



AGENDA

**CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**NOTICE OF ADJOURNMENT OF SPECIAL MEETING
&
NOTICE OF CONTINUANCE OF PUBLIC HEARING TO**

**WEDNESDAY
AUGUST 19, 2015
SPECIAL MEETING – 5:00 PM**

City Council Study Sessions

First & Third Tuesdays of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:30 P.M.

Second & Fourth Tuesdays of each month – 6:00 p.m.

City Council Closed Session

Will be scheduled as needed at 4:30 p.m.

Conference & Recreation Center – 14075 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 as soon as possible before the meeting. Such notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Jesse L. Molina, Mayor

Dr. Yxstian A. Gutierrez, Mayor Pro Tem
Jeffrey J. Giba, Council Member

George E. Price, Council Member
D. LaDonna Jempson, Council Member

**AGENDA
ADJOURNED MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**ADJOURNED SPECIAL MEETING – 5:00 PM
AUGUST 19, 2015**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

INVOCATION

Pastor Dr. Dale Lacquement, Faith Baptist Church

ROLL CALL

PUBLIC TESTIMONY PERIOD WAS CLOSED AT 8:33 P.M. ON AUGUST 18, 2015.

PLEASE NOTE: NO ADDITIONAL PUBLIC TESTIMONY SHALL BE ACCEPTED DURING THE AUGUST 19, 2015 CONTINUED PUBLIC HEARING AND NO EVIDENCE SUBMITTED AFTER THE PUBLIC TESTIMONY PERIOD WAS CLOSED SHALL BE DEEMED PART OF THE ADMINISTRATIVE RECORD OF THE SUBJECT MATTER OF THE PUBLIC HEARING.

A. CONTINUED PUBLIC HEARING

- A.1. WORLD LOGISTICS CENTER PROJECT INCLUDES A GENERAL PLAN AMENDMENT, A CHANGE OF ZONE, WORLD LOGISTICS CENTER SPECIFIC PLAN, A PRE-ZONING/ANNEXATION, TENTATIVE PARCEL MAP NO. 36457, AND A DEVELOPMENT AGREEMENT FOR A 3,818 ACRE PROJECT AREA IN THE EASTERN PORTION OF THE CITY (Report of: Community Development)

Planning Commission/Staff Recommendations: That the City Council:

1. **ADOPT** Resolution No. 2015-56. A Resolution of the City Council of the City of Moreno Valley, California, Certifying the Final Environmental Impact Report (P12-016), Adopting the Findings and Statement of Overriding Considerations and Approving the Mitigation

Monitoring Program for the World Logistics Center Project.

2. **ADOPT** Resolution No. 2015-57. A Resolution of the City Council of the City of Moreno Valley, California, Approving PA12-0010 (General Plan Amendments) for the Proposed World Logistics Center Project to include Land Use Changes for Property within the World Logistics Center Specific Plan Area to Business Park/Light Industrial (BP) and Open Space (OS) and Properties outside of the World Logistics Center Specific Plan to Open Space (OS) and Corresponding General Plan Element Goals and Objectives Text and Map Amendments to the Community Development, Circulation, Parks, Recreation and Open Space, Safety and Conservation Elements.
3. **INTRODUCE** Ordinance No. 900. An Ordinance of the City Council of the City of Moreno Valley, California, Approving PA12-0012 (Change of Zone), PA12-0013 (Specific Plan) and PA12-0014 (Pre-Zoning/Annexation), which include the Proposed World Logistics Center (WLC) Specific Plan, Full Repeal of the Moreno Highlands Specific Plan No. 212-1, Pre-Zoning/Annexation for 85 acres at Northwest Corner of Gilman Springs Road and Alessandro Boulevard, Change of Zone to Logistics Development (LD), Light Logistics (LL) and Open Space (OS) for areas within the Proposed World Logistics Center Specific Plan Boundary, and a Change of Zone to Open Space (OS) for those Project Areas Outside and Southerly of the Proposed World Logistics Center Specific Plan Boundary.
4. **ADOPT** Resolution No. 2015-58. A Resolution of the City Council of the City of Moreno Valley, California, Approving PA12-0015 (Tentative Parcel Map No. 36457) for the Purposes of Establishing Twenty-Six (26) Parcels for Financing and Conveyance purposes, including an 85 acre parcel of land currently located in the County of Riverside adjacent to Gilman Springs Road and Alessandro Boulevard and which is included in the World Logistics Center Specific Plan.
5. **INTRODUCE** Ordinance No. 901. An Ordinance of the City Council of the City Of Moreno Valley, California, Approving PA12-0011 (Development Agreement) for the World Logistics Center Project which Real Estate Highland Fairview has Legal or Equitable Interest in, on approximately 2,263 acres, within the World Logistics Center Specific Plan area (2,610 acres), intended to be developed as High Cube Logistics Warehousing and related Ancillary uses generally east of Redlands Boulevard, south of State Route 60, west of Gilman Springs Road and north of the San Jacinto Wildlife Area.
6. **ADOPT** Resolution No. 2015-59. A Resolution of the City Council of the City of Moreno Valley, California, Requesting the Riverside Local Agency Formation Commission to initiate proceedings for the

expansion of the City Boundary for approximately 85 acres of land located along Gilman Springs Road and Alessandro Boulevard (APN Nos. 422-130-002 and 422-130-003).

Recommendations: That the CSD:

1. **ADOPT** Resolution No. CSD 2015-29. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, to Request the Riverside Local Formation Commission to initiate proceedings for the Expansion of the Community Services District Boundary to include approximately 85 acres of land located along Gilman Springs Road and Alessandro Boulevard in conjunction with a related Annexation (APN Nos. 422-130-002 and 422-130-003).

ADJOURNMENT

CERTIFICATION

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, certify that pursuant to California Government Code Section 54955 of the Ralph M. Brown Act, the ***Notice of Adjournment of the August 18, 2015 Special Meeting/Notice of Continuance of the August 18, 2015 Public Hearing*** was conspicuously posted on and near the doors of the place where the August 18 Special Meeting was held within 24 hours after the time of the adjournment. I also certify that said Notice of Adjournment/Notice of Continuance was posted on August 19, 2015, on the City's website and in the following three public places:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Jane Halstead, CMC,
City Clerk

Date Posted: 8/19/20015



Report to City Council

TO: Mayor and City Council
 Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Allen Brock, Community Development Director

AGENDA DATE: August 19, 2015

TITLE: WORLD LOGISTICS CENTER PROJECT INCLUDES A GENERAL PLAN AMENDMENT, A CHANGE OF ZONE, WORLD LOGISTICS CENTER SPECIFIC PLAN, A PRE-ZONING/ANNEXATION, TENTATIVE PARCEL MAP NO. 36457, AND A DEVELOPMENT AGREEMENT FOR A 3,818 ACRE PROJECT AREA IN THE EASTERN PORTION OF THE CITY

RECOMMENDED ACTION

Planning Commission/Staff Recommendations: That the City Council:

1. **ADOPT** Resolution No. 2015-56. A Resolution of the City Council of the City of Moreno Valley, California, Certifying the Final Environmental Impact Report (P12-016), Adopting the Findings and Statement of Overriding Considerations and Approving the Mitigation Monitoring Program for the World Logistics Center Project.
2. **ADOPT** Resolution No. 2015-57. A Resolution of the City Council of the City of Moreno Valley, California, Approving PA12-0010 (General Plan Amendments) for the Proposed World Logistics Center Project to include Land Use Changes for Property within the World Logistics Center Specific Plan Area to Business Park/Light Industrial (BP) and Open Space (OS) and Properties outside of the World Logistics Center Specific Plan to Open Space (OS) and Corresponding General Plan Element Goals and Objectives Text and Map Amendments to the Community Development, Circulation, Parks, Recreation and Open Space, Safety and Conservation Elements.

3. **INTRODUCE** Ordinance No. 900. An Ordinance of the City Council of the City of Moreno Valley, California, Approving PA12-0012 (Change of Zone), PA12-0013 (Specific Plan) and PA12-0014 (Pre-Zoning/Annexation), which include the Proposed World Logistics Center (WLC) Specific Plan, Full Repeal of the Moreno Highlands Specific Plan No. 212-1, Pre-Zoning/Annexation for 85 acres at Northwest Corner of Gilman Springs Road and Alessandro Boulevard, Change of Zone to Logistics Development (LD), Light Logistics (LL) and Open Space (OS) for areas within the Proposed World Logistics Center Specific Plan Boundary, and a Change of Zone to Open Space (OS) for those Project Areas Outside and Southerly of the Proposed World Logistics Center Specific Plan Boundary.
4. **ADOPT** Resolution No. 2015-58. A Resolution of the City Council of the City of Moreno Valley, California, Approving PA12-0015 (Tentative Parcel Map No. 36457) for the Purposes of Establishing Twenty-Six (26) Parcels for Financing and Conveyance purposes, including an 85 acre parcel of land currently located in the County of Riverside adjacent to Gilman Springs Road and Alessandro Boulevard and which is included in the World Logistics Center Specific Plan.
5. **INTRODUCE** Ordinance No. 901. An Ordinance of the City Council of the City Of Moreno Valley, California, Approving PA12-0011 (Development Agreement) for the World Logistics Center Project which Real Estate Highland Fairview has Legal or Equitable Interest in, on approximately 2,263 acres, within the World Logistics Center Specific Plan area (2,610 acres), intended to be developed as High Cube Logistics Warehousing and related Ancillary uses generally east of Redlands Boulevard, south of State Route 60, west of Gilman Springs Road and north of the San Jacinto Wildlife Area.
6. **ADOPT** Resolution No. 2015-59. A Resolution of the City Council of the City of Moreno Valley, California, Requesting the Riverside Local Agency Formation Commission to initiate proceedings for the expansion of the City Boundary for approximately 85 acres of land located along Gilman Springs Road and Alessandro Boulevard (APN Nos. 422-130-002 and 422-130-003).

Recommendations: That the CSD:

1. **ADOPT** Resolution No. CSD 2015-29. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, to Request the Riverside Local Formation Commission to initiate proceedings for the Expansion of the Community Services District Boundary to include approximately 85 acres of land located along Gilman Springs Road and Alessandro Boulevard in conjunction with a related Annexation (APN Nos. 422-130-002 and 422-130-003).

SUMMARY

The World Logistics Center (WLC) encompasses a project area of approximately 3,818 acres in the eastern portion of the City. The project area is generally bound by State

Route 60 on the north, Gilman Springs Road on the east, the San Jacinto Wildlife Area on the south and Redlands Boulevard on the west (Attachments 17 and 18). The project proposes to convert the land use and zoning potential for the area from a variety of residential, commercial, industrial business park, mixed-use and open space land uses to a predominantly industrial and open space based land use mix. Specifically, the industrial-focused Specific Plan would allow for subsequent development of up to 40,600,000 square feet of warehousing and distribution centers to complement anticipated market growth in logistics and goods movement demand. In addition to the proposed industrial land use, the project would result in a significant consolidation of Open Space zoning in the southwestern portion of the Specific Plan area and in the southern portion of the overall project area adjacent to the San Jacinto Wildlife Area. This consolidation would be consistent with the intended land use purpose envisioned in the current General Plan.

The project applications submitted by the project applicant Highland Fairview include: 1) General Plan Amendment, 2) Specific Plan and corresponding zoning atlas changes for approximately 2,610 acres of the total project area, 3) Pre-zoning of an 85-acre parcel within the proposed Specific Plan area that is identified for future annexation to the City of Moreno Valley, 4) A Tentative Parcel Map for financing and conveyance purposes only, 5) A Development Agreement for approximately 2,263 acres of the approximate 2,610 acre proposed Specific Plan, 6) Zoning atlas modifications for approximately 1,104 acres within the overall project area but outside of the proposed Specific Plan area for Open Space, while 104 acres is estimated for off-site improvement areas, and 7) Environmental Impact Report, prepared for the overall project.

The Planning Commission, at their June 30, 2015 meeting, recommended approval of the World Logistics Center Project by the City Council on a 6-1 vote.

DISCUSSION

The proposed World Logistics Center (WLC) project would establish clear City vision and development regulations for a significant portion of the eastern area of the City. The project area is primarily vacant today with seven existing developed rural residential properties. The development regulations currently in place for much of the project area are codified as the Moreno Highlands Specific Plan (MHSP), which was adopted April 17, 1992. Over the past twenty-three years, notwithstanding the MHSP being in place, the area has experienced nearly non-existent growth or development.

The proposed WLC project area encompasses approximately 3,818 acres in the eastern part of the City. The 2,610 acre WLC Specific Plan area is included within the overall project area. The Specific Plan establishes development framework for up to 40,600,000 square feet of industrial, logistics, high cube, warehouse and distribution center land uses and related "logistics support" uses. A 74.3 acre parcel located in the southwest corner of the Specific Plan area is proposed as Open Space. Project areas outside and south of the Specific Plan boundaries make up approximately 1,104 acres and are designated as Open Space zoning. Another 104 acres within the project area will accommodate offsite improvements. The project area is generally bound by State

Route 60 on the north, Gilman Springs Road on the east, the San Jacinto Wildlife Area on the south and Redlands Boulevard on the west.

Exhibit 2-1 of the Specific Plan shows the proposed Land Use Plan. As described on Exhibit 2-1, up to 40,400,000 square feet of high-cube warehouse (i.e. larger than 500,000 square foot buildings) logistics uses and “logistic support” uses (e.g. fueling, convenience retail) are proposed in the planning areas designated for “Logistics Development” (LD) zoning. Up to 200,000 square feet of smaller warehouse (i.e. less than 500,000 square foot buildings) are proposed in areas designated for “Light Logistics” (LL) zoning (Attachment 19). Allowance is provided in the Specific Plan for associated office and accessory uses to be conducted within the warehouse logistics uses. As described in the Specific Plan, logistics uses include facilities intended for storage, assembly and processing of manufactured goods and materials prior to their distribution to other facilities.

The project area and development intensity described in the Draft Environmental Impact Report, which was circulated for public review in early 2013, have since both been reduced. The project area was reduced by approximately 100 acres and the development intensity of the project was reduced by one million square feet.

The applicant has provided documents confirming it holds legal or equitable interest in approximately 2,263 acres within the 2,610 acre Specific Plan area, which was reviewed by special legal counsel. The remainder of the project area is owned by sixteen private entities, the Metropolitan Water District, San Diego Gas & Electric Company, Southern California Gas Company, and California Department of Fish and Game (Attachment 20).

The applicant’s proposal is consistent with the Economic Development Action Plan adopted by the City Council in 2011, and updated in 2013. These Council-approved documents recognize opportunities to support the emerging logistics industry in the eastern portion of the City and the economic development potential of logistics development in the area of the proposed WLC. As cited by Highland Fairview, a February 2012 letter from the City Manager indicates that “the City has developed and is now implementing an aggressive economic development strategy which identified logistics as a prime area of focus and opportunity for development in the eastern portion of the city” and references “the City’s intent to consider comprehensive General Plan and zoning amendments for the Moreno Highlands area to facilitate the development of logistics uses” (Attachment 21). This direction was subsequently supported by City Council action at a public meeting held on May 22, 2012 (Attachment 22).

The following summarizes discretionary entitlement applications requested with the project, including a description, staff analysis and staff and Planning Commission recommendations with each:

General Plan Amendment (PA12-0010)

Description

The applicant is requesting amendments to the Community Development Element, Parks, Recreation and Open Space Element, Conservation Element, Safety Element, and Circulation Element of the City General Plan that collectively set forth policy goals, and exhibits that allow for Open Space (OS) and Business Park/Light Industrial (BP/LI) land uses to occur in the project area, and which can facilitate development of the applicant's desired industrial logistics warehouse and distribution centers (Attachment 4).

Text and map modification to General Plan Elements include amendment of the Community Development Element related to modification of land uses, Parks, Recreation and Open Space Element for modification of existing multi-use trail configurations, open space and future parkland acquisition areas, Conservation Element to modify the Major Scenic Resources Map, Safety Element to modify noise contours and Fire Station Map, Circulation Element to change General Plan Street designations and roadway configurations, and General Plan Goals and Objectives to include a revised Circulation Plan, level of service (LOS) standards and Bikeway Plan Map. With regard to the circulation element one particular modification of note is the extension of Cactus Avenue easterly from its current terminus and realignment to turn north and join Alessandro Boulevard.

Analysis

The proposed General Plan Land Use Amendment would modify land use designations from the current general plan land use designations of business park, single-family residential, multiple family residential, commercial/retail, public facilities, and open space to Business Park/Light Industrial (BP/LI) and Open Space (OS). The proposed General Plan land use amendments would be consistent with the zoning established in the WLC Specific Plan which would allow industrial related land uses and related office, ancillary and logistics support uses. Land use change to Open Space (OS) is proposed for areas outside and to the south of the WLC Specific Plan which include California Department of Fish and Wildlife, San Diego Gas and Electric and the Southern California Gas Company properties.

The General Plan land use amendment to Business Park/Light Industrial would constitute a significant policy change for the eastern portion of Moreno Valley. The variety of land uses currently shown in the General Plan for this area of the city allow for business park/industrial, single and multiple-family residential, commercial/retail, mixed use, public and open space land uses. The land use change to Business Park/Light Industrial coupled with the proposed Specific Plan regulations would result in two principal land uses: industrial warehouse distribution centers and open space. The proposed land use changes that will reduce residential zoning potential are consistent with assumptions in the earlier 2011 Housing Element update, as well as the current Housing Element adopted on February 12, 2014. The reduction in housing units is consistent with a shift toward industrial zoning strategies and goals outlined in the City's 2011 and 2013 Economic Development Action Plans. A significant driver for the proposed land use change is to expand job producing land uses in the eastern portion

of Moreno Valley. The General Plan Amendment is expected to facilitate improvement in the existing low jobs to high housing imbalance. The shift in land use creates opportunity for a better positive ratio in overall future City revenue to cost figures; given residential land uses typically create a higher demand and cost for city services compared with non-residential industrial uses. The project and its potential for job creation, as envisioned, could substantially benefit the established, but currently under performing, commercial/retail developments located west of the project area. The project may provide momentum, need and interest for future office and hospitality land use development in other areas of the City.

The proposed Open Space land use changes would provide consistency and compatibility with the existing Open Space land use and established wildlife habitat areas. The project area proposed as Open Space, south of the southern edge of the proposed new Specific Plan area, is consistent with policy assumptions and text added to the General Plan when it was last updated in 2006. Those assumptions and text changes were provided in recognition of the acquisition of over 1,000 acres in that area by the California Department of Fish & Wildlife and the Sempra energy company with the intended purpose to maintain them as open area.

Recommendation:

The Planning Commission and staff recommend that the City Council approve the proposed modifications to General Plan text and maps.

Change of Zone (PA12-0012)

Description

The proposed Change of Zone application submitted for the WLC Specific Plan (2,610 acres) and areas outside and south of the WLC Specific Plan boundary (1,208 acres) will replace zoning predominantly for land currently within the Moreno Highlands Specific Plan (MHSP), as well as some properties in the project area that are not included in the Moreno Highlands Specific Plan. The proposal will change land use residentially zoned RA2 (96 acres), R3 (133 acres), R5 (60 acres), and R5/R10 (9 acres) and land use established within a Planned Residential Community that included Residential Development (1,359 acres), Golf Course and Open Space (702 acres), Neighborhood Commercial (10 acres), Cemetery (16.5 acres) and Public (348 acres) and a Planned Business Center that included Business Park (361 acres), Mixed Use (80.5 acres), Community Commercial (16 acres), Open Space (78 acres) and Public Facilities (67 acres). The newly proposed zoning within the WLC Specific Plan boundaries, which would allow for primarily industrial warehouse and ancillary uses, would be consistent with proposed land uses established within the proposed WLC Specific Plan. Proposed modifications in land use and zoning are consistent with the proposed General Plan land use amendments and allow for a small variety of industrial related land uses including high cube logistics warehouse uses, ancillary office uses, self-storage and vehicle storage uses. The Open Space (OS) zone, which includes a 74.3 acre area in the southwestern portion of the WLC Specific Plan, would remain as open space.

Analysis

The Change of Zone (PA12-0012) request proposes to establish Logistics Development (LD), Light Logistics (LL), and Open Space (OS) zoning designations for a proposed warehouse/logistics master planned project on an approximately 2,610 acre portion of land within the WLC Specific Plan. Zoning proposed within the Change of Zone application would be consistent with that which is proposed within the Specific Plan for the project. Specific zones would include Logistics Development (LD) proposed for approximately 2,384 acres allowing for high cube warehouse uses to include buildings with a minimum square footage of 500,000 square feet. Ancillary office uses would also be a permitted land use within the category. Logistics support uses to include motor fuel sales and related retail sales when operated in connection with a primary fuel operation use are also permitted within the zone. The Light Logistics (LL) zone, which is included as part of an approximate 37 acres of the Specific Plan, would allow for warehouses buildings and related ancillary uses less than 500,000 square feet with no minimum square footage requirement. A 74.3 acre site in the southwestern portion of the Specific Plan is proposed as Open Space (OS).

The proposal will also include zoning modifications outside the WLC Specific Plan Area that was originally included within the Moreno Highlands Specific Plan (MHSP). This will include a zone change to Open Space (OS) for areas to the south of the WLC Specific Plan which includes primarily the 910 acre California Department of Fish and Wildlife (CDFG) land that is provided for habitat use and the 174 acre San Diego Gas and Electric properties which are primarily used as an open space noise attenuation buffer area around their property. The 20 acres of land owned by SDG&E and the Southern California Gas Company currently used for natural gas facilities is zoned for Public Utility use and is not a part of the WLC Specific Plan or a component of the request to modify zoning outside of the WLC Specific Plan boundary. Permitted uses under the OS zone would include agricultural uses, animal raising, police stations, museums, wholesale and distribution plant nurseries, and parks, while conditionally permitted uses would include equestrian centers, day care centers, golf courses, open air theaters, and public utility stations/yards.

As a result of the proposed project, the 3,038 acre MHSP will be repealed and replaced with the WLC Specific Plan and proposed Open Space (OS) land use and zoning designations south of the WLC Specific Plan boundary. A remnant 16.5 acre parcel included in the MHSP located north and east of Gilman Springs Road is not included in the WLC Specific Plan or in an area included within the overall project area. Land use designation of Open Space (OS) would remain if the WLC project is approved. The remnant 16.5 acre parcel of land leftover from the proposed repeal of the MHSP will establish consistent zoning with the General Plan Open Space designation, and staff will present this consistency modification at a later date. Pursuant to Government Code Section, 65860c, "in the event that a zoning ordinance becomes inconsistent with a general plan by reason of amendment to the plan, or to any element of the plan, the zoning ordinance shall be amended within a reasonable time so that it is consistent with the General Plan as amended."

Recommendation:

The Planning Commission and staff recommend that the City Council approve the proposed Change of Zone.

Specific Plan (PA12-0013)

Description

The proposed WLC Specific Plan will serve as the regulatory framework and implementation tool for future development within the WLC Specific Plan area. The WLC Specific Plan document includes development standards, list of allowable land uses, building and landscape guidelines; on and off-site design standards, infrastructure requirements, maintenance regulations, and other pertinent regulations to ensure a sustainable high quality enclave of the City. Government Code Section 65450 establishes that a Planning Agency may prepare a specific plan for the systematic implementation of the General Plan for all or a part of the area in the City covered by the General Plan. The Municipal Code, Title 9, will serve as the regulatory framework for the portions of the overall project area not included in the WLC Specific Plan boundary.

Specifically, the proposed WLC Specific Plan is a master plan for the development of up to 40.6 million square feet of high-cube logistics warehouse distribution facilities and related ancillary uses. The proposed project includes a 2,610 acre Specific Plan to implement future development and establish comprehensive land use regulations governing the proposed project, including zoning, project infrastructure, location of public improvements such as a required fire station, permitted uses and development standards in each of the zones (primarily industrial warehouse uses), building architecture (including building form/massing and façade treatments), street configurations (including roundabout locations), landscape guidelines, multi-use trail configurations and project phasing.

Analysis

The WLC Specific Plan establishes sixteen (16) separate planning areas for future development. Exhibit 2-1 in the WLC Specific Plan document serves as the land use plan (Attachment 19). The Exhibit shows the sixteen planning areas numbered as 1-12, 20-22, and 30. The Exhibit contains further details with regard to size of each planning area, land use category for each planning area, and anticipated square foot of building development for each planning area. As plot plans for industrial development have not been submitted at this time, the Plan will act as an implementation tool that will provide development standards and allow for future build out of fifteen (15) of the planning areas within the WLC Specific Plan boundary area. The sixteenth planning area is designated for Open Space purposes. It is anticipated that development of the project would occur over time in the form of multiple separate independent projects of varying sizes and configurations. Each of these future projects would be required to be

consistent with the General Plan and zoning and would comply with all applicable regulations of the WLC Specific Plan.

The WLC Specific Plan identifies the type and intensity of land uses permitted within the project. For example, LD land use district will allow for larger high cube logistics warehouse buildings (500,000 square feet or greater) with ancillary office uses as well as facilities for vehicle and container storage, cellular transmission facilities, construction yards, a motor fuel facility and public utility uses. The LL category allows for such uses as smaller high cube logistics warehouse buildings (500,000 square feet or less), self-storage uses, vehicle and container storage, construction yards within or immediately adjacent to construction sites, cellular transmission facilities and public utility uses. Proposed OS zoned areas will be designated for the 74.3 acre parcel located in the southern area of the WLC Specific Plan site as well as parcels outside and south of the WLC Specific Plan boundary down and adjacent to the San Jacinto Wildlife area. All uses and development within the OS designation areas shall comply with the standards, guidelines, and procedures set forth Section 9.06.030 of the Municipal Code.

In order to provide greater compatibility between current residential land uses that are included west of the project site and proposed industrial land uses, the applicant has proposed a buffer area considered as a 250 foot edge treatment area that will be established to create buffers between the project site and adjacent existing land uses. Two distinct buffer or edge treatment areas occurring within the project site, include the Redlands/Bay/Merwin/Street D edge located on the north portion of the project site adjacent to existing residential properties located west of the WLC Specific Plan boundary near Redlands Boulevard, and the San Jacinto Wildlife area edge located outside and south of the WLC Specific Plan boundary area. The San Jacinto Wildlife area edge is located on the southern portion of the project site currently adjacent to designated wildlife areas. This area will include a restricted use area of at least 250 feet from state owned property. In addition to the 250 foot restricted area, additional setback will be provided such that all buildings are a minimum of 400 feet from the San Jacinto Wildlife Area.

A phasing plan is included within the WLC Specific Plan. Project phasing and development within the WLC Specific Plan is expected to occur in two large phases, starting in the western portion of the site south of Eucalyptus Avenue and progress easterly and southerly. The phasing concept is based on beginning construction where infrastructure presently exists and expanding to the south and east. The first phase will include development primarily in the western portion of the WLC Specific Plan, with final phases of development on the eastern portion of the project. As analyzed in the EIR, it is anticipated that the first phase of development will be completed by the year 2022, and could achieve 50% of the entire project or approximately 20,300,000 square feet of logistics warehouse development. The second phase is anticipated to be completed by 2030 and include the remaining 50% of the project or 20,300,000 square feet of warehouse development. The projected time lines are based on the project starting development in 2015, with the actual build out years subject to fluctuations depending upon various conditions. The actual timing of development will be dependent upon numerous factors, including interest by building users, private developers and local,

regional, and economic conditions. A Development Agreement, which is discussed in more detail later in this staff report, has also been requested by the applicant as a means to secure long term vesting of the approvals. The Development Agreement contains provisions that are intended to motivate timely development of the project, along with negotiated public benefits that would apply with, and some without, progress in physical development.

In securing a new specific plan for the WLC project, the existing MHSP would be repealed. The MHSP includes 3,038 acres and was approved for approximately 7,763 residential dwelling units and approximately 603 acres of Business Park, Retail, Residential, Open Space, and Public/ Institutional land uses. A Development agreement for the MHSP expired on September 12, 2012.

Recommendation:

The Planning Commission and staff recommend that the City Council approve the proposed WLC Specific Plan and repeal of the existing MHSP.

Pre Zoning/Annexation (PA12-0014)

Description

The WLC Specific Plan Area includes a triangular shaped 85 acre area of land (made up of two separate parcels) west of Gilman Springs and north of Alessandro Boulevard that is currently within the jurisdiction of Riverside County. The area is within the City's Sphere of Influence, and the applicant has demonstrated that they hold a legal or equitable interest in the property. A pre-zoning/annexation application has been submitted by the applicant to incorporate the two parcels of land into the City of Moreno Valley. This project proposes to pre-zone the property as Logistics Development (LD) within the proposed Specific Plan, and it is anticipated that the zoning would carry forward with the intended subsequent annexation.

Analysis

The project includes completion of the annexation process for an approximate 85-acre area located on the north side of Alessandro Boulevard at Gilman Springs Road within the County of Riverside. The first step has already been provided to make this parcel part of the City, as the parcel has been included in the City's Sphere of Influence since 1985. The proposed WLC project furthers the annexation with General Plan land use designations and pre-zoning for this parcel, with the intent to incorporate the property into the WLC Specific Plan.

The annexation of additional land in the City's Sphere of Influence will require review and approval by the Riverside County's Local Agency Formation Commission (LAFCO). The current review of the area to be annexed and approval of the tentative map would establish "pre-zoning" of the area in advance of the final annexation action by LAFCO. The proposed annexation is reviewed by the agency once the environmental analysis

has been certified and the project is approved by the City and an application is submitted.

Recommendation:

The Planning Commission and staff recommend that the City Council approve the proposed Pre-zoning of the identified 85 acres, consistent with zoning described in the WLC Specific Plan, for future annexation of the property into the City of Moreno Valley.

Tentative Parcel Map (PA12-0015)

Description

Tentative Parcel Map No. 36457 proposes the subdivision of a portion of the project site into separate large parcels for financing and conveyance purposes. The tentative parcel map identifies twenty-six (26) parcels within the World Logistics Specific Plan area. This map does not create any development rights for the subdivided properties. Subsequent subdivision applications will be required to be processed, approved and recorded prior to the development of any future buildings on the properties within the WLC Specific Plan area. The tentative map along with the pre-zoning/annexation application will also serve as the mechanism for including the resulting 85 acre parcel, within the proposed map, which is currently within the County of Riverside jurisdiction, to be subsequently annexed into the project site and the City of Moreno Valley.

Analysis

The proposed map is for financing and conveyance purposes only and does not create any development rights for the subdivided properties. Upon consideration of the map by the Planning Commission, it was noted that the numbering of the General Notes needed some minor correction and the Commission requested that Condition P8 in the corresponding Resolution for the map be clarified to ensure that only Parcel 26 and not all of the WLC Specific Plan project area was subject to future annexation. These corrections have been made in the materials presented with this staff report.

Recommendation:

The Planning Commission and staff recommend that the City Council approve the proposed Tentative Parcel Map No. 36457.

Development Agreement (PA12-0011)

Description

The applicant has requested a Development Agreement (DA) as part of the WLC Specific Plan. The following are general considerations noted with regard to a DA:

- A DA is a negotiation entitlement tool used to lock in (“vest”), for an extended/specified period of time, the underlying approved land use entitlements along with parameters for certain development regulations, fees, processing procedures, and policies, etc. that would be applied to subsequent development approvals in implementing the project and improvements which, in the absence of the DA, would be subject to periodic changes outside of the control of the parties.
- Authority/Approval – Per Municipal Code Section 9.02.110(D)(2) a DA requires review through the Planning Commission with final action by the City Council. The DA is not a "required" approval for the World Logistics Center project. The General Plan Amendments, Zone Change, Specific Plan, Parcel Map, and pre-zoning for the 85 acre future annexation parcel can all be approved without an accompanying or subsequent DA. Approval of the DA is simply contingent upon mutual agreement of the parties entering into the agreement.
- In exchange for longer vested rights to the developer, through a DA the City seeks public benefits above and beyond any required developer obligations. The public benefits are not subject to a nexus finding and do not have to be directly associated with the development project.

The proposed DA has been vetted through multiple negotiation sessions between the applicant’s team and City negotiation team. Both teams included legal representatives and used appropriate technical and fiscal expertise as warranted to perform a thoughtful, comprehensive assessment of the elements structured in the DA. The recommended DA represents the collective interests of both parties to provide for the future timely and efficient development of the project. As the applicant does not own all parcels within the proposed 2,610 acre WLC Specific Plan project area, only those properties that the applicant has demonstrated a legal or equitable interest in (2,263 acres) within the boundaries of the WLC Specific Plan area are subject to the DA.

For a DA the City Council has the approval authority to evaluate and determine whether or not the anticipated public benefits of the project coupled with the additional public benefits established in the DA are a fair exchange in allowing for the longer term vested development rights for the applicant. In negotiating the DA, it was noted that the WLC project presents a unique opportunity to expand the City’s property and sales tax, generate construction employment and new permanent employment opportunities for Moreno Valley residents, and thereby improve the present jobs and housing imbalance that exists in the City.

Analysis

The following are key provisions in the DA:

Term: The DA contains up to a 25-year term. The initial Term would be for fifteen (15) years, and provisions are included for a ten (10) year extension. Specifically, Section

3.5 of the DA states that the Term will not be extended for the additional 10 years unless within the first 15 years at least 8,000,000 square feet of occupied development is achieved and a payment of \$1,000,000 is made to the City, or 12,000,000 square feet of occupied development is achieved, in which case no additional payment would be due to the City. If less than 8 million square feet is achieved, the DA would terminate at the end of the 15th year.

Development Impact Fees ("DIF"): The developer will be obligated to participate in the City DIF programs included in Section 1.5 of the DA. The definition includes the current DIF categories in the City's current Municipal Code; traffic and fire DIF are excluded in lieu of other DA provisions that ensure developer commitments to traffic and fire station infrastructure. Section 4.7.1 of the DA includes language to ensure any future increases to DIF will be applied at the time of development.

Payments and Reimbursements: Payments and reimbursements for infrastructure, including any oversized and/or accelerated infrastructure put in place by the developer, will be processed in accordance with the current provisions of Section 9.14 of the Municipal Code. This is addressed in Section 4.8 of the DA. No unique or specialized provisions for reimbursement are included within the DA that is not typically available to other development projects.

Fire Station and Equipment: The developer shall, at its own cost, provide a fully constructed, fully equipped "turnkey" fire station and fire station site, including fire equipment, as specified by the City's Fire Chief. The fire station's furniture and fixtures shall be reasonably comparable to those of the most recently completed fire station within the City. The fire station, equipment and trucks shall be provided as and when directed by the Fire Chief. This is included in Section 4.9 of the DA.

SR-60 Enhancements: The developer will contribute up to \$500,000 to be used to develop landscape, signage, and bridge architectural guidelines for SR-60 between Redlands Parkway and Gilman Springs Road, based on a 10:1 match of City funds budgeted for the same. This is included in Section 4.13 of the DA. It is noted that this provision will require allocation up to \$50,000 of City funds in order to gain the full developer contribution.

Force Majeure: Force majeure provisions in the DA were expanded to cover economic or environmental/physical conditions (such as lack of utilities) that could arise and be beyond the developer's control which would make development uneconomic or infeasible. If any such events occur, the Term of the DA shall be extended for the duration of each such event, provided that the Term shall not be extended under any circumstances for more than three (3) years regardless of the number or length of individual extensions. This is included in Section 11.9 of the DA.

Local Hiring and Education, Library, Training and Workforce Development Funding: The developer will participate in the new City Council approved Hire MoVal Incentive Program. In addition, to ensure residents of Moreno Valley are provided

education resources and obtain every opportunity to secure the jobs which will be created by the operation of the WLC, the developer will contribute up to \$6,993,000 towards education and training programs tied to the logistics industry. The funds related to these provisions will begin to flow in to the City immediately with an initial \$100,000 payment, and subsequent \$100,000 annual payments for the next six (6) years. At year seven the annual payments increase to \$125,000 through build out. One million dollars (\$1,000,000) is to be contributed by the developer at the issuance of the first building permit for a logistics building on the Subject Property and \$0.11/square foot to be paid at the time of the issuance of the building permit for each succeeding building, excluding the fire station. The provisions are included in Sections 4.11 and 4.12 of the DA.

Air Filtration:

In the version of the DA presented to the Planning Commission, the developer and city staff agreed that the developer provide air filtration improvement at three (3) of the existing residences in the project area. Upon discussion of this provision in the DA the Planning Commission requested a modification to increase this commitment to include all seven (7) existing homes. During the course of the discussion with the Planning Commission, Highland Fairview agreed to the requested change. Therefore, Article 4, Section 4.14, of the DA presented for City Council consideration includes the provision for air filtration systems for all seven (7) rural residential homes within the boundaries of the WLC Specific Plan. The revised DA is included as an attachment to this report (Attachment 11).

Public Benefits: Exhibit No. A-3 was included in the DA to clearly identify the full list of Public Benefits that will result with approval of the DA.

Recommendation:

The Planning Commission and staff recommend that the City Council approve the proposed Development Agreement.

Environmental Impact Report (P12-016)

Description

Based on scope of the project, a Program Environmental Impact Report (EIR) was prepared. Due to the large project size and expansive land area, proposed phasing of the future development of industrial buildings has been considered, in which subsequent individual project applications for development will occur. Therefore a programmatic EIR rather than a project EIR has been prepared. Allowances within the California Environmental Quality Act (CEQA) Guidelines will allow the subsequent development project level environmental review to tier off of this program level document when those subsequent development proposals are submitted.

Analysis

The City has adhered to the CEQA Guidelines in the environmental review of this project. Notice of completion and availability for public review of the draft environmental

impact report (DEIR) document was circulated on February 5, 2013, with the comment period ending on April 8, 2013. This offered more than a 60-day review period, which exceeded the 45 day review period required by CEQA for a DEIR. In fact, the City accepted comments well past the 60-day review period for the project and those comments have been considered and included with the Final EIR (FEIR).

The DEIR document was sent to numerous state and local agencies, adjacent property owners and other interested parties. Staff received approximately 144 comment letters and over 1,000 individual comments in relation to the public review period of the DEIR. Subsequent to DEIR process and public comments, the project area was reduced by approximately 100 acres and 1 million square feet of development intensity.

All interested parties and responsible agencies were provided the opportunity to review responses to comments in the FEIR which was publically available May 1, 2015, to all parties providing comment letters and other interested parties. This was 41 days in advance of the first public hearing session by the Planning Commission, and was more than 100 days in advance of the City Council public hearing. This period far exceeds the 10 day review period required by CEQA Guidelines. As was the case with the DEIR, the FEIR in its final form was provided for the public's review at City Hall, the public library and electronically on the City's website.

In briefly summarizing the key points of the document, analysis presented in the DEIR indicates that the proposed project will have certain significant environmental impacts to, Aesthetics, Air Quality, Land Use, Noise, and Traffic/Circulation as described in detail in both the DEIR and FEIR that cannot be reduced to less than significant levels even with proposed mitigation in place. As identified in the document, cumulative impacts for the noted items above are considered to be significant and unavoidable for these five items. The EIR presented mitigation measures, which, to the extent feasible, will reduce project-specific and cumulative impacts for each of these items; however in some instances this did not reduce impacts below significant thresholds. All other environmental effects evaluated in the DEIR have been determined to be less-than-significant, or can be successfully mitigated below significant thresholds. All mitigation measures are included in the Mitigation Monitoring and Reporting Program established by the FEIR (Attachment 3).

As presented, the five (5) environmental impacts of aesthetics, air quality, land use, noise and traffic/circulation evaluated in the DEIR and FEIR remain significant and unavoidable and a cumulative impact even with mitigation measures provided. For aesthetics, Mitigation Measures (MM) 4.1.6.1 A through D have been included that provide plans prior to project development for maintaining a 250 foot setback area measured from the city zoning boundary line to any building or truck parking area, the inclusion of visual plans demonstrating screening of the project from existing residents and MM 4.1.6.2, 4.1.6.3 and 4.1.6.4 which include view protection of Mount Russell and light and glare restrictions/analysis of proposed solar panels for any future development. Mitigation measures for air quality include MM 4.3.6.2A through 4.3.6.2D, 4.3.6.3A, through 4.3.6.3E, and 4.3.6.4A which include measures such as the required inclusion of Tier 4 construction equipment, restriction of trucks that fall below 2010 engine emissions standards from entering project areas and limitation of truck idling to three (3)

minutes all in an effort to reduce air pollutant emissions. For Noise, mitigation measures have been added for short-term construction noise levels as provided in MM 4.12.6.1 A through J to include the requirement of a Noise Reduction Compliance Plan, restrictions on grading during nighttime hours, potential sound barriers, as well as measures for long term traffic and operation noise to include MM 4.12.6.2A through 4.12.6.4A for the requirement of building specific noise studies, the potential for sound walls and maintenance of buffer areas. The WLC Specific Plan also has been designed to direct truck traffic away from residential areas. Traffic/circulation measures include MM 4.15.7.4A through 4.15.7.4G which includes a traffic impact analysis, dedication of right of way consistent with the Subdivision Map Act for frontage street improvements and payment of Transportation Uniform Mitigation (TUMF) fees. Land use/Planning remains a significant and unavoidable project impact with no feasible mitigation measures available in regards to future development affecting seven single-family residential homes and the fact that the WLC Specific Plan cannot accommodate these residences within logistics warehousing areas.

Alternatives to the proposed project were analyzed in the FEIR include:

- **No Project/No Development** – Site would be void from development and remain in dry farming with some rural residential uses
- **No Project/Existing General Plan Alternative** - Includes land uses currently included on the City's General Plan (i.e. MHSP land uses).
- **Alternative 1: Reduced Density** – Site would include development of approximately 29 million square feet of logistics warehousing uses on the 2,610 acre WLC Specific Plan site.
- **Alternative 2 Mixed Use A Alternative** - Would result in 1,410 acres or 22 million square feet designated for logistics warehousing, 1,000 acres or 20 million square feet of light manufacturing, assembly or business park, 50 acres or 500,000 square feet of retail commercial, 100 acres or 1 million square feet of professional/medical offices and 150 acres of open space.
- **Alternative 3 Mixed Use B alternative** - Would be similar to the no project/existing General Plan Alternative, but with 10 million square feet of logistics warehousing on the 603 acres proposed for business, retail, institutional and other uses under the MHSP.

Alternative sites for the project are also evaluated in the FEIR. Due to the size and nature of the project, no feasible alternative sites were found in any of the eleven (11) jurisdictions evaluated. From the analysis of the five project alternatives, the environmentally superior alternative was Alternative 1 (Reduced Density), which is the only alternative that reduces traffic, air quality and related impacts by reducing the total square footage of warehousing by 30 percent. As stated in the FEIR, it was determined that Alternative 1 does not achieve the objectives to the degree of the proposed project and particularly does not meet most of the major project goals primarily because the project's industrial square footage is reduced by 30 percent.

Although impacts to aesthetics, air quality, land use, noise, and traffic/circulation cannot be reduced to less than significant levels, CEQA allows for a Statement of Overriding

Considerations and findings to be prepared and considered. CEQA requires the decision making agency to balance the economic, legal, social, technological or other benefits of a proposed project against its unavoidable environmental risks when determining whether to approve the proposed project. This would include project benefits such as the potential creation of jobs, reduction of the jobs housing imbalance, increase in City revenue or other project benefiting aspects including the furthering of General Plan goals and objectives that can be weighed against project environmental impacts that cannot be mitigated to less than significant levels. If the benefits of a proposed project outweigh the unavoidable adverse environmental effects, the adverse environmental effects may be considered “acceptable” as allowed for under CEQA. The Statement of Overriding Consideration and corresponding findings are attached to the report as Attachment 3 for review and consideration.

Recommendation

With all required mitigation measures included in the Mitigation Monitoring and Reporting Program, and with inclusion of the Statement of Overriding Considerations which weighs benefits of the project against the potential project environmental impacts, certification of the FEIR by the City Council is recommended by staff and the Planning Commission.

KEY PROJECT CONSIDERATIONS

The following is a discussion of the project area and how the proposed Specific Plan has been developed in a considerate fashion in light of the opportunities and constraints presented by the project environs, with both local and regional focus.

Site

The project area is predominately vacant, undeveloped, and marginal agricultural land. There are seven occupied residential single-family homes with associated ranch/farm buildings in various locations in the project area, but are not all contiguous properties. Established single-family development and subdivisions are located west of the project area just west of Merwin Street and south of Bay, and along the west side of Redlands Boulevard between Bay Street and Dracaea. The Skechers high-cube warehouse facility is located west of Theodore and north of Eucalyptus immediately outside of the project area.

The 3,038-acre Moreno Highlands Specific Pan (MHSP) is currently in place and constitutes the land use and development regulations for the majority of the project area. Land use and development regulations for those properties within the project area but outside of the MHSP are established in Title 9 of the City Municipal Code. The MHSP is a master planned, mixed-use community concept consisting of up to 7,763 residential dwelling units on approximately 2,435 acres and approximately 603 acres of business, retail/commercial, institutional, and other uses. Development within the MHSP area has been essentially non-existent since the MHSP was approved in 1992. The development agreement approved with the MHSP expired in 2012.

Surrounding Area

Surrounding developed industrial properties in the vicinity of the proposed project include the 1.8 million square foot Skechers and 800,430 square foot Aldi warehousing logistics and distribution centers located south of State Route 60, west of Theodore Street and west of Redlands Boulevard respectively. Several residential neighborhoods have developed along Redlands Boulevard to the west and south of the western boundary of the proposed WLC Specific Plan. An area of the City known as “Old Moreno” is situated near the southwest portion of the project site, around the intersection of Redlands and Alessandro Boulevards. The major roadways that provide access to the project area are SR-60 to the north, Redlands Boulevard to the west, Alessandro Boulevard which traverses the site east-west, Gilman Springs Road to the east, and Theodore Street which traverses the site north-south. Redlands Boulevard and Theodore Street are north-south arterial roadways that intersect with SR-60. The Moreno Valley Ranch residential community and Golf Club is located approximately one mile southwest of the project area.

Limited development has occurred adjacent to the eastern and southern boundaries of the project, which include the “Badlands” to the east and the San Jacinto Wildlife Area to the south. Gilman Springs Road serves as the eastern City boundary and areas on the east side of the road are within the City’s sphere of influence. There are approximately ten (10) large custom single-family homes in the area east of Gilman Springs Road near the project site. The Badlands Sanitary Landfill, operated by the County of Riverside Waste Management Department, is located approximately 1.5 miles northeast of the project area.

Immediately south of the proposed project is the San Jacinto Wildlife Area (SJWA), Mystic Lake, and the Lake Perris State Recreation Area. These lands are state-owned and access is restricted. The SJWA is owned and operated by the California Department of Fish and Wildlife (CDFW) and contains approximately 20,000 acres of restored wetland and ponds. The Lake Perris State Recreation Area is owned and operated by the California State Parks Department and contains approximately 6,000 acres of open space land, which is used both for recreation and preservation.

The closest large-scale commercial/retail developments are located south of State Route 60 at Moreno Beach Drive, approximately 1.25 miles to the west of the proposed project, and south of State Route 60 at Nason, approximately 1.5 miles to the west of the proposed project area. These shopping complexes include the Moreno Valley Auto Center, Walmart, Target and the Stonegate Center along with a variety of restaurants and ancillary commercial and service uses.

Access/Parking

The revised General Plan Circulation Element and the Specific Plan’s Circulation Plan provide a framework for the movement of vehicles in and around the World Logistics Center project area. The Specific Plan document provides details on the road/street designations, right-of-way design, and road improvement thresholds. Access and

parking for future developments on the individual parcels would be reviewed and approved against these regulations under their respective separate plot plan reviews.

Access to the WLC Specific Plan area is expected to be through the Theodore Street/SR-60 interchange, Eucalyptus Avenue (between Redlands Boulevard and Theodore Street), Gilman Springs Road at Alessandro Boulevard, and through the proposed extension of Cactus Avenue to Alessandro. It is noted that truck access would be restricted on Cactus Avenue so ONLY passenger vehicles would use Cactus Avenue. Within the WLC Specific Plan area the circulation system is essentially a loop system off of the Theodore Street backbone. The interior arterials will connect through three roundabouts to control traffic flow. The circulation system is intended to direct truck traffic access to Theodore Street from Highway 60 and to a lesser degree Alessandro from Gilman Springs Road. Again truck access via Cactus Avenue would not be allowed. The interior street network is also expected to accommodate bus access, pedestrian infrastructure and bicycle infrastructure.

Due to the anticipated truck traffic within the proposed WLC Specific Plan, the Master Plan multi-use trails have been laid out to avoid the interior loop roads by routing from Redlands Boulevard around Eucalyptus, Street B, Street F, Alessandro Boulevard, to Cactus and back to Redlands Boulevard. The WLC Specific Plan proposes a trail connection around the Old Moreno neighborhood along Bay Avenue and Merwin Street. The proposed Cactus Avenue trail would continue east at the base of the hills to connect to Davis Street and the San Jacinto Wildlife Area.

As included in the WLC Specific Plan, all future truck loading and parking areas for individual buildings and uses will be screened from public view and buffered by walls and dense landscape areas. In addition, vines shall be placed near walls along all designated truck loading/parking areas.

Design/Landscaping

Site design and architecture guidelines are included within the WLC Specific Plan and would be applicable to individual projects and plot plans submitted for subsequent development review and permitting. The design standards provide for compatible contemporary and sustainable designs that minimize resource and energy consumption. The WLC Specific Plan establishes building height limitations throughout the project as described on Exhibit 5-3 Building Height Plan of the WLC Specific Plan, with limits of 60 feet in areas designated as Area A and limits of 80 feet in Area B.

All buildings in the WLC that are 500,000 square feet or greater shall be designed to meet or exceed LEED Certified Building Standards. Building design under LEED would assist in reducing energy consumption by incorporating sustainable design features to further reduce the project's environmental footprint such as the inclusion of recycled building materials and the use of roof-mounted solar systems.

The WLC Specific Plan includes landscape design standards for the project site that will ensure reduced consumption of water compared to conventional landscaping concepts. These regulations will meet goals of the Moreno Valley drought tolerant landscape

ordinance. The WLC Specific Plan contains an extensive palette of drought tolerant plants and requires individual development projects to install this drought tolerant landscaping and to utilize onsite runoff to irrigate landscaped areas. The WLC Specific Plan calls for a substantial landscape treatment along the project area western boundary to provide an aesthetic buffer between the existing and future residential development and the planned warehouse buildings and truck activity areas. For areas not located along the western boundary, landscaped areas would be grouped by water needs and only utilize drip irrigation systems along Theodore and the perimeter of the project. The future design of the project will direct runoff to landscaped areas and employ techniques to promote percolation and water capture.

As part of the master plan design Section 4.2.4 of the WLC Specific Plan identifies Special Edge Treatment Areas and Design Criteria. A 250 foot landscape edge treatment area will be established along the west and southwest portions of the project adjacent to existing and planned residential land uses. An additional setback is included in the southwestern portion of the area and along Gilman Springs Road. Land use restrictions within these areas would exclude items such as buildings, truck loading areas, truck circulation areas or truck/trailer storage uses. Items such as employee/visitor parking, emergency access and property maintenance for hardscape and landscape areas would be allowed in the buffer area. The San Jacinto Wildlife area edge is located on the southern portion of the project site currently adjacent to wildlife uses and will include an additional setback in addition to the 250 foot buffer area between the conservation area and buildings so that the minimum distance will be 400 feet.

Infrastructure Improvements

Development within the WLC Specific Plan will require various infrastructure improvements. Local roadways and intersections necessitate by and/or impacted by project traffic will be constructed and/or improved. Mitigation measures are included in the mitigation monitoring program, consistent with the findings of the traffic study, to address the project responsibilities towards both local and regional transportation infrastructure. Electrical service would need to be extended from the Moreno Beach substation to the project area. Electric power lines along Gilman Springs Road would be relocated when that road is widened. Providing potable water to the site will require the construction of three new reservoirs, one north of SR-60 off of Theodore Street, one east of Gilman Springs Road near the northeast corner of the site, and one west of the project site off of Cottonwood Avenue. Gas and sewer lines will also be extended to the project site. The existing County drainage channel near the southwest corner of the site will be improved to handle increased flows from project runoff.

Public Comments since May 1st

In addition to public comments generated on the DEIR in early 2013 and through other prior public outreach, the City received approximately 700 letters and/or e-mails from various agencies, environmental groups and the general public since the release of the FEIR on May 1, 2015. All correspondence received through June was provided to the

Planning Commission, on a rolling basis, at their meetings of June 11th, 25th or 30th. These comments, and all additional comments that have been received after the June 30th Planning Commission hearing are included with this report for City Council consideration. The written correspondences submitted are included in Attachments 26 and 27 to this staff report.

All comment letters were reviewed by City staff and LSA Associates Inc., the consultant who prepared the DEIR and FEIR. It is staff's understanding that most, if not all, of the correspondence received has also been reviewed by the project applicant's team. LSA prepared individual memorandums to city staff for consideration that reflect the consideration and input of technical experts and environmental professionals who considered the various comments received. LSA, where appropriate grouped together a consensus response to similar topics, comments and content reflected in the comment letters and e-mail correspondence.

The key topics noted were particularly related to:

- Air Quality and Greenhouse Gas analysis;
- Health Risk Assessment analysis, particularly with regard to diesel emissions and cancer risk, and application of findings of the Health Effects Institute (HEI) study (*Note: It is noted for City Council information, given the expressed public and other agency concerns, that the City's Planning Official contact Dr. Dan Greenbaum, President of HEI directly in June to discuss the stepped methodology used in the FEIR analysis that included using proper EMFAC (emission factor model) data, following CARB adopted OEHHA Guidance, and then consideration of the HEI ACES study, and Dr. Greenbaum noted that the multiple step process employed was proper*);
- Traffic impacts and assurances for fair-share contributions to regional roadways;
- Requests for recirculation of the FEIR;
- Scale of the warehouse development and limitations on land use mix and types of jobs created

Staff and the environmental consultant team will be prepared to answer any additional questions the City Council may have on these topics and/or the response memorandums.

In addition to the letters of concern with the project, over 500 handwritten letters were also received in support of the project. It is noted for City Council information that these same letters were copied to the Riverside County Board of Supervisors, and city staff was notified directly that the County Supervisor whose jurisdiction includes the project area did confirm receipt of the letters.

Approximately sixteen (16) comment letters were received from public agencies. A few of the agencies sent more than one comment letter. As follow-up, the City contacted the following agencies to schedule one-on-one meetings to discuss their comments: California Air Resources Board (CARB), South Coast Air Quality Management District (SCAQMD), the Riverside County Transportation Commission (RCTC), Riverside County Transportation and Land Management Agency (TLMA), California Department of Transportation (Caltrans) and the City of Riverside. As of the date of preparation of this report meetings have been held with each of the agencies, except for the City of Riverside which meeting is scheduled for August 11, 2015.

The City also met with two individual land owners who own property within the project area. The purpose of the meetings was to discuss interests of the property owners with regard to future land use, roadway configuration, and utility development on or near their property. This included one property owner adjacent to the proposed reconfigured Cactus Avenue located outside and to the west of the WLC Specific Plan, and a second property owner (Pauw property) located adjacent to Eucalyptus Avenue just east of Theodore Street within the boundaries of the WLC Specific Plan.

As is also discussed below with respect to the Planning Commission consideration, it is noted that all of the new comments received have been considered carefully by the staff, the environmental consultant, and are made available to the City Council for its consideration. However, Section 21092.5(c) of the CEQA guidelines specifically states:

“Nothing in this section requires the lead agency to respond to comments not received within the comment periods specified in this division, to reopen comment periods, or to delay acting on a negative declaration or environmental impact report.”

Section 15204(a) further provides that:

“CEQA does not require a lead agency to conduct every test or perform all research, study, and experimentation recommended or demanded by commenters.”

Notwithstanding the above, staff is continuing to consider the interests of the agencies and private parties we have met with and provided verbal updates and/or written recommendations if it was determined that modifications are needed.

Advisory Body Recommendation

The Planning Commission conducted a public hearing for the project that extended over multiple days including June 11th, June 25th and June 30th of 2015. At the June 30, 2015 meeting, the Planning Commission by a vote of 6 to 1 recommended that the City Council approve the project.

Over the three days of meetings, the Planning Commission considered the detailed staff report, a comprehensive staff presentation, the presentation by the project applicant,

public comments all covering the primary components of the project including the FEIR, General Plan Amendment, Change of Zone, Pre-Zoning/Annexation, Specific Plan, Tentative Parcel Map No. 36457, and the DA. A total of 74 speakers spoke at the three public meetings, with 37 in support of the project, 33 opposed and 4 with no expressed position on the proposed project. Those in support noted the quality of the project concept, the significant investment made by the developer, potential for employment and job growth, and positive economic benefits to the City including contribution to education and training. Those in opposition argued principally that the project would create unacceptable traffic, air quality and health risks and questioned the environmental analysis in these regard, and they raised concern with a predominance of warehousing land use and concern with the applicant's ability to carry out the project.

In addition, to the public speakers, over 100 comment letters and e-mails were submitted to the Planning Commission from outside agencies, Moreno Valley residents, interested groups and entities, and other general public from outside of Moreno Valley. The written comments generally focused on those same areas of project benefits and project concerns expressed by the public speakers during the hearing as noted above.

All of the new comments received were considered by staff, the environmental consultant, and were made available to the Planning Commission for its consideration. Some public have expressed an interest to see written responses to written comments. However, Section 21092.5(c) of the CEQA guidelines specifically states:

“Nothing in this section requires the lead agency to respond to comments not received within the comment periods specified in this division, to reopen comment periods, or to delay acting on a negative declaration or environmental impact report.”

Section 15204(a) further provides that:

“CEQA does not require a lead agency to conduct every test or perform all research, study, and experimentation recommended or demanded by commenters.”

The established public comment period for review of the DEIR for the WLC project was between February 5, 2013 and April 8, 2013. All letters and correspondence received during that 60 day review were considered in accordance with CEQA and detailed responses to comments were included in the FEIR that is before the City Council.

Notwithstanding the above, the project environmental consultant team, under staff's review and direction, during the course of the Planning Commission consideration performed analysis and prepared responses to many of the comments received for further staff's consideration. Collective responses were prepared for those similar comments raised in letters and the various e-mails, and some individual responses to agency and interest group comments such as the California Air Resources Board (CARB), City of Riverside, Inland Empire Waterkeepers and the Riverside County Transportation Commission (RCTC) were assembled and available for staff use as necessary to respond to Planning Commission questions.

At the conclusion of their deliberations, in the motion to recommend approval of the Project to the City Council, the Planning Commission modified three (3) items:

1) Tentative Parcel Map Condition of Approval P8 was modified to provide clarification that prior to the recordation of Parcel 26 of the map, only that property shall need to be annexed into the City and that the annexation of Parcel 26 property does not hold up recordation of any other property; and

2) Mitigation Monitoring Program and Mitigation Measure 4.3.6.3B was modified to expand the revocation provision for CUP “Conditional Use Permit” under the Sanctions for Non-Compliance with to include “any related entitlement”, and

3) Development Agreement Article 4, Section 4.14 was modified to require the developer to include air filtration systems for all seven (7) rural residential homes included within the World Logistics Center Specific Plan boundary.

All changes requested by the Planning Commission are included in the related attachments.

As explained in the responses to the various comments received that are included as Attachment 27 of the staff report, staff’s determination during consideration of the project by the Planning Commission was that the FEIR as prepared is consistent with the requirements of CEQA and no evidence presented in the volume of new agency and/or public comments triggered the requirements for recirculation of the DEIR as outlined in Section 15088.5 of the CEQA Guidelines.

Further, in consideration of those comments provided requesting that the project be conditioned to require zero emission trucks, such zero-emission on-road heavy-duty trucks are not widely commercially available, nor can it be determined when such zero emissions trucks would be widely commercially available, and it was not possible to identify other warehouse/industrial/logistics projects that have such a requirement. The mitigation measures for air quality imposed on the project include restriction of use of trucks falling below 2010 engine emission standards from entering project areas, off-road diesel powered construction equipment to be Tier 4, limitation of truck idling to three (3) minutes, are more stringent than current industry practices.

ALTERNATIVES

1. Certify the Environmental Impact Report and approve the World Logistics Center project including a General Plan Amendment, Development Agreement, Change of Zone, Specific Plan, Pre-Zoning/Annexation, and Tentative Parcel Map.
2. Certify the Environmental Impact Report and approve the World Logistics Center project including a General Plan Amendment, Change of Zone, Specific Plan, Pre-Zoning/Annexation, and Tentative Parcel Map, but without a Development Agreement.

3. Deny the World Logistics Center project.
4. Certify the Environmental Impact Report and approve the World Logistics Center project including a General Plan Amendment, Development Agreement, Change of Zone, Specific Plan, Pre-Zoning/Annexation, and Tentative Parcel Map, with any modifications specified by the City Council.

FISCAL IMPACT

Entitlement processing costs for the project have been entirely borne by the project applicant through establishment of development deposit accounts. The proposed general plan and zoning changes from the existing Moreno Highlands Specific Plan to the World Logistic Center Plan is expected to result in a positive economic impact to the City given non-residential land uses typically have more positive revenue to cost impact ratio given less demand for public services. Approval of the Development Agreement includes positive economic interests to the City.

NOTIFICATION

All responsible agencies, interested parties and property owners of record within at least 300 foot radius of the project area and proposed reconfiguration of Cactus Avenue were provided a notice of the City Council public hearing. The public hearing notice for this project was posted on the project site in seven (7) separate prominent locations with an additional notice posted on Cactus Avenue, east of Redlands Boulevard and outside of the WLC Specific Plan boundary. A ¼ page ad for the public hearing notice was published in the county-wide version of the local newspaper on August 3, 2015.

PREPARATION OF STAFF REPORT

Prepared By:
Mark Gross
Senior Planner

Department Head Approval:
Richard J. Sandzimier
Planning Official

Concurred By:
Allen Brock
Community Development Director

CITY COUNCIL GOALS

None

ATTACHMENTS

1. Notice of Special Public Hearing 08/17/15 and Environmental Determination
2. Resolution No. 2015-56
3. Exhibits A and B Fact, Findings and Statement of Overriding Considerations Regarding the Environmental Effects and the Approval of the World Logistics Center Specific Plan
4. Resolution No. 2015-57

- 5. Exhibits A-M WLC - Proposed Text Amendments to the General Plan
- 6. Ordinance No. 900
- 7. Exhibits A, B, C Proposed Zoning Map
- 8. Resolution No. 2015-58
- 9. Exhibits A, B Conditions of Approval for Tentative Parcel Map Case No. PA12-0015
APN Various Properties on File
- 10. Ordinance No. 901
- 11. Exhibit A Development Agreement
- 12. Resolution No. 2015-59
- 13. Exhibit A World Logistics Center Pre-Zoning/Annexation Map
- 14. Resolution No. CSD 2015-29
- 15. Exhibit A World Logistics Center Pre-Zoning/Annexation Map
- 16. FEIR and Appendices Click on the FEIR Documents Tab Above
- 17. Proposed World Logistics Center Project Map
- 18. World Logistics Center Project Aerial Map
- 19. Land Use Plan
- 20. Highland Fairview Property Owners Map
- 21. Letter to Mr. Iddo Benzeevi From City Manager Henry Garcia
- 22. Report to City Council from Barry Foster
- 23. Planning Commission Staff Report 06/11/15 Without Attachments
- 24. Planning Commission Staff Report 06/25/15 Without Attachments
- 25. Planning Commission - Public Comments
- 26. City Council - Public Comments
- 27. Responses to Public Comments

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	8/07/15 1:07 PM
City Attorney Approval	<u>✓ Approved</u>	8/10/15 4:01 PM
City Manager Approval	<u>✓ Approved</u>	8/10/15 4:59 PM

HISTORY:

08/17/15 Next: 08/18/15	City Council	CONTINUED
08/18/15 Next: 08/19/15	City Council	CONTINUED