PREPARED BY

The City of Stockton Community Development Department with the assistance from PlaceWorks (Climate, Economics, CEQA).

INTRODUCTION

In 2022, the City Council approved two agreements with the State of California Attorney General (AG) and the Sierra Club, respectively, to improve and facilitate approval of the Mariposa Industrial Park Project in particular, and to promote sustainable warehouse development in general going forward. Per the agreements, a new industrial warehouse ordinance must be presented to the City Council for its consideration by December 31, 2023, including proposed new development standards for qualifying warehouse development projects engaged in logistics uses with a building or buildings totaling 100,000 square feet or larger. The Memorandum of Agreement (MOA) with the AG defines qualifying facilities engaged in logistics use as any warehouse or wholesaling and distribution land use which entails facilities to be used for the storage of farm products, furniture, household goods, or other commercial goods of any nature for distribution to wholesalers and/or retails, including cold storage.

Per the Memorandum of Agreement with the AG's office, if any of the conditions included in Exhibit A to the MOA are not included in the proposed warehouse ordinance, an explanation needs be provided to explain: (1) why such condition is infeasible as defined under CEQA; (2) what alternative conditions are being proposed for inclusion in lieu of any omitted conditions; and (3) how such alternative conditions reduce potentially significant environmental impacts. While the MOA refers to "conditions," this report herein refers to them as "standards" for the purpose of preparing an ordinance.

To prepare the proposed warehouse ordinance, City staff conducted extensive research and performed outreach with other municipalities that either prepared or are in the process of preparing logistics warehouse development standards (i.e., City of Fontana, City of Irwindale, San Joaquin County, and City of Tracy). Additionally, staff sought input from Stockton residents, local community advocates, industrial developers and their consultants (i.e., architects, environmental professionals), and representatives from State and local regulatory agencies (i.e., California Air Resources Board, San Joaquin Valley Air Pollution Control District, Attorney General's Office). This was achieved via phone conversations, emails, virtual meetings, Planning Commission workshops, and responses to comments received by staff. A summary of meeting dates is provided below:

- Attorney General's Representative Meetings: 8/30, 9/13, 9/21, 10/5, 10/19
- Environmental Advisor Meetings[1]: 9/11, 9/14, 9/18, 9/21, 9/26, 10/11, 10/16

[1] Representatives from Sierra Club, Catholic Charities of the Diocese of Stockton, and Little Manila Rising

- Industrial Advisor Meeting[2]: 9/6, 9/20, 10/5, 10/11
- Meeting with group of Stockton residents expressing interest in the Ordinance[3]: 9/18, 10/17
- Meeting Climate Specialists (PlaceWorks): 10/3, 10/16
- Meeting with Municipalities with Warehouse Ordinance or Considerations: 9/28, 9/29
- Planning Commission Ad-Hoc Committee Meetings[4]: 8/30, 9/7, 9/14, 9/21 (9/21 Release of Ad-Hoc Notes)
- Planning Commission Public Study Sessions: 8/10, 8/24, 9/28, 10/12
- Planning Commission Public Hearing: 10/26

In addition, Working Draft standards were emailed to the above groups and posted on the City's website on 9/15 and 10/12, respectively, for review. This was in addition to drafts presented at the Planning Commission public study sessions.

Project Description

The Project entails a City initiated amendment of the Stockton Municipal Code, Title 16 (Development Code), Chapter 16.80 (Standards for Specific Land Uses) to add a new Section 16.80.390 (Logistic Warehouse) containing development standards for logistics warehouse development. The MOA outlined 26 items as the basis for new development standards to serve as the foundation of a future ordinance. In accordance with Title 16.116, the City Council is the review authority for amendments to the Development Code, based on the recommendation of the Planning Commission. The process for consideration entails providing public notice of and conducting public hearings, with any decisions needing to be supported by required findings.

Project Objectives

The project objective is to propose an ordinance for adoption that is consistent with the MOA. The proposed ordinance would apply to all qualifying logistics warehouse projects whether discretionary or ministerial and whether CEQA applies or not, and would achieve the following objectives:

- Satisfy obligations of the MOA.
- Reduce potential environmental impacts through enhanced design standards.
- Balance the need for high-quality and sustainable design with the project feasibility
- Continue to streamline reviews and provide clarity in the development review process.
- Create consistency through objective design standards.
- Minimize future legal challenges through enhanced design.

[2] Greenlaw Partners (Rob Mitchell, Mike Souza), Dermody Properties (George Condon), Lazares Companies (Trevor Smith)

[3] Group meetings as well as individual meetings for residents who expressed interest in the effort.

[4] Commissioners Gurneel Boparai, Terry Hull, and Rajan Nathaniel

FINDINGS FOR ALTERNATIVES

Staff performed significant research, outreach, and held meetings as summarized above and concluded that certain MOA standards were infeasible. Per the MOA, if certain standards from the MOA are not included in the proposed warehouse ordinance, an explanation needs be provided to explain:

1) Why such condition is infeasible as defined under CEQA[5];
2) What alternative conditions are being proposed for inclusion in lieu of any omitted conditions; and
3) How such alternative conditions reduce potentially significant environmental impacts.

The following provides findings that incorporate feasibility analysis, explanations, responses to comments, and conclusions of staff's review of all proposed standards that require feasibility consideration consistent with the MOA criteria listed above. This feasibility analysis was prepared by the City with the assistance of outside consultants (PlaceWorks) hired independently by the City.

For this analysis, staff is proposing to incorporate the proposed alternatives into an optional ordinance, referred to in the analysis as "Option C (Industry Standards)" and are herein referred to as the "Project" for the purposes of the feasibility analysis presented in this report. Option C is proposed by members of the industrial development community and has several differences from Option B proposed by staff. While the Option B feasibility analysis is contained in a separate report, since many of the changes (from MOA measures) in Option C are identical to Option B, a reference to the Option B analysis is provided in sections where the changes were identical. The MOA standards (original MOA Exhibit A language) are considered Option A and are not analyzed as they would accept all of the MOA measures and would not require an alternative.

MOA# 2 Heavy Equipment[6]:

MOA Original Language (Option A)	Proposed Alternative (Option C)
All off-road construction equipment, with a power rating of less than 19 kilowatts (e.g., plate compactors, pressure washers, shall be electric-powered. The use of electric-powered, battery-powered, natural gas, or hybrid	Language shortened and simplified for clarity. Removed the CARB option as it is unclear what those standards may be as there does not appear to be a set list to pull from. Staff will continue to consider should a CARB list of requirements or options be established by working

[5] "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, legal, social, and technological factors. [CEQA §15364]
[6] The MOA Exhibit A included bullet points and not numbers. For the purposes of tracking changes, those bullet points have been converted to numbers for easier reference. All proposed standards have been kept in the same order.

construction equipment and vehicles are required during construction if commercially available meeting the highest rated California Air Resources Board (CARB) Tier technology available at the time of construction may be used. Subject to all other idling restrictions, off-road diesel-powered construction equipment shall not be left in the "on position" for more than 10 hours per day	professionals or the CARB itself. Added to Construction Permit Approval section of new code. Per discussions with contractors (Teichert and Knife River), they are not aware of any large construction equipment, like an electric scraper being available in the market today.

Feasibility
Per discussions with contractors (Teichert and Knife River), they are not aware of any large construction equipment, like an electric scraper, being available in the market today. Language removed the CARB option as it is unclear what those standards may be as there does not appear to be a set list to pull from. The developers anticipate significant increases in cost for all electric equipment that *is* currently available for use in addition to the onsite availability to charge this equipment during the initial construction stages. In addition, since some of the technology may not be readily available, securing equipment to comply with the requirement could lead to delays in construction and securing a tenant due to equipment delays and shortages.

Alternative Standards Proposed
Option C changed the original MOA measure to the use of current state requirements for all logistic warehouses.

Reduction of Environmental Impacts
The proposed standard is consistent with State, local, and best management practices and will automatically correspond with changes in minimum building requirements (CAL Green) and air quality standards adopted by the state, consistent with State Carbon Neutrality objectives. These standards will lessen environmental impacts for all future projects and align with the state's objectives on reducing greenhouse gases.

MOA# 7 Paint Coating:

MOA Original Language (Option A)	Proposed Alternative (Option C)
All architectural and industrial maintenance coatings (e.g., paints) applied on site shall be consistent with a VOC content of <10 g/L. Developer or tenant is not expected to exercise control over materials painted offsite by a third party.	Same position as Option B. Architectural and industrial coatings (e.g., paints) applied on the qualifying facility(ies) shall be consistent with the Volatile Organic Compound (VOC) content limits set by the San Joaquin Valley Air Pollution Control District (SJVAPCD) or the current edition of the California Green Building Standards Code (CALGreen), whichever

	is most restrictive. Developer or tenant is not required to exercise control over materials painted offsite.

Analysis:

Same analysis as Option B.

MOA# 10 Building Standards:

MOA Original Language (Option A)	Proposed Alternative (Option C)
Qualifying facilities shall be constructed in compliance with the most current edition of all adopted City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer of the qualifying facility(ies) shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built to, at a minimum, meet the Tier 2 advanced energy efficiency requirements of the Nonresidential Voluntary Standards of the California Green Building Standards code, Divisions A5.1, A5.2 and A5.5, Energy Efficiency as outlined under Section A5.203.1.2.	Qualifying facilities shall be constructed in compliance with the most current edition of all adopted City building codes, including the adopted Green Building Standards Code. Prior to the issuance of building permits, the applicant/developer of the qualifying facility(ies) shall demonstrate (e.g., provide building plans) that the proposed buildings are designed and will be built.

Analysis:

Feasibility

Same analysis as Option B.

Alternative Standards Proposed

Option C changed the original MOA measure to the use of current state requirements for all logistic warehouses.

Reduction of Environmental Impacts

The proposed standard is consistent with state, local, and best management practices and will automatically correspond with changes in minimum building requirements (CAL Green) adopted by the State, consistent with State Carbon Neutrality objectives. These standards will lessen environmental impacts for all future projects and align with the state's objectives on reducing greenhouse gases.

MOA #11 Loading Docks:

MOA Original Language (Option A)	Proposed Alternative (Option C)
Qualifying facilities and their associated loading docks must be located no closer than 300 feet from sensitive receptors, and the City staff should consider the public health and safety benefits of requiring a larger buffer, up to 1,000 ft. All such setbacks will be measured from the loading dock or any building edge, whichever is closer to the property line of any nearby sensitive receptors using the straight-line method. The setbacks and buffers required in this ordinance shall prevail over any less-stringent standards in the City's Development Code. Sensitive receptor shall be defined as any residence including private homes, condominiums, apartments, and living quarters, schools, preschools, daycare centers, correctional facilities, parks/recreation facilities, in-home daycares, and health facilities such as hospitals, long term care facilities, retirement and nursing homes.	Loading Dock Door Setback: Unless determined to be physically impossible, when adjacent to sensitive receptors, a loading dock door shall be oriented away from the sensitive receptor and located a distance of 300-feet from said receptor, unless the dock doors are utilized by zero emission trucks and equipment only. The building and auto parking can be located within the 300-foot distance. A sensitive receptor shall be defined as schools, health care facilities, libraries, churches, correctional facilities, parks/recreational facilities, in home daycare, health facilities (hospitals, long term care facilities, retirement and nursing homes) or more than two directly contiguous residential units.

Analysis:

Feasibility

Same analysis as Option B.

Alternative Standards Proposed

Option C includes the 300-foot setback for truck dock loading similar to MOA A; however, it does not include the enhanced building setback.

Reduction of Environmental Impacts

The proposed standard is consistent with State, local, and best management practices. The new loading standard maintains the intent of the MOA 300-foot buffer and increases the setback distance from the building to the sensitive receptors which will reduce noise, visibility, and possible odor impacts.

MOA# 12 Landscaped Buffer:

MOA Original Language (Option A)	Proposed Alternative (Option C)
Qualifying facilities must include an onsite landscape buffer, measured from the property line of all adjacent sensitive receptors. The width of the buffer shall be proportionate to the height of the warehouse building with specified minimums as set forth below unless infeasible. Landscaping shall be installed at the periphery of the qualifying facility(ies) site along adjacent rights of way and the landscaping buffer area shall not include the right of way itself. Landscape buffers shall not be required on interior boundaries of the qualifying facility(ies). a) The width of the buffer shall be set at a 2:1 ratio for all warehouses–for every 1 foot of building height, the buffer shall be 2 feet. The landscaping portion of this buffer shall not be less than 50% of this buffer, but may include areas to be used for bioswales, retention/detention areas and/or other stormwater and water quality management areas. b) The buffer area(s) shall include, at a minimum, a solid decorative wall(s) adjacent to sensitive receptors, natural ground landscaping, and solid screen buffering trees, as described below, unless there is an existing solid block wall. Onsite buffer areas shall not include deceleration lanes or right-turn lanes. To the extent allowed by other applicable City codes, policies, and regulations the height of the decorative wall shall be at least 14 feet, except in buffer areas adjacent to sensitive receptors. For areas adjacent to sensitive receptors, the decorative wall shall be a minimum of 14 to 18 feet to the extent otherwise	A 20-foot landscaped planter (buffer) shall be installed along the property line adjacent to a sensitive receptor. The buffer shall be landscaped, and not be less than 50% of the total buffer size with two rows of 15-gallon trees planted along the length of the property line adjacent to the sensitive receptor. The buffer landscape can include areas to be used for bioswales, retention/detention areas and/or other stormwater and water quality management areas in compliance with SMC Section 16.56 (Landscaping). The buffer area shall include a minimum 10-foot solid decorative wall(s), or landscaped berm and wall, or landscaped berm adjacent to sensitive receptors unless a noise analysis indicates an alternative height is needed for sound attenuation. All on and off-site landscaping shall comply with SMC Chapter 16.56 (Landscaping). All landscaping shall be drought tolerant and, to the extent feasible, comprised of species with low biogenic emissions. Palm trees shall not be utilized. All landscaping areas shall be properly irrigated for the life of the facility to allow for plants and trees to maintain growth with no undue pruning. Tree maintenance shall comply with SMC Section 16.56 as a certified Landscape Architect must prepare the Preliminary and Final Landscape plan and certify the planting is water efficient at the time of construction permit approval. Trees shall be installed in automobile parking areas to provide at least 35% shade cover of passenger vehicular parking areas within fifteen years. Trees shall be planted that can meet this

permitted by city codes, policies, and regulations. c) Trees shall be used as part of the solid screen buffering treatment. Trees used for this purpose shall be evergreen, drought tolerant, and shall be spaced in two rows along the length of the buffer, with trees in each row offset, and each tree no greater than 15 feet on center. Spacing up to 20 feet may be allowed if wide canopy trees are used sufficient to create wall of vegetation that filters warehouse pollution. The property owner, tenant, operator, and any successors in interest shall maintain these trees for the duration of ownership, ensuring any unhealthy or dead trees are replaced with a similar tree as soon as possible. d) All landscaping shall be drought tolerant, and to the extent feasible, species with low biogenic emissions. Palm trees shall not be utilized. e) All landscaping areas shall be properly irrigated for the life of the qualifying facility(ies) to allow for plants and trees to maintain growth with no undue pruning.	requirement. The 35% shade trees amount can be substituted for solar canopy upon approval by the Director.

Analysis:

Feasibility

Same analysis as Option B.

Alternative Standards Proposed

Consistent with examples provided by the State Attorney's Office and other cities within the state, a 20-foot landscape buffer is proposed. A minimum 10-foot sound wall is also proposed unless a noise analysis indicates a taller wall is needed to bring noise levels into compliance with nighttime and daytime standards. In addition, staff added an alternative based on other city examples. That addition requires that trees be installed in automobile parking areas to provide at least 35% shade cover of passenger vehicular parking areas within fifteen years. Trees shall be planted that can meet this requirement; however, parking area trees could be substituted for solar canopies to help provide shade and energy efficiency consistent with current practices in the state.

Reduction of Environmental Impacts
The proposed alternative measure will provide environmental enhancements similar to the MOA standards in regard to landscape and sound wall which will be added and will exceed current local standards. The measure also goes beyond Option A with specific tree types and landscape materials. The increase in landscaping will provide a larger and enhanced buffer between operational uses and the adjacent receptors that will mitigate noise, visual, and potential odor impacts from the facilities.

MOA# 13: Solar, Battery Energy System:

MOA Original Language (Option A)	Proposed Alternative (Option C)
Solar Power/Battery Energy Storage Systems: a) The building permit application for qualifying facilities must demonstrate sufficient solar panels to provide power for the operation's base power use at the start of operations and as base power use demand increases. The application shall include analysis of plans to meet (a) projected power requirements at the start of operations and as base power demand increases corresponding to the implementation of the "clean fleet" requirements, and (b) generating capacity of the solar installation. a) The photovoltaic system(s) shall include a battery energy storage system to serve the qualifying facility(ies) in the event of a power outage to the extent required by the most current edition of the California Building Standards Code. b) Stockton's Community Development Department (CDD) shall verify the size and scope of the solar project based upon the analysis of the projected power requirements and generating capacity as well as the available solar panel installation space. c) In the event sufficient space is not available on the subject lot to accommodate the needed number of solar panels to produce the operation's base or anticipated power use, the applicant of the qualifying facility(ies) shall demonstrate how all available space	Each developer of an individual specific development proposal shall prepare the subject building structures in such a way to accommodate future solar panels pursuant to applicable Building Code requirements. The building permit application for qualifying facilities must demonstrate that sufficient power will be provided from clean energy sources for the operational base power use at the start of operations. Developers shall have the following options, or any combination of options, for procuring clean energy to meet operational base power needs for new building structures. Options may include 1) installing solar panels on the subject building or building site, and/or 2) procuring 100% clean energy from AVA Community Energy, and/or 3) participating in California's Community Solar Program. Operational base power is defined as the amount of power required to supply loads for all ordinary operational uses of the site. Loads for all ordinary operational uses of the site include, as non-exhaustive examples, loads for minimal heating for fire sprinklers, primary office space lighting, HVAC, warehouse power, warehouse lighting, site lighting, minimum power for dock positions (including chargers for yard equipment and any plug-ins for transport refrigeration units), and the amount of light-duty electric

has been maximized (e.g., roof, parking areas, etc.) for photovoltaic and battery energy storage system use. Areas which provide truck movement may be excluded from these calculations unless otherwise deemed acceptable by the supplied reports and applicable building standards. d) The owners, operators or tenants, or qualified solar system contractor engaged by the developer or tenant, shall install the system when the City has approved building permits and the necessary equipment has arrived. The tenant/operator of the qualifying facility(ies) shall commence operation of the system only when it has received permission to operate from the utility. The photovoltaic system owner shall be responsible for maintaining the system(s) at not less than 80% of the rated power for 20 years. At the end of the 20-year period, the owners, operators, or tenants shall install a new photovoltaic system meeting the capacity and operational requirements of this measure, or continue to maintain the existing system, for the life of the qualifying facility(ies).	vehicle supply equipment required by CalGreen code. Loads for all ordinary operational uses of the site exclude, as non-exhaustive examples, loads for specialized equipment, non-standard automation or material handling systems, and chargers for heavy-duty trucks. The office portion of a building's rooftop that is not covered with solar panels or other utilities shall be constructed with light colored roofing material with a solar reflective index of not less than 78. Electrical Room Sizing. To ensure that warehouse electrical rooms are sufficiently sized to accommodate the potential need for additional electrical panels, either a secondary electrical room shall be provided in the building, or the primary electrical room shall be sized 25% larger than is required to satisfy the service requirements of the building or the electrical gear shall be installed with the initial construction with 25% excess demand capacity. Warehouse Dock Seal Doors. Exterior loading dock doors that are adjacent to conditioned or indirectly conditioned spaces shall have dock seals or dock shelters installed at the time of permitting. Onsite Equipment Infrastructure. Project should provide infrastructure to support charging of electric power onsite equipment. Revised to define base power and add option for when "clean" energy sources are available. Removed the compliance provisions as the City will rely on the state and responsible agencies to direct staff to best practices in common usage and changes to state law. Added to Building Design section of new code.

Analysis:

Feasibility

Same analysis as Option B.

Alternative Standards Proposed

Option C is very similar to Option B; however, it provides more options for providing that base power though the use of solar, clean energy and other means. The solar and battery requirement remain as staff has added a definition of what "base power" is as it was lacking from the original standards and is not a definition commonly used in planning and building profession. In addition, staff is proposing an option for the use of "clean" energy sources as an alternative to installing solar equipment when they become available for use in projects. Staff is proposing to remove the monitoring component for the upgrades and will rely on changes to state law or projects specific reviews.

Reduction of Environmental Impacts

The proposed alternative will still result in positive environmental effects on the environment, there are simply more options being provided for the industry to have greater flexibility to determine what is best for their individual project. While energy efficiency is not a required impact under CEQA, it does influence climate change and the reduction of greenhouse gases. The proposed standard is consistent with state, local, and best management practices.

MOA# 14/17 EV Fleet and Monitoring

MOA Original Language (Option A)	Proposed Alternative (Option C)
#14- The lease agreement should include requirements for sustainable business practices, such as the use of trucks from 2014 or newer that transition to zero-emission vehicles. Clean fleet standards must be met by all other vehicles on-site. (SEE MOA FOR FULL TEXT)	To facilitate the installation of future electric vehicle charging stations for heavy-heavy duty (HHD) trucks, in connection with each individual development proposal, the subject building improvement plans shall identify an area for future HHD truck charging stations and the subject developer shall install conduit from the power source to the identified area.
#17- Facilities need to purchase electric vehicles to comply with clean fleet rules. Reports are due every two years until requirements are met. Public hearings will evaluate compliance. Annual reports are required if requirements aren't met by December 31, 2027. After achieving a 100% clean fleet, reports are due every three years. Display signs prohibiting off-site parking and truck idling. Report	Same position as Option B. No standard is recommended since the California Air Resources Board (CARB) is responsible for regulating manufacturers of EV heavy duty and medium duty vehicles and enforcing state standards for electric vehicle (EV) heavy duty and medium duty fleet compliance requirements.

complaints about dust, fumes, odors, and parking to designated representatives and the air pollution control district. Complaints must be addressed within 72 hours. (SEE MOA FOR FULL TEXT)	

#14/17 Analysis:
Same analysis as Option B.

MOA #15 EV Charging Facilities

MOA Original Language (Option A)	Proposed Alternative (Option C)
Electric charging facilities shall be provided onsite sufficient to charge all automobiles, and electric trucks domiciled on the site.	Provide EV charging stations for automobiles per building code and provide conduit to a future designated area for Heavy Duty Truck Charging Facility.

Analysis:

Feasibility
The development community has indicated it can be very difficult to assess at the time of building permits, how many extra EV spaces or capacity will be needed for future domiciled vehicle demands and if the initial estimate is lesser than demand, it could render future tenants in violation of this ordinance. This unknown would lead to increases in cost due to supplementing EV areas beyond the required parking areas in addition to construction costs for their maintenance.

Alternative Standards Proposed
Option C changed the original MOA measure to the use of current state requirements for all logistic warehouses. Since required parking areas will have EV parking spaces, it will be recommended that the facilities use those current spaces for domicile vehicle outside of normal business hours.

Reduction of Environmental Impacts
The proposed standard is consistent with state, local, and best management practices and will automatically correspond with changes in minimum building requirements (CAL Green) and air quality standards adopted by the state, consistent with State Carbon Neutrality objectives. These standards will lessen environmental impacts for all future projects and align with the state's objectives on reducing greenhouse gases.

MOA# 18 Transport Refrigeration Units (TRUs):

MOA Original Language (Option A)	Proposed Alternative (Option B)
For qualifying facilities at which cold storage and associated transport refrigeration units (TRUs) are proposed or	Where transport by temperature-controlled trucks or trailers is proposed, on-site electrical hookups shall be

may be a future use, unless the owner of the facility records a covenant on the title of the underlying property ensuring that the property cannot be used to provide cold storage, a conduit shall be installed during construction of the building shell from the electrical room to 100% of the loading dock doors that have potential to serve the refrigerated space. If tenant improvement building permits are issued for any such cold storage space, electric plug-in units shall be installed at every dock door servicing the cold storage space to allow TRUs to plug in and truck operators a with TRUs shall be required to utilize the electric plug-in units when at loading docks serving such refrigerated space.	provided at loading docks. Idling or use of auxiliary truck engine power to power climate-control equipment shall be prohibited.

Analysis:
Same analysis as Option B.

MOA #25: (REMOVE) Development Agreement Monitoring

MOA Original Language (Option A)	Proposed Alternative (Option C)
Every development agreement, approved and executed in conjunction with the applicable warehouse, shall be subject to periodic review of the applicant's/contracting party's compliance with the agreement, by the Commission, during the full term of the agreement, as specified in the agreement, but in no case less frequently than once every 12 months as required per SMC 16.128.110 (Periodic Review). Appropriate fees to cover the City's cost(s) to conduct the periodic reviews in compliance with the Council's fee resolution shall be collected from the applicant/contracting party.	Same position as Option B. Annual compliance reviews are already required by State Law and the Development Code.

Analysis:
Same analysis as Option B.

MOA #26: (REMOVE) Community Engagement

MOA Original Language (Option A)	Proposed Alternative (Option C)
A neighborhood meeting shall be required for one or more discretionary permits for qualifying facility(ies) application requiring Council review. At the discretion of the Director, a neighborhood meeting may be required for other applications consistent with SMC section 16.88.025 (Neighborhood Meetings).	Same position as Option B. Conflicts with ministerial reviews and already required for approvals requiring public hearings and annexations.

Analysis:
Same analysis as Option B.

FINDING SUMMARY

The City finds that the Project would have the following environmental and economic benefits:

Feasibility Finding

- Most of the Option A standards have been maintained and included within Option B (discussed in a separate report) and Option C.
- Option A standards for 11, 12, 13, and 14 have been revised but maintain original components of the Option A request by the MOA. These revisions will exceed current practices and standards for regulating industrial warehouse design and operation.
- The remaining measures that do not implement the original MOA Option A standards are still consistent with state, local, and best management practices and will automatically correspond with changes in minimum building requirements (CAL Green) and air quality standards adopted by the state, consistent with State Carbon Neutrality objectives. This includes project reviews, applicable construction standards and practices, and monitoring from regional and state agencies.
- If the following MOA standards are applied, Industrial asking lease rates are projected to increase by 64.8 Percent.

	Amount	**Percentage**
Base Asking Lease Rate	**$0.71**	
MOA #10 – Open Space	+ 0.01	1.4
MOA #10 – Dock Seal Doors	+ 0.03	4.2
MOA #11 – 300’ Loading Dock Buffer land costs	+ 0.09	12.7
MOA #12 – 300’ Landscaped Buffer	+ 0.06	8.5
MOA #13 – Solar/Battery Costs	+ 0.27	38
Increased Asking Lease Rate ($/sq. ft./month)	**$1.17**	**64.8%**

Alternative Standards Finding

- The adjusted conditions will provide enhanced mitigation for future project review that will lead to greenhouse gas reduction via more energy efficient buildings. The Project includes enhanced designs standards that reduce future impacts from projects. The standards have been designed to be objective and applied to all applicable projects.
- The proposed standards are more agreeable to the development community as many of the original standards in the MOA included measures that were not quantifiable and had many unforeseen impacts as they involved enforcement of standards that have not been established by the state or its enforcement agencies. Some of the standards not included in the Option B standards (#7,10,13, 14, 17) require the abundant use of technology that is not in common usage or monitoring that exceeds city staff resources and expertise or conflicts with internal review or noticing processes.

Reduction of Environmental Impacts Finding

- Option C standards exceed the City's current standards and will add enhanced design features to further mitigate future warehouse design and operations.
- The proposed measures are consistent with many General Plan policies for environmental review, enhanced design standards, and balance requirements that do not adversely impact existing industries and property owners in the City.
- The proposed standards are consistent with the provisions of the Municipal Code and do not conflict with other industrial and zoning standards and would supersede any conflicting measure as they are specific to logistic warehouses of a certain size.
- The adjusted conditions will provide enhanced mitigation for future project review that will lead to greenhouse gas reduction via more energy efficient buildings. The Project includes enhanced designs standards that reduce future impacts from projects. The standards have been designed to be objective and applied to all applicable projects.
- The State and Regional Agencies will continue to enforce stricter climate change requirements regarding air quality, water quality, and building standards. All future projects will have to comply with state and local air quality and climate standards. This includes ministerial projects not subject to CEQA.
- Absent adoption of the ordinance, ministerial projects would not be required to exceed minimum standards, therefore, these standards will lessen environmental impacts for all future projects and align with the state's objectives on reducing greenhouse gases.