



Agenda Report

MEETING DATE: Tuesday, April 11, 2023

TO: City Council

FROM: COMMUNITY DEVELOPMENT DIRECTOR MERRIAM
PRINCIPAL PLANNER ORBACH

THROUGH: CITY MANAGER MENDEZ

SUBJECT: ADOPTION OF AN INITIAL STUDY/MITIGATED NEGATIVE
DECLARATION AND MITIGATION MONITORING AND
REPORTING PROGRAM IN COMPLIANCE WITH THE
CALIFORNIA ENVIRONMENTAL QUALITY ACT; APPROVAL OF A
SPECIAL USE PERMIT WITH DESIGN REVIEW AND
ENVIRONMENTAL REVIEW (APP. NO.

RECOMMENDED ACTION:

The Planning Commission recommends that the City Council adopt resolutions taking the following actions:

- a) Adopting the Initial Study/Mitigated Negative Declaration ("IS/MND") and Mitigation Monitoring and Reporting Program ("MMRP") prepared for the project in compliance with the California Environmental Quality Act (CEQA); and
- b) Approving a Special Use Permit with Design Review and Environmental Review (App. No. 2138) to allow the construction of a new warehousing and distribution facility totaling 155,847± square feet on an 11.5± acre site located at 200 Manabe Ow Road (APN 018-711-33) and approving a Public Improvement Agreement for the Design of Two Roundabouts and fair share contribution towards construction of the roundabouts and authorizing the City Manager to execute the Agreement.
- c) Approving an amendment to the Manabe Ow Business Park Specific Plan to remove two internal streets from the Land Use Plan and Circulation Plan.

BASIC PROJECT DATA:

APPLICATION NO.: 2138

APN: 018-711-33

LOCATION: 200 Manabe Ow Road

LOT SIZE: 11.5± acres

PROJECT DESCRIPTION:

The applicant proposes to construct a new distribution facility totaling 155,847± square feet on an 11.5± acre site ("project"). The overall project development includes drive aisles and parking areas, stormwater detention facilities, landscaping, bicycle racks, and trash enclosure as well as construction of a 12-foot-wide access road and dedication of a City access easement along the inside of the south and west property lines and outside of the north property line to Manabe Ow Road for maintenance of the regional drainage channel that runs inside the western property line. Project entitlements consist of a Special Use Permit with Design Review and Environmental Review. The applicant is also seeking a Specific Plan Amendment.

BACKGROUND:

In 2006, the city and the property owners of this property and other nearby properties entered into an annexation agreement which stipulated the land uses the property could be developed for and requirements for a planning process that included preparation of a specific plan. Subsequently, the Manabe Ow Specific Plan was prepared and approved by the City Council on October 26, 2010.

Prior to 2013, the property was in agricultural production. In 2015, the property owner of the land north of the subject property received development and building permits to construct a 200,000-square-foot Federal Express (FedEx) sortation facility. The project applicant constructed the backbone infrastructure envisioned by the Specific Plan along the northern boundary of the subject property. The infrastructure consists of utilities, storm drains, and street improvements from Ohlone Parkway to the FedEx site at 300 Manabe Ow Road.

On December 15, 2015, the City of Watsonville Public Works Department issued Excavation & Grading Permit #EG2015-6 for the placement of up to 145,000 cubic yards (CU) of engineered fill on the West Ohlone parcels (APN: 018-711-5, 25, & 26) including the project parcel at what is now 200 Manabe Ow Road. This work was completed before November 2016. The engineered fill covered the project site almost in its entirety (except the regional drainage ditch along the western property boundary).

In June 2018, Benjamin Ow, on behalf of Ow Family-Ohlone Parkway, LLC, previous owner of the subject property, applied for an unconditional Certificate of Compliance (COC) for three parcels on Manabe Ow Road. A COC is a document where the City affirms that the parcels which are the subject of the COC are legal lots of record that may be developed. A COC was requested by the owner because a potential tenant of the property required a legal lot of record guarantee.

On July 16, 2018, the application for a Minor Land Division (PP2018-164) to adjust property boundaries for APNs 018-711-05, -29, & -30 at 100-298 Manabe Ow Road, was approved by the Minor Land Division Committee, and the COC was recorded with the Santa Cruz County Recorder's Office on July 24, 2018, under document numbers 2018-0022647 (Parcel 1), 2018-0022648 (Parcel 2), and 2018-0022649 (Parcel 3). Assessor's Parcel Map No. 18-71 was updated, and the three parcels were assigned APN numbers 018-711-33 (Parcel 1), 018-711-34 (Parcel 2), and 018-711-35 (Parcel 3).

On August 12, 2021, the applicant, Lone Oak – Watsonville, L.L.C., submitted Lot Line Adjustment application PP2021-2373 to request approval to adjust the lot line between two adjoining parcels (APNs 018-711-33 and 018-711-34). At the time of the application for the lot line adjustment, the property owner had not initiated the process of address assignment for the properties, so the expected future address for APN 018-711-33, 200 Manabe Ow Road, was used.

On October 18, 2021, the application for a Lot Line Adjustment for APNs 018-711-33 and 018-711-34 was approved by the Minor Land Division Committee and the COC was recorded with the Santa Cruz County Recorder's Office on November 1, 2021, under document numbers 2021-0054519 (APN: 018-711-33) and 2021-0054518 (APN: 018-711-34).

On July 30, 2021, the applicant submitted Application No. 2138 to request approval of a Special Use Permit with Design Review and Environmental Review for a new 155,847-square-foot warehousing and distribution facility on an 11.5-acre parcel located at 200 Manabe Ow Road (APN: 018-711-33). On August 23, 2022, staff informed the applicant that the application was complete. The completeness determination allowed the project to proceed to the next step in the process: preparation and circulation of the Initial Study and Mitigated Negative Declaration for public review and comment.

On October 18, 2022, City Staff filed a Notice of Intent to Adopt a Mitigated Negative Declaration (NOI) for the 200 Manabe Ow Road Distribution Facility Project with the Santa Cruz County Clerk of the Board (Attachment 3).

On October 20, 2022, City Staff posted physical copies of the NOI on-site at 200 Manabe Ow Road as well as at the southwest corner of the Ohlone Parkway/Manabe Ow Road roundabout, and at Seaview Ranch Park (adjacent to the residential neighborhood overlooking the Manabe Ow Business Park Specific Plan area and the subject parcel). Staff mailed the NOI to adjacent property owners, owners and residents/occupants of residential properties within 300 feet of the property, and individuals, agencies, and Native American tribal representatives included on the interested parties list. City Staff posted the NOI electronically on the "Public Hearings & Legal Notices" page of the City website and physically on the public notice board at City Hall. The NOI, IS/MND, Notice of Completion, and Summary Form were also uploaded to the State Clearinghouse (SCH No. 2022100465), with a review period of October 21, 2022, to November 21, 2022.

On October 21, 2022, the 30-day public review period for the Initial Study and Mitigated Negative Declaration for a new distribution facility at 200 Manabe Ow Road began.

On November 21, 2022, the 30-day public review period for the Initial Study and Mitigated Negative Declaration for a new distribution facility at 200 Manabe Ow Road ended.

On November 29, 2022, City Staff received the final draft of the Initial Study and Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program (MMRP) from MIG.

On March 21, 2023, the City of Watsonville Planning Commission approved Resolution Numbers 03-23 (PC), 04-23 (PC), and 05-23 (PC) by a vote of 6-0-1 (with one abstention) recommending the City Council:

- a) Adopt the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project in compliance with the California Environmental Quality Act (CEQA);
- b) Approve a Special Use Permit with Design Review and Environmental Review (App. No. 2138) to allow the construction of a new warehousing and distribution facility totaling 155,847± square feet on an 11.5± acre site located at 200 Manabe Ow Road (APN 018-711-33); and
- c) Approve an amendment to the Manabe Ow Business Park Specific Plan to remove two internal streets from the Land Use Plan and Circulation Plan.

The Planning Commission also included in the recommendation that the City Council consider the neighborhood and residents as part of their deliberation, and recommended additional signage for trucks to follow the designated truck route and stay away from the residential neighborhoods on Ohlone Parkway. Special Use Permit Condition #20 requires the installation of two new truck-route signs at the intersections of Manabe Ow Road and Ohlone Parkway, directing traffic towards West Beach Street.

DISCUSSION:

Standard of Review & Process Overview

The approval of a Special Use Permit with Design Review and Environmental Review is an adjudicative/quasi-judicial decision and requires findings, either for denial, or as recommended, for approval that is supported by substantial evidence. Those findings are included as Exhibit A of the Resolution for approval of the Special Use Permit with Design Review. The Specific Plan Amendment is a legislative decision that must be approved by the City Council, and findings are included in Exhibit A of the Resolution for approval of the Specific Plan Amendment.

Existing Site

The 11.5± acre project site includes the properties located at 200 Manabe Ow Road. Situated along the south side of Manabe Ow Road, the site is adjacent to the Watsonville Slough, Highway 1, the Santa Cruz Regional Transportation Commission (SCRTC) rail corridor, and an adjacent industrial zoned parcel at 100 Manabe Ow Road.



FIGURE 1 Aerial view of the project site and surrounding Area
Source: Santa Cruz County GIS, 2020

The site was in agricultural production through 2015 and has been vacant since. Significant grading occurred on the property in 2016 concurrent with construction of the FedEx distribution facility at 300 Manabe Ow Road and the supporting infrastructure that included the bridge over Watsonville Slough and Manabe Ow Road.

The site topography is predominantly flat, with steeper terrain along the south, west, and north property boundaries. Elevations range from 15 to 25 feet above mean sea level (AMSL). The FEMA Base Flood Elevation for the site is 23 feet. According to the Geotechnical Engineering Investigation prepared by Intertek PSI, the site is underlain by Holocene-aged (Quaternary) basin deposits, including approximately 170 feet of alluvium (Qa) with roughly 320 feet of Aroma Red Sands of Allan (Qal), with the Purisima Formation (Tpa) below.

The site is currently undeveloped with no site improvements, grassland vegetation covering most of the site, and dense brush occurring in areas along Watsonville Slough to the north and an existing drainage ditch to the west.

Prior to 2012, the Watsonville Slough adjacent to the property was little more than an agricultural drainage ditch at the bottom of the bluff separating the residential neighborhoods and the adjacent farmland. However, in 2006, the Manabe-Burgstrom property owners dedicated 25 acres of land to the City of Watsonville for wetland rehabilitation as part of the annexation agreement for the area that would become the Manabe-Ow Business Park Specific Plan area. Phase 1 of the restoration, which took place in the upstream reaches of the slough, was completed in 2007. Then, in 2012, the City of Watsonville, with funding and support from the Resource Conservation District of Santa Cruz County, the Santa Cruz Regional Transportation Commission (RTC), State Water Resources Control Board (SWRCB), and Caltrans, undertook Phase 2 of the wetland rehabilitation program that widened the waterway, introduced native plants, and established the thriving slough ecosystem visible today.

Proposed Project

Project Overview

The project proposes to construct a rectangular two-story industrial warehouse structure totaling 155,847 square feet of floor area, including a two-story office within the building containing approximately 15,900 square feet of office space and a 555-square foot receiving office. A new 12-foot, six-inch tall screen wall would be constructed along the northwestern boundary of the proposed truck court, and a nine-foot tall decorative security fence would be constructed around the western, southern, and eastern boundary of the truck court area and exit driveway.

The proposed warehouse would operate as a distribution facility that operates 24 hours per day, Monday through Friday. Proposed operations would include multiple shifts of warehouse, delivery, and office employees.

The property owner, Reyes Holdings, acquired the Golden Brands business in 2020 and is proposing to invest to continue to grow and modernize the business. The legacy operations had long outgrown their current facility located at 270 West Riverside Drive in Watsonville as the business changed over the years. Refrigerated storage space, dock doors, and truck parking spaces are now bottlenecks to safe and efficient operations at that location. The new facility will alleviate the bottlenecks and provide a state-of-the-art operation, which highlights Reyes' commitment to its employees, the environment, and the community. The move would also make a strategically located industrial building along West Riverside Drive/CA-129 available for a new tenant. A comparison of the existing and proposed facilities is included in Table 1 below.

Table 1 Existing vs. Proposed Reyes Holdings Facilities

	Existing Facility	Proposed Facility
Structure	Leased	Owned
Building	59,700 sq. ft.	155,847 sq. ft.
Truck Docks	3 + Exterior Ramp	20
Truck Parking	15 positions	33 positions
Refrigerated Storage	900 sq. ft.	15,750 sq. ft.
Truck Service	None	4,500 sq. ft.
Employee Amenities	Minimal	• Fitness Center

		<ul style="list-style-type: none"> • Hospitality/Training Center • EV Charging • Outdoor Amenity Space • Bike Access
Sustainability Solutions	Minimal	<ul style="list-style-type: none"> • Solar • LED Light/Controls • EV Service Vehicles • Water conservation • Increased insulation • Electric MHE • Efficient, natural refrigerants for Keg storage

Circulation and Parking

The project would include two un-signalized access driveways along the northern border of the site. One full access (two-way) driveway for passenger vehicles and delivery vans would be located at the northeast corner of the site on Manabe Ow Road, and one wider full access (two-way) driveway primarily for trucks and heavy vehicles would be located at the elbow on Manabe Ow Road south of the bridge, in the northern portion of the site. The project would be required to construct a small traffic circle or center median in the knuckle/partial cul-de-sac at the truck/heavy vehicle entrance. The two driveways connect to two-way drive aisles that form a loop around the periphery of the site and provide access to parking stalls along the east and north sides of the building, as well as to truck trailer parking areas and loading bays on the west side of the building. The location of the truck trailer parking spaces and loading bays on the west side of the building, facing away from the nearby residential areas to the northeast, will reduce noise and improve aesthetics for residents and pedestrians utilizing the walking paths along the slough.

The project also includes a 12-foot-wide access road along the southern, western, and northern property lines to provide access for City of Watsonville Public Works crews performing quarterly maintenance of the regional drainage ditch that runs the length of the property just inside the western property line. A proposed condition of approval would require the applicant to record a 29-foot-wide storm drain easement along the western property line that will include the regional drainage ditch and the 12-foot-wide City access road. The project also proposes an access road for City vehicles across the City property adjacent to the northwestern lot line to allow City vehicles to exit after maintaining the regional drainage ditch.

The project proposes to provide the following parking facilities:

- 93 Automobile parking stalls
- 20 Truck dock stalls
- 33 Truck trailer parking stalls
- 10 Bicycle stalls (in racks)

- 10 Long-term bicycle lockers
- 8 Accessible parking spaces
- 10 Electric vehicle (EV) parking spaces
- 16 Clean air/vanpool electric vehicle parking stalls

Short-term bicycle racks would be located at the front of the building, and long-term bicycle storage lockers would be located inside the building.

Landscaping

The project would remove existing brush and shrubs on the site and install new landscaping including turf, shrubs, groundcover and trees around the borders of the site, and trees within the parking areas. Approximately 102, 24-inch box trees are proposed along the perimeter and within the automobile parking areas of the site, with a total area of approximately 106,325 square feet of landscaping. The proposed landscaping includes approximately 40,209 square feet of bio-retention areas as part of the project's onsite stormwater runoff treatment system.

Based on early feedback from Watsonville Wetlands Watch, the project was modified to include 1,286 square feet of native riparian vegetation plantings off-site in a five-foot-wide buffer strip along the City access road adjacent to the slough. The native riparian vegetation is proposed to include coyote brush, California grey rush, yellow monkeyflower, deer grass, California coffee berry, and blue-eyed grass.

Lighting

Outdoor lighting for the project would be provided using 20- and 35-foot pole-mounted LED fixtures in the parking areas. The number of fixtures per pole would vary with the location of the pole but would be determined by the lighting plan included in the project. All of the fixtures would be cut-off type, with light being directed downward. The proposed building would have LED architectural wall sconces, with the number and location of the fixtures determined by the lighting plan (Attachment 1, Sheet ES-100 & ES-101). All proposed lighting is designed in conformance with City standards.

Grading

The project site is relatively flat, however, grading would be required for the construction of the proposed facilities. The proposed cut is approximately 10,800 cubic yards (CY) of material, with a proposed fill of approximately 24,800 CY, requiring an import of 14,000 CY of fill. The import of fill would be required to create elevated building pads to construct finished floor elevations two feet above the base flood elevation of 23 feet.

Construction

Construction is anticipated to last approximately 14 months, beginning in summer 2023.

Manabe Ow Business Park Specific Plan

The proposed project is located in the West Business Park Planning Area of the Manabe-Ow Business Park Specific Plan (MOBPSP). Adopted in 2010, the MOBPSP governs 95 acres, including the FedEx property, the vacant land on the south side of Watsonville Slough wrapping

around the Seaview Ranch subdivision, Stone Creek Apartments, and Las Brisas subdivision, and the Sunshine Gardens subdivision.

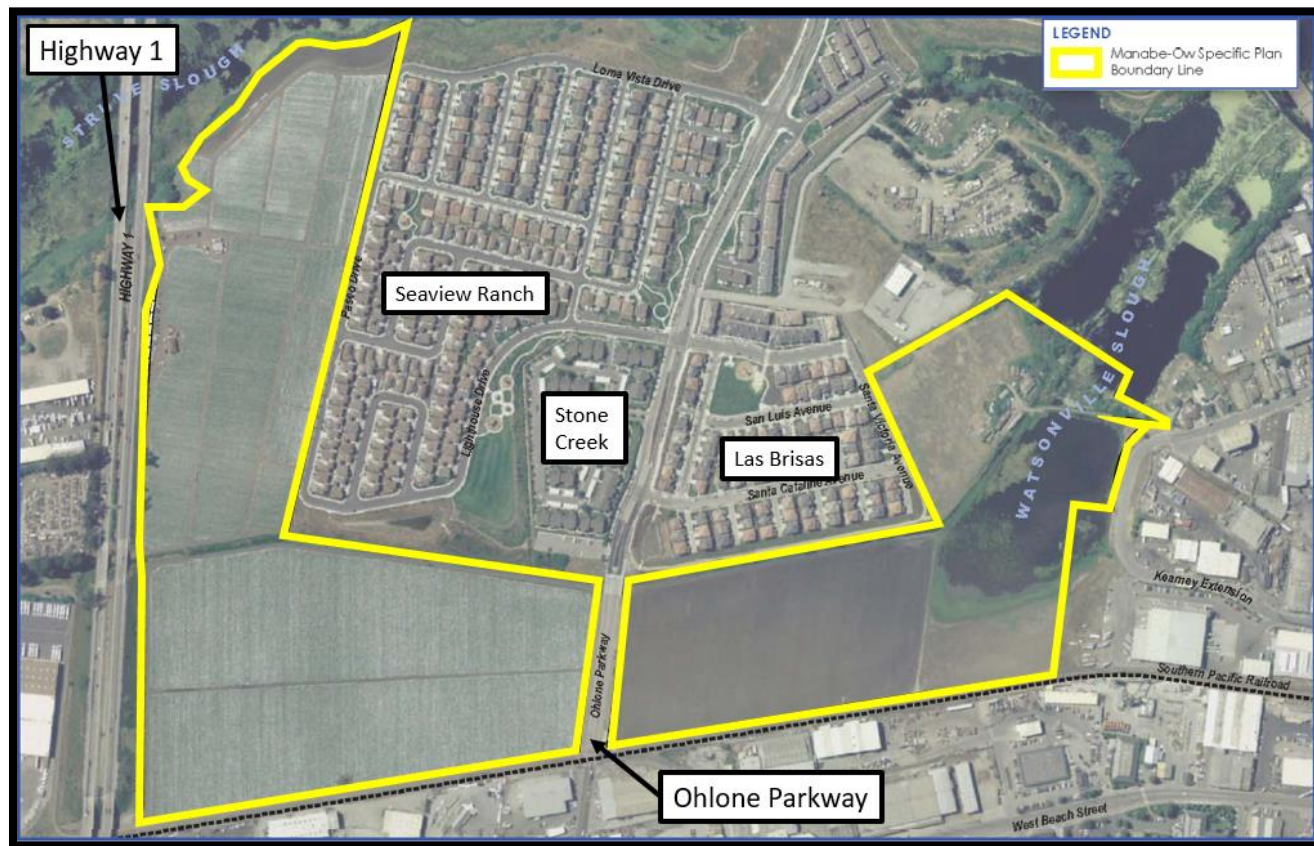


FIGURE 2 Manabe-Ow Specific Plan Boundary Line
Source: *Manabe-Ow Business Park Specific Plan, 2010*

Measure U (2002) identified the property as being suited for annexation and development with a mix of job-generating office, flexible-use, and light industrial uses, commercial retail, and workforce housing. The City expected the area to help meet its economic growth objectives by accommodating up to 2,100 new jobs over a 25-year period. Deed restrictions prohibited “Big box” retail stores on the site, and a 25-acre portion of the site was set aside for environmental protection and expansion of the Watsonville slough system.

The Project Vision for the business park described the area as follows:

The 95 gross-acre (53 net acres of business park and retail) Manabe-Ow Business Park (MOBP) Specific Plan is anticipated to be the primary new employment and economic development area in the City of Watsonville over the next 25 years. Within the commercial areas, a business park setting is envisioned. Varying building sizes and architectural styles will be constructed to support the needs of existing and future local and regional businesses, from corporate headquarters to small light industrial and manufacturing start-ups.

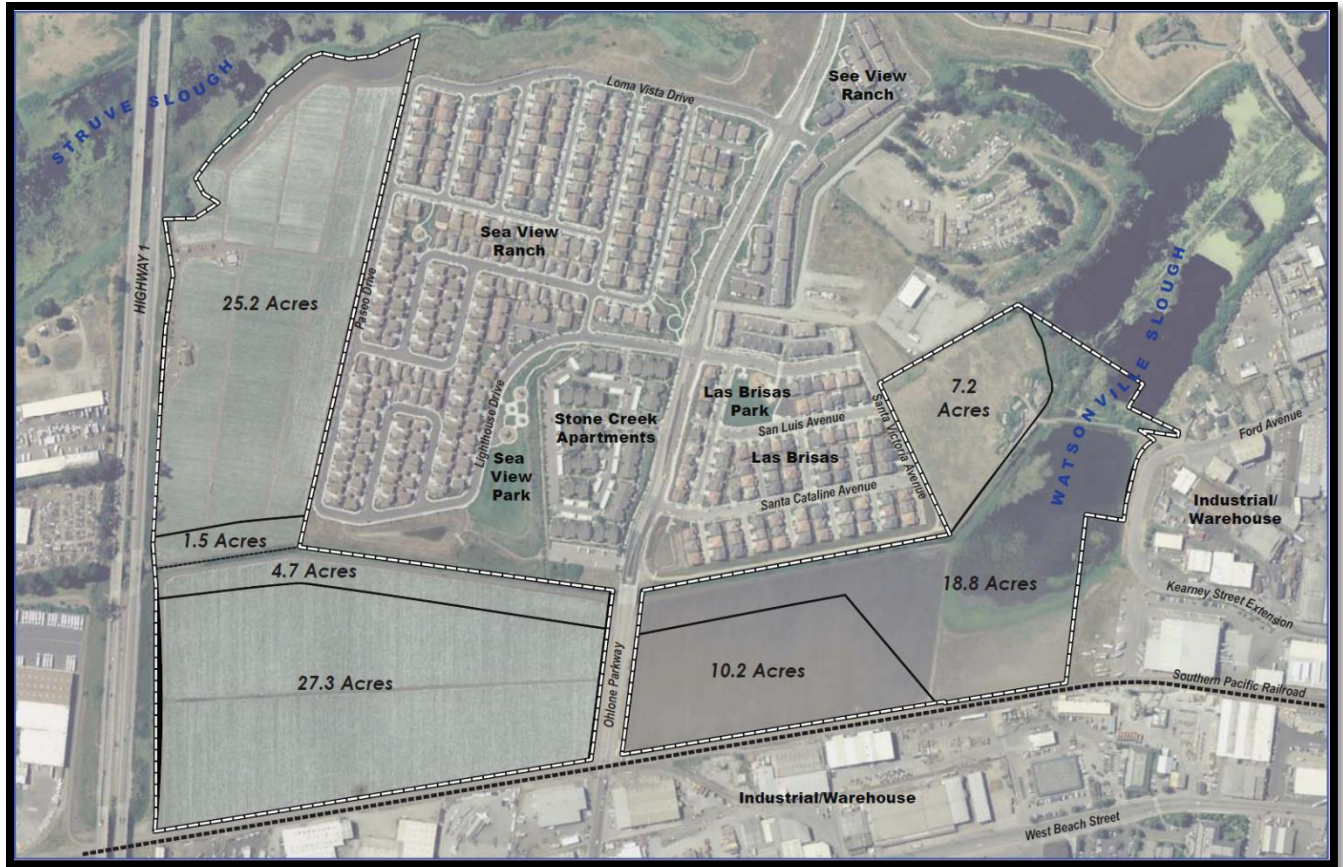


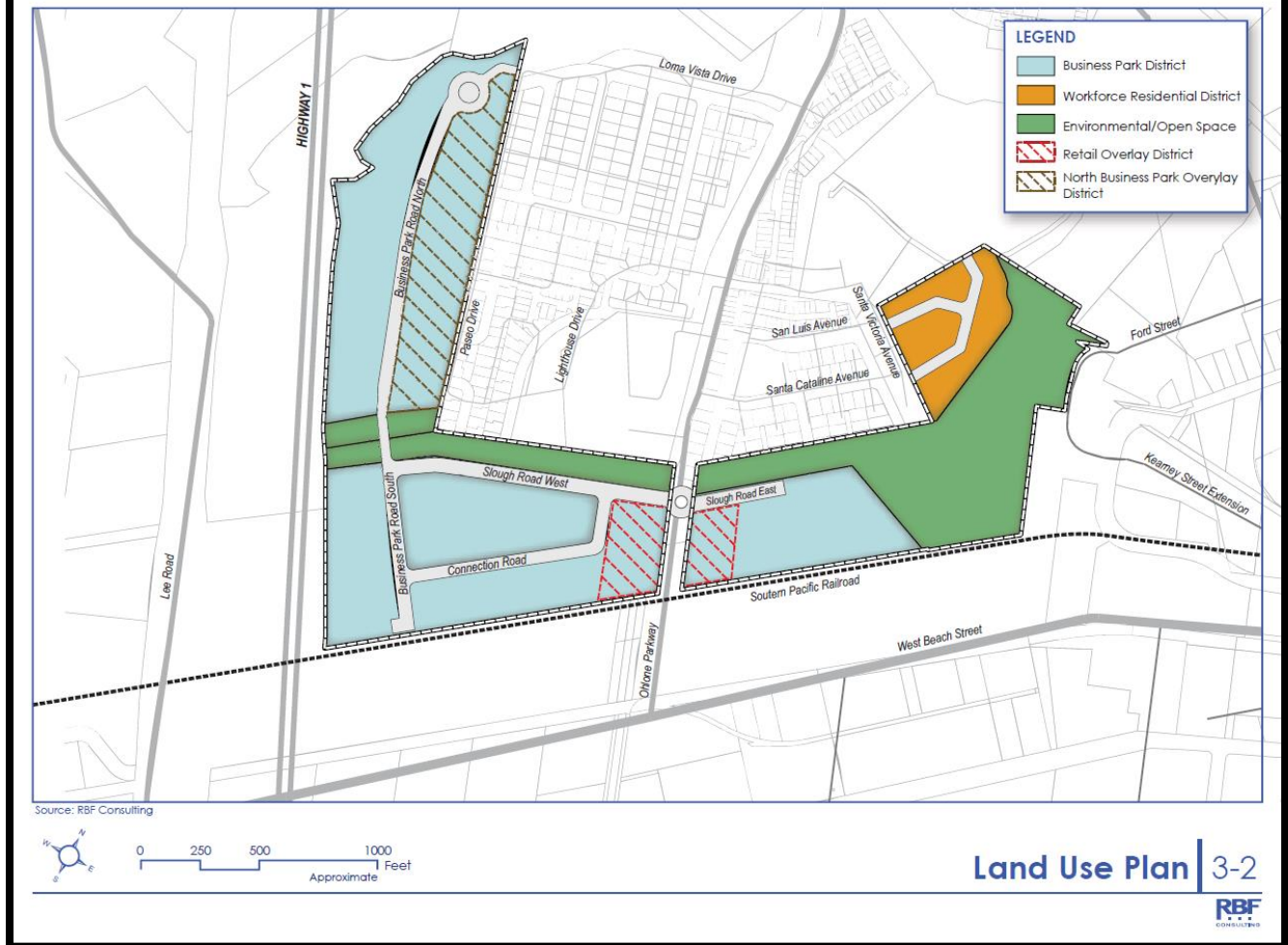
FIGURE 3 Existing & Surrounding Land Uses

Source: Manabe-Ow Business Park Specific Plan, 2010

Land Use Plan

Figure 3-2: Land Use Plan (Figure 4 below) in the MOBPSP illustrates the location and relationship of the permitted land uses within the MOBP, including business park, open space, retail, residential, and roadways. The Land Use Plan serves as the main reference for all planning work and implementation activities within the MOBP. The four land use zoning districts established for the MOBP site include:

1. Business Park District;
2. Retail Overlay District;
3. Workforce Housing District; and
4. Environmental/Open Space District

**FIGURE 4** Land Use Plan

Source: Manabe-Ow Business Park Specific Plan, 2010

Circulation Plan

The Circulation Plan in the MOBSP describes the circulation improvements, including vehicular, bicycle, pedestrian, and public transportation desired by the City to serve the business park. Figure 4-1: Street Network (Figure 5 below) illustrates the hierarchical pattern of various street types serving the transportation needs of the site. The MOBSP acknowledges that modifications to the circulation requirements and standards contained within the chapter “may be approved by the City Council if deemed necessary to facilitate development of the business park” (p.4-1).



FIGURE 5 Circulation Plan

Source: Manabe-Ow Business Park Specific Plan, 2010

Creativity and Flexibility

The MOBPSP acknowledges the challenges facing future developers of the site, with the location in the floodplain requiring up to eight feet of fill and new infrastructure such as roads, utilities, and a bridge over Watsonville Slough being required for site development. Due to these challenges, multiple sections of the specific plan call out that “development of the site requires creativity and flexibility in density, product type, design, and entitlement processing to help the City meet its economic (job growth) objectives.” Section 1.5, Specific Plan Purpose and Authorization, also states that “the MOBP is not intended to be a rigid document; rather it has been developed to provide as much flexibility as allowed by State law and by local ordinance.” The specific plan specifically identifies several methods to encourage economically feasible development that include “construction of infrastructure that is only required to functionally serve the project” (p.3-1). This desire for creativity and flexibility is an important factor in reviewing the proposed project’s consistency with the specific plan.

Development Standards Review

The table below illustrates how the project complies with the development standards of the Business Park District Development Standards found in MOBSP Table 3-2.

Table 2 MOBSP Plan Business Park District Development Standards

Table 3-2: BP District Development Standards		
	Required	Proposed
Minimum Lot Area & Dimension Requirements		
Area (Interior Lot)	20,000 sq. ft.	502,319 sq. ft.
Street Frontage (Interior)	75-100 ft.	417 ft.
Minimum Yard Setback Requirements		
Front Yard	10 ft.	121 ft.
Rear Yard	0 ft.	156 ft.
Side Yard - East	0 ft.	60 ft.
Side Yard - West	0 ft.	211 ft.
Landscape Requirements		
Site Coverage	10% of Total Area	21% (106,325 sq. ft.)
Perimeter Landscaping (Parking adjacent to a public street)	5 ft.	>5 ft. (Varies)
Other Requirements		
Maximum Building Height	50 ft.	48 ft.
Floor Area Ratio (FAR)	0.3	0.32
Parking – Wholesaling with Stock (with Warehousing)	5 spaces plus 1 space for each employee on the shift with the maximum number of personnel – 40 spaces	40 spaces
Parking – Office	1 space per 300 sq. ft. – 53 spaces	53 spaces
Total Parking	93 spaces	93 spaces
Bicycle Storage Facilities	2% of total parking spaces – 2 spaces	10 Bicycle stalls (racks) 10 Long-term bicycle lockers
Driveway Entrances	Driveways from public roadways shall be spaced at 100 ft. minimum	260 ft.
Permitted Uses	Warehousing exceeding 30% of the floor area of a business requires a Special Use Permit (SUP)	Special Use Permit Requested

Special Use Permit

Section 3.5 of the MOBSP includes a requirement that “any warehousing exceeding 30% of the floor area of a business will require a Special Use Permit.” Ninety percent (90%) of the floor area of the proposed warehouse/distribution center is warehousing use, so the project requires a Special Use Permit.

The purpose of the Special Use Permit is to ensure the proper integration of uses which, because of their special nature, may be suitable only in certain locations or zoning districts or only provided that such uses are arranged or designed in a particular manner (WMC §14-12.500). This special review shall be for the purpose of determining that the proposed use is, and will continue to be, compatible with surrounding, existing, or planned uses; and for the further purpose of establishing such special conditions as may be necessary to ensure the harmonious integration and compatibility of uses in the neighborhood and with the surrounding area (WMC §14-12.501). On March 21, 2023, the Planning Commission adopted Resolution No. 04-23 (PC) recommending the City Council approve a Special Use Permit with Design Review and Environmental Review (App. No. 2138) to allow the construction of a new warehousing and distribution facility totaling 155,847± square feet on an 11.5± acre site located at 200 Manabe Ow Road (APN 018-711-33).

With approval of a Special Use Permit, the proposed project complies with the development standards for the Manabe-Ow Business Park Specific Plan.

Design Review

All new construction, exterior remodeling, additions, or changes in use requiring additional parking, which involve structures used for multi-family residential, commercial, industrial or public purpose are subject to Design Review (WMC §14-12.400). No Building Permit shall be issued for a development subject to Design Review until a Design Review Permit has been approved in accordance with WMC Chapter 14-12 and conditions of approval have been met.

When considering applications for Design Review, the Planning Commission and/or City Council shall evaluate the impact of the Design Review on and its compatibility with surrounding properties and neighborhoods to ensure the appropriateness of the development and make the findings set forth in WMC §14-12.403. The findings for a Design Review Permit are substantially similar to those required for Special Use Permits, except for the finding set forth in WMC §14-12.403(e), which requires that additional design elements be addressed.

The project design includes siting towards the rear of the lot away from nearby residential areas and truck loading bays that face Highway 1 rather than the residential neighborhoods nearby or other adjacent uses in order to minimize noise impacts. The building frontage, with the clearly defined entry with unique architectural features, faces the nearby residential neighborhoods. The bulk, height, and color of the structure are comparable to the bulk, height, and color, of other existing and proposed industrial structures in the immediate neighborhood. The building design, features, and materials are suitable and appropriate for the industrial use and create an interesting and distinctive architectural character, with an attractive and easily identifiable entrance from the public roadway.

Little to no light would spill over onto residential properties across the slough or into nearby riparian habitat, so the project would not create a visual impact. Any spillover light would be further obscured from view by landscape plantings and fencing. Stormwater detention basins and landscaping surround the warehouse/distribution facility and parking lot, further mitigating the visual impacts of the development. Therefore, the project is not anticipated to create a new source of potential light spillover or glare nuisance.

Based on the information above, Staff determined that the proposed project complies with the Design Review standards.

Specific Plan Amendment

As designed, the proposed project would not comply with the Land Use Plan and Circulation Plan because the building footprint is situated in the location of the planned Business Park Road South and Connection Road as identified in the MOBSP. According to the Circulation Plan, the purpose of Business Park Road South is to “provide connectivity between the West and North Business Park Planning Areas,” and the purpose of Connection Road is “providing access to the southern areas adjacent to the Southern Pacific Railway” (p.4-1). The proposed development at 200 Manabe Ow Road follows the model of the FedEx development in the North Business Park, which has one large warehousing and distribution facility in the middle of the parcel instead of Business Park Road North surrounded by multiple smaller businesses. The proposed development on the adjacent parcel at 100 Manabe Ow Road follows the same pattern of development, with one large, centrally-located, warehouse/distribution facility taking up the majority of the parcel. Connectivity between the West and North Business Park Planning Areas is provided by Manabe Ow Road and the bridge over the Watsonville Slough. As such, Business Park Road South and Connection Road are currently barriers to development in the West Business Park Planning Area. Chapter 4.1 (Circulation Plan) of the Manabe-Ow Business Park Specific Plan states that “modifications to the circulation requirements and standards contained in this chapter (with certain exceptions noted) may be approved by the City Council if deemed necessary to facilitate development of the business park” (p.4-1).

The applicant is proposing a Specific Plan Amendment to remove Business Park Road South and Connection Road from the Manabe-Ow Business Park Specific Plan to facilitate development of the proposed warehousing and distribution facility. Removing the two internal streets requires the removal or modification of several maps and figures, as well as some related text, including:

1. p.1-8 - Figure: Illustrative build-out of MOBP - Internal roads removed
2. p.3-3 - Illustrative Plan - Internal roads removed
3. p.3-5 - Land Use Plan - Internal roads removed
4. p.3-11 - Figure: Relationship to the Southern Pacific Railway ("Connection Road ROW" replaced with "Manabe Ow Road")
5. p.3-11 - Figure: Relationship to Sea View Ranch – Figure removed
6. p.3-28 - 3.3.1 Retail Overlay District Development Standards – Replace “the Connection Road” with “Manabe Ow Road”
7. p.3-29 - Figure: RO District development standards diagram – Remove “Connection Road”
8. p.3-31 - Figure: Conceptual retail site design - Connection Road removed
9. p.3-59 - Phasing Plan - Option 1 - Internal roads removed
10. p.3-60 - Phasing Plan Option 2 – Remove “the Connection Road and”
11. p.3-61 - Phasing Plan - Option 2 - Internal roads removed
12. p.3-62 - Phasing Plan - Option 3 - Internal roads removed

13. p.4-1 - Vehicular Circulation – Remove “Within the West Business Park, a connector loop road will be constructed providing access to the southern areas adjacent to the Southern Pacific Railway. A north south road will also be constructed parallel to Highway 1.”
14. p.4-3 - Street Network - Internal roads removed
15. p.4-6 - Industrial Street - Business Park Road (North and South) - Whole page, text and figure, removed
16. p.4-7 - Figure: Business Park Road (North and South) Cross Section - Whole page, text and figures, removed
17. p.4-8 - Figure: Key Map - Slough Overpass Bridge - Internal roads removed
18. p.4-10 - Figure: Key Map - Slough Road (West and East) - Internal roads removed
19. p.4-12 - Industrial Street - Connection Road - Whole page, text and figure, removed
20. p.4-13 - Figure: Connection Road Cross Section - Whole page, text and figure, removed
21. p.4-14 - Figure: Key Map – Residential Street - Internal roads removed
22. p.4-18 - 4.3 Pedestrian, Bicycle and Trail Circulation – Remove “two,” “s,” and “and Business Park Road North/South.”
23. p.4-19 - Pedestrian & Bicycle Circulation - Internal roads removed
24. p.5-2 - Wet Utilities Plan - Internal roads removed

Redlined and clean copies of the proposed Specific Plan Amendment are located at: <https://cityofwatsonville.org/DocumentCenter/Index/157> under Planning Documents > Projects > 200 Manabe Ow Rd – Distribution Facility > Specific Plan Amendment.

In order to approve the Specific Plan Amendment, the City Council must make the findings in WMC §14-12.904. The findings with Staff analysis are below.

- a) That the proposed location of the development and proposed conditions under which it will be operated or maintained is consistent with the goals and policies embodied in the General Plan;

Staff Analysis: The City’s participation in Action Pajaro Valley (APV) resulted in grass roots community organization which put Measure U on the November 5, 2002, ballot. Measure U established the City’s current urban growth boundary including the 95-acre Manabe Ow site. Measure U was approved by over 60% of the voters and was integrated into the 2005 General Plan in 2002. The 95-acre Manabe Ow properties were specifically annexed in 2006 to serve as a job creation area in accordance with policies of the 2005 General Plan that supported the development of light industrial properties that provide jobs and establish a small workforce housing component.

The plan establishes specific guidance for the development of the circulation network and infrastructure necessary to serve the specific plan area. It provides specific development standards and land use processes for new buildings that can be proposed by future developers and establishes specific design guidelines for building design, landscaping, streetscape, and other critical components.

The Specific Plan approval process provides the public process necessary to inform residents of future plans for the site and identifies conditions for development that achieve the goals and policies of the General Plan.

The proposed Specific Plan Amendment, which removes Business Park Road South and Connection Road, does not modify or remove the design guidelines or development standards of the adopted Manabe-Ow Business Park Specific Plan. In addition, Staff reviewed the proposed project at 200 Manabe Ow Road and determined, based on substantial evidence, that the project was consistent with the goals, policies, and implementation measures of the 2005 General Plan (Special Use Permit Resolution, Exhibit A).

- b) That the proposed development is in accordance with the purposes and objectives of this title and, in particular, will further the purposes stated for each zoning district;

Staff Analysis: The MOBSPSP established distinct requirements for the Business Park Development Standards, Retail Overlay District, and the Workforce Development District. The plan provides specific guidance including development standards, land use standards, design guidelines, and infrastructure standards to clearly identify how future projects will integrate with existing surrounding land use development. The MOBSPSP provides significantly more guidance than the existing zoning districts in the area and provides clear environmental impact analysis of potential improvements as part of a Master Environmental Impact Report for the site.

The MOBSPSP, as amended by the proposed Specific Plan Amendment, contains all of the required contents identified in WMC §14-12.902(b), and is consistent with the purpose of the Industrial Park (IP) zoning district, as described in WMC §14-16.500. Removal of the Business Park Road South and Connection Road will allow for the development of two new job-generating and state-of-the-art industrial warehousing and distribution facilities.

- c) That the development will not be detrimental to the public health, safety or welfare of persons residing or working in or adjacent to such a development and properties or improvements in the vicinity or to the general welfare of the City.

Staff Analysis: The Master Environmental Impact Report (MEIR) for the MOBSPSP clearly indicated that the development of the specific plan area, with the suggested mitigation measures, will not create significant environmental impacts. The Initial Study and Mitigated Negative Declaration (IS/MND) for this project, which would build a new warehousing and distribution facility at 200 Manabe Ow Road, determined that the proposed project, with the suggested mitigation measures, will not create any significant new environmental impacts not analyzed in the MOBSPSP MEIR.

The development and land use guidelines in the specific plan establish clear processes that future projects must follow in order to obtain approvals from the City. The MOBSPSP outlines how the plan area will be developed over the 25-year timeframe of the plan and

establishes thresholds where specific improvements are required to reduce impacts on the surrounding community.

- d) That the Specific Plan and resulting development will be consistent with the provisions of Article 8 of Chapter 3 of Division I of Title 7 of the California Government Code, commencing with Section 65450.

Staff Analysis: The Specific Plan was developed in accordance with Section 65450 of the California Government Code and includes all the required sections and analysis required by the State and the City's Specific Plan Ordinance, WMC §14-12.900. The Specific Plan includes a General Plan Consistency analysis, a land use analysis that identifies distribution, location, intensity, and the extent of land use impacts on surrounding areas. The Specific Plan identifies necessary infrastructure required to serve the project, including circulation, wet utilities, dry utilities, and financing mechanisms to develop these improvements. The Specific Plan also identifies design guidelines and environmental resource protection plans to make sure the project fits within the surrounding land uses and establishes an implementation program to work with the property owners to create the infrastructure necessary to move the project forward over the life of the Specific Plan. All these sections meet the requirements of Section 65450 of the California Government Code.

These findings are included in Exhibit A of the resolution for the Specific Plan Amendment.

Traffic Analysis

The main impact of the proposed project requiring consideration in relation to the issuance of a Special Use Permit is traffic. Traffic impacts were analyzed in a Transportation Impact Study (TIS) provided by Kimley-Horn.

Recent changes in the California Environmental Quality Act require lead agencies to analyze vehicle trips created by a project under Vehicle Miles Travelled (VMT) rather than Level of Service (LOS). The project VMT impacts were evaluated in the IS/MND utilizing the City's adopted VMT Policy (Resolution No.205-22), which established the following: VMT as the appropriate metric for evaluating transportation-related impacts under CEQA, VMT thresholds of significance, screening criteria, transportation demand management (TDM) strategies, and a VMT Mitigation Banking Program. The project impacts were determined to be "Less Than Significant with Mitigation Incorporated." Mitigation includes a combination of TDM measures and payment of a VMT Mitigation Banking Program fee of \$114,315.42 that will fund currently unfunded bicycle and pedestrian infrastructure projects identified in City planning documents. The VMT Mitigation Banking Program fee was calculated by multiplying the number of employees by the 1.0 VMT per employee times \$1,524.21 per VMT (75 employees x 1.0 VMT per employee x \$1,524.21 per VMT = \$114,315.42).

The City of Watsonville 2005 General Plan, however, utilizes LOS rather than VMT to evaluate the impacts of traffic generated by a proposed development. General Plan Policy 10.C requires the City to "maintain a minimum LOS D on all arterial and collector streets serving the City" and Implementation Measure 10.C.2 requires developments that would contribute to a deterioration

of existing service levels below LOS D to “provide the necessary improvements, contribute to their provisions through the payment of traffic impact fees, or otherwise mitigate impacts to maintain at least an LOS D.” The Kimley-Horn TIS determined that the project would bring additional employee vehicle trips to the area, which would decrease the LOS at two intersections along Ohlone Parkway to below LOS D. Therefore, in order for the City Council to make General Plan consistency findings, the project needs to address the deterioration of LOS at the affected intersections.

The Manabe-Ow Business Park Specific Plan envisioned up to 1,025,000 sq. ft. of new development in the business park area. Based on this level of development and the associated traffic impacts, the Master Environmental Impact Report (MEIR) for the Manabe-Ow Business Park Specific Plan called for the installation of roundabouts at the Ohlone Parkway/Loma Vista Drive and Ohlone Parkway/Lighthouse Drive intersections once development in the area crossed certain square footage thresholds, as described in the following mitigation measures:

- **Mitigation Measure - MM-3.12-2** - A roundabout at the intersection of Ohlone Parkway/Lighthouse Drive shall be constructed when approximately 825,000 square feet of the proposed project has been constructed. The estimated cost of this improvement is approximately \$300,000 dollars. This traffic mitigation project would be funded by a new traffic fee ordinance which would raise sufficient funds to construct the traffic mitigation projects which are the sole obligation of the project once the square footage triggers are reached.
- **Mitigation Measure - MM-3.12-5** - Prior to the construction of 720,000 square feet of the proposed project, a roundabout shall be constructed at the intersection of Ohlone Parkway/Loma Vista Drive. The estimated cost of this improvement is approximately \$300,000 dollars. This traffic mitigation project would be funded by a new traffic fee ordinance which would raise sufficient funds to construct the traffic mitigation projects which are the sole obligation of the project once the square footage triggers are reached.

Due to the current development pattern, with several large industrial warehouse structures rather than many smaller structures, at full build-out the proposed and projected developments will not exceed the 720,000 sq. ft. (70%) or 825,000 sq. ft. (80%) square footage thresholds requiring installation of roundabouts. However, the LOS impacts to those intersections will still occur, as documented in the project’s Transportation Impact Study. As such, the roundabouts are necessary to mitigate the deterioration of LOS at the affected intersections.

Following the General Plan goals, policies, and implementation measures and the MOBSP MEIR Mitigation Measures, staff adjusted the thresholds based on the as-built and projected development in the MOBSP planning area, based on the large industrial warehouse development patterns, which will only reach approximately 660,000 sq. ft. Utilizing this approach, the 720,000 sq. ft. (70%) threshold became 461,805 sq. ft. and the 825,000 sq. ft. (80%) threshold became 527,777 sq. ft.

The total square footage of the existing development at 300 Manabe Ow Road (FedEx) and the proposed development at 200 Manabe Ow Road (Reyes) would total approximately 345,847 sq. ft., which does not exceed the 461,805 sq. ft. threshold for the installation of the roundabout at

Ohlone Parkway/Loma Vista Drive. To distribute the design, construction, and funding of the two roundabouts in an equitable manner and expedite the roundabout design and construction process, the proposed conditions of approval require the applicant to design the roundabouts for both the Ohlone Parkway/Loma Vista Drive and Ohlone Parkway/Lighthouse Drive intersections and pay fair share contributions to the construction of both roundabouts. Future developments in the Manabe-Ow Business Park Specific Plan area will construct the two roundabouts as they cross the 70% and 80% square footage thresholds. This approach complies with the applicable General Plan goals, policies, and implementation measures and reflects the intent of the mitigation measures of the Manabe-Ow Business Park Specific Plan Master Environmental Impact Report (MEIR).

The project will also generate truck trips, but those trucks will utilize the truck route that leads from the project site towards West Beach Street and away from the nearby residential areas. A condition requiring the applicant to install additional truck route signage directing truck traffic towards West Beach Street to ensure truck drivers follow the correct route has been included in the conditions of approval.

The MOBPSP MEIR identified seven additional intersections with unacceptable levels of service (LOS) during the weekday AM and PM peak hours and traffic improvements needed to mitigate the Manabe-Ow Business Park project impacts. The MEIR included mitigation measures with estimated traffic improvement costs and fair share contribution amounts for the future traffic trips generated by the project. Those mitigation measures, with corresponding intersections, traffic improvement costs, and fair share contributions are listed below.

1. Mitigation Measure 3.12-3 – West Beach Street/Walker Street, \$300,000, 77.1%
2. Mitigation Measure 3.12-4 – Main Street/West Riverside Drive, \$200,000, 11.5%
3. Mitigation Measure 3.12-6a – Highway 1 NB Ramps/Highway 129 – Riverside Drive, \$250,000, 12.2%
4. Mitigation Measure 3.12-6b – Highway 1 NB Ramps/Highway 129 – Riverside Drive, \$250,000, 53%
5. Mitigation Measure 3.12-7 – Ohlone Parkway/Main Street, \$200,000, 19.9%
6. Mitigation Measure 3.12-10 – Green Valley Road/Main Street, \$1,000,000, 11%
7. Mitigation Measure 3.12-11 – Highway 1 NB Ramp/Harkins Slough Road, \$520,000, 0.7%

To determine the project's fair share contribution, Staff first multiplied the traffic improvement costs by the identified fair share contribution percentage for the Manabe-Ow Business Park project. Staff then multiplied the resulting cost by 90.8%, which is the Manabe-Ow Business Park percentage of trip generation versus the residential portion (Sunshine Gardens), and then divided the resulting amount by the total estimated square footage of development for the park (1,025,577) to get a cost per square foot. Then, to get the fee per square foot for the proposed project, Staff multiplied by the total proposed square footage of the project (155,847) by the cost per square foot to get the project's fair share contribution towards the traffic improvements. An example calculation for Mitigation Measure 3.12-3 is below.

- Mitigation Measure 3.12-3 – W. Beach / Walker Signal

- $77.1\% \text{ of } 300,000 = \$231,300$
- $\$231,300 \times 90.8\% = \$210,020.40$
- $\$210,020.40 / 1,025,577 \text{ SF} = \$0.20478 \text{ per square foot}$
- $\$0.20478 \times 155,847 \text{ SF} = \$31,914.35$

Condition of Approval #27 requires the applicant to pay a total of \$78,749.49 in order to mitigate the proposed project's impacts on the intersections identified in the MOBPSP MEIR mitigation measures.

General Plan

The project site is designated Industrial on the General Plan Land Use Diagram and is within the Industrial Park (IP) Zoning District. The purpose of the Industrial designation is to serve the industrial needs of the community. Allowed uses include: wholesale sales; storage; heavy commercial; transportation services; warehousing; construction; fabrication and trade shops; general manufacturing; food processing; and related services, businesses, and uses.

The proposed project is consistent with the following General Plan goals, policies, and implementation measures concerning industrial land use, local employment, land use suitability, street and highway facilities, truck transportation, natural resources, air quality, water quality, soil conservation, and archaeological resources:

- **Goal 4.4: Industrial Land Use** – Achieve economic diversification, living wage employment, the preservation of agricultural economic base of the Pajaro Valley, and maintain a balance among jobs, housing, and other urban land uses.
- **Goal 4.6: Local Employment** – Promote a variety of employment opportunities within the city providing living wage jobs to Watsonville residents. Stimulate creation of 7,500 additional jobs by 2005. Pursue opportunities for job skill training.
- **Goal 4.7: Land Use Suitability** – Ensure that the orderly development of land for the needs of the existing and projected population within the City Limit and Sphere of Influence is based on the land's overall suitability, including: the accessibility of existing and proposed public facilities, services, and utilities; physical and financial constraints; and/or growth inducing impacts.
- **Policy 4.D: Industrial Land Use** – The City shall promote modernization of existing industrial plants and the location of new industrial facilities on lands planned for industry in Watsonville 2005.
- **Implementation Measure 4.D.2: Design and Open Space** – The City shall require that new industrial development be designed to blend with the natural environment and incorporate adequate open space and landscaping to provide aesthetically pleasing buffer from residential land use. Additionally, on-site recreational space for employees and resource protection for environmentally sensitive habitats shall be required, where appropriate.

- **Implementation Measure 4.D.6: Street and Roadside Improvements** – The City will develop a plan for the improvement of streets and roadsides within the Redevelopment District to better facilitate movement within the district and to decrease negative commercial and industrial traffic impacts and associated health and safety impacts.
- **Policy 4.F: Economic Development** – The City shall plan for economic development.
- **Implementation Measure 4.F.3: Balanced Land Uses** – The City shall encourage local employment opportunities by maintaining a balance among major land uses.
- **Policy 4.G: Land Use Suitability** – The City shall encourage the development of urban uses on those lands best suited for urban uses and discourage it on lands unsuited for urban uses.
- **Implementation Measure 4.G.4: Environmental Management** – The City shall not permit new development to encroach upon lands zoned for Environmental Management-Open Space (EM-OS).
- **Policy 4.I: Land Use Regulation** – The City shall regulate future urban development to be consistent with the goals of this General Plan.
- **Implementation Measure 4.I.4: Environmental Review** – The City shall use the environmental review process to ensure that project mitigations sustain and implement the policies of this General Plan, reduce environmental impacts to acceptable levels, and make adequate provisions for public safety.
- **Implementation Measure 4.I.6: Traffic Mitigations** – The City shall place traffic impact mitigations on new development consistent with the policies of the Transportation and Circulation chapter (10) and City standards for access, parking, and roadway improvements.
- **Goal 10.1: Street and Highway Facilities** – Plan and provide for a safe, efficient, and environmentally sensitive network of streets and highways for the movement of people and goods.
- **Goal 10.8: Truck Transportation** – Recognize the importance of truck transportation to the Watsonville area and to plan for the safe, unobtrusive movement of trucks.
- **Implementation Measure 10.A.2: Costs of Improvements** – The City shall use the development review process to ensure that new development projects creating a need for additional roadway improvements pay an appropriate share of the costs, based on traffic impact fees and assessment districts.
- **Policy 10.C: Level of Service** – The City shall maintain a minimum Level of Service D (LOS D) on all arterial and collector streets serving the City except for those accepted to

operate at less than an LOS D in the 1988-2005 Major Streets Master Plan as updated in 1992.

- **Implementation Measure 10.C.2: Project Funding** – The City shall require as a condition of approval that all development or rezoning which would contribute to a deterioration of existing service levels below LOS D, provide the necessary improvements, contribute to their provision through the payment of traffic impact fees, or otherwise mitigate impacts to maintain at least an LOS D. Where existing conditions are already below LOS D, any new development must mitigate traffic conditions to the extent of preventing further deterioration in level of service or, if possible, improving level of service.
- **Policy 10.E: Planning for Transit** – The City shall use its land use planning authority to enhance the use of transit.
- **Implementation Measure 10.F.4: Transportation Systems Management** – The City shall encourage major public and private employers to prepare and implement a Transportation Systems Management program (TSM), which may include, but is not limited to, ride sharing, van pooling, preferential parking, flex-time, employee bus pass programs, and other incentives for transit use.
- **Policy 10.U: Truck Facilities and Routing** – Commodity movement utilizing trucks shall be encouraged and facilitated while related impacts on City streets are minimized to the extent possible.
- **Implementation Measure 10.U.1: On-Site Facilities** – The City shall use the development review process to ensure that new development which depends on large truck transportation provides on-site facilities sufficient to mitigate the impacts related to truck size, weight, and noise.
- **Implementation Measure 10.U.2: Access Improvements** – The City shall require developers of commercial and industrial property to improve the street immediately adjacent to the project access point to standards which accommodate the weight and length of trucks entering the project site.
- **Implementation Measure 10.U.4: Truck Maneuvering** – The City shall use the development review process to require that commercial and industrial development projects provide adequate on-site commercial delivery space that does not block access to adjacent streets, or require backing maneuvers on public roads for either entering or leaving.
- **Policy 10.V: Commercial Truck Routes** – The City shall take all reasonable actions to prevent heavy truck traffic from using neighborhood collector streets.

- **Implementation Measure 10.V.2: Truck Route Signing** – The City shall continue efforts to clearly designate appropriate truck routes and discourage the use of neighborhood collector streets for commercial truck use.
- **Goal 9.3: Natural Resources** – Identify and protect the natural resources of the Watsonville Planning Area.
- **Implementation Measure 9.B.6: Environmental Review** – The City shall conduct an appropriate environmental review process and require that proposed projects adjacent to, surrounding, or containing wetlands be subject to a site-specific analysis which will determine the appropriate size and configuration of areas to buffer wetlands from urban development.
- **Goal 9.4: Air Quality** – Maintain or improve the present air quality level within the Pajaro Valley.
- **Policy 9.C: Air Quality** – The City shall cooperate with the Monterey Bay Unified Air Pollution Control District (MBUAPCD) to maintain and improve regional air quality.
- **Implementation Measure 9.C.4: Design Review** – The City shall require new development to include considerations for transit, Transportation Demand Management (TDM), and alternative travel modes in project designs including but not limited to transit stops, car and van pool preferred parking, and bicycle access and storage facilities.
- **Implementation Measure 9.C.5: Industrial and Commercial Development** – The City shall as part of its development review process and CEQA process place conditions on new industrial and commercial development responding to the stationary and transportation related air quality impacts.
- **Implementation Measure 9.C.9: Environmental Review** – The City shall use the environmental review process to determine both stationary source and transportation related potential air quality impacts for project proposals.
- **Implementation Measure 9.C.10: Construction-related Impacts** – The City shall require construction contractors to implement a dust abatement program to reduce the effect of construction on local PM10 concentrations.
- **Goal 9.5: Water Quality** – Ensure that surface and groundwater resources are protected.
- **Implementation Measure 9.D.5: Wetland Protection** – Where drainage from developments involves discharge into sloughs or wetlands, grease, sediment traps, or other protection measures shall be required. Mitigation monitoring shall be required and enforced by the City to ensure performance as appropriate.
- **Goal 9.6: Soil Conservation** – Preserve and protect the soil resources throughout the community and minimize the environmental degradation caused by soil erosion,

construction impacts on soils, and deterioration of water quality caused by suspended solids.

- **Goal 9.10: Archaeological Resources** – Identify and protect prehistoric resources for their scientific, educational, and cultural values.
- **Policy 9.H: Archaeological Resources** – The City shall foster and provide for the preservation of cultural resources and artifacts of historic and prehistoric human occupation within the Pajaro Valley.
- **Implementation Measure 9.H.2: Protection Measures** – The City shall notify the Regional Office, California Archaeological Site Survey, and the Ohlone Indian Cultural Association of projects within identified archaeological sensitive areas. An archaeological site survey by a professional archaeologist may also be required.

Supportive evidence of the proposed project's consistency with these General Plan goals, policies, and implementation measures is located in Exhibit A of the Special Use Permit Resolution.

The project would create a new warehousing/distribution use in an existing industrial zone and the site abuts existing utilities that can serve the project.

The project is also consistent with all development regulations of the Industrial Park (IP) Zoning District and the development regulations of the Business Park District of the Manabe-Ow Business Park Specific Plan.

The proposed project does not encroach on land designated Environmental Management. However, staff is proposing as a condition of approval a requirement that the project install an access road for City vehicles across the City property adjacent to the northwestern lot line to allow vehicles to exit after maintaining the regional drainage channel that runs within the project's western boundary. If approved, the property owner will be granting an access easement along the entirety of the southern and western lot lines to the City to allow for access to a water main along the southern lot line and maintenance of the regional drainage channel along the western lot line. The property owner will install native drought-tolerant vegetation along the northern side of the access road adjacent to the slough to support biological resources and improve the aesthetics of the access road by screening it from the view of pedestrians utilizing the nearby walking path along the Watsonville Slough.

Pursuant to WMC Section 6-3-535, the project is also required to comply with the City's post-construction stormwater requirements, which are intended to minimize stormwater pollution and thereby protect receiving waterbodies, such as rivers, creeks, and wetlands.

In summary, Staff has reviewed and analyzed the project thoroughly, and based on a review of the General Plan's goals and policies, Staff has determined that the proposed project is in harmony with the overall intent of the City's General Plan goals and policies, including those pertaining to industrial land use, local employment, land use suitability, street and highway

facilities, truck transportation, natural resources, air quality, water quality, soil conservation, and archaeological resources.

A Resolution approving a Special Use Permit with Design Review and Environmental Review (App. No. 2138) to allow the construction of a new warehousing and distribution facility totaling 155,847± square feet on an 11.5± acre site located at 200 Manabe Ow Road (APN 018-711-33) is included for consideration by the City Council.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

An Initial Study has been prepared for the project in accordance with the provisions of CEQA. The Initial Study addresses the potential physical environmental effects of the project for each of the environmental topics outlined in Appendix G of the CEQA Guidelines.

Impacts to biological resources, cultural resources, hazards and hazardous materials, noise, transportation and tribal cultural resources were found to be potentially significant but mitigable to less than significant. Impacts to other resource areas and environmental topics were found to be less than significant without mitigation.

The Initial Study was made available for public review and comment from October 21, 2022, to November 21, 2022.

The Public Review Draft of the Initial Study is located on the City website at: <https://cityofwatsonville.org/DocumentCenter/View/19933/200-Manabe-Ow-Road-Distribution-Facility-ISMND>

Table 2 provides a list of the federal, state, regional and/or local agencies along with private organizations and individuals that commented on the Initial Study.

Table 2 List of Commenters

Commenter		Agency/Group/Organization
Federal Agencies		
None		
State Agencies		
California Department of Fish and Wildlife		
California Department of Transportation		
Regional and Local Agencies		
John Gerbrandt		County of Santa Cruz Environmental Health Division
Organizations, Businesses, and Individuals		
Gary Ho		Blum Collins & Ho, LLP, on behalf of Golden State Environmental Justice Alliance
Donna Bradford		Watsonville Wetlands Watch
Valentin Lopez		Amah Mutsun Tribal Band

Response to Comments

City Staff received six public comment letters on the Initial Study. One of those comment letters, from Blum Collins & Ho, LLP on behalf of the Golden State Environmental Justice Alliance, was subsequently withdrawn. Despite being withdrawn, the comments from that letter were addressed with the rest of the comments in the Response to Comments, Errata, and Mitigation Monitoring and Reporting Program (MMRP).

Errata

The Errata document provides the changes to the final IS/MND that were identified as being needed during the analysis and preparation of responses to comments received during the public review period to clarify or amplify the information provided in the Public Draft IS/MND. The changes provide revisions to various sections of text, tables, and mitigation measures contained in the Public Draft IS/MND.

Recirculation

Per Section 15073.5 of the CEQA Guidelines, a lead agency is required to recirculate a negative declaration when the document must be substantially revised after public notice of its availability has previously been given, but prior to its adoption. A “substantial revision” of the negative declaration that would require recirculation is defined in the Guidelines as when:

- 1) A new, avoidable significant effect is identified and mitigation measures or project revisions must be added in order to reduce the effect to insignificance, or
- 2) The lead agency determines that the proposed mitigation measures or project revisions will not reduce potential effects to less than significance and new measures or revisions must be required.

None of the changes to the 200 Manabe Ow Road Distribution Facility Project IS/MND contained in the Errata document and none of the information included in the related Response to Comments document amount to substantial revisions as defined in Section 15073.5 of the CEQA Guidelines. All of the changes reflected in the Errata document and information provided in the Response to Comments document amount to minor modifications which merely clarify, amplify, and make insignificant modifications to the IS/MND and as such there is no requirement to recirculate the IS/MND for additional public review and comment on account of the changes made to the IS/MND via the Errata document and new information provided via the Response to Comments document.

The Response to Comments, Errata, and MMRP are located on the City website at: <https://cityofwatsonville.org/DocumentCenter/Index/157> under Planning Documents > Projects > 200 Manabe Ow Rd – Distribution Facility > Environmental Review.

The City, has prepared an IS/MND for the project, which includes the original IS/MND, the Response to Comments document, and the IS/MND Errata document.

A Resolution to adopt the IS/MND and required findings, in accordance with Public Resources Code section 21080(c) and CEQA Guidelines section 15074, is included for consideration by the City Council. The Resolution and its findings adopt and impose feasible mitigation measures to reduce the identified significant environmental impacts of the project. A Mitigation Monitoring and Reporting Program (MMRP) for the project is included as part of this action (Exhibit A of the

Resolution). The purpose of the MMRP is to ensure the mitigation measures adopted in the findings for the project are implemented in accordance with CEQA requirements.

All identified mitigation measures are incorporated as conditions of approval.

STRATEGIC PLAN:

This project is consistent with the following Strategic Plan Priorities:

3-Infrastructure & Environment

4-Economic Development

FINANCIAL IMPACT:

The Project applicant would pay certain development impact fees . These one-time fees paid to the City by developers are used to offset additional costs, such as extending public services to a site along with partially funding road improvements.

ALTERNATIVE ACTION:

The Council may deny the requested Special Use Permit with Design Review and Environmental Review (App. No. 2138) and the Specific Plan Amendment and not adopt the Initial Study/Mitigated Negative Declaration and Mitigation Monitoring and Reporting Program prepared for the project, provided the Council provides substantial evidence contrary to making required findings.

ATTACHMENTS AND/OR REFERENCES (If any):

- 1 – 200 Manabe Ow Road – Plan Set – 09/01/2022
- 2 – 200 Manabe Ow Road – Standard of Review and Process Overview
- 3 – NOI to Adopt IS/MND for 200 Manabe Ow Road
- 4 – 200 Manabe Ow Road Public Improvement Agreement