existing residential units are located within the boundaries of the proposed WLC Specific Plan, with four being owner-occupied and three rental properties.

The non-participating parcels identified in the above paragraph are either located adjacent to the primary truck access route for the proposed WLC Specific Plan (Theodore Street) or are surrounded on three or more sides by participating properties. All but three of the properties are currently zoned for residential uses, which would be incompatible in close proximity or surrounded by the proposed development of logistics uses. Therefore, it would further advance a consistent and comprehensive planning strategy to include these parcels in the General Plan Amendment and Change of Zone applications in order to identify new more appropriate land use designations for consideration in conjunction with the overall WLC Project. Inclusion in the Specific Plan application will allow for greater design consistency in property development and simplify the development review process should properties in and out of the Specific Plan be combined. Any existing structures or uses would become non-conforming with approval of any land use changes and would be allowed to remain in place unless abandoned for an extended period of time (currently one year per the City Municipal Code).

The initial draft of the Specific Plan includes two land use categories – Logistics and Light Logistics. The former category is generally limited to large logistics facilities. The latter category is intended to include properties that are too small to accommodate large logistics facilities. Staff has worked with the applicant to expand the list of permitted uses in the Light Logistics category to include thirteen possible uses for warehouse, storage and similar activities (see attached Exhibit 3). Most of these uses are consistent with the permitted uses in the Moreno Valley Industrial Area Specific Plan in the south part of the City.

ALTERNATIVES

Staff is seeking direction from the City Council as to which of the following options should be followed in processing the WLC Project applications:

1. Include all properties not providing authorization in all three applications. This action is a recommendation by the City Council to include all properties not providing authorization to be included in all three applications. This action would provide for the development of consistent land uses and development regulations for the area east of Redlands Boulevard. If adopted, such land uses and regulations would change and make most existing property improvements non-conforming.
2. Include all properties not providing authorization in the General Plan and Change of Zone applications, but not the Specific Plan application. This action would be a recommendation by the City Council to include all properties not providing authorization to be included in the applications for a General Plan Amendment and Change of Zone. This action would provide for the development of consistent land uses for the area east of Redlands Boulevard, but would allow for non-participating parcels to default to existing City zoning classifications that provide a greater variety of uses which may be incompatible with the logistics focus proposed for the area. If adopted, such land uses and regulations would change and make most existing property improvements non-conforming.
3. Include some of the properties in one or more of the applications. This action is a recommendation by the City council to include certain of the properties not providing authorization to be included in one or more of the applications. This action would not provide for the development of consistent land uses for the area east of Redlands Boulevard. If the Specific Plan is adopted, such inconsistent land uses would affect the current property rights and expectations of non-participating property owners by increasing the level of review and regulation to provide consistency, but would not make existing property improvements non-conforming. This action would also increase the level of review and regulation to provide consistency for development within the Specific Plan.

FISCAL IMPACT

All direct costs associated with the processing of the WLC Project applications shall be borne by HFP.

NOTIFICATION

Notice of this Public Hearing was sent to all property owners within the WLC Project area and tracts and properties adjacent to the Project area. Notice of the Hearing was also published in the Press Enterprise on April 27, 2012, and posted in proximity to properties located within the Project area that did not provide authorization for the WLC Project applications.

ATTACHMENTS/EXHIBITS

- 1. Map of Non-Participating Parcels with Owner Names
- 2. Map of Draft Land Use Plan for Proposed Specific Plan
- 3. LL "Light Logistics" Permitted Uses

Prepared By:
John C. Terrell AICP
Planning Official

Department Head Approval:
Barry Foster
Community & Economic Development Director

Council Action	
Approved as requested:	Referred to:
Approved as amended:	For:
Denied:	Continued until:
Other:	Hearing set for:

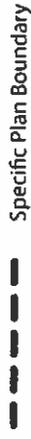
Legend:



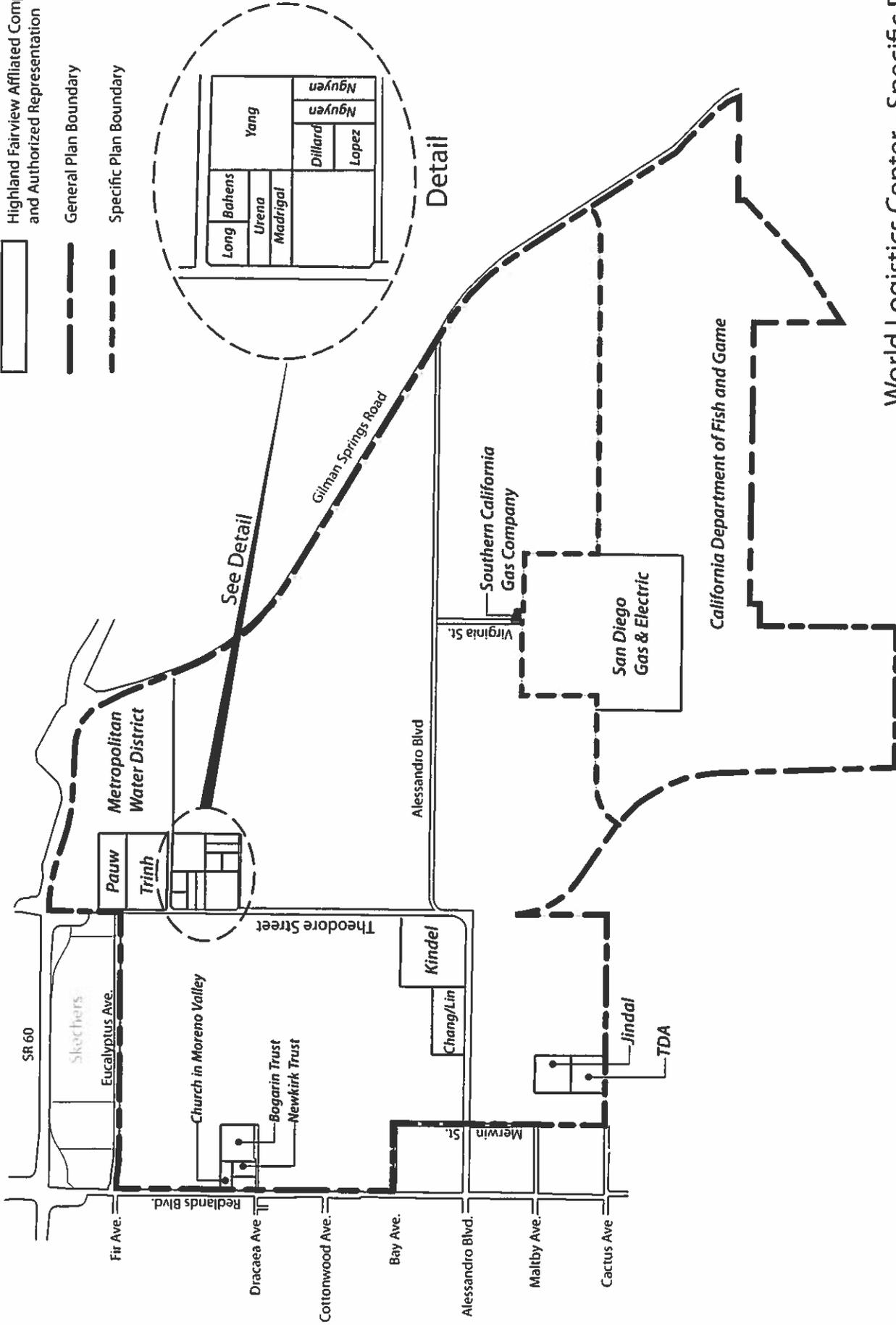
Highland Fairview Affiliated Companies and Authorized Representation



General Plan Boundary



Specific Plan Boundary



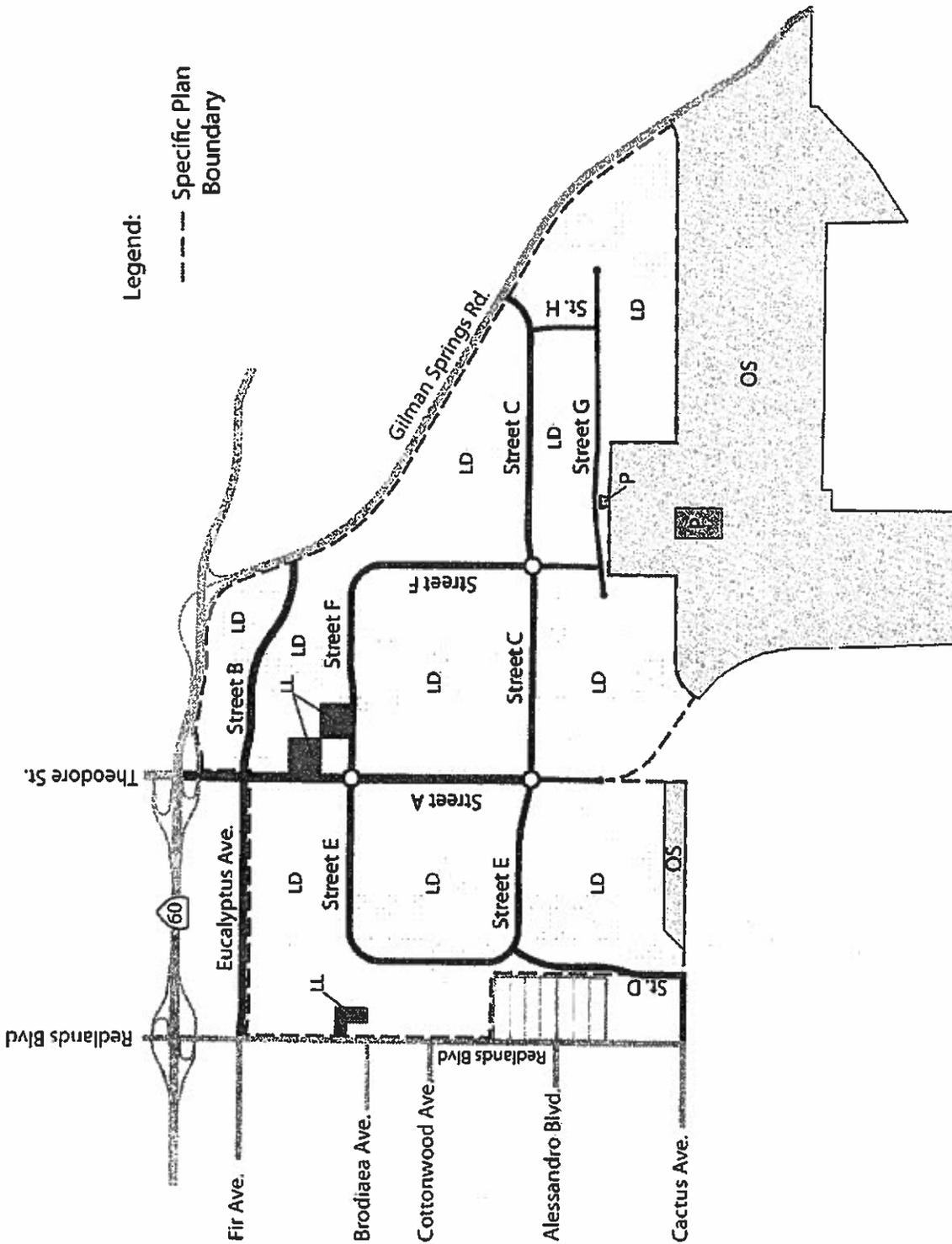
World Logistics Center - Specific Plan

ATTACHMENT 1



Scale: None
April 10, 2012





Legend:
 --- Specific Plan Boundary

Specific Plan Boundary

ATTACHMENT 2



DRAFT

SP|STANDARDS & GUIDELINES

APPENDICES

LL "Light Logistics" Permitted Uses

Currently in LL Category:

1. Agricultural Uses
2. Warehouses
3. Self-storage
4. Vehicle and container storage
5. Construction yards within, or immediately adjacent to approved construction sites
6. Cellular transmission facilities and structures
7. Public facilities

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To be Added:

8. Public Storage/Mini Warehousing w/Outdoor Storage (replace "self-storage")
9. Wholesale/storage/distribution
10. Nursery supplies
11. Building Contractor's Storage
12. Building Material and Equipment Supplies w/Outdoor Storage
13. Caretaker's Residence

Definitions:

Public Storage/Mini-Warehouses: Activities include mini-warehouse or recreational vehicle storage facilities for the rental or lease of small scale enclosed storage units or parking spaces to individuals, firms or organizations.

Light Wholesale, Storage and Distribution: Activities typically include: wholesale, storage, and warehousing services and storage and wholesale to retailers from the premises of finished goods.

Medium Wholesale, Storage and Distribution: Activities typically include: wholesale, storage and warehousing services, moving and storage services, storage and wholesaling to retailers from the premises of finished goods, and distribution facilities.

Heavy Wholesale, Storage and Distribution: Activities typically include: warehousing, storage, freight handling, shipping, trucking services and terminals; storage and wholesaling from the premises of unfinished, raw or semi-refined products. Typically uses include, but are not limited to, trucking firms, automotive storage or impound yards.

Agricultural/Nursery Supplies and Services: Activities typically include: tree services and plant materials and nursery/landscape services.

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Building Contractor's Storage Yards: Activities typically include: offices and storage of equipment materials, and vehicles for contractors who are in trades involving construction activities.

Building & Site Maintenance Services: Activities include maintenance and custodial services, including, but not limited to: window cleaning services, pool and landscape services, etc.

Caretaker's Residence: Where 24-hours on-site surveillance is necessary in conjunction with an industrial use, a caretaker's residence is permitted. A caretaker's residence shall not be used to establish a single-family residence in conjunction with a business.

Vehicle Storage: Includes the storage of vehicles used regularly in business operations and not available for sale on-site including but not limited to: overnight storage of trucks, trailers and containers, service vehicles, catering trucks, etc. inclusive of dispatching services. Uses include the storage of operable and inoperative vehicles, including impound yards.

Outdoor Storage: Any material, equipment or vehicle that is not stored within an enclosed structure. Outdoor storage is permitted, subject to the screening requirements of this Specific Plan.