



CITY OF CARSON

701 East Carson Street

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Title:	CONSIDER RESOLUTION NO. 17-081, AN EXCEPTION TO THE APPLICATION OF INTERIM URGENCY ORDINANCE NO. 17-1618U TO ALLOW CONTINUATION OF PROCESSING OF PLANS AND PERMITS NECESSARY TO CONSTRUCT A NEW 102,931 SQUARE-FOOT LOGISTICS FACILITY FOR CALPAK LOCATED AT 17706 S. MAIN STREET (CITY COUNCIL)			
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Date	Ver.	Action By	Action	Result

Report to Mayor and City Council

Tuesday, June 20, 2017

Discussion

SUBJECT:

CONSIDER RESOLUTION NO. 17-081, AN EXCEPTION TO THE APPLICATION OF INTERIM URGENCY ORDINANCE NO. 17-1618U TO ALLOW CONTINUATION OF PROCESSING OF PLANS AND PERMITS NECESSARY TO CONSTRUCT A NEW 102,931 SQUARE-FOOT LOGISTICS FACILITY FOR CALPAK LOCATED AT 17706 S. MAIN STREET (CITY COUNCIL)

I. SUMMARY

On May 2, 2017, the City Council adopted Interim Urgency Ordinance No. 17-1618U, extending for 10 months and 15 days a moratorium on the establishment, expansion, or modification of truck yards, logistics facilities, hazardous materials or waste facilities, container storage, and container parking (Exhibit No. 1). Section 6 of this Ordinance allows the City Council to make exceptions to the application of this Ordinance. On May 30, 2017, Mr. John C. Killen, representing CALPAK, filed a request for an exception to the Ordinance to allow continuation of processing of all the necessary applications and/or permits to allow construction of a 102,931 square-foot logistics facility (Exhibit No. 2). “Logistics Facility” is defined in Section 2, subsection M, of the Ordinance.

If the City Council determines to allow an exception pursuant to Section 6, such applications and/or permits may continue to be processed in accordance with the City's regulations and authority, and any other applicable laws, ordinances, and regulations. The exception does not mean final approval of the project. Staff recommends adoption of Resolution No. 17-081 approving CALPAK's request (Exhibit No. 3).

II. RECOMMENDATION

1. WAIVE FURTHER READING AND ADOPT RESOLUTION NO. 17-065, "AN EXCEPTION TO THE APPLICATION OF INTERIM URGENCY ORDINANCE NO. 17-1618U TO ALLOW CONTINUATION OF PROCESSING OF PLANS AND PERMITS NECESSARY TO CONSTRUCT A NEW 102,931 SQUARE-FOOT LOGISTICS FACILITY FOR CALPAK LOCATED AT 17706 S. MAIN STREET."
2. DIRECT THE CITY MANAGER, PLANNING MANAGER, AND CITY ATTORNEY TO ENTER INTO THE AGREEMENTS ARTICULATED IN RESOLUTION NO. 17-081, IN ACCORDANCE WITH THE TERMS STATED THEREIN.
3. DIRECT STAFF TO PROCESS THE ENTITLEMENT APPLICATION SEPARATELY FROM FINALIZING THE DEVELOPMENT STANDARDS DESCRIBED IN THE ORDINANCE BY OBTAINING INPUT ON THE PROJECT FROM THE ADJACENT RESIDENTS AND THEN PRESENTING THE PROJECT FOR PLANNING COMMISSION'S CONSIDERATION, WHILE INDEPENDENTLY FINALIZING THE PRELIMINARY DEVELOPMENT STANDARDS WITH THE SUBCOMMITTEE AND COMMUNITY, AND PRESENTING THEM TO THE COMMISSION AND COUNCIL. WITH THIS OPTION, PLANNING COMMISSION WOULD CONSIDER THE PROJECT PRIOR TO FINAL ADOPTION OF THE DEVELOPMENT STANDARDS BY CITY COUNCIL; **OR**
4. DIRECT STAFF TO PROCESS THE ENTITLEMENT APPLICATION WHILE SIMULTANEOUSLY FINALIZING THE DEVELOPMENT STANDARDS DESCRIBED IN THE ORDINANCE, INTRODUCING THE PROPOSED STANDARDS TO THE SUBCOMMITTEE AND COMMUNITY TO OBTAIN INPUT PRIOR TO PRESENTING THE STANDARDS TO THE PLANNING COMMISSION AND ADOPTION BY THE CITY COUNCIL, PRIOR TO THE PLANNING COMMISSION CONSIDERING THE PROJECT. UNDER THIS OPTION, APPROVAL OF THIS PROJECT AND SIMILAR PROJECTS WOULD NOT OCCUR UNTIL AFTER THE DEVELOPMENT STANDARDS HAVE BEEN ADOPTED BY THE CITY COUNCIL.

III. ALTERNATIVES

TAKE such other action as the City Council deems appropriate, consistent with the requirements of the law.

IV. BACKGROUND

About CALPAK

CALPAK is proposing to build a 102,931square-foot logistics building with 10 truck doors on a 4.7-acre parcel located on the east side of Main Street, approximately 250 feet south of Albertoni Street (Exhibit No. 4). CALPAK's proposal is somewhat unusual since most logistics buildings are proposed as speculative buildings with no specific tenant proposed at this time.

CAL PAK is a leading travel goods company, with an extensive premier brand of backpacks, rolling backpacks, duffel bags, and shoulder bags, as well as casual and traditional luggage products. The CALPAK brand with its retail partners and our commitment to manufacturing products offer innovative styling and top-quality materials and construction with exceptional value. CALPAK's products are sold in over 2,500 *retail locations*, ending up in the hands (and on the shoulders) of thousands of travelers, students, and business people across the United States. <<https://www.calpaks.com/>>. This well established firm is very enthusiastic about its new corporate headquarters in Carson.

The hours of operation are expected to be 7:30AM to 5:30PM for warehouse, trucking operations and deliveries Monday through Friday, corporate office hours may vary. However, CALPAK has specifically requested that the hours of operation not be limited by the City, given the buffering provided as requested by staff.

Application of Ordinance 17-1618U

According to the provisions of Ordinance 17-1618U, the proposed project is subject to the moratorium since it is proposing to build a new logistics facility abutting a residential zone. The project does not qualify for the Section 4. Exemptions of the Ordinance which include:

1. The annual renewal of an existing business license, any permits necessary for minor changes, remodeling, or alterations consisting of cosmetic upgrades, routine maintenance of the buildings or sites, or repair, replacement or enhancement of damaged or outdated building components or areas. or any permits necessary for repairs required due to an emergency or to protect the public health, safety, and welfare shall not be considered issuance of a permit;
2. Tenant improvements for current tenants within an existing building, provided the tenant improvements would not otherwise be considered an expansion or modification of the facility;
3. Any logistics facility with a vested property right;
4. Any logistics facility with 5 or fewer truck loading doors. This exemption does not apply to hazardous materials facilities, truck yards, or container storage facilities, or to a facility that abuts a sensitive use;
5. Any new or renewed lease agreement, provided that the term does not exceed 7 years. This exemption does not apply to hazardous materials facilities, truck yards, or container storage facilities, or to a facility that abuts a sensitive use;
6. Any new or renewed lease agreement for a logistics facility located within a Planned Industrial Area. This exemption does not apply to hazardous materials

facilities, truck yards, or container storage facilities;

7. Big box stores.

Therefore, in order for staff to continue processing the application, the applicant has filed for an Exception. Section 6 of Ordinance No. 17-1618U states that the City Council may allow exceptions to the application of this Ordinance, if the City Council determines any or a combination of the provisions included in Section 6.A. 1 through 14 apply to the request.

Need for New Standards

The Logistics Facilities Moratorium subcommittee identified the need to develop new standards for logistics facilities that are proposed adjacent to residential areas (Exhibit 5). The Subcommittee concurred that preserving the quality of life of the residents should be an important consideration when reviewing such projects. The Subcommittee, the Land Use Subgroup in particular, identified setbacks, landscaping, light and noise impacts, and hours of operation as possible issues that should be considered when reviewing logistics facilities abutting residential areas. Although the Subcommittee did not discuss specific standards to address these issues, it discussed the need to draft new standards. However, the Subcommittee stressed the need to have these standards adopted separate from the General Plan and Zoning Code update to allow processing of development applications in a timely manner instead of waiting to adoption of the General Plan and zoning code which could take approximately 2 years.

The proposed project is the first project that would need to rely on these yet to be adopted standards. It is standard practice to involve the stakeholders in drafting new standards. Both the residents and the industry should be involved in this process. Staff has been working with the applicant to address compatibility issues of the proposed project with the abutting residential area. However, other stakeholders have not been involved in this process. Staff feels comfortable with the revised design of the project and feels confident that it addresses the compatibility issues effectively. The design of the project is based on preliminary standards, drafted by staff, which are discussed later in the staff report. Furthermore, the proposed design meets the applicant's needs to conduct their business. Staff is requesting the City Council to grant this exception to allow staff to continue to process the application for this project. In addition, staff will present the draft standards and the proposed project to the Subcommittee and the residents adjacent to this project to obtain their input. These standards will be further developed and presented to the Planning Commission who will make the final recommendation for City Council's consideration and final adoption. Staff recommends the City Council to grant the requested exception for this project to allow staff to make a recommendation to the Planning Commission prior to the formal adoption of these standards by the City Council.

Proposed Preliminary Standards

- A minimum of 6-foot high wall shall be constructed on the property line.
- Building setback from residential zones shall be a minimum of 50' (30' drive aisle for emergency vehicles and a total of 20' for landscaping). Other existing buffers (drainage easements, utility easements, etc.) will be considered on a case-by-case basis. The only activities permitted in the 50' buffer area is emergency vehicle access and parking

of automobiles. Storage of goods, trucks, containers, and other noise generating activities are prohibited in this area. No openings in the buildings are allowed, other emergency exit doors as required by the building and fire codes, facing residential zones. Emergency exit doors on the sides of the buildings shall be setback from the edge of the building as much as possible as permitted by the building and fire code.

- Landscaped buffer from the residential zones shall be a minimum of 20' total with a goal of creating a visual buffer between the homes and the logistics facility structure (spacing, size, and species to be determined at a later time).
- Truck activity and loading door Setbacks from residential zones shall be a minimum of 150'. The building shall always be utilized as a barrier between truck activities and the homes to the maximum extent possible. Truck doors shall not face residential zones.
- Lighting shall be designed with minimal impacts to the residential areas.
- The facade of the building facing the residential zone shall be enhanced.
- Hours of operation shall be limited to 8:00 AM to 6:00 PM if any of the above standards are not met.
- A view analysis shall be conducted to show the view from the backyard of the residential areas towards the building.

Exception Qualifications

Staff has determined that provisions of Section 6.A.1, 5, 8, 9, 10, 11, 12, 13, and 14. apply to this request. These Sections of Interim Urgency Ordinance state:

1. The City's approval of an application for a permit to establish, expand, or modify a logistics facility within the City's jurisdiction will not have a material negative impact upon the public health, safety, and welfare.
5. The developer or tenant enters into an agreement that guarantees the City the same financial assurances offered by a CFD.
8. The facility enters into a development impact fees agreement with the City.
9. The use is permitted or conditionally permitted in the zone;
10. The use is consistent with the purposes of this Ordinance and the General Plan;
11. The use will not be in conflict with any contemplated general plan, specific plan, or zoning code update that the City Council is considering or studying or intends to study;
12. The use is not and will not become a hazardous materials facility, a truck yard, or a container storage facility;
13. The use will not abut a sensitive land use, or the impacts on an abutting

sensitive land use can be adequately mitigated with reasonable conditions;

14. The use will not constitute a threat to the public health, safety, and welfare.

Status of Entitlements

Prior to enactment of the moratorium, the applicant submitted for Design Overlay Review and approval. However, the review process has been paused because of the moratorium. In an effort to respond to address buffering residential areas from logistics uses, staff and the applicant have met numerous times resulting in revised drawings that provide additional setbacks and relocates trucking operations away from nearby residences (Exhibit No. 6). If the exception request is granted by the City Council, the review process will resume and the applicant will be required to submit for a Conditional Use Permit as required by the Carson Municipal Code. The applications would ultimately be forwarded to the Planning Commission for their consideration and staff anticipates this would occur in August of this year.

Development Impact Fees and Development Agreement

The Applicant has agreed to pay the one-time Interim Development Impact Fee (IDIF) of \$2.00 per square foot totaling \$205,862.00 or the interim fee adopted by the City Council if he adopted IDFI is adopted prior to issuance of the building permits. As a condition of granting this exception, the applicant has agreed and will be required to enter into a development impact fees agreement with the City.

In addition, the applicant has agreed to enter into a Development Agreement instead of forming a Community Facilities District (CFD) to pay for on-going costs associated with their project relating to law enforcement, street maintenance, landscape maintenance, street sweeping, and any other impacts. The City has engaged the services of a consultant to calculate the amount of this assessment.

The applicant has agreed that they will not challenge the amount of the CFD assessment once it is determined.

Staff has determined that larger projects will be required to form a CFD. City will calculate the CFD assessment for smaller projects in a similar fashion as the larger projects forming a CFD. However, the assessments would be paid through a Development Agreement not a CFD. Therefore, as a condition of granting this exception, the applicant has agreed and will be required to enter into a development agreement with the City.

Staff recommends that the exception would automatically expire in 90 days if a IDIF and a Development Agreement have not been negotiated and approved by the Council. In addition staff recommend that the exception be conditioned on the standard City Attorney's office reimbursement agreement where Applicant agrees to the reimbursement terms and immediately and upon 10 days of approval of the exception deposits \$50,000 to reimburse the City for all its costs, including but not limited to all consultant fees and costs, including but not limited to the CFD consultant work associated with the processing of the portion of the Applicant's CFD assessment, and attorney's fees associated with the Applicant's Exception Application and finalizing of the IDIF and the Development Agreement or other agreements and/or entitlement processes. Applicant's failure to enter into any of the

necessary agreements (e.g., IDIF Agreement, Reimbursement Agreement and/or the Development Agreement) could result in denial of the necessary permits for the Project.

Conclusion

If the City council considers approving the exception request, the council needs to provide direction to staff in regards to one of the following options:

1. Direct staff to meet with the residents adjacent to this project to introduce the project to them and obtain their input prior to presenting the project for Planning Commission's consideration. In addition, staff will need to present the preliminary standards to the Subcommittee and the community to finalize them and present them to the Planning Commission and ultimately to the City Council. With this option, Planning Commission would consider the project without final adoption of the standards.
2. Direct staff to meet with the Subcommittee to introduce the proposed preliminary standards to them to obtain their input prior to presenting the standards to the community and the Planning Commission. With this option, Planning Commission would consider the project after the adoption of the standards by the City Council. With this option, approval of this project and similar projects would be delayed until the standards have been adopted by the City Council.

Staff recommends the City Council to consider option 1 since staff and the applicant are in agreement with the proposed design. Presenting the proposed design to the adjacent residents would ensure their input is solicited prior to presenting the project to the Planning Commission. In addition, the Subcommittee and the community would be involved in considering reviewing the preliminary standards proposed by staff. After this input, staff will present these standards for consideration by the Planning Commission and ultimately by the City Council.

V. FISCAL IMPACT

The applicant will be making a one-time payment of \$205,862.00 to the City. The applicant will also participate in a Development Agreement to pay for the cost of services associated with their project. The amount of Development Agreement will be determined at a later date. The Applicant will also enter into a reimbursement agreement with the City.

VI. EXHIBITS

1. Ordinance No. 17-1618U. (pgs.8-19)
2. May 30, 2017, Mr. John C. Killen representing CALPAK (pgs. 20-22)
3. Resolution No. 17-081. (pgs. 23-26)
4. Proposed Plans (pgs. 27-30)
5. Aerial of the Site (pg. 31)
6. Original Site Plan (pg. 32)

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