



## **CITY OF MENIFEE**

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SUBJECT: Menifee Commerce Center Industrial Development

MEETING DATE: September 28, 2022

TO: Planning Commission

PREPARED BY: Brett Hamilton, Senior Planner

REVIEWED BY: Orlando Hernandez, Planning Manager

APPROVED BY: Cheryl Kitzerow, Community Development Director

APPLICANT: CORE5 INDUSTRIAL PARTNERS LLC

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### **RECOMMENDED ACTION**

1. Adopt a resolution recommending the City Council certify the Environmental Impact Report (EIR), adopt the Findings of Fact and Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program; and
2. Adopt a resolution recommending City Council:
  - Adopt a resolution approving General Plan Amendment No. PLN21-0100; and
  - Adopt an ordinance approving Change of Zone No. PLN21-0101; and
  - Adopt an ordinance approving Specific Plan Amendment No. 2019-006; and
  - Adopt a resolution approving Tentative Parcel Map No. 38156 (PLN21-0205) subject to the attached conditions of approval and based upon the findings and conclusions incorporated in the staff report.
  - Adopt a resolution approving Plot Plan No. 2019-005 subject to the attached conditions of approval and based upon the findings and conclusions incorporated in the staff report.

### **PROJECT DESCRIPTION**

**General Plan Amendment No. PLN21-0100** proposes to change the General Plan land use designation of APN 331-140-010 and 331-110-027 from Heavy Industrial (HI) to Specific Plan (SP) and APN 331-140-021 and 331-140-018 from Business Park (BP) to Specific Plan (SP).

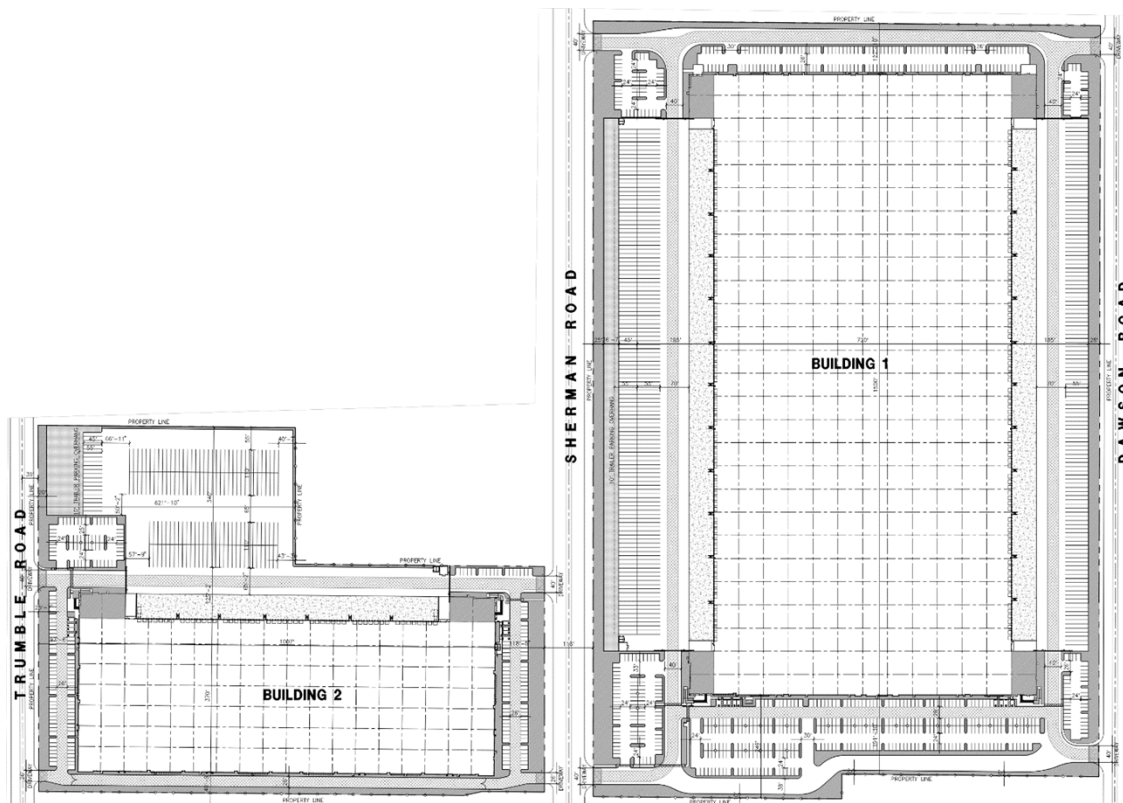
**Specific Plan Amendment No. 2019-006** proposes to modify the boundary of the Specific Plan No. 260 (Menifee North Specific Plan) to include APN 331-140-010, 331-140-018, 331-140-021 and 331-110-027 within Planning Area 2 ("Industrial").

**Change of Zone No. PLN21-0101** proposes to change the zoning classification of APN 331-140-010 and 331-140-027 from Heavy Industrial (HI) and APN 331-140-018 and 331-140-021 from Business Park (BP) to Specific Plan No. 260, Planning Area 2 ("Industrial").

**Tentative Parcel Map No. 38156 (PLN21-0205)** proposes to combine four parcels (APNs 331-140-010, 331-140-018, 331-140-021, and 331-140-025) into one parcel for a total of 56 gross acres and a proposal to combine three parcels (APNs 331-110-035, 331-110-027, and 331-110-041) into one parcel for a total of 21.79 gross acres.

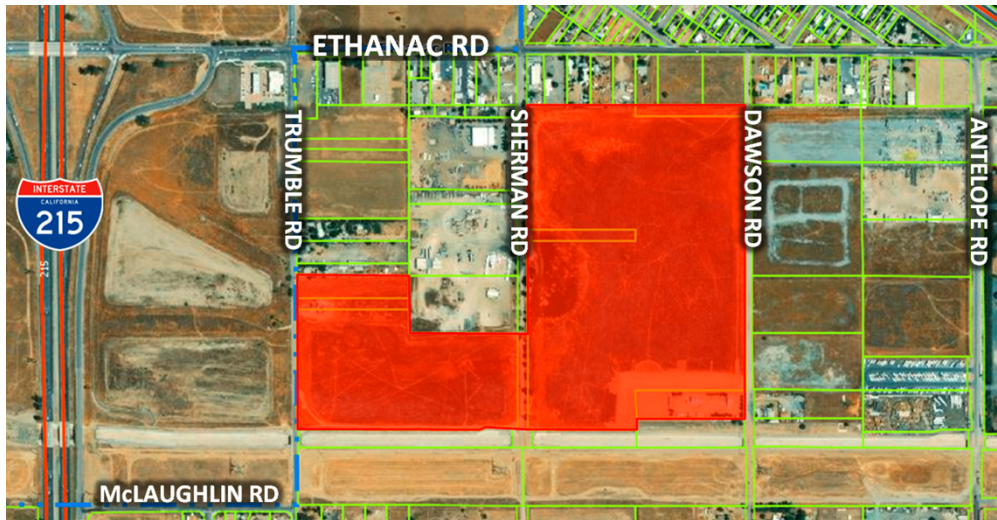
**Plot Plan No. 2019-005** proposes the construction of two concrete tilt-up buildings. Building 1 would total approximately 1,254,160 square feet (SF) of warehouse, inclusive of 144,220 SF of mezzanine, and 14,500 SF of office space. Building 1 would be 50 feet high and would include 679 automobile parking spaces and 369 truck trailer parking spaces. Building 2 would total approximately 385,970 SF of warehouse, inclusive of 10,000 SF of office space. Building 2 would be 47 feet high and would include 232 automobile parking spaces and 154 truck trailer parking spaces. At both buildings, additional parapet wall height above 50 feet would be provided to completely screen all rooftop equipment and to provide roof height offsets for an overall enhanced building façade on all sides.

### Proposed Site Plan



## **LOCATION**

The project is generally bounded by a Riverside County Flood Control Channel, a Southern California Edison (SCE) easement and McLaughlin Road to the south, Ethanac Road to the north, Dawson Road to the east, and Trumble Road to the west, in the northeastern part of the City of Menifee, County of Riverside, State of California.



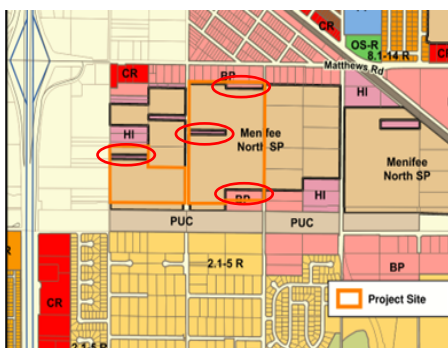
## **GENERAL PLAN/ZONE**

### **General Plan**

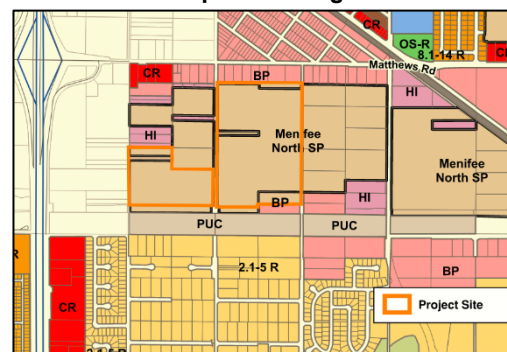
The General Plan land use designation for the project site includes Specific Plan (SP), Heavy Industrial (HI) and Business Park (BP). The project includes the proposal to change APN 331-140-010 and 331-110-027 from Heavy Industrial (HI) to Specific Plan (SP) and to change APN 331-140-021 and 331-140-018 from Business Park (BP) to Specific Plan (SP). North of the project site is designated Business Park (BP), south of the project site is designated Public Utility Corridor (PUC). The properties to the east are designated Specific Plan (SP). West of the project site is the City of Perris and designated Community Commercial (CC) pursuant to their General Plan map. Trumble Road is the jurisdictional boundary between the cities of Perris and Menifee.

The intent of the Specific Plan designation is to provide detailed polices, standards, and criteria for the development or redevelopment of an area.

**Existing Designation**



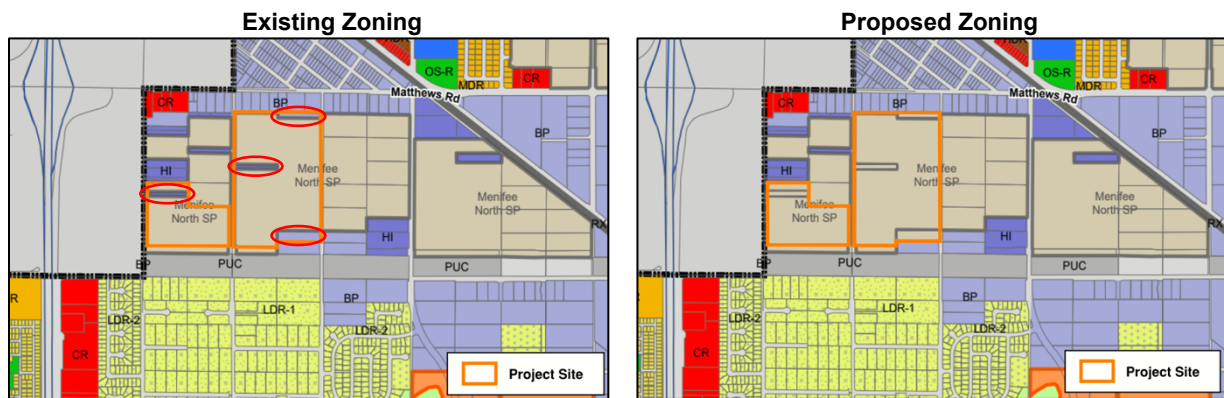
**Proposed Designation**



## Zoning

The underlying zoning classification is Menifee North Specific Plan, Heavy Industrial, and Business Park. The Project proposes to change the zoning classification of APN 331-140-010 and 331-140-027 from Heavy Industrial (HI) and APN 331-140-018 and 331-140-021 from Business Park (BP) to Menifee North Specific Plan, Planning Area 2 ("Industrial"). All parcels will be classified as Menifee North Specific Plan, Planning Area 2 ("Industrial").

All three designations (Menifee North SP "Industrial", Heavy Industrial, and Business Park) allow for the development of industrial and warehousing related uses which the proposed project is consistent. However, because four parcels making up a minority of the Project site differ from the Menifee North SP designation, modifications are being required to consolidate the site's designation to Menifee North SP, and thus, provide for a single set of development and design standards to be uniformly applied to the entirety of the Project site under the Menifee North SP PA 2.



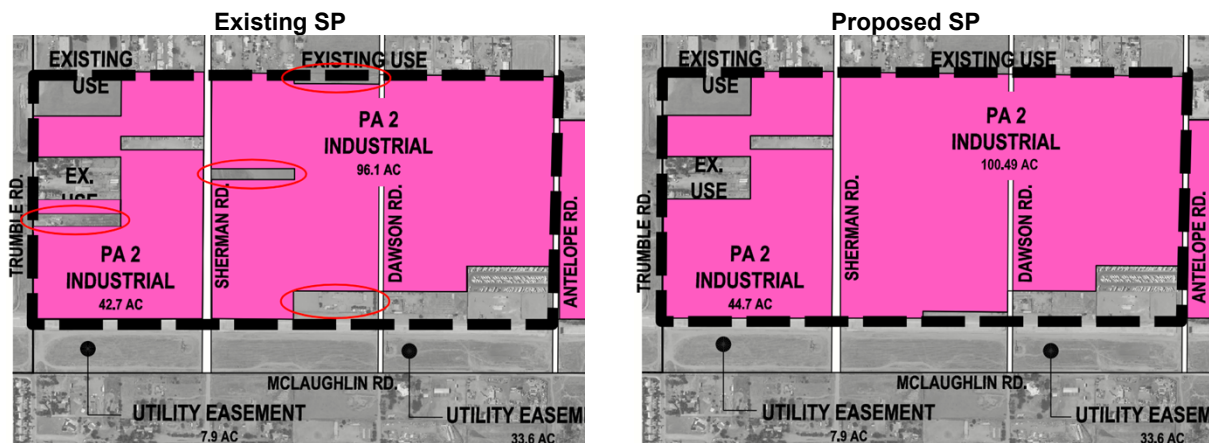
APN	Existing General Plan Land Use Designation	Proposed General Plan Land Use Designation	Existing Zoning Classification	Proposed Zoning Classification
331110035	Menifee North Specific Plan (SP)	Menifee North Specific Plan (SP)	Menifee North SP	Menifee North SP
331110027	Heavy Industrial (HI)		Heavy Industrial/Manufacturing (HI)	
331110041	Menifee North Specific Plan (SP)		Menifee North SP	
331140021	Business Park (BP)		Business Park/Light Industrial (BP)	
331140025	Menifee North Specific Plan (SP)		Menifee North SP	
331140010	Heavy Industrial (HI)		Heavy Industrial/Manufacturing (HI)	
331140018	Business Park (BP)		Business Park/Light Industrial (BP)	



### Specific Plan Amendment

The purpose of the Menifee North Specific Plan No. 260, Amendment No. 4 (SP260A4), is to modify the boundary and acreage for Planning Area 2 to provide consistency with the proposed Plot Plan (PP 2019-005) and Tentative Parcel Map (TPM 38156) which are being processed concurrently with SP260A4. Change of Zone PLN21-0101 and General Plan Amendment No. PLN21-010 are also being processed currently to ensure consistency among the Specific Plan and the City's General Plan Land Use Designation and Zoning Maps.

SP260A4, specifically proposes to change the boundary Planning Area 2 currently designated Industrial. This Planning Area will be modified to increase acreage by from 138.8 to 145.2. Additionally, SP260A4 makes clear the Planning Areas that were removed under SP260A3 as a result of the City's incorporation and provides a total acreage of those areas that lie within the City of Menifee. It also provides a correction for acreage that was incorrectly identified for Planning Area 2. Hence, SP260A4 will provide technical corrections for errors and omissions resulting from SP260A3.



### DISCUSSION

The Project applicant (CORE5) is proposing the development of approximately 1,640,130 square feet of e-commerce/fulfillment and warehouse space (including mezzanine and office space) within two buildings on approximately 72 net acres. The Project would include the construction of two concrete tilt-up buildings, identified as Building 1 and Building 2.

#### Circulation and Parking

Regional Project access would be from I-215 via Ethanac Road. Local access would be provided via Trumble Road, McLaughlin Road, Sherman Road, and Dawson Road. Project site ingress and egress for Building 1 would be via two driveways on Sherman Road and two driveways on Dawson Road. Access to Building 2 would be via two driveways on Trumble Road and two driveways on Sherman Road.

#### Parking

The Menifee North Specific Plan outlines the parking requirements for the project. As demonstrated in Table 1, the Project meets all the parking requirements.

Table 1 – Parking Summary			
Auto Parking Required	Building 1	Building 2	Total
Office: 1/250 SF	58	40	98
Warehouse: 1/2,000 SF	620	188	808
Total Required	678	228	906
Total Provided	679	232	911

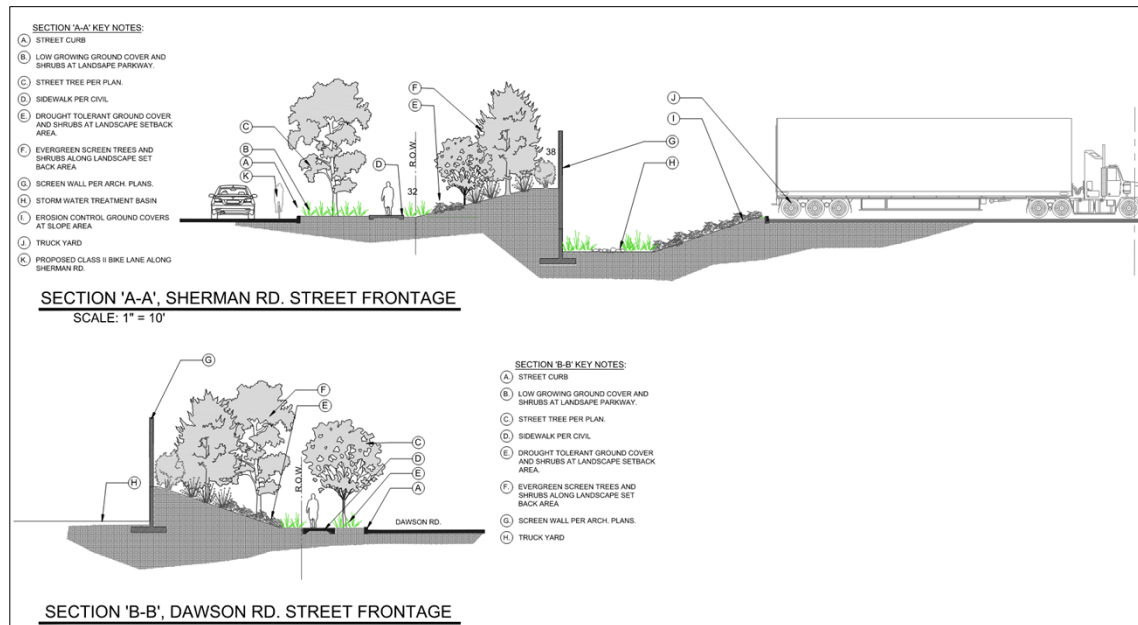
### Infrastructure Improvements

The project would construct a large amount of public infrastructure improvements as part of project development. This report will highlight a few of the larger improvements. Sherman Road and Dawson Road are currently dirt roads. Both roads would be constructed to the ultimate half width along the entire frontage of the project with curb, sidewalk, bike lane, plus an additional 12 feet past the centerline of the road. Additional roadway pavement would be provided on these roads beyond the project boundary to provide sufficient circulation routes to and from the project. Ethanac Road would be widened to two thru lanes in each direction, spanning from Sherman Road to I-215 northbound ramps. Roadway paving would be added south of the project boundary on Sherman Road to McLaughlin Road and then a two-lane roadway on McLaughlin Road between Sherman Road and Trumble Road. This segment of McLaughlin Road currently doesn't exist so adjacent property would need to be acquired before the roadway construction could begin. New traffic signals would be installed on Ethanac at Sherman Road and at Dawson Road, along with several other improvements at multiple intersections to achieve acceptable turning movements in all directions. Utility improvements would be constructed which include new water lines, recycled water lines, sewer, and storm drain lines.

### Landscaping

Landscape standards for the Project are outlined in the Menifee North Specific Plan. Irrigated landscaped areas for the Project site would be comprised of 380,152 square feet (approximately 12% of site area) and 43,118 SF of off-site landscaping (excluding sidewalks), for a total of approximately 453,233 SF of landscaping. Landscaping would be comprised of drought-tolerant shrubs and ground cover and evergreen and deciduous trees. 981 trees are proposed to be planted. There would be 196 specimen size trees (36-inch box size or larger), which is 20% of all proposed trees. The conceptual landscape plan includes trees at the perimeter, along street frontages, within parking areas, and adjacent to the buildings to soften the edges of the development and the proposed buildings. In addition, the landscape plans feature site amenities that coordinate and compliment the proposed project, including outdoor break areas, benches, bike racks, lighting, and trash receptacles.

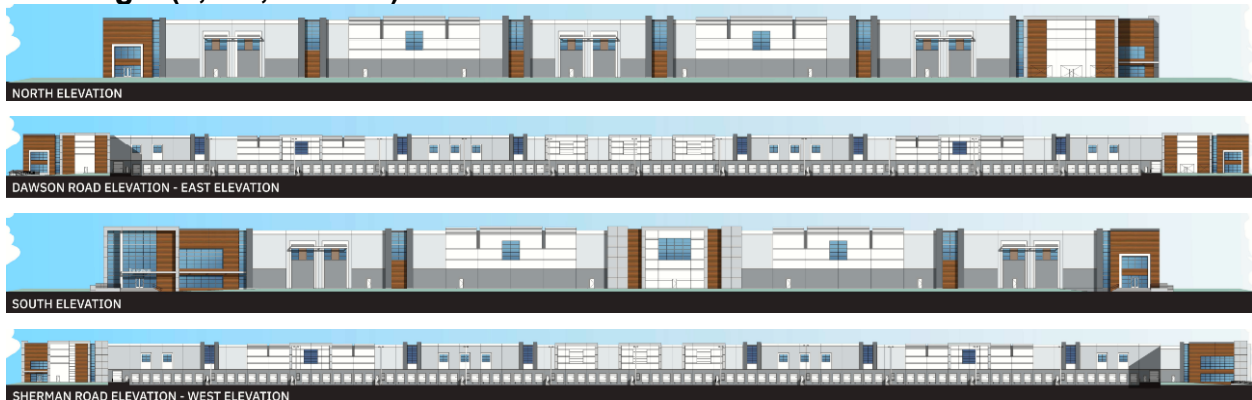
On both Sherman Road and Dawson Road, 14 foot tall decorative concrete walls would be constructed to screen all loading areas, trucks, and trailers from public view. The visual height of the walls will be reduced on the public street side through the use of landscaped berms. Approximately eight feet of the screen wall would be visible from the streets. As shown in the conceptual landscape plan, the intent is to provide a dense coverage with a variety of trees, shrubs and ground cover to soften the wall and to provide a more aesthetically pleasing street scene.



## Elevations

The proposed buildings have unique design features that help give each building its own identity. There are also shared architectural elements to provide for a cohesive development. There is a blend of roof forms, color, and materials. Visual interest is maintained throughout the Project by enhancing architectural detailing and façade articulation along all building elevations. Proposed elevations and conceptual renderings of each proposed building are provided below.

### Building 1 (1,254,160 S.F.)





**southwest corner**



**south elevation**



**Sherman street view**





## Building 2 (385,970 S.F.)





### ***Industrial Good Neighbor Policies***

On March 2, 2022, the City Council adopted the *Industrial Good Neighbor Policies*. The focus of the policies can be summarized in three sections:

1. Minimize impacts to sensitive uses (residential, schools, parks, daycare center, nursing home, hospital)
2. Protect public health, safety and welfare by regulating the design, location and operation of industrial facilities
3. Protect neighborhood character of adjacent residential communities

When reviewing the proposed project, the *Industrial Good Neighbor Policies* were referenced to ensure a compliant project. Implemented policies include added landscape buffers, screen walls, improved building design, community outreach, increased building and loading dock setbacks, on-site truck queuing, on-site signage, and environmental mitigation measures.

## **ENVIRONMENTAL DETERMINATION**

### ***Notice of Preparation (NOP)***

On June 11, 2021, the City of Menifee publicly noticed its decision to prepare an environmental impact report (EIR) and hold a public scoping meeting for the Project by noticing the California Governor's Office of Planning and Research (State Clearinghouse), and distributed the NOP to various agencies and surrounding property owners and residents in accordance with CEQA requirements. The NOP review period was from June 11, 2021 to July 12, 2021. On June 29, 2021, the City of Menifee held a duly noticed public scoping meeting at City Hall regarding the preparation of the EIR and provided an opportunity for members of the public to comment on the scope of environmental issues to be addressed in the EIR.

### ***EIR Impacts***

Within the EIR that has been prepared for the Menifee Commerce Center Project (SCH# 2021060247), mitigation measures are provided under the categories of Air Quality, Biological Resources, Geology and Soils, Greenhouse Gas Emissions, Hazards, Hydrology and Water Quality, Noise, and Transportation. The EIR determined that the Project could result in significant and unavoidable impacts under the categories of Air Quality and Greenhouse Gas based on the analysis and findings in the DEIR, and requires adoption of a Statement of Overriding Considerations (SOOC). A brief description of these impacts is as follows:

**Air Quality:** As described in the Air Quality subchapter of the DEIR, the project would result in significant and unavoidable impacts relating to operational VOC and NO<sub>x</sub> emissions under Scenario 1 and NO<sub>x</sub> emissions under Scenario 2. It is important to note that approximately 99 percent of the Project's NO<sub>x</sub> emissions are derived from vehicle usage which cannot be directly regulated by the City. Additionally, the majority of on-site operational VOC emissions are derived from consumer products. For analytical purposes, consumer products include cleaning supplies, aerosols, cosmetics, and toiletries. As such, the Project cannot meaningfully control the use of consumer products by future building users via mitigation.

In response to the increase in warehouse development in California, the State of California Department of Justice issued a Memorandum in March 2021, entitled *Warehouse Projects: Best Practices and Mitigation Measures to Comply with the California Environmental Quality Act* (Memorandum). The Project has incorporated numerous best practices recommended in

the Memorandum. These best practices are enforceable by the City and must be implemented by the Project Applicant. Adherence to the standard conditions and requirements, and mitigation measures, represents the Project Applicant's willingness to address the Department of Justice's concerns regarding air quality impacts.

**Greenhouse Gases:** Construction and operation of the Project would generate a total of 20,078.73 MTCO<sub>2</sub>e/yr under Scenario 1 and a total of 12,722.54 MTCO<sub>2</sub>e/yr under Scenario 2. Even with the Project's compliance with applicable rules, adherence to standard conditions and requirements, and the imposition of all feasible mitigation measures identified above, the Project's operational GHG would exceed the applicable regional thresholds of significance under both Scenarios 1 and 2. Approximately 90 percent of the Project's GHG emissions under Scenario 1 and 85 percent of the Project's GHG emissions under Scenario 2 are derived from vehicle usage which cannot be directly regulated by the City. Therefore, GHG emissions under both scenarios are considered significant and unavoidable.

#### **DEIR Public Review**

The City distributed the DEIR for public review from June 7, 2022 and ending on July 21, 2022. During the public review period, comments on the Draft EIR were received from the following agencies, groups, or individuals:

1. Riverside Transit Agency
2. California Department of Fish and Wildlife
3. Blum Collins & Ho, LLP Attorneys at Law
4. Adams Broadwell Joseph & Cardozo
5. Advocates for the Environment
6. City of Perris
7. Peggy Tuttle
8. Linda Jones
9. Adam Salcido

The City prepared a Final Environmental Impact Report (FEIR), consisting of all of the comment letters received during the forty-five day public review and comment period on the DEIR, written responses to those comments, and revisions and errata to the Draft EIR. The FEIR was distributed to the DEIR commenters 10 days prior to the Planning Commission hearing. The FEIR, and DEIR, including technical appendices can be accessed for review on the City website at <https://www.cityofmenifee.us/325/Environmental-Notices-Documents>

#### **Findings of Fact and Statement of Overriding Considerations**

Because the EIR identified unavoidable significant adverse impacts that could not be mitigated below the level of significance, Findings of Fact and a Statement of Overriding Consideration (SOOC) is required to approve the project. The Findings of Fact and SOOC is included within the resolution for the EIR for consideration by the Planning Commission.

According to the SOOC the following social, economic, and environmental benefits of the project independent of the other benefits, outweigh the potential significant unavoidable adverse impacts and render acceptable each of these unavoidable adverse environmental impacts:

1. All feasible mitigation measures have been imposed to lessen Project impacts to less than significant levels; 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. Consistent with and will contribute to achieving the goals and objectives established by the General Plan.
3. Create employment-generating opportunities for citizens of Menifee and surrounding communities through construction, operation, and indirect jobs off-site within the City. Additional employment will improve the jobs-housing balance.
4. Attract businesses that can expedite the delivery of essential goods to consumers and businesses in Menifee and beyond the City boundary.
5. Increase in property taxes through development of vacant and unused parcels, payment of development impact fees (DIFs), investment in infrastructure spurring growth leading to more permanent City jobs and increased economic output. The sales tax revenues generated on behalf of the City by the local employees and residents within the Project and extended benefit areas would represent a boost to the City's economy.
6. Improved infrastructure that will enhance the quality of life for the City's residents by linking land use, transportation and infrastructure development.
7. The Project would provide a high quality and sustainable development by meeting CalGreen Building Code energy efficiency requirements.

Although significant impacts will remain, the City will mitigate any significant adverse impacts to air quality and greenhouse gas emissions to the maximum extent practicable. In its decision to recommend the City Council approve the Project, the Planning Commission has considered the Project benefits to outweigh the environmental impacts.

### ***Community Outreach***

The project application conducted community outreach efforts through phone calls and door-to-door canvassing of the properties directly adjacent to and in the surrounding area of the project. In-person meetings occurred with property owners that submitted comments during the Notice of Preparation (NOP) comment period and the DEIR 45-day comment period.

City Staff held an environmental scoping meeting on Tuesday, June 29, 2021 at City Hall to discuss the project and to receive comments from the public. Aside from the property owners and applicant for the project, two residents attended. During the DEIR comment period, staff also met with a homeowner that lives adjacent to the project site. Additional printouts were provided to them, questions were answered, and comments were received. For the DEIR 45-day comment period and public hearings, property owners and non-owner residents within 300 feet of the project boundary were mailed notices.

## **FINDINGS**

Findings for the Environmental Impact Report, General Plan Amendment, Zone Change, Specific Plan Amendment, Tentative Parcel Map, and Plot Plan are included in the attached draft resolutions.

## **PUBLIC NOTICE**

Public notices were distributed on September 18, 2022 for the September 28, 2022 Planning Commission hearing. Notices were published in *The Press Enterprise* and notices were sent to owners and non-owner residents within 300 feet of the Project site boundaries and to all relevant agencies, interested parties, and all who commented on the DEIR. On-site postings were provided.

## **ATTACHMENTS**

1. Project Summary Table
2. Project Plans & Exhibits
3. Resolution – Environmental Impact Report
  - a. Exhibit A - Findings of Fact and the Statement of Overriding Considerations
  - b. Exhibit B - Mitigation Monitoring and Reporting Program
4. Resolution - Project Entitlements
  - a. Exhibit A – Conditions of Approval
  - b. Exhibit B – General Plan Amendment
  - c. Exhibit C – Change of Zone
  - d. Exhibit D – Specific Plan Amendment
5. Final Environmental Impact Report Including Comment Letters and Response to Comments and DEIR Errata
6. Public Hearing Notice