



## **CITY OF MENIFEE**

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SUBJECT: Appeal of the CADO Menifee Industrial Warehouse Project

MEETING DATE: November 20, 2024

TO: Mayor and City Council

PREPARED BY: Ryan Fowler, Principal Planner

REVIEWED BY: Cheryl Kitzerow, Community Development Director

APPROVED BY: Armando G. Villa, City Manager

APPELLANT: City of Perris

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### **RECOMMENDED ACTION**

1. Adopt a resolution denying Appeal No. PLN24-0182, certifying the Environmental Impact Report (State Clearinghouse No. 2022040622), and adopting the Findings of Fact and Statement of Overriding Considerations and the Mitigation Monitoring and Reporting Program; and
2. Adopt a resolution denying Appeal No. PLN24-0182 and approving Tentative Parcel Map No. 38139 (PLN22-0041) and Plot Plan No. PLN21-0370 generally located north of Corsica Lane, south of Kuffel Road, east of Wheat Street, and west of Byers Road.

### **DISCUSSION**

**Tentative Parcel Map (TPM) No. PLN 22-0041** proposes to consolidate eight parcels into one industrial parcel. The Project site is approximately 40.03 gross acres and 36.81 net acres.

**Plot Plan (PP) No. PLN 21-0370** proposes a 700,037 square-foot warehouse/industrial building with 10,000 square feet of office space and 690,037 square feet of warehouse space on a 36.8 net acre (40.03 gross acre) site. There will be three points of access on Byers Road and two points of access on Wheat Street. Associated facilities and improvements of the Project include on-site landscaping, parking, regional Project access, and off-site improvements (roadway improvements, storm drain, utilities).

#### **Location**

The Project is generally located west of Interstate 215 (I-215) and south of Ethanac Road, within the City of Menifee (City), County of Riverside, State of California. The Project is north of Corsica Lane, south of Kuffel Road, east of Wheat Street, and west of Byers Road. The Project site is

located in the Economic Development Corridor-Northern Gateway (EDC-NG) zone of the City and is currently bordered by a scattering of existing rural residential properties (1-5 acres) and vacant land. The Project site consists of eight parcels (Assessor Parcel Numbers: 330-190-002 through -005 and 330-190-010 through -013).

### Project Location



## **Background**

### **City Council Hearing – November 6, 2024**

On November 6, 2024, the City Council held a duly noticed public hearing and voted unanimously to continue the public hearing on the Project to a date certain (i.e., November 20, 2024). Two main topics of discussion included (1) the Project-related Greenhouse Gas (GHG) emissions and (2) the Statement of Overriding Considerations (SOOC). Both are discussed in further detail below.

### **GHG Emissions**

During the November 6, 2024 City Council public hearing, Councilmembers inquired specifically about the 3,000 MTCO<sub>2</sub>e/yr threshold that was used in the Project Environmental Impact Report (EIR) to evaluate the Project's GHG emissions, and particularly the projects exceedance of this threshold.

That threshold, which was developed by the South Coast Air Quality Management District (SCAQMD), is based on the capture of approximately 90 percent of emissions from future development in the region. The intent of the threshold is to ensure that at least 90 percent of all projects undergo a California Environmental Quality Act (CEQA) environmental analysis and apply feasible mitigation if necessary.

The City's adherence to the 3,000 MTCO<sub>2</sub>e/yr threshold is conservative in nature as other jurisdictions have opted to use a 10,000 MTCO<sub>2</sub>e/yr threshold. However, it is currently common practice to utilize the 3,000 MTCO<sub>2</sub>e/yr threshold as it is the more conservative and legally defensible option. For comparison, the City of Perris uses a 10,000 MTCO<sub>2</sub>e/yr threshold for industrial projects. In addition, industrial land uses have less GHG than other land uses primarily due to vehicle trips.

According to the Project EIR, with the incorporation of mitigation, emissions would be approximately 6,272 MTCO<sub>2</sub>e/yr annually from both construction and operations (1,301 from construction and 4,971 from operations). Therefore, Project-related GHG emissions exceed the 3,000 MTCO<sub>2</sub>e/yr threshold. However, as stated by City staff at the November 6, 2024 hearing, the majority of the GHG emissions are associated with non-construction related mobile sources. Emissions of motor vehicles are controlled by State and Federal standards, and the Project has no control over these standards. In addition, those emissions are anticipated to decrease over time as emissions control technology improves, as adopted regulations are phased in (e.g., CARB Advanced Clean Trucks Regulation, CARB Advanced Clean Fleets Regulation, CARB Truck and Bus Regulation, CARB Diesel Risk Reduction Plan, among others), and as fleets turnover.

Note the exceedance of the 3,000 MTCO<sub>2</sub>e/yr does not imply the Project cannot be approved or that the EIR cannot be certified. Instead, the 3,000 MTCO<sub>2</sub>e/yr threshold simply requires all feasible mitigation measures be implemented to reduce the level of emission below that limit. However, if unable to do so, CEQA permits the lead agency to certify the EIR if a Statement of Overriding Consideration can be made, demonstrating the Project benefits outweigh the environmental impacts.

### **Statement of Overriding Considerations**

Because the Draft EIR identified unavoidable significant adverse impacts that could not be mitigated below the level of significance, Findings of Fact (Findings) and a SOOC are required to approve the Project. The Findings and SOOC are included within the resolution for the EIR for City Council's consideration.

According to the SOOC the following economic, legal, social, or technological benefits, independent of the other benefits, override the potential significant unavoidable adverse impacts and render acceptable the unavoidable adverse environmental impacts:

1. All feasible mitigation measures have been imposed to lessen Project impacts to less than significant levels; furthermore, alternatives to the Project are infeasible because while they have similar or less environmental impacts, they do not provide the economic benefits of the Project, or are otherwise socially or economically infeasible when compared to the Project, as described in the Statement of Facts and Findings.
2. The Project is consistent with and will contribute to achieving the goals and objectives established by the General Plan. Implementing the City's General Plan as a policy is a legal and social prerogative of the City. The Project would be consistent with the following General Plan Goals and Policies through the implementation of PDFs and Mitigation Measures.
3. The Project will result in an increase in property taxes through the development of underutilized parcels, payment of Development Impact Fees (DIF), Transportation Uniform Mitigation Fees (TUMF), and fair share fees, investment in regional road and flood infrastructure spurring growth leading to increased economic output and permanent City jobs. The sales tax revenues generated on behalf of the City by the local employees within the Project site would represent a boost to the economy.
4. The Project creates employment-generating opportunities for the residents of the City of Menifee and surrounding communities through construction and operation of the Project's industrial uses. Additional employment (estimated to be up to 860 jobs) will improve the jobs-housing balance.
5. The Project attracts businesses that can expedite the delivery of essential goods to consumers and businesses in the City of Menifee and surrounding communities.
6. The Project facilitates the development of underutilized land currently planned for industrial uses that maximize the use of the site and respond to regional market demand.
7. The Project will attract quality tenants and be competitive with other approved or proposed similar regional facilities.

Please see the attached November 6, 2024, City Council and the August 14, 2024 Planning Commission staff report packets for additional Project information.

### **Public Notice**

Public notices were distributed on October 27, 2024, for the November 6, 2024 City Council hearing. Notices were published in *The Press Enterprise* and notices were sent to owners within 300 feet of the Project site boundaries and to all relevant agencies, interested parties, and all who commented on the environmental document. On-site postings were provided.

The proposed Project was not required to be re-noticed for the November 20, 2024, City Council hearing, because the Project was continued to a date certain at the November 6, 2024 hearing.

**STRATEGIC PLAN OBJECTIVE**

Thriving Economy

**FISCAL IMPACT**

There is no fiscal impact for this item.

**ATTACHMENTS**

1. Project Exhibits
2. Resolution – EIR
3. Exhibit A – Final EIR
4. Exhibit B – Findings of Fact and SOOC
5. Exhibit C – Mitigation Monitoring and Reporting Program
6. Resolution – Project Entitlements
7. Exhibit A – Conditions of Approval
8. November 6, 2024, City Council Staff Report Packet
9. City Response with Attachments to Appeal Letter from City of Perris
10. City of Perris – November 6, 2024, Comment Letter
11. August 14, 2024, Planning Commission Staff Report Packet
12. Adopted Planning Commission Resolutions