



Memorandum

DATE: October 23, 2023

TO: Chair Ledell and Planning Commission

FROM: Chad Eiken, Director, Community Development Department

RE: **Warehouse Code Changes - Staff Response to Comments Received To-Date**

Two comment letters were submitted to the Planning Commission on the proposed Warehouse Code Changes, one from the Alliance for Community Engagement (ACE) received on 10/18/23 and one from the Port of Vancouver, dated 10/13/23. Both letters were included in the Planning Commission packet.

Staff responses follow the specific comments from both letters below.

Alliance for Community Engagement Comments

- *(T)he City focusing exclusively on warehouses over 250,000 sq. ft. effectively allows developers to have no climate provisions on individual or multi-building warehouses up to 249,999 sq. ft. There are currently no climate considerations whatsoever for the vast majority of warehouses.*

Staff response: The City has only recently started work on the forthcoming Green Building Policies/Standards, which will presumably result in code amendments that will apply to most new buildings and uses, citywide. Because it is not yet known what might be included in this new set of climate standards, staff is proposing a fairly modest set of climate action requirements in the current draft code, which would only apply to warehouse buildings larger than 250,000 square feet, in order to stay within the scope of the moratorium. Over the course of the coming year, staff will undoubtedly be proposing specific green building standards that will apply to uses throughout the city and to maximize consistency, it would be appropriate to wait to add climate measures to smaller warehouses.

- *Making all warehouses Permitted Use prevents the community from engaging in the approval process.*

Staff response: The proposal is to make warehouses larger than 250,000 square feet a limited use in the IH, Heavy Industrial District, which means the use would be permitted if it complies with the list of specific development standards (this is different than being permitted outright). Large warehouses would be prohibited in the IL, Light Industrial District, however. While no public hearing would be required for this use in the IH District, other opportunities for public notice and comment regarding a proposed warehouse project would still exist, such as through the site plan review process (Type II action) and SEPA Review process.

- *Trees need to be planted and maintained onsite at the largest warehouses. Consider requiring that most pavement be shaded, either with trees or with solar canopies, for most new warehouses, not just the largest ones. We will be short of electricity if we don't. Trees mitigate the heat absorbed by vast areas of asphalt and concrete these warehouses bring.*

Staff response: City Code currently requires 30 trees per acre to be planted for all types of developments, as well as shade trees in parking lots (one tree spaced at every 10 spaces). Additional tree plantings would be required for warehouses larger than 250,000 square feet per the proposed code changes to help respond to climate impacts. Current code allows for required tree plantings to be planted at an approved off-site location if the development site cannot accommodate them, and the Port has used such an off-site tree planting site for numerous projects. Staff supports required trees being planted in the area that is being directly affected by the large warehouse while allowing for some flexibility, such as in the Port where tree plantings are not ideal in the marine terminal. Accordingly, staff is proposing that tree plantings be allowed to be located at an approved off-site location but within the boundaries of the designated Neighborhood Association that the warehouse would be located in.

- *Require solar panels (plus 4-hour batteries), ev-ready electrical conduit and wiring, and (double-paned) clerestory windows on the largest warehouses.*

Staff response: As noted above, the proposed climate measures are focused more on making it easier to retrofit buildings for solar panels and electric vehicle charging, than requiring that solar panels/batteries be installed. While the forthcoming Green Building Standards may be more prescriptive, staff recommends a more modest set of climate measures as part of this ordinance that focus on building readiness. EV conduit/wiring and double-paned clerestory windows requested by ACE would be consistent with this 'readiness' approach.

- *Require solar-ready roofs, ev-ready electrical conduit and wiring of all warehouses over 100,000 sq. ft.*

Staff response: As noted above, staff is not presently recommending any climate measures for warehouses smaller than 250,000 square feet in order to stay within the limits established by the moratorium.

- *Prevent municipal code loopholes whereby developers could build a 249,999 sq. ft. warehouse or multiple smaller warehouses to avoid climate provisions. If it's not possible to create air-tight municipal code to prevent that, please change warehouses over 100,000 sq. ft. to Conditional Use.*

Staff response: While the moratorium applies to warehouse projects that have multiple buildings totaling more than 250,000 square feet, staff believes it would be simpler to apply the limited use criteria to *individual buildings* that are larger than 250,000 square feet. However, if the Planning Commission wishes to reconsider this and make the threshold apply to groups of buildings that in total exceed 250,000 square feet, staff would recommend that language be included that it be applied to groups of buildings exceeding 250,000 square feet *in a single development application* so that tracking the area of warehouse developments over time on multiple parcels, which would be burdensome, is not necessary.

- *Idling for non-electric truck engines should be banned.*

Staff response: The proposed code changes would ban idling for non-electric truck engines when parked or loading/unloading at the facility.

- *No new buildings should be built, where the primary heating system for space and water is fossil fuel. Electric heat-pump water heaters and space heaters should be required. OR as the Washington State Energy Strategy says – Make new buildings all-electric ready.*

Staff response: While these additional measures would certainly advance the City's Climate Action Goals, staff feels this is an issue that needs to be studied further to fully understand its implications and as such will be analyzed in the forthcoming Green Building Standards project, which is currently underway.

- *Please do not rezone other parts of the city for Heavy Industrial use to allow the larger warehouses to go in there. Truck traffic associated with these 250,000 sq. ft. warehouses should not be on Fruit Valley Road. Reducing parking lot sizes is good; as is clustering HVAC on rooftops.*

Staff response: The proposal does not contemplate the rezoning of any properties to Heavy Industrial as part of these code changes. City Council, at its October 2, 2023 workshop, indicated they would not be in support of allowing very large warehouses in the IL, Light Industrial District either. Comments regarding the reduction in parking lots/spaces and clustering of HVAC units on rooftops are noted.

Port of Vancouver Comments

- *Allowance of warehouses larger than 250,000 square feet only in Heavy Industrial (IH) zoning as a limited use. Recommendation: While most of the port's land is already zoned IH, the port requests to retain flexibility in its Light Industrial (IL) zoned properties that are not adjacent to residential zoned land and that are within one mile of a state or interstate highway. The port's marine / industrial area is focused on receiving, staging and transloading cargo from one mode to another. It is conceivable that future development could require a warehouse facility exceeding 250,000 square feet. The port appreciates the recognition that a limited use process is more appropriate than a conditional use in IH zones for the type of project under consideration. There are, however, few parcels, such as the port's Parcel 7, which are appropriately zoned as IL and could accommodate a large warehouse without generating the negative impacts of concern in the moratorium. Without favoring the port specifically, the city may consider requiring large warehouses in the IL zones to be located within a certain distance to a state or interstate highway and to be a certain distance away from residential or other zones of concern.*

Staff Response: The request to allow warehouses larger than 250,000 square feet in the IL Light Industrial District with additional locational requirements (proximity to state or interstate highway and not adjacent to residential zoned land) would allow Port properties zoned IL (specifically Parcel 7) to be developed for a large warehouse. Staff has not undertaken a detailed analysis of other IL properties that might be able to be developed for a large

warehouse if this change is made, but one such property that would be eligible for a large warehouse is the west end of Columbia Business Center which is zoned Light Industrial immediately adjacent to a hotel and office building (zoned mixed use, not residential). City Council considered this request at a 10/2/23 workshop and directed staff not to make any change to the current proposal to allow large warehouses in the Heavy Industrial District only.

- *Clarification on “warehouse” versus “Warehouse / Freight Movement” Recommendation: The memo refers to both “warehouses” and “Warehouse / Freight movement.” This should be clarified by referring only to “Warehouse / Freight Movement” as outlined in the current VMC (Vancouver Municipal Code). There are different warehouses defined in the VMC, but the focus is on one warehouse class (“Warehouse / Freight Movement”). VMC 20.160.D. Industrial Uses classifies “Warehouse/Freight Movement” as: “5. Warehouse/Freight Movement. Uses involved in the storage and movement of large quantities of materials or products indoors and/or outdoors; associated with significant truck and/or rail traffic. Examples include freestanding warehouses associated with retail furniture or appliance outlets; household moving and general freight storage; food banks; cold storage plants/frozen food lockers; weapon and ammunition storage; major wholesale distribution centers; truck, marine and air freight terminals, and dispatch centers; bus barns; grain terminals; and stockpiling of sand, gravel, bark dust or other aggregate and landscaping materials.” Defining code changes only to the “Warehouse/Freight Movement” use defined above focuses the proposed code changes to developments that results in “significant truck” traffic. Additionally, ensuring that code changes are specific to “Warehouse / Freight Movement” would still allow “Manufacturing and Production Facilities” to be developed in both light and heavy zones areas. VMC 20.160D defines “Manufacturing and Production” development separately from “Warehouse / Freight Movement”: Manufacturing and Production. Includes production, processing, assembling, packaging, or treatment of semifinished or finished products from raw materials or previously prepared materials or components. Manufacturing production is intended for the wholesale market rather than for direct sales.”*

Staff Response: Comment noted. While the staff report and other documents may use the terms “warehouse,” “warehouse/freight movement,” “warehouse and distribution,” and “e-commerce warehouse” interchangeably, the proposed code language to be added to VMC Title 20 will only refer to “warehouse/freight movement” uses, which is the actual use classification terminology.

- *Limitation of truck traffic from Warehouse / Freight Movement to Designated Freight Corridors Recommendation: Change the proposed wording in 20.895.120.B. Traffic (Page 5 of Memo) to the below: Tractor trailers delivering goods to or from “Warehouse / Freight Movement” covered by this section shall only travel on designated freight corridors. This recommendation removes the specific reference to named roads and allows the City the opportunity to designate freight corridor restrictions (which could include Fruit Valley Road) throughout the city as necessary, which may change over time.*

Staff Response: The reason for the specific reference in the proposed code regarding Fruit Valley Road is because the Fruit Valley Neighborhood is a high priority equity area which already experiences significant truck traffic along Fruit Valley Road. Staff disagrees with the proposed alternative approach because Fruit Valley is a designated freight corridor and the city does not have any plans to un-designate it as such. The city simply does not want to add more truck traffic from large new warehouses to this already busy corridor in a high priority equity area.

- Buffer depth and tree planting requirements Recommendation: The City should change the buffer depth requirement (proposed 20.895.120 section C.2) from 25 feet to 15 feet, and clearly state that any tree requirement required in proposed 20.895.120 Section D can be planted in the landscaped buffer area. At developer's discretion, allow any tree requirement to be completed at an approved off-site location. This requirement should also be reconsidered if the project's environmental assessment can mitigate wildlife, water retention and climate impacts in other ways if necessary. The port suggests removing the required area (20% of the building area) from the tree planting requirements. Increasing the setback to 25 feet AND requiring an additional 20 percent of the building footprint area to be covered by trees significantly impacts the financial viability for a development project so burdened – especially since the proposed code would also restrict development to 75 percent of the project area or less. Without the recommended changes outlined above, the site reduction (100 to 75 percent), landscape buffer (currently 25 feet), and tree plantings (20 percent of building footprint) will make large scale warehouses – whether they are freight related or manufacturing related – extremely difficult to construct. The Port does not have space in its marine operations area to limit required marine facilities to the proposed “maximum lot coverage of 75 percent” versus the current 100 percent allowed. Additionally, it would not be appropriate or effective to require the port to plant trees in its marine industrial areas. Allowing the planting of trees offsite, when onsite tree planting is deemed impractical, will also allow developers to use any tree credits they may have or to buy tree credits if needed. Additionally, reducing the landscape buffer to 15 feet would improve traffic safety – especially as site lines would be obscured as the plantings mature.*

Staff Response:

- The proposed depth of the visual buffer is still 25 feet, but the draft code language has been revised to make it clear that trees planted in this buffer area may be counted toward the overall required tree unit density.
- The draft code language contemplates allowing required trees to be planted at an approved off-site, so long as the off-site location is within the designated neighborhood association boundary (Fruit Valley Neighborhood Association for the Port). The Port has used an off-site tree planting site for other projects that would be within the FVNA boundary.
- Currently all development projects must plant trees at a rate of 30 per acre of the development site. City Council commented that the previously-proposed additional tree planting requirement based on 20% of the building area was overly complex, and therefore the draft code language has been amended to add 3 additional trees per acre to the existing tree requirement of 30 trees per acre. As an example, for a 250,000 square foot warehouse on 14 acres, this change would result in 8 more trees (462 vs. 454 trees).
- The proposed reduction in maximum lot coverage (ratio of building area to the lot area) from 100% to 75% is not anticipated to have any adverse impact on Port operations, as all large warehouses currently being reviewed have proposed lot coverage of between 40-45% due to space needed for driveways, parking lots, truck loading and maneuvering areas, landscaping, and storm water facilities.
- The City Forester has recommended a 25-foot-wide buffer area to reduce visual impacts to ensure adequate space for the large species trees. Staff does not understand how reducing the landscape buffer to 15 feet would improve sight distance and traffic safety, which would need to be provided anyway regardless of how deep the planter area is.

- *Trip generation for Warehouse / Freight Movement facilities exceeding 250,000 square feet Recommendation: Add a traffic metric (such as 100 tractor trailer trips per 24-hour period) in addition to the use and size criteria for “Warehouse / Freight Movement” facilities exceeding 250,000 square feet to invoke the additional miscellaneous special use standards of proposed in VMC 20.895.120. Adding a traffic count to the “Warehouse / Freight Movement” use category for proposed warehouses of at least 250,000 square feet would provide a clear metric that both developer and city can understand when applying these code changes. This metric would come from a traffic consultant paid for by the developer.*

Staff Response: Staff disagrees with this proposed alternative threshold for determining when the limited use standards apply because: 1) traffic is not the only thing that the limited use standards are attempting to mitigate (e.g. visual impacts, climate impacts), and 2) adding a traffic threshold, as the Port correctly notes, would likely involve input from a traffic engineer (at additional time and expense) in order to determine whether the limited use standards apply. Using building size as the single threshold for determining whether the use is allowed in the district and whether certain development standards apply is a much simpler (anyone can measure building size) and transparent approach.

- *EV outlets at loading docks Recommendation: Restate 20.895.120 Section D. 6 as outlined below: All loading docks will have conduit and other electrical infrastructure to allow for future installation of electrical systems to charge electric powered freight trucks servicing the facility. The port supports and is pursuing electrification within our adopted Climate Action Plan. As currently proposed, however, the port has concerns that underutilized, charging infrastructure would be prone to costly vandalism and theft. Developers would rather have the conduit in place to meet future demands and standardization with the technology in place at that time. Requiring developers to install full charging infrastructure will result in capital wasted as newer and more secure electrical technologies emerge.*

Staff Response: The draft code changes, as revised, would require warehouses larger than 250,000 square feet to provide electrical charging wiring and conduit from each loading dock to the electrical panel to make it easier to add charging stations/connections in the future. Charging outlets and transformers to power charging ports at the loading docks would not be required at this time. This provision recognizes that charging technology, which is expensive to purchase and install, is still evolving and may be different by the time truck fleets are electrified.

- *EV charging stations for parking area Recommendation: Restate 20.895.120 Section D.7 as outlined below: For any warehouse over 250,000 feet at least 10 electric vehicle (EV) charging stations will be provided at initial occupancy. Conduit to support EV charging will be constructed to serve all parking spaces at initial occupancy. Designating a specific number of parking stalls to have EV charging stations (10) meets the City’s goal to have adequate EV charging installed during initial construction. Requiring conduit to be placed for the remainder of the parking stalls allows for future upgrades to occur efficiently as EV’s capture more of the market and anti-vandalism solutions can be developed.*

Staff Response: Staff does not object to the Port’s alternative proposal regarding EV charging infrastructure and a minimum of 10 EV charging stations versus EV charging stations for 20%

of parking spaces proposed by the draft code. A 250,000 square foot warehouse which provides the minimum number of parking spaces (using the proposed ratio of 1 space per 5,000 square feet) would need to provide exactly 10 EV charging stations ($250,000/5,000 = 50$ spaces $\times .20 = 10$ EV spaces). The Port's idea of requiring conduit to be placed for the remainder of the stalls (40) would help to "future-proof" the site for future additional EV charging stations and staff would support adding this as a limited use standard.

- *Calculation of Total Square Footage Recommendation: The ordinance should clearly state that the threshold of 250,000 square feet applies to any single structure on a given site, and not the total square footage of multiple separate structures or facilities.*

Staff Response: The proposed code changes have been revised to clearly state that the 250,000 square foot building area threshold is for an individual building, not total area of a group of buildings.