

# Sonoma County Board of Zoning Adjustments STAFF REPORT

FILE: ORD20-0010

DATE: February 11, 2021

TIME: At or after 1:05

STAFF: Blake Hillegas, Supervising Planner

#### **SUMMARY**

**Property Owner:** Victory Station LLC, Jose McNeil

**Applicant:** McNeal Real Estate Services on behalf of Amazon

**Appellants:** Norman Gilroy on behalf of Mobilize Sonoma and Kathy Pons on behalf of

Valley of the Moon Alliance

**Address:** 22801 8<sup>th</sup> Street East and 1194 Freemont Drive, Sonoma

Supervisorial District(s): First

**APN's:** 128-442-014,-017, and -018

**Description:** Appeal of a Permit Sonoma Administrative Determination to not require a

Use Permit for Amazon to operate a warehouse and distribution center within an existing warehouse building and construct a new parking lot on a

3.5 acre Limited Rural Industrial property

CEQA Review: Exempt

General Plan Land Use: Limited Industrial
Specific/Area Plan Land Use: Not Applicable

Ordinance Reference: 26-050-010 (M3 Permitted Uses), 26-050-020 (M3 Uses Permitted with a Use

Permit), and 26-094-040 (Appeals)

Zoning: M3, (Limited Rural Industrial), SR (Scenic Corridor), F2 (Flood Plain), VOH

(Valley Oak Habitat)



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#### **RECOMMENDATION**

The Permit Resource and Management Department (Permit Sonoma) recommends that the Board of Zoning Adjustments deny the appeal.

#### **EXECUTIVE SUMMARY**

The purpose of this report is to analyze an appeal of Permit Sonoma's Administrative determination that a Use Permit is not required for Amazon's proposal to occupy an existing 249,904 sq. ft. industrial warehouse building (Victory Station) and develop an adjoining 3.5 acre industrially zoned site with 246 passenger vehicle/delivery van parking spaces to facilitate their plans to operate a "last mile" warehouse and distribution center. At this time, Amazon's proposal includes a building permit to perform tenant improvements within the existing Victory Station Warehouse building, and a separate Administrative Design Review application to develop a new parking lot to accommodate their warehouse and distribution plans. On July 29, 2020 Permit Sonoma informed Amazon that the original Design Review Approval for Victory Station (DRH15-0007) would need to be modified to address the full scope of the Amazon proposal, including environmental impacts associated with both the occupancy of the Victory Station building and development of the 3.5 acre parking lot site.

On August 27, 2020, Permit Sonoma via email (Exhibit G), made a formal zoning determination that an Amazon warehouse and distribution use, which is proposing tenant improvements to occupy the approved Victory Station warehouse building and Administrative Design Review to develop an adjoining 3.5 acre site for parking, are permitted uses in the M3 Zoning District. The zoning determination is based on Section 25-050-010 (d) and (q) of the M3 (Limited Rural Industrial District) which principally permits heavy commercial uses for which storage, large or heavy merchandise or transportation facilities are necessary and usual to the operation. Under Section 26-050-010 (q) of the M3 District, the Permit Sonoma Director may also allow other nonresidential uses, which are of a similar and compatible nature to those uses listed. Permit Sonoma staff determined that Amazon's proposed "last mile" warehouse and distribution facility is a permitted heavy commercial use with storage and necessary commercial transportation facilities, and similar to and compatible with other heavy commercial uses permitted in the district.

On September 8, 2020, Norman Gilroy on behalf of Mobilize Sonoma, and Kathy Pons on behalf of Valley of the Moon Alliance, filed an appeal of the administrative determination asking for the determination to be rescinded. The appeal (Exhibit H) asks that a Use Permit be required for the proposed Amazon tenant improvements and the new parking lot because the intensity and scope of the use includes on line ordering/retail sales, 24 hour operation, 136 on-site employees, 151 Amazon delivery vans, 40 contract delivery vehicles, and development of a 3.5 acre site for parking. The appeal suggests that the applicant's proposal should be considered a truck terminal instead of a heavy commercial use with necessary transportation facilities, thereby triggering a Use Permit under the M3, Limited Rural Industrial Zoning. The appellant believes that requiring a Use Permit would provide more appropriate scrutiny by the Board of Zoning Adjustments and greater transparency and public involvement in the review process.

The appeal further asserts that modifying the Victory Station Design Review entitlement (DRH15-0007) to include the full scope of Amazons' proposal (detailed above), as recommended by Permit Sonoma is procedurally incorrect, not adequate, and would encourage an inappropriate baseline for CEQA. Finally the appeal asserts that the project appears inconsistent with the General Plan on grounds that the Limited Industrial site is within an environmentally constrained area.





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Staff recommends that the proposed Amazon warehouse distribution facility and new accessory parking lot qualify under Section 26-050-010 as a permitted heavy commercial use for which storage and commercial transportation facilities are necessary and usual to the operation, thereby not triggering a Use Permit. Staff has requested that the design review permit for the proposed parking lot at 1194 Freemont Drive (ADR20-0039) be modified to effectively amend the original Victory Station warehouse at 22801 8<sup>th</sup> Street East (DRH15-0007) to comprehensively address the full scope of the proposed Amazon warehouse and distribution facility, including the new parking lot, in order to ensure comprehensive review of the project as a whole and establish a new baseline under CEQA.

While not recommended, if the Board of Zoning Adjustments determines that the use qualifies as a truck terminal, as requested by the appellant, Amazon would need to file and obtain approval of a Use Permit to occupy the Victory Station warehouse building and construct the new 3.5 acre parking lot. A truck terminal is broadly defined in the Zoning Code, such that the proposed Amazon distribution facility could be considered a truck terminal. For further information on this issue, see Analysis Section below.

#### PROJECT SITE AND CONTEXT

#### **Background**

In 2009, the Planning Commission approved a subdivision and design review (PLP04-0013) for the 19.16 acre Victory Station property for development of eight lots with 297,478 square feet of limited industrial manufacturing, warehouse and distribution uses including 44,622 square feet of office space and 470 parking spaces. No Use Permit was required because it was determined that these limited industrial warehousing and distribution, and manufacturing uses are permitted in the M3 Limited Rural Industrial zoning district. The 2009 project required Planning Commission approval because the entitlements included a Major Subdivision.

In 2015, a revised project (Victory Station), consisting of a 280,321 sq. ft. warehouse and distribution building with 246 parking spaces was submitted (DRH15-0007). The 2015 Victory Station project referral included distribution of the modified project to the Sonoma Valley Citizens Advisory Committee (SVCAC) and the Valley of the moon Alliance. Because the 2015 Victory Station project was a revision to the previously approved 2009 project, with an overall size reduction, the revised 2015 Victory Station project was not scheduled for SVCAC review.

On April 5, 2017, the County Design Review Committee held a public hearing, adopted Mitigated Negative Declaration, and approved the Victory Station warehouse and distribution project (DRH15-0007), which was reduced to 258,182 square feet to mitigate potentially significant traffic impacts. To further reduce traffic impacts, the 2015 Victory Station project was reduced in size again to 249,904 square feet at the building permit stage. The building permit for the Victory Station shell building was finaled in January 2020.

On May 11, 2020, Amazon filed a building permit to construct tenant improvements in the Victory Station building consisting of 12,255 square feet of office space and employee assembly with the remainder of the building as a warehousing for sorting and loading areas and indoor delivery van storage and circulation.

On May 29, 2020, McNeal Real Estate Services, representing the property owner Victory Station LLC filed an Administrative Design Review application (ADR20-0039) to develop a parking lot at 1194 Freemont Drive, a 3.5 acre site adjoining the approved Victory Station project site. ADR20-0039 proposed to develop 210 delivery van/van driver parking spaces and 36 van staging spaces.





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On July 2, 2020 Permit Sonoma informed the applicant (McNeal Real Estate Services) that their application for the parking lot (ADR20-0039) was incomplete and could not be processed until traffic impacts for the proposed Amazon distribution facility and new parking lot were comprehensively analyzed and impacts addressed.

The parking lot design review application (ADR20-0039) was referred and considered by the Sonoma Valley Citizens Advisory Committee on July 22, 2020. The SVCAC voted unanimously to recommend denial of the parking lot application because it was submitted independent of the overall Victory Station/Amazon project. The SVCAC recommended the entire Amazon proposal be evaluated comprehensively as one project.

On July 29, 2020 Permit Sonoma informed Amazon that the original Design Review Approval for Victory Station (DRH15-0007) would need to be modified to accommodate the full scope of the Amazon proposal including both the 19 acre Victory Station site and the 3.5 acre parking lot site.

### Area Context and Surrounding Land Uses

Direction	Land Uses
North	Contractors equipment and materials yard/warehousing
South	Agriculture
East	Train switching yard
West	Pallet manufacturing business

#### Access

The Victory Station project has driveway access on 8<sup>th</sup> Street East with restricted right turn egress pending signalization of the 8<sup>th</sup> St. East/SR 121 intersection. There is also driveway access directly to Highway 121, with restricted left turn movements pending signalization of the intersection. The proposed 3.5 acre parking lot adjoining Victory Station has internal access to Victory station and would share the existing driveways.

#### Wildfire Risk

The Victory Station parcel is in a local non-wildland fire hazard area while the adjoining parking lot site is located within a local moderate fire hazard zone.

#### Water/Wastewater/Utilities

The existing Victory Station building is served by well water and municipal sewer provided by the Sonoma Valley Sanitation District.

#### **Other Environmental Conditions**

The Existing Victory Station building and proposed parking lot are located within the SR (Scenic Corridor) F2 (Flood Plain) and VOH (Valley Oak Habitat) Combining Zoning Districts. The sites are also located within an area known to experience heavy traffic congestion during peak hours.





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#### **PROJECT DESCRIPTION**

This item involves an appeal of Permit Sonoma's determination that a Use Permit is not required for Amazon to occupy the Existing Victory Station warehouse with a "last mile" distribution center and develop a new 3.5 acre parking lot adjacent to Victory Station. A "last mile" facility is a business center where Amazon packages are received from larger regional facilities, sorted, and then delivered to the consumer in 20' long delivery vans.

Amazon's intent is to complete tenant improvements to operate a 24-hour warehouse and distribution facility with 136 on-site employees, 151 Amazon delivery vans/personnel and 40 flex (private contractor) delivery personnel.

Up to 12 supply line tractor-trailer trucks would serve the facility on a daily basis. Packages would be sorted at the facility and loaded on to Amazon vans. One hundred and fifty one delivery personnel would arrive and depart in staggered shifts between 9-12 a.m. with the peak activity occurring between 10-11 a.m. As vans are loaded, they would leave the site in staggered groups of 36. The 40 additional flex drivers would arrive and depart between 4-5 pm. The 136 facility employees would arrive for their shifts at staggered times, primarily from 1-2 am and 1-2 pm and primarily depart from 10-11 am and 2-3 pm. Facility employees would use the onsite parking spaces constructed with Victory Station, while the new off-site parking lot would be used for the storage of Amazon delivery vans and van employee parking.

#### **Prior Review**

The Table below summarizes prior actions undertaken for the Victory Station Project proposed to be occupied by Amazon.

Date	Authority	Action Taken
9/7/2006	PC	Approved Subdivision and Design Review for 150,080 s quare foot light industrial and warehouse complex
3/5/2009	PC	Approved Subdivision and Design Review for 297,478 square foot light industrial and warehouse complex
4/5/2017	DRC	Approved Design Review for 258,182 sq. ft. light industrial and warehouse building
3/7/2018	Project Review	Approved building plans for a 249,904 s q. foot light industrial warehouse building

#### **ANALYSIS**

The purpose of the M3 Zoning District is to implement the Limited Industrial policy of the General Plan outside of urban service areas for uses which may be limited in scale by such factors as lack of public services, incompatible adjacent land use or adverse environmental impacts. Use of the existing Victory Station warehouse building for a warehouse and distribution center by Amazon appears compatible with adjacent industrial and agricultural land uses. However, use of the existing building, combined with the proposed expansion of a 3.5 acre parking could result in traffic and other environmental impacts beyond what were initially considered for Victory Station. Accordingly, Permit Sonoma has requested the applicant file an amended design review application, the purpose to be clearly stated as a modification to the Victory Station permit DRH15-0007 to encompass the entire Amazon operation on both properties. The County is required to evaluate the whole of the project under CEQA Guideline 15378 to ensure comprehensive review and to avoid piecemeal analysis of environmental impacts.





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The issue of the appeal is whether the proposed Amazon warehouse and distribution facility and associated parking lot located within the M3 (Limited Rural Industrial) zoning district should be permitted as a heavy commercial use with necessary storage and commercial transportation facilities, or similar use, as recommended by staff, or whether the proposed Amazon warehouse and distribution facility and associated parking lot located on the adjoining property should be considered as a truck terminal requiring a Use Permit as requested by the Appellant.

Section 26-050-010 (c) and (d) of the M3 zoning district permits various limited industrial and manufacturing uses, shops for contractor trades, and other heavy commercial uses for which storage, large or heavy merchandise or commercial transportation facilities are necessary and usual to the operation. Also, under Section 26-050-010 (q) of the M3 District, the Permit Sonoma Director may allow other nonresidential uses, which are of a similar and compatible nature to those uses listed. Permit Sonoma staff determined that Amazon's proposed "last mile" warehouse and distribution facility is similar to other permitted heavy commercial uses because it includes warehouse storage and commercial transportation facilities necessary for the operation. While the Zoning Code does not define heavy commercial uses for which storage and commercial transportation facilities are necessary, Amazons proposal includes commercial storage, sorting, and distribution of packages involving commercial transportation facilities.

Section 26-050-020 (q) of the M3 zoning district lists truck terminals as a use requiring a Use Permit. Zoning Code Sec. 26-02-140. - Definitions broadly defines Truck or equipment terminal or depot as a space, area or building designed, equipped or maintained for the parking or storage of two (2) or more trucks, vehicles or equipment other than private automobiles or farm vehicles or equipment used incidental to agricultural uses on the premises. Under the Zoning Code definition of truck terminal, any industrial, heavy commercial, contractors shop, manufacturing business or warehouse and distribution use with two or more commercial trucks or vehicles could be considered a truck terminal. While staff has not traditionally applied this broad definition of truck terminal for uses that fit under other permitted use categories, staff recognizes that the proposed Amazon facility is not a typical heavy commercial warehouse and distribution use and could be categorized as a truck terminal under the Zoning Code due to frequency and extent of large truck deliveries, delivery van storage and frequency of deliveries.

#### **NEIGHBORHOOD/PUBLIC COMMENTS**

On July 22, 2020, Sonoma Valley Citizens Advisory Committee (SVCAC) voted unanimously to recommend denial of ADR20-0039 permit for parking lot and recommended Permit Sonoma conduct new environmental review for ADR20-0039 together with DRH15-0007 that treats them as a single entity. The SVCAC recommended that the review include traffic impacts, including vehicle miles travelled, greenhouse gasses, flooding and public services. They also recommended that the project be subject to public hearing.

Minutes of the July 22, 2020 meeting can be found here.

### **RECOMMENDATION**

It is recommended that the Board of Zoning Adjustments deny the appeal.

## **ATTACHMENTS**

Exhibit A: Resolution





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Exhibit B: Vicinity Map

Exhibit C: Context Aerial Map

Exhibit D: Aerial Site Map

Exhibit E: Zoning Map

Exhibit F: Site Plan, Victory Station

Exhibit G: Site Plan, Victory Station with New Parking Lot

Exhibit H: Administrative email determination

Exhibit I: Appeal

Exhibit J: Basis for Appeal





Resolution Number

County of Sonoma Santa Rosa, California

February 11, 2021 ORD20-0010 Blake Hillegas

RESOLUTION OF THE BOARD OF ZONING ADJUSTMENTS, COUNTY OF SONOMA, STATE OF CALIFORNIA, DENYING THE AN APPEAL BY MOBILIZE SONOMA AND VALLEY OF THE MOON ALLIANCE OF PERMIT SONOMA ADMINISTRATIVE DETERMINATION THAT A USE PERMIT IS NOT REQUIRED FOR AMAZON TO OCCUPY THE EXISTING VICTORY STATION BUILDING AND CONSTRUCT A PARKING LOT ON A 3.5 ACRE LIMITED INDUSTRIAL SITE FOR PROPERTIES LOCATED AT 1194 FREMONT DRIVE (APN 128-442-018) AND 22801 8th STREET EAST (APN 128-442-017).

WHEREAS, Amazon proposes to occupy an existing limited industrial warehouse building (Victory Station) at 22802 8<sup>th</sup> Street East and construct a new parking lot on an adjoining 3.5 acre site at 1194 Freemont Drive; and

WHEREAS, Permit Sonoma determined that the design review application submitted for the parking lot (ADR20-0039) needs to be amended to effectively modify Victory Station permit (DRH15-0007) so the whole of the Amazon project can be evaluated under CEQA Guideline 15378 and ensure comprehensive review and avoid piecemeal analysis of environmental impacts; and

WHEREAS, Section 26-050-010 (c) and (d) of the M3 zoning district permit various limited industrial and manufacturing uses, shops for contractor trades, and other heavy commercial uses for which storage, large or heavy merchandise or commercial transportation facilities are necessary and usual to the operation. Also, under Section 26-050-010 (q) of the M3 District, the Permit Sonoma Director may allow other nonresidential uses, which are of a similar and compatible nature to those uses listed; and

WHEREAS, Permit Sonoma determined that the proposed occupancy of Victory Station by an Amazon warehouse and distribution center, and development of an associated parking lot does not require a Use Permit in accordance with Section 26-050-010 (d) and (q) of the M3 zoning because the use qualifies as a heavy commercial use with commercial transportation facilities and is similar and compatible to other permitted heavy commercial uses for which storage and commercial transportation facilities are necessary, and

WHEREAS, The administrative determination was appealed by Mobilize Sonoma and Valley of the Moon Alliance alleging that a Use Permit should be required because the use more closely resembles a truck terminal, which requires a Use Permit in the M3 zoning district, and

WHEREAS, in accordance with California Environmental Quality Act Guideline Section 15060, this action has been found not to be subject to CEQA, because it would not result in a direct or reasonably foreseeable indirect physical change in the environment because discretionary design review will be conducted to ensure CEQA compliance; and

WHEREAS, in accordance with the provisions of law, the Board of Zoning Adjustments held a public hearing on February 11, 2021 at which time all interested persons were given an opportunity to be heard.

NOW, THEREFORE, BE IT RESOLVED that the Board of Zoning Adjustments hereby denies the appeal and upholds staff's determination based on the following findings:

- 1. Section <u>25-050-010</u> (d) of the M3 (Limited Rural Industrial District) principally permits heavy commercial uses for which storage, large or heavy merchandise or transportation facilities are necessary and usual to the operation. The District also permits manufacturing facilities and bottling plants that may also involve warehousing and distribution. Under Section 26-050-010 (q) of the M3 District, the Permit Sonoma Director may allow other nonresidential uses, which are of a similar and compatible nature to those uses listed.
- Amazon's proposed "last mile" warehouse and distribution facility qualifies as a heavy commercial use for which storage or commercial transportation facilities are necessary and usual to the operation and is similar to other permitted heavy commercial uses in the M3 District such as contractor's shops, lumber yard, bottling plant or manufacturing facility.

BE IT FURTHER RESOLVED that the Board of Zoning Adjustments hereby exempts the determination from CEQA because it would not result in a direct or reasonably foreseeable indirect physical change in the environment because discretionary design review will be conducted to ensure CEQA compliance.

BE IT FURTHER RESOLVED that the Board of Zoning Adjustments action shall be final on the 11<sup>th</sup> day after the date of the Resolution unless an appeal is taken.

BE IT FURTHER RESOLVED that the Board of Zoning Adjustments designates the Secretary of the Board of Zoning Adjustments as the custodian of the documents and other material which constitute the record of proceedings upon which the decision herein is based. These documents may be found at the office of the Sonoma County Permit and Resource Management Department, 2550 Ventura Avenue, Santa Rosa, CA 95403.

THE FOREGOING RESOLUTION was introduced by Commissioner , who moved its adoption, seconded by Commissioner , and adopted on roll call by the following vote:

Commissioner

Commissioner

Commissioner

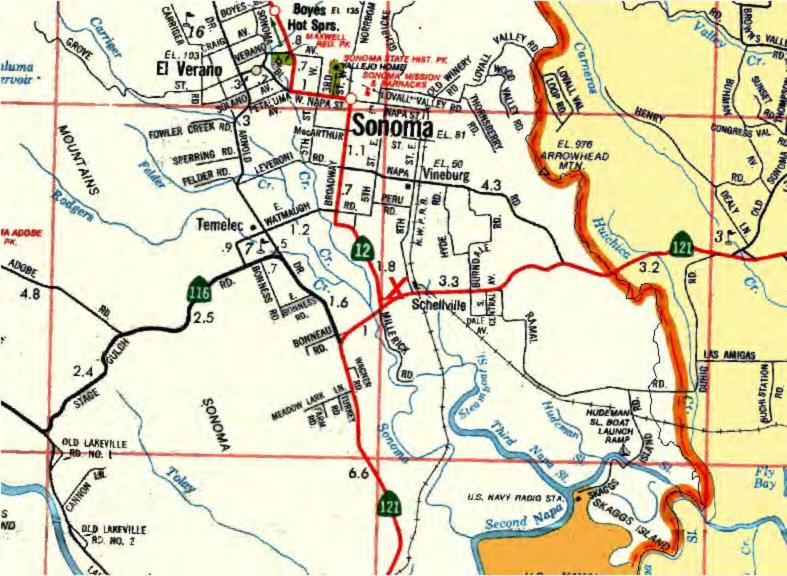
Commissioner

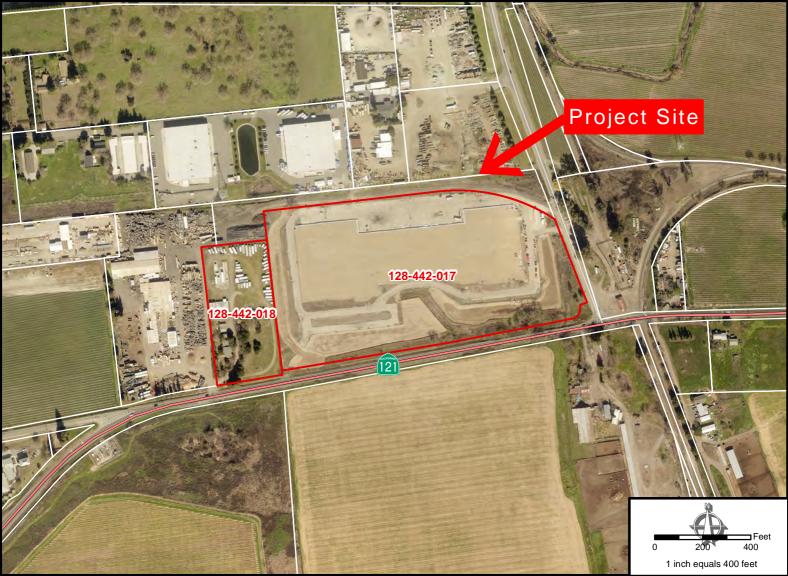
Commissioner

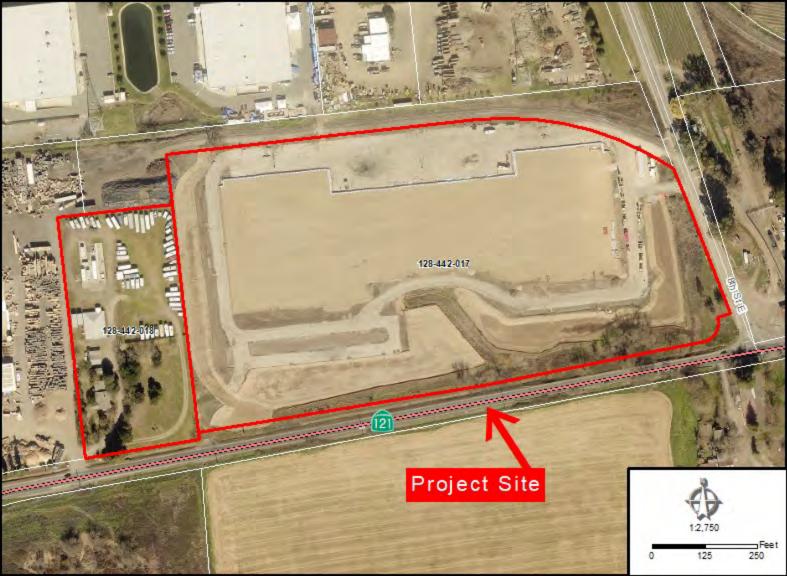
Ayes: Noes: Absent: Abstain:

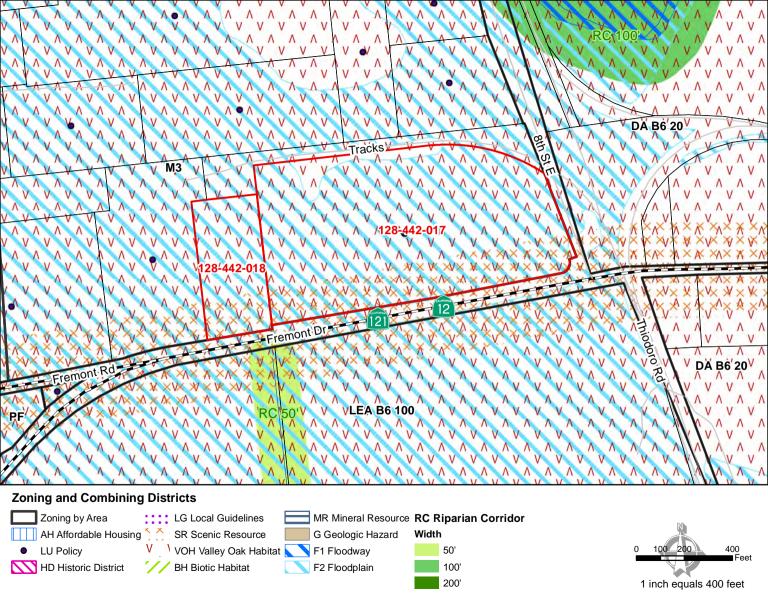
WHEREUPON, the Chair declared the above and foregoing Resolution duly adopted; and

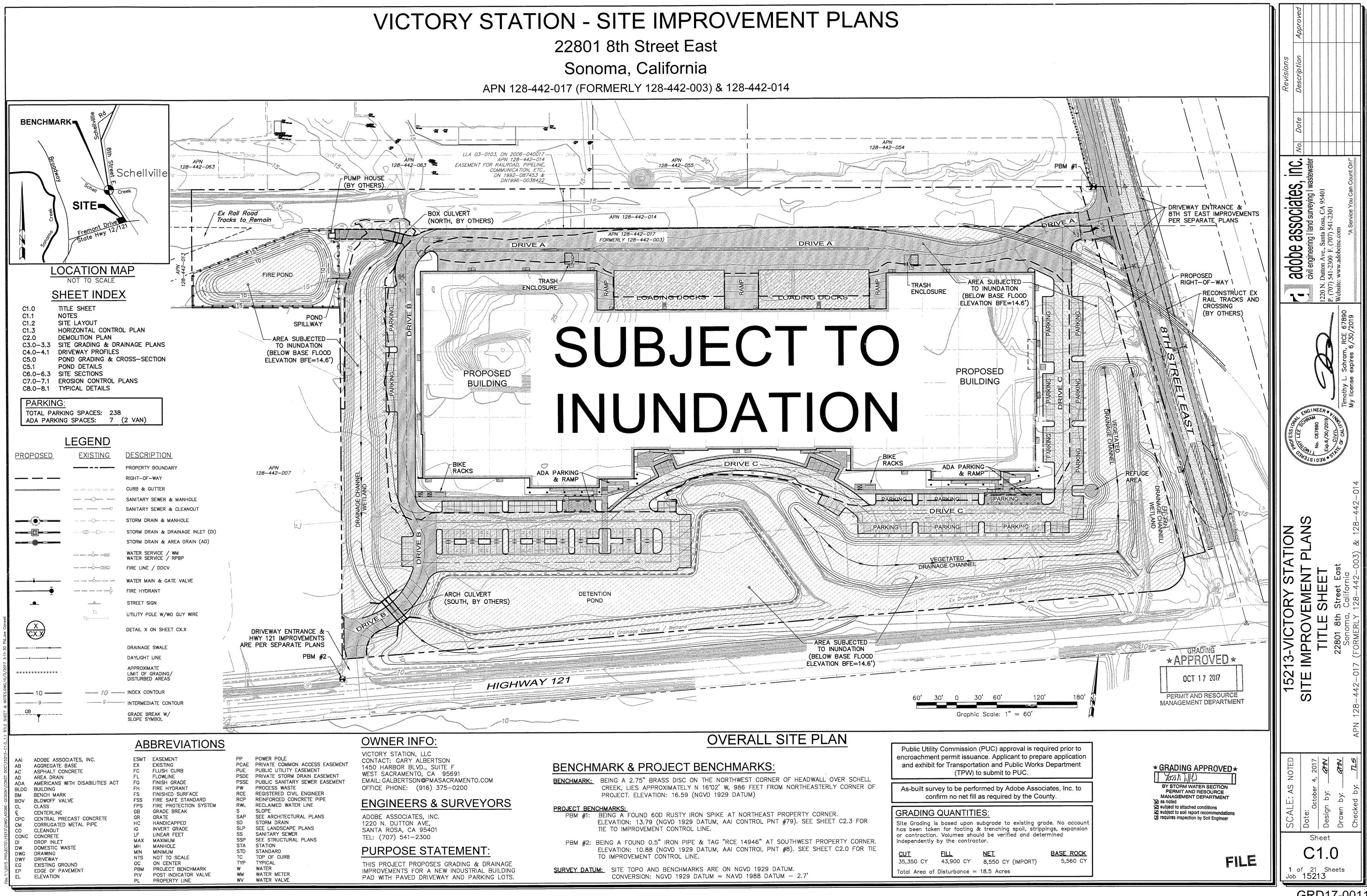
SO ORDERED.











Site Plan for 1194 Freemont Drive and 22801 8th Street East

Parking	Proposed On-site		
Associate	196		
Manager/DSP Manager	15		
ADA Spaces	10		
Total Auto Spaces (9x18)	221		
Van Parking	210		
Van Personal Vehicle U.T.R.	54		
Total Van Spaces (11x27)	264		
Total Parking	485		
UTR/Van Loading	36		
Van Queueing			
Trailer/Box Truck Loading (Induct)	10		
Circulation Legend			
VAN TRAFTIC FLOW  ASSOCIATE TRAFFIC FLOW			
UNE-HAUL TRAFFIC FLOW			

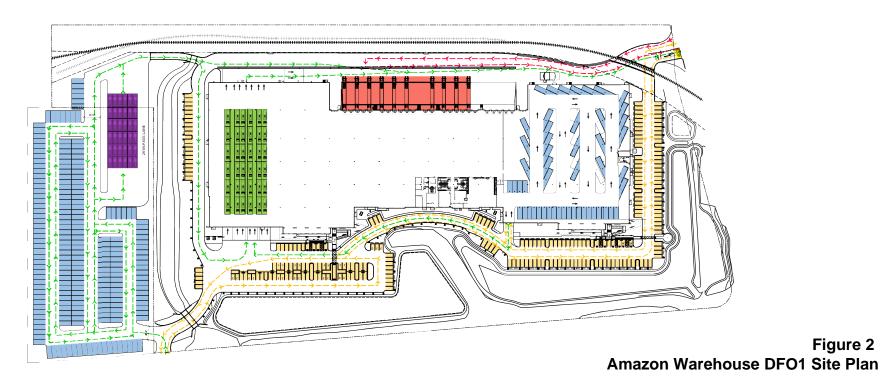






Figure 2

From: <u>Blake Hillegas</u>
To: <u>"Norman Gilroy"</u>

 Cc:
 Tennis Wick; Scott Orr; Aldo Mercado

 Subject:
 RE: Amazon uses at Victory Station.

 Date:
 Thursday, August 27, 2020 11:38:02 AM

Attachments: <u>image001.png</u>

image002.png image003.png image008.png image009.jpg

## Dear Mr. Gilroy,

As a follow up to your recent email, Permit Sonoma has determined that the Amazon distribution facility proposed to occupy the constructed Victory Station building at 22801 8th Street East (APN 128-442-017) does not involve retail use of the site, but qualifies as a permitted storage and distribution use in the M3, Limited Rural Industrial District.

As you know, the Victory Station project (DRH15-0007), consists of an approved and constructed 258,182 square foot warehouse and distribution building, including up to 30,000 square feet of office space approved in April 2017. As you are also aware, the Victory Station project modified previous design review entitlements for the property consisting of 297,478 square feet of light industrial development, including up to 44,622 square feet of accessory office uses. Hours of operation and market areas were not limited in the prior entitlements other than prohibiting heavy truck traffic during AM and PM peak hours.

Our determination that the proposed Amazon distribution facility is a permitted use in the M3 zoning district is based on Sections 26-050-010 (d) and (q) of the M3 District which allows: (d) heavy commercial uses for which storage, large or heavy merchandise or commercial transportation facilities are necessary and usual to the operation. Under Section 26-050-010 (q) other nonresidential uses, which are of a similar and compatible nature to those uses described in the section may be allowed at the Planning director's discretion. Certainly Amazon is characterized as a heavy commercial use with necessary commercial transportation facilities.

Despite this determination, we do agree that the scope of the Amazon proposal needs to be carefully considered to verify that potential environmental impacts are within the scope of the environmental review conducted for Victory Station. Accordingly, we have directed the Victory

Station Design Review Approval be amended to address the full scope of the Amazon proposal, including the proposed parking lot at 1194 Fremont Drive (APN 128-442-018) and an updated full scope traffic analysis.

Should Amazon/Victory Station complete their Design Review application to include the full scope of the project, the application will be subject to public review and hearing. In the meantime, we have asked that Amazon reach out to the community to discuss their proposal in more detail and address community concerns.

Sincerely,

### **Blake Hillegas**

**Supervising Planner** 

www.PermitSonoma.org

County of Sonoma

Planning | Project Review

2550 Ventura Avenue, Santa Rosa, CA 95403 Direct: 707-565-1392 | Office: 707-565-1900

Fax: 707-565-1103



**OFFICE HOURS**: Permit Sonoma's public lobby is open Monday through Friday from 8:00 AM to 4:00 PM, except Wednesdays, open from 10:30 AM to 4:00 PM.

From: Norman Gilroy

**Sent:** Wednesday, August 19, 2020 3:18 PM

**To:** Blake Hillegas **Cc:** Tennis Wick

**Subject:** Fwd: Amazon uses at Victory Station.

#### EXTERNAL

Blake, Tennis Wick asked that we "work with staff" on this letter we sent on August 14 re the Amazon application and your recent letter re the procedure to be followed next.

I presume that "staff" means you in this case? How can we best work with you on the issues raised?

Also, when you get a chance, could you officially send us a copy of your letter of July 29? So far, we have received it from the media and from a couple of internal County sources, but not from you, which makes me worry that we may have been dropped off the PS notification list for the Amazon application. If that is, in fact, the case, would you please arrange to put us back on the list?

Thanks. Looking forward to hearing from you re next steps. Norman.

Begin forwarded message:

From: Norman Gilroy < mobilizesonoma@vom.com >

Subject: Amazon uses at Victory Station. Date: August 14, 2020 at 13:33:32 PDT

**To:** Tennis Wick < <a href="mailto:Tennis.Wick@sonoma-county.org">Tennis Wick@sonoma-county.org</a>, Blake Hillegas

<br/><br/>blake.hillegas@sonoma-county.org>

Cc: Susan Gorin < Susan.Gorin@sonoma-county.org >, Kathy Pons

<282kpons@gmail.com>

Director Wick.

Through a reading of Blake Hillegas' July 29, 2020 letter to the applicant regarding next steps for the Amazon proposal for the Victory Station warehouse, we understand that Permit Sonoma has made a determination that:

- 1. It will not process the parking lot application administratively as an ADR,
- The proposed new parking lot will be processed as a part of a single application for the proposed Amazon use of the Victory Station warehouse, and
- 3. Under CEQA Guideline 15378, the whole Amazon proposal will be given more extensive discretionary environmental review.

We support the decision to combine the projects under one application, and we welcome the opportunity for additional review of the issues presented by the combined proposal, and hopefully for the opportunity for more public review and input into the decisions to be made in the future. However, MS/VOTMA have asked a different question in the past for which we have not yet received a direct and clear answer. Specifically, we have noted in several letters that the proposed Amazon use of the Victory Station facility, as it is now more clearly understood, is sufficiently changed in scope, nature, and intensity of use from the originally approved warehousing/limited office use that it is now a use that, at best, would only be permitted with a use permit in the M3 District. Important among the reasons for our assertion is that the "last mile" delivery use now proposed by Amazon is a highly intensive use (160 vans per day plus additional vehicle deliveries and operation on a 24/7/365 basis) that would stretch across a broad geographic-use boundary that extends across multiple jurisdictions, both within Sonoma County (north on Hwy. 12 to Santa Rosa and beyond and west on Hwy 116 to Petaluma and beyond), and into Napa and almost certainly Marin counties as well, and along the 101 corridor north.

Use permits are, by Permit Sonoma's own statement on its website, appropriate for utilization where there is a more intensive (and new) use proposed. This is not a simple Design Review matter given the changes to the revised project when viewed as a whole.

Additionally the use is highly controversial (as has been proven by the

public reaction it received in the recent SVCAC hearing, and by SVCAC's unanimous rejection of the parking lot ADR). This is precisely why a Use Permit proceeding would provide a better opportunity for public input and oversight on the broader issues at play than simply viewing this as a Design Review exercise.

In this instance, there is also a first impression issue that the County needs to address for this Amazon project, and which has implications elsewhere in the County where the rapid expansion of this kind of ecommerce retail sales, including delivery facilities as an integral part, will have potential severe impacts on our County's local retail establishments in the future.

We believe it is a fair question for you to assess whether the vertical e-commerce sales function operated by Amazon is, in fact, not a warehousing use of the type that might otherwise be consistent with the M3 Ordinance, but rather whether it is a new hybrid form of **retail sales use** that is not consistent with the primary uses that are permitted in the M3 District of the County. This assessment is particularly relevant since Condition #74 of the DRH15-0007 approval specifically prohibits retail sales for the Victory Station facility.

This interpretation is also supported by the facts as we know them. As an example, as Amazon has defined the operational characteristics of this project there would be effectively no storage or warehousing operation that would occur at this site. Instead, customer specific (name and addressed) final-sealed individual packages, each containing retail products that were pre-sold as part of an e-commerce retail transaction, would come into the Victory Station facility by night and then leave only hours later for direct delivery to that customer. The entire operation would occur in the retailer's own vans, and would be directed through Amazon's own logistics operation. Typically, it is reported, more than 50% of Amazon's e-commerce sales are direct sales of Amazon products, and not third party sales facilitated by Amazon's online platform and delivered via Amazon's logistics structure.

We submit that this distinction, along with the changed and more intensive use and operations at the project site, requires close assessment from a code compliance and land-use perspective before Permit Sonoma moves forward with processing any combined application for the proposed facility. Towards that end, we specifically request that you advise us of whether a determination has now been made by you that the proposed revised project is a "permitted use" within the meaning of Sonoma Code Section 26-50-010. If you have determined it to be a permitted use, please indicate which subsection of 26-50-010 is deemed applicable in support of that decision, and provide the specific rationale and facts that support that determination.

We would appreciate receiving your responses on this matter at your earliest convenience.

Norman Gilroy, for Mobilize Sonoma Kathy Pons, for Valley of the Moon Alliance.

# THIS EMAIL ORIGINATED OUTSIDE OF THE SONOMA COUNTY EMAIL SYSTEM.

Warning: If you don't know this email sender or the email is unexpected, do not click any web links, attachments, and never give out your user ID or password.



# PLANNING COMMISSION / BOARD OF ZONING ADJUSTMENTS APPEAL FORM

PJR-021

To: Board of Supervisors File No.: DRH 15-0064
To: Board of Supervisors  County of Sonoma, State of California
Appeal is hereby made by Mobiles Jonoma & Valley of the Moon Alliance
Mailing Address of Norman Calvey, Po Box 552
City/State/Zip / Inchurg CA 95487
Phone: 107 337 7525 Email: mobilize Gonoma @ Vom. com.
The Sonoma County Planning Commission / Board of Zoning Adjustments on
(date)
Oapproved / Odenied a request by McVeil Real Estate & Amazon Cove
for 1 last mile transportation center
Located at 2280   8th Street East, Jonoma CA 95996
APN 128-442 -017 Zoning: M3 Supervisorial District: 1
This appeal is made pursuant to Sonoma County Code Chapter Section 26-92-160 for the following specific reasons:
Appeal of determinations made in the letter of
August 17,2020 from Blake Hillegas of Fermit
Sonana to Mobilize Gonama
Appellant Signature Date: 2010
The state of the s
DO NOT WRITE BELOW THIS LINE - TO BE COMPLETED BY PERMIT SONOMA STAFF
This appeal was filed with Permit Sonoma on this date
receipt of which is hereby acknowledged.
Permit Sonoma Staff Signature

#### September 8, 2020

VIA EMAIL: Tennis.Wick@sonoma-county.org

To: Tennis Wick, Director, Permit Sonoma, County of Sonoma

From: Mobilize Sonoma and Valley of the Moon Alliance.

Re: Appeal re Determination: Amazon Uses at Victory Station

Director Wick,

By his email dated August 27, 2020, Blake Hillegas of Permit Sonoma (PS) advised that Permit Sonoma "has determined that the Amazon distribution facility proposed to occupy the constructed Victory Station building at 22801 8<sup>th</sup> Street East (APN 128-442-017) does not involve retail use of the site, but qualifies as a permitted storage and distribution use in the M3, Limited Rural Industrial District." The letter also states that the merged project to be "reviewed as a revision of DRH15-0007" which would be a Design Review application.

Pursuant to County Code Section 26-92-040(b), this letter constitutes an appeal of those determinations and others in Mr. Hillegas' letter, and addresses it "to the board of zoning adjustments or the planning commission, as appropriate" as the Code requires.

**Appeal.** The basis for this appeal draws together several factors and considerations:

# 1. The determination is premature, since there is no clear project description at this time.

As far as we know, there is presently no definitive amalgamated definition of the entire Amazon Victory Station as required by the County in its letter to the applicant which requires that the parking lot be addressed under a revised application that incorporates the whole of the project, including future uses, in the filing to avoid piece-mealing under CEQA. It appears that the project, and its proposed and possible future characteristics, is still somewhat fluid in terms of scope and operations. It is thus premature at best to make a determination that this project should be reviewed as an <u>amendment</u> to the Victory Station Design Review Approval in DRH15-0007 without adequate information to support the argument that the project, as newly presented, is the same in project scope and operations are specifically spelled out in the DRH15-0007 approval. Until that question is resolved, the potential that is project would require a use permit must remain open.

# 2. The continued use of the Design Review process, as proposed by PS, is not an adequate procedure to fully review the Amazon proposed use.

It is significant to note that the reason why the Amazon proposal is now being openly viewed and responded to by the public, including the recent public hearing by SVCAC (and even the filing of this appeal), is because our two organizations intervened in what had previously been a truncated administrative "building permit" process at Permit

Sonoma, and called for greater transparency and public review. From the reaction received from the public at the SVCAC hearing, and the response of the CAC itself (a 9:0 vote to not approve the project), it is clear that this is indeed a controversial proposal that requires a maximum amount of transparency and oversight by the community in the Sonoma Valley which would be most affected should the proposal be implemented.

It is therefore incumbent on Permit Sonoma to select a path going forward that maximizes the opportunity for public input and comment on the proposed use, and we assert that the Design Review process, which does not address whether this is a permitted use vs a use permitted with a use permit, is not that path. The Amazon use, as newly defined and that now includes the adjacent 3.5 acre McCaffrey property, requires evaluation as a separate new project under its own particular uses and impacts.

In making this appeal, we assert that the Design Review process is not a sufficiently robust process to evaluate the project, and we provide reasons later in this document to show why the normal Use Permit process would be more appropriate and would provide the transparency required.

 Permit Sonoma's continued use of the DRH 15-0007 umbrella is inappropriate, and would encourage use of inappropriate procedures and comparative baselines under CEQA.

The basis for our appeal in this regard are as follows:

a. The DRH 15-0007 project application, which began as a subdivision application in 2004 and evolved in 2015 into the architectural and landscape review that resulted in the Victory Station warehouse, is outdated, and the Amazon Delivery Station project is a new, different, broader and separate use from that proposed in DRH15-0007. The shell of the building proposed there has been constructed, but the proposed use now by the tenant Amazon has never been evaluated. New tenant applications that reflect this magnitude of change from the basic and minimal outline of use now proposed should be submitted by the tenant as the applicant and evaluated on their own merits, and the proper categories of use (wine warehousing, industrial, truck terminals, etc.) and methods of review (building permit with planning compliance, Use Permit, etc.) should be selected and allocated as appropriate to the proposal made by the building's owners or tenants.

From the evidence available so far, it seems clear that the design review process is not the appropriate umbrella under which the expanded Amazon proposal, which now includes the adjacent McCaffrey property, should be reviewed. Yet Permit Sonoma has, in its determination letter, apparently elected to reawaken the DRH 15-007 application and its limited Design Review and decision making process, even though the uses proposed by Amazon are clearly of a much different character and have a much more intensive set of functional uses and impacts.

We appeal that decision, and assert that the new proposal (if and when it is submitted) must be treated as a new, separate and different project, both to

respond to its changed character and to ensure proper CEQA evaluation and land use planning and permitting.

b. The continued use of the DRH 15-0007 umbrella would encourage the continued use by the applicant of the hypothetical warehouse project in the 2017 approval as a baseline under CEQA. Evidence of their ongoing intent in this regard lies in the applicants' previous use of that hypothetical use as the baseline for comparison in several traffic studies related to the proposed project, and their assertions that the impacts by comparison would be "less than those already approved in DRH 15-0007" and that the new proposal must therefore be accepted by the County and by the people of the Sonoma Valley.

That assertion would, however, be in contravention of the California Supreme Court decision in 2010 in the "Communities for a Better Environment vs. South Coast Air Quality Management District" case which prohibited the use of a hypothetical use as the baseline for evaluation of a new use under CEQA. The decision instead requires that the baseline captures an assessment of the actual environmental impacts expected from the new project compared to the physical environmental conditions in the vicinity of the project, as they exist at the time that the notice of preparation is published. Where the scope and nature of the proposed new use changes so dramatically from a geographical and time intensity of use, among other factors, the applicant cannot bootstrap a prior hypothetical impact from a fundamentally different use, as a means of mischaracterizing the actual impacts.

Again, compliance with CEQA and community objectives would be best made by a determination that a new Use Permit application be initiated for the revised and expanded project with the broader scope of hearings that approach would provide. Complex applications of the sort this new projected use now presents require broad public policy latitude and not just design review oversight

c. The Design Review Committee is not structured to review complex issues like EIRs and MNDs under CEQA which should more appropriately be, and usually are, assigned to the Planning Commission. The membership of the County DRC is limited to only three individuals, two of whom are selected specifically for their expertise in the design of the architectural and landscape features of a project, and the other a PC staff member.

Under DRH 15-0007, an Administrative Design Review process was used, with the Planning Director's designee taking the position of the staff member. This resulted in a largely internal process at Permit Sonoma that was inappropriate to the level of public concern in the Sonoma Valley regarding the Amazon proposal. Concerns that we raised earlier this year regarding that internalized process produced the loud outcry against the project when it was heard at the August 2020 SVCAC meeting, and resulted in the unanimous rejection of the Amazon proposal by the SVCAC.

The problem would be resolved by referring the project to the Planning Commission as a Use Permit application.

# 4. The Amazon use has been improperly designated as "heavy commercial" category use and as a "permitted use" under the M3 zoning district in the Sonoma County Planning Code.

In assigning an application for planning review, it is incumbent on the County to select the most appropriate category under which to review that project. That is especially important when it is known that the proposal will draw considerable public interest, and even substantial opposition, in the community.

In its letter of August 27, Permit Sonoma indicates that it has made the determination that the use proposed by Amazon falls into the category under Sections 26-050-010 (d) and (q) of "Heavy commercial uses for which storage, large or heavy merchandise, or commercial transportation facilities are necessary and usual to the operation" use" and that it is a "permitted use" under the M3 zone in Sonoma County.

Though definitions are not available in the code for any of the terms quoted in Mr. Hillegas' letter, it is clear from an examination of Amazon's proposal documents that the activities proposed at the warehouse would in fact include no actual "storage" of merchandise; that they would be focused entirely on the delivery of normal sized retail packages to customers in the region and not on "large or heavy merchandise"; and that there would be no other "operation" on site to which the commercial transportation facilities are "necessary and usual".

We assert, instead, that the "truck terminal or truck depot" category definition contained in Section 26-50-020 (n) of the M3 District regulations is a more appropriate designation for the Amazon project as it is now defined. The code's definition for a truck terminal accurately describes Amazon's proposed use of the Victory Station facility. It is also clear that the term "truck terminal" is a more appropriate use designation for the Amazon use now that it features a proposed 540 parking spaces, all of them for trucks or for truck-related activities. In fact, by Amazon's own description, more than 160 Amazon delivery trucks would be stored at the facility, 365 days a year, and the cumulative number of trips generated by those trucks, by the 40 contract-delivery vehicles proposed, and by the numerous long-haul trucks that would serve the facility would exceed 158,000 trips per year, all caused by trucking associated with the Amazon use.

Trucking and truck storage would therefore be the primary function of the facility, and it is clear that the "truck terminal" category is a better fit for the Amazon use. We ask that Permit Sonoma make a finding in that regard.

#### 5. The Amazon use is a retail activity that is not permitted at Victory Station.

In his letter of August 27, 2020, Mr. Hillegas dismissed the assertion that the proposed Amazon use is, in fact, a retail activity, but he provided no rationale for how that conclusion was reached by Permit Sonoma. Yet the issue could be important since retail

uses are specifically "not permitted" at Victory Station under CoA 74 of Permit DRH 15-0007.

For that reason, we again assert, as a part of this appeal, that the Amazon operation that would be based at Victory Station would reasonably be designated more akin to "retail sales" activity.

There are many similarities between Amazon's "last mile" transactions and a purchase from, say, Home Depot (which we presume would be immediately accepted to be a retail transaction). Like at Home Depot, the Amazon financial transaction would be a direct-to-customer retail-purchase transaction which would be completed on-line in advance. Amazon would then directly deliver the purchased goods to the customer's home or business. Amazon would therefore be, in many ways, the virtual form of a Home Depot - or of a Safeway Home Delivery or any of a number of direct-to-customer retail-sales systems that are now becoming popular in the United States.

In making it's decision, Permit Sonoma should ask itself whether the Amazon VS process more closely resembles a retail transaction or a wholesale commercial transaction. Where the answer to that question is uncertain, we assert that good land use planning requires that PS take the use-permit-required route rather than assume that this is "just a little bit different use than normal". The fact that the Amazon facility would operate on a 24/7/365 basis, year round, just adds to the view that this project deserves the more intensive scrutiny that the Use Permit process would provide.

#### 6. Incompatibility with GP2020

PS' determination that the proposed use (so far as is currently known and defined) is a "permitted use" appears inconsistent with the Land Use Element of the Sonoma County General Plan 2020. Specifically, Section 2.4 of the Land Element discusses the "Policy for Limited Industrial Areas" (Page LU-60). The project location is zoned M3, Limited Rural Industrial District, the Designation Criteria for which specifies that for Limited Industrial Areas, among other things:

"(5) Lands shall not be in areas subject to flood, fire, geologic hazards or in areas constrained by groundwater availability or septic suitability."

It was clear from the testimony submitted by the applicants' engineers at the SVCAC meeting that the project location is clearly an area subject to flooding and that the project will create impacts in that regard that are not subject to mitigation. Indeed, a primary concern expressed by the public was that the parking lot proposed would increase the impermeability of the project site, and would worsen the drainage and flooding problems that have historically occurred at that location along Highway 121.

Under these circumstances, Permit Sonoma should apply the type of public interest and health and welfare considerations that are customary in evaluating whether a use permit is appropriate under the circumstances of a particular proposed use and, as a precautionary principle, it should not deem the proposed use to be a "permitted use" per se pending much more detailed CEQA and operational assessment.

#### 7. Imprecise discretionary determination by the planning director.

In justifying its determination that the Amazon VS project is a permitted use, PS relies on the catch-all discretionary authority granted to the planning director under 26-50-010(q), but does not provide any supporting rationale, detail or notion/criteria as to the "other non-residential uses" which in the opinion of the director "are of a similar and compatible nature to those uses described in this section." It seems unlikely that along the 8<sup>th</sup> Street East commercial any other existing commercial facility operates at the same 24/7/365 intensity activity level as the proposed Amazon Delivery Station will certainly demonstrate. Invoking the 010(q) discretionary authority without an articulated rationale is not a permissible form of action.

## Request for hearing.

For the reasons stated here, Mobilize Sonoma and Valley of the Moon Alliance request that on appeal, and after a hearing at which the public is allowed to testify, the BZA or the PC, as applicable:

- a. rescind the "Permitted Use" determination as applied to Amazon VS project, and
- find that, in the particular circumstances of this project, and given the intensity of the new uses and different impacts of the apparent project not only on Sonoma Valley but the entire County of Sonoma, the use proposed for this project may only be permitted, if at all, upon issuance of a duly processed use permit for such use.

In the alternative, we request that the determination as to "permitted use" be vacated pending applicant's filing a full and comprehensive application addressing all impacts and operations proposed. At such time, the question can be reevaluated re whether the proposed use is a permitted use or is, as we assert here, a use permitted only with a use permit based upon the facts and circumstances contained in the application.

Submitted this 8<sup>th</sup> day of September 2020 by:

Norman Gilroy, on behalf of Mobilize Sonoma, and

Kathy Pons, on behalf of Valley of the Moon Alliance (VOTMA)