



EL DORADO COUNTY PLANNING & BUILDING DEPARTMENT

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Date: June 12, 2023
To: Honorable Board of Supervisors
From: Karen L. Garner, Director
Subject: **Director's Determination - Fulfillment Center/Heavy Distribution/Parcel Hub Uses**

INTERPRETATION:

The Industrial/Research and Development Zones Use Matrix of the Zoning Ordinance (Table 130.23.020) lists uses for Industrial Low (IL), Industrial High (IH) and Research & Development (R&D) zoning. The matrix notes if a use is Permitted (P), not allowed, or if a special permit is required such as an Administrative (AP) or Conditional use Permit (CUP). Specific uses are further defined in the Definitions of Specialized Terms and Phrases (Section 130.80.020).

There is no use listed in the matrix or defined elsewhere in the zoning code for fulfillment centers, heavy distribution, or parcel hub uses. Although the Industrial / R&D Zones Use Matrix (Ord. Code § 130.23.020) includes a use type "Wholesale Storage and Distribution," that use type does not contemplate the unique needs of fulfillment centers, heavy distribution, or parcel hub uses described in the "Discussion" section below.

Section 130.20.030. of the County Zoning Code authorizes the Planning and Building Director to determine if a use not already listed in the Zoning Code is allowable and if so, what the use type is for determining proper zoning. The Planning and Building Director has determined that fulfillment centers, heavy distribution and parcel hub uses shall be classified as the *Industrial – Specialized* use type. To make this determination, Section 130.20.030.3(a) requires that certain findings are made.

1. *The characteristics of, and activities associated with the use are similar to one or more of the listed uses, and will not involve a greater intensity than the uses listed in the zone;*

The Industrial – Specialized use type is defined as follows: "Establishments engaged in activities that generate noise, vibration, odor, dust, or smoke that may extend beyond the confines of the property boundaries; that involve special safety or public health considerations; or that do not clearly fit within another industrial use classification. It includes, but is not limited to bulk storage of gasoline, propane, or other flammable fuel

sources, and material recovery facilities.” Fulfillment centers, heavy distribution, parcel hub uses could have special safety or public health concerns, particularly related to the amount of truck traffic typically generated from such uses similar to the impacts contemplated for the Industrial – Specialized use type. This use type is allowed with approval of a CUP in the IL and IH zones. It is not allowed in the R&D zone. A CUP is a process for reviewing uses and activities that may be appropriate in the applicable zone but the potential for effects on the site and surroundings cannot be determined without a site-specific review. This process will ensure that the characteristics and activities associated with the use are similar to other uses allowed in IL and IH zones and will not involve a greater intensity and is conditioned to address any safety or public health concerns.

2. The use will be consistent with the purposes of the applicable zone;

Industrial—Light (IL). The IL zone is applied to lands for manufacturing and associated retail or service activities, wholesaling, and other industrial uses, where the primary activity is conducted within a building or buildings, or in outdoor storage or activity areas. Conditional Use Permits shall be required for those uses which, by their nature, have the potential to produce or emit noise, odor, fumes, dust, smoke, vibrations, glare, heat, electrical interference or waste material beyond the confines of the property boundaries.

Industrial—Heavy (IH). The IH zone is applied to areas which may also be suitable for more intensive industrial uses, including manufacturing, assembling, fabrication and processing, bulk handling, storage, warehousing and trucking. The uses associated with this district are likely to generate significant levels of truck traffic, noise, pollution, vibration, dust, fumes, odors, radiation, radioactivity, poisons, pesticides, herbicides, or other hazardous materials, fire or explosion hazards, or other undesirable conditions. A Conditional Use permit is required for uses having the potential to pose a safety hazard or produce particulate matter. Heavy industrial districts are unsuitable adjacent to residential districts and some commercial uses. Dwellings, care centers, and certain commercial uses are not allowed. Uses allowed within IL (Light Industrial) districts are allowed, provided that the uses are subordinate to and do not restrict heavy industrial uses in the zone. Activity at heavy industrial sites consists predominantly of trucks, rather than passenger vehicles, and the road system is built to support truck traffic. Provisions for pedestrians are not required.

Fulfillment center, heavy distribution or parcel hub uses are consistent with the IL and IH zones. These uses typically conduct activities within buildings or outdoor storage or activity areas. They do not typically produce or emit noise, odor, fumes, dust, smoke, vibrations, glare, heat, electrical interference, or waste material beyond the confines of the property. These uses may generate truck traffic which is allowed in the IL and IH zones.

3. The use will be consistent with the General Plan and any applicable specific plan;

Review of any proposed fulfillment center, heavy distribution or parcel hub use will include a General Plan and specific plan consistency analysis. Generally, IL and IH zones are within Industrial Land Use designations which allow for processing, distribution, and storage.

4. *The use will be compatible with the other uses allowed in the zone.*

Fulfillment center, heavy distribution and parcel hub uses are compatible with other uses allowed in the IL and IH zones. The uses require a CUP and therefore, can be conditioned to include measures that address any potential compatibility issues.

DISCUSSION:

Table 130.23.020 does not currently include a use type for fulfillment centers, heavy distribution, or parcel hub. It is not uncommon for the market to present new types of uses that were not known or contemplated at the time the zoning ordinance was adopted. The last comprehensive update to the County's zoning ordinance was in 2015.

In recent years, the growth of e-commerce has created a use type characterized by facilities primarily involved with receiving and repackaging merchandise and are heavily reliant on logistics and advanced technology to move merchandise quickly and efficiently, typically with the use of automation. The facilities may be "middle mile" delivery that takes products from a factory, port or larger warehouse to a fulfillment center or "last mile" delivery taking products from a fulfillment center to a retail store or customer. The primary "end product" of such facilities are a large volume of parcels that fulfill orders of individual consumers. These facilities are also heavily reliant on vehicles ranging from semi-trucks to vans to move the products and parcels. This use has been determined to be substantially different from any current use types listed in the Industrial and Research and Development Chapter and shall be referred to as fulfillment center, heavy distribution, parcel hub uses. The use type Industrial – Specialized accommodates such uses and is the appropriate zone designation.

Section 130.80.020 defines Industrial – Specialized as:

Establishments engaged in activities that generate noise, vibration, odor, dust, or smoke that may extend beyond the confines of the property boundaries; that involved special safety or public health consideration; *or that do not clearly fit within another industrial use classification*. It includes, but is not limited to bulk storage of gasoline, propane, or other flammable fuel sources, and material recovery facilities.

Although most sections of the definition are likely not applicable to a fulfillment center/heavy distribution/parcel hub use type, this use classification provides for those uses that "do not clearly fit within another industrial use classification."

Section 130.20.030 also notes that the Zoning Ordinance shall be periodically amended to incorporate those uses not listed in this Article which are found to be similar and

compatible. Staff intends to include an update to Chapter 130.23. – Industrial and Research and Development Zones that incorporates this interpretation.

This decision may be appealed in compliance with Section 130.52.090 (Appeals) in Article 5 (Planning Permit Processing) of the Zoning Code.

Should you have any questions, you may contact me via phone or email.

cc: Planning Commission
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