

City of Hesperia

STAFF REPORT



DATE: March 28, 2024

TO: Planning Commission

FROM: Nathan R. Freeman, Director of Development Services

BY: Ryan Leonard, AICP, Principal Planner

SUBJECT: CUP22-00017 & SPLA24-00002; Applicant: Kiss Logistics Center; APNs: 3064-401-03, -04 & -05

RECOMMENDED ACTION

It is recommended that the Planning Commission adopt Resolution No. PC-2024-04 recommending that the City Council make the environmental determination pursuant to the California Environmental Quality Act (CEQA) by certifying the Final Environmental Impact Report (FEIR) and adopting a statement of overriding considerations and adopt Resolution Nos. PC-2024-05 and PC-2024-06, recommending that the City Council approve CUP22-00017 and SPLA24-00002.

BACKGROUND

Proposal: Conditional Use Permit CUP22-00017 has been filed to construct a 655,468 square foot industrial warehouse on approximately 31.1 gross acres in conjunction with Specific Plan Amendment SPLA24-00002 and to change approximately nine gross acres from Neighborhood Commercial (NC) to Commercial Industrial Business Park (CIBP) within the Main Street and Freeway Corridor Specific Plan (Specific Plan).

Location: West of US Highway 395, approximately 600 feet north of Phelan Road (Attachment 1).

Current General, Plan, Zoning and Land Uses: Approximately 22.1 acres of the site are located within the CIBP zone of the Specific Plan and approximately nine acres are located within the NC zone of the Specific Plan. The surrounding land is designated and zoned as noted on Attachment 2. The site is currently vacant. Land uses to the north, south, and west consist of vacant land. US Highway 395 is located immediately to the east of the site followed by vacant land (Attachment 3). In 2022, entitlement applications were approved for three warehouse buildings totaling approximately 3,745,429 square feet immediately to the west of the site (CUP19-00010).

ISSUES/ANALYSIS

The project consists of the construction of a 655,468 square foot industrial warehouse building on approximately 31.1 gross acres of land. Gross site acreage is defined in the Development Code as the net property site acreage in addition to the area from the property line to the centerline of all public rights-of-way across the site frontage. The proposed building will contain 639,468 square feet of industrial warehouse space, 11,000 square feet of ground floor office space, and a 5,000 square foot mezzanine for additional office use. Depending on the number of future tenants, office areas could be distributed among four individual office spaces in each of the corners of the building. Regardless of how the office spaces are distributed within the building, a maximum of

16,000 square feet of office area would be allowed since it generates a higher parking demand than traditional warehouse areas. The maximum office space limitation is included as a condition of approval. The project also features an outdoor patio seating area for employees at the southeast corner of the building.

Parking: The project complies with all site development regulations, including the minimum building requirements, landscaping, and number of parking spaces. The parking regulations require a minimum of 325 parking stalls based upon the requirements listed in Table 1. As proposed, the project satisfies the minimum parking requirements.

TABLE 1-PARKING REQUIREMENTS

	Proposed Building Square Footage	Parking Formula	Spaces Required	Spaces Provided
<i>Warehouse</i>	639,468 SF	20 spaces + 0.40/1,000 sq. ft. of building over 10,000 sq. ft	272	-
<i>Office</i>	16,000 SF	3.33 spaces per 1,000 sq. ft. gross floor area	53	-
TOTAL	655,468 SF		325	377

The conventional parking spaces are proposed primarily along the northern and southern sides of the building, with additional parking provided at each corner of the building. In addition, the project includes 30 dock doors located along the east side of the building, and 30 dock doors located along the west side of the building for a total of 60 dock doors. The project will also provide 74 trailer stalls located opposite of the loading dock doors on the east and west perimeter of the site. Gated entries are proposed at all four corners of the building that will allow access to the truck courts.

Screening: As previously mentioned, the project includes 30 dock doors located along the east side of the building, and 30 dock doors located along the west side of the building. The dock doors are proposed to be setback approximately 200 feet from Caliente Road to the west and 200 feet away from Highway 395 to the east. To help screen the view of the dock doors from the right-of-way, the project includes an 8' high concrete screen wall across the east and west sides of the property. In addition, as a condition of approval, the screen wall will be required to be decorative and incorporate the use of pilasters and other decorative elements. With incorporation of the condition of approval, all the truck loading docks, and truck loading activities will not be visible from Caliente Road or US Highway 395.

Access/Roadway Improvements: Primary access to the site will be provided from a new public roadway (Caliente Road) that will be constructed by the project. Caliente Road is planned as a 70-foot wide Industrial Collector that will provide public two-way access with a turn pocket and will form the connection between Yucca Terrace Drive to the north and Phelan Road to the south. The intersection of Caliente Road and Phelan Road will be fully signalized. Secondary access will be provided at the intersection of Yucca Terrace Drive and Highway 395. This intersection will be fully signalized and will allow full turning movements and controlled access to and from US Highway 395. Two 40-foot-wide driveway approaches will be provided off Caliente Road to provide full access for trucks, passenger vehicles, and emergency vehicles. Internal circulation will be provided by 40-foot-wide drive aisles located around the perimeter of the site.

The project will be responsible for the construction of curb, gutter, and sidewalk along the project frontage of Caliente Road and US Highway 395. In addition, the project will be responsible for paving Yucca Terrace Drive, which is currently an unimproved roadway, from US Highway 395 to the intersection of Caliente Road. The project will also be responsible for the construction of Caliente Road that will connect Phelan Road to the south with Yucca Terrace Drive to the north. Finally, the project will be responsible for constructing the required traffic signals at the Phelan Road and Caliente Road intersection, and the Yucca Terrace Drive and US Highway 395 intersection.

Architecture: The architecture of the proposed warehouse complies with the architectural requirements of the Specific Plan (Attachments 4 & 5). The large concrete tilt-up building exhibits a clean, corporate look, exhibiting several exterior building colors, and multiple expansion joints. The building has been designed to incorporate prominent glass features at each of the corners of the building. In addition, the sides of the building, which are adjacent to the right-of-way, feature prominent tower elements, concrete accent walls, and decorative windows. The building height will be approximately 49 feet.

The project also satisfies the minimum landscaping requirements. The minimum required landscape coverage is 10% of the developed site; the project provides 209,075 square feet (16.8%) of total landscape coverage, which will be located around the perimeter of the site and will be visible from the right-of-way.

Water and Sewer: The project will include the construction of new onsite and offsite water lines. Water lines will be constructed within the Caliente Road right-of-way to the west of the project site and extend approximately 1,300 feet south to Phelan Road. The proposed water main will then run adjacent to the existing water main within Phelan Road/Main Street for approximately 3,980 feet to Mesa Linda Street. The water main will then continue approximately 2,700 feet south and connect to the existing at Sultana Street. The new water line will provide the necessary volume to achieve the required fire flow.

The project will also include the construction of new onsite and offsite sewer lines. The proposed sewer line will begin from the northern portion of Caliente Road and extend approximately 2,600 feet south to Phelan Road. The proposed sewer system will include a combination of proposed sewer force main and proposed sewer gravity main with a sewer lift station located at the intersection of Caliente Road and Yucca Terrace Drive. The sewer will then extend approximately one mile east on Phelan Road/Main Street and connect to the existing facilities within Cataba Road.

Drainage: The project will install new onsite storm drain lines throughout the site. No off-site storm drain improvements are proposed for this project. Stormwater would be collected using a system of catch basins and roof drains that route flows to underground pipes. All storm water run-off will be conveyed to a proposed detention basin at the north end of the project site. The detention basin will contain dry wells that would treat the stormwater collected from the project site.

Specific Plan Amendment: A Specific Plan Amendment has been filed to change approximately nine acres of the project site from Neighborhood Commercial (NC) to Commercial Industrial Business Park (CIBP). Although the City originally planned for the subject parcel to be developed with commercial uses, very little interest has ever been expressed from commercial developers. Furthermore, within the past few years the retail industry has undergone a major shift as traditional brick and mortar retail uses face stiffening competition from online-only stores.

The proposed CIBP zoning designation is appropriate as the surrounding parcels that are located to the north, east, and west are all zoned CIBP. In addition, the two parcels located immediately to the south of the subject parcel would remain as Neighborhood Commercial (NC). The remaining parcels could accommodate commercial uses in the future if it were proposed. For these reasons, staff is in support of the proposed Specific Plan Amendment.

ENVIRONMENTAL ANALYSIS

Given the size and regional importance of this project, CEQA requires that the environmental impact of the project be analyzed. An initial study was prepared, which determined that the project may have a significant impact on the environment. As a result, an Environmental Impact Report (EIR) was required. A Notice of Preparation (NOP) was distributed for public review for a period of 30 days from November 4, 2022, through December 5, 2022 and the Draft EIR was distributed for a 45-day public period from October 3, 2023 through November 16, 2023 and was subsequently extended until December 1, 2023. The environmental document was circulated to local, state and federal agencies, and organizations as well as surrounding property owners. Five comment letters were received during the Initial Study/NOP comment period and six comment letters were received during the Draft EIR comment period. The letters, as well as the responses to them, are included in the Final EIR. The Draft and Final EIR are available for review on the City's website and have been provided to the Commission under separate cover.

The Draft EIR identified potentially significant impacts of the project and discussed numerous mitigation measures proposed to address potential impacts of the project. Mitigation measures presented in the Draft EIR have been included in the Mitigation Monitoring Reporting Program, which is attached as Attachment 6 and incorporated by reference in the conditions of approval (Attachment 8). The mitigation measures for the project will reduce potentially significant impacts to Biological Resources, Cultural Resources, Geology and Soils, and Tribal Cultural Resources. However, the EIR concluded that despite mitigation measures, the project could result in significant and unavoidable impacts to Greenhouse Gas Emissions and Transportation. Consequently, pursuant to CEQA guidelines, a statement of overriding considerations must be made to approve the project. The following is a summary of the significant and unavoidable impacts because of the project:

Greenhouse Gas Emissions: Long-term operations of the project would result in greenhouse gas emissions through mobile sources and on-site equipment, area sources (landscape maintenance equipment); energy use (natural gas and generation of electricity consumed by the Project); generation of electricity associated with wastewater treatment and with water supply, treatment, and distribution; and solid waste disposal. Annual greenhouse gas emissions from these sources were estimated in the EIR.

With applicable regulatory requirements and project design features, the project would result in approximately 11,630.5 MT CO₂e per year, which would exceed the GHG threshold of 3,000 MT CO₂e per year. Therefore, the project would generate GHG emissions, either directly or indirectly, that may have a significant impact on the environment, and this would represent a cumulatively potential significant impact. Mitigation measures would be required that would reduce project-generated construction and operational GHG emissions. The EIR determined that the effectiveness of the required mitigation measures cannot be accurately quantified. Therefore, project-generated greenhouse gas emissions would still exceed the applied threshold of 3,000 MT CO₂e per year. The EIR concludes that there are significant unavoidable impacts upon

greenhouse gas emissions and a finding of overriding considerations is included in the resolution certifying the EIR for this project.

Traffic/Circulation: Beginning on July 1, 2020, vehicle miles traveled (VMT) is used to determine the significance of transportation impacts. The San Bernardino Transportation Analysis Model (SBTAM) is an accepted program to estimate VMT as it considers interaction between different land uses based on socio-economic data such as population, households, and employment. A project's VMT impacts are considered significant if the project baseline and cumulative VMT per service population is above the County's regional average. The County's regional average is 32.7 VMT per service population. However, the project's cumulative VMT per service population is estimated to be 37.1 VMT. Therefore, the project would have a significant and unavoidable impact on the environment. The project would implement mitigation measures to provide a ridesharing program and provide end of trip bicycle facilities to encourage employee carpooling, use of public transit, and biking as alternative modes of transportation to work. Implementation of the mitigation measures would reduce the total VMT per service population; however, they would not reduce the project's VMT below the 32.7 countywide significance threshold.

Overriding Considerations: Pursuant to CEQA, the City must balance the benefits of the project against any significant and unavoidable environmental impacts that cannot be mitigated to less than significant. If the benefits of the project outweigh these environmental impacts, those impacts are considered "acceptable." Since the impact upon Greenhouse Gas Emissions and Transportation are considered significant and unavoidable, findings for a Statement of Overriding Considerations must be made. The project's benefits include strengthening the local economy by providing new employment opportunities for residents and generating tax revenues to maintain adequate infrastructure facilities. Further, the project will help satisfy the City's deficiency of high-quality local jobs, as most residents must currently travel outside of the City to obtain higher paying jobs. The project would use the locational characteristics (specifically, the project's proximity to the I-15 freeway and US Highway 395) to provide needed flexible industrial space to businesses wishing to invest in the City, as well as to provide approximately 549 permanent jobs both directly and indirectly in the region. The project's social and economic benefits render these significant and unavoidable impacts acceptable.

Conclusion: In summary, because the project is consistent with the City's General Plan, most of the project's impacts, whether less than significant, mitigable, or significant and unavoidable, were known and acknowledged by the City when the General Plan EIR was adopted in 2010. Prior to acting on the project, the Planning Commission must make the environmental determination, certifying that the Final EIR is complete; that it has been prepared in compliance with CEQA; that it reflects the City's independent judgment; and that all impacts from carrying out the project have been identified and disclosed to the public. Resolution PC-2024-04 has been prepared to document this determination. Once that has occurred, the Planning Commission can consider the conditional use permit. If approved, the mitigation monitoring and reporting program will be administered with the project approval.

FISCAL IMPACT

None. The development will be subject to payment of development impact fees and will be required to annex into the City Industrial CFD to pay for the ongoing maintenance of public infrastructure and services.

ALTERNATIVE(S)

1. Provide alternative direction to staff.

ATTACHMENT(S)

1. Overall Site plan
2. General Plan / Zoning Map
3. Aerial
4. Color Elevation
5. View Rendering
6. Resolution No. PC-2024-04 (Recommending adoption of the EIR including Exhibit A- Findings of Fact and Statement of Overriding Considerations and Exhibit B- MMRP)
7. Resolution No. PC-2024-05 (SPLA24-00001)
8. Resolution No. PC-2024-06, with list of conditions (CUP22-00017)
9. Draft EIR (provided under separate cover)
10. Final EIR (provided under separate cover)