



Agenda Item

Orange City Council

Item #: 8.1.

9/9/2025

File #: 25-0480

TO: Honorable Mayor and Members of the City Council

THRU: Jarad Hildenbrand, City Manager

FROM: Russell Bunim, Community Development Director

1. SUBJECT

Public Hearing to consider a proposal to construct a new warehouse facility at 534 E. Struck Avenue. Applicant: Prologis, Nicole Torstvet.

2. SUMMARY

The applicant proposes to redevelop an existing 9.98-acre industrial site with a 213,572 square-foot warehouse facility, a 450 square-foot detached pump house, truck yard, surface parking, landscaping, and related site improvements. The project includes a request to operate the warehouse facility 24 hours a day, 7 days a week.

Environmental Review No. 1889, Addendum to Certified Environmental Impact Report No. 1870-20 (SCH No. 2021090399) was prepared in conformance with the provisions of the California Environmental Quality Act (CEQA).

3. RECOMMENDED ACTION

1. Conduct and close the Public Hearing.
2. Adopt Resolution No. 11633. A Resolution of the City Council of the City of Orange approving Conditional Use Permit No. 3221, Major Site Plan Review No. 1166, Design Review No. 5140, and Environmental Review No. 1889, Addendum to Certified Environmental Impact Report No. 1870-20 (SCH No. 2021090399) for the demolition of an existing 40,000 square-foot manufacturing facility and construction of a new 213,572 square-foot warehouse facility that includes 199,572 square feet of warehouse and 14,000 square feet of office space, a 450 square-foot detached pump house, and related site improvements, located at 534 W. Struck Avenue.

4. FISCAL IMPACT

None.

5. STRATEGIC PLAN GOALS

Goal 2: Enhance Economic Development and Achieve Fiscal Sustainability

Objective 2.4: Diversify tax revenue

6. DISCUSSION AND BACKGROUND

Existing Site

The 9.98-acre site is located on the south side and adjacent to the terminus of the Struck Avenue cul-

de-sac. The site is currently developed with a vacant 40,000 square-foot industrial building that was previously used for the manufacturing of plastic nursery planting pots, a surface parking lot, private railroad spur on the eastern portion of the site, and mature landscaping along the property frontage.

The site is surrounded by Struck Avenue and public facility uses to the north, including the recently constructed affordable Valencia Garden Apartments, industrial and commercial uses to the south and west, and the Orange County Transportation Authority/Southern California Regional Rail Authority railroad and industrial uses to the east. More detailed information about surrounding zoning is provided in Attachment 13.

Background

On August 22, 2023, the City Council approved Resolution No. 11487, approving Conditional Use Permit No. 3137-21, Major Site Plan Review No. 1039-21, Design Review No. 5028-21, and Environmental Impact Report (EIR) No. 1870-20 (SCH No. 2021090399) for the demolition of an existing 40,000 square-foot manufacturing facility and construction of a 57,900 square-foot truck terminal that included 52,900 square feet of warehouse space, 5,000 square feet of office space, and a 5,400 square-foot accessory maintenance building. Subsequent to project approval, the applicant determined that a truck terminal was no longer in line with current market demands and decided to pursue new entitlements for a warehouse facility.

Proposed Project

The applicant proposes to demolish the existing 40,000 square-foot manufacturing facility and remove an unused private railroad spur located on the east side of the site in order to redevelop the property with a new 213,572 square-foot warehouse that includes 199,572 square feet of warehouse and 14,000 square feet of office space, a 450 square-foot detached pump house, truck yard, surface parking, landscaping, and related site improvements (See Attachment 4 - Project Plans).

The proposed warehouse building is located towards the center of the site. The east side of the building is inset to accommodate a truck loading dock with 27 overhead doors, two delivery doors, and 45 trailer parking spaces. Access to the site is provided by three two-way driveways located along Struck Avenue. The driveways at the northeast and northwest corners are designated for truck/trailer access, while the center driveway will be used by passenger vehicles. These driveways connect to interior drive aisles that lead to 110 parking spaces.

Although the building is undivided, it has been designed to accommodate two potential tenants. Main entrances are located at both the northwest and southwest corners of the building. There are no specific tenants proposed for occupancy within the building at this time; however, the building will be utilized for warehouse and distribution purposes. The facility will operate 24 hours a day, 7 days a week, and will employ between 150-200 people.

The applicant is requesting a Conditional Use Permit to operate the warehouse facility 24 hours a day, 7 days a week. While OMC Section 17.20.300 limits hours of operation from 7:00 a.m. to 10:00 p.m. for industrial uses with outdoor activities within 300 feet of any residential zone, additional hours may be approved by Conditional Use Permit when such hours will not generate additional disturbance or that mitigation measures will ensure compatibility with nearby residential districts.

The project site is located within 300 feet of the residentially zoned apartment development (Citrus Grove Apartments) to the northeast, across the railroad tracks, and the Public Institution zoned Valencia Garden Apartments property to the north across Struck Avenue. The project has been designed to be mindful of these neighboring residential uses by incorporating various site and building design features as described in the Planning Commission Staff Report (Attachment 13, pages 5-6) and the Addendum (Attachment 9). Staff also included Conditions of Approval within Resolution No. 11633 (Attachment 1) to ensure that potential impacts from grading and construction operations, and truck traffic generated by the project are minimized.

The architectural design of the warehouse facility is contemporary and intended to respond to the eclectic visual character of the area. The concrete tilt-up warehouse building is 45 feet tall and utilizes a variety of exterior building features and materials that contribute to the modern industrial aesthetic.

Streetscape improvements include a new 6-foot-wide sidewalk along the entire property frontage that will connect to the existing sidewalk at the terminus of the Struck Avenue cul-de-sac. An enhanced landscape palette consisting of a mix of water efficient groundcover, shrubs, and trees is provided at the project's interface with Struck Avenue, at the building foundation, within the project interior, and perimeter boundaries, except that no landscaping is proposed along the east property line that borders the railroad right-of-way.

Detailed information regarding the architecture, landscaping, accessory structures, fences/walls, and lighting, are provided in the Planning Commission Staff Report (Attachment 13).

The project complies with the development standards of the M-2 zone as illustrated in the Industrial Development Summary Table included on Sheet DAB-A0.1 of the project plans (Attachment 4). The project incorporates site and building design features to reduce potential impacts on the adjacent residential uses. The proposed contemporary building design and scale complement the eclectic character of the area, and the landscaping provides the project frontage with a hierarchy of plant material that soften the building mass and scale. Overall, the proposed project presents an integrated design that provides a renewed, updated, and improved appearance to the site and to the surrounding community.

Environmental Review

Previous Project (Truck Terminal)

Mitigated Negative Declaration (MND) No. 1870-20 was originally prepared for the previous truck terminal project proposed on the subject site and was circulated for public review from September 23 to October 25, 2021. During the review period, comments received requested additional technical analysis (e.g., air quality and noise modeling, traffic). In order to address the environmental concerns raised, additional technical analyses were prepared and Draft EIR No. 1870-20 was prepared to provide a comprehensive environmental review of the project. The Draft EIR was available for public review beginning on March 31, 2023 and ending on May 15, 2023. Staff received five comments during the public review period and prepared responses to comments to address any environmental concerns.

On August 22, 2023, the City Council approved Resolution No. 11487 certifying Final EIR No. 1870-20 (SCH No. 2021090399), adopting a Mitigation Monitoring and Reporting Program and Findings of Fact, and approving CUP No. 3137-21, MJSP No. 1039-21, and DRC No. 5028-21. The 2023 Certified EIR and its technical appendices are attached for reference (Attachments 5 - 7). The 2023 Certified EIR concluded that the truck terminal project would not result in any significant and unavoidable environmental impacts. Project-level mitigation measures were required to reduce potentially significant impacts to levels considered less than significant for the following topical issues: Biological Resources; Cultural Resources; Geology and Soils; Hazards and Hazardous Materials; and Tribal Cultural Resources.

Proposed Project (Warehouse)

Environmental Review No. 1889, Addendum to Certified EIR No. 1870-20 (SCH No. 2021090399) (Attachments 8 - 9), was prepared for the proposed warehouse project. The purpose of the Addendum is to evaluate the potential environmental impacts of the proposed project. In accordance with CEQA, the Addendum analyzes the warehouse project and demonstrates that all potential environmental impacts associated with the project at buildout would be within the envelope of impacts already evaluated in the 2023 Certified EIR. Accordingly, this Addendum provides an analysis of the revised project and verification that the revised project will not result in any new, increased or substantially different impacts, other than those previously considered and addressed in the 2023 Certified EIR. Public review of the Addendum is not required.

Committee and Commission Review

Design Review Committee

On May 7, 2025, the Design Review Committee (DRC) reviewed the project, provided comments, and recommended approval with the following conditions to the Planning Commission by a 6-0-1 vote:

1. The Magnolia trees located at the front of the project shall be upsized to a 36-inch box size.
2. The six-foot wrought iron fencing along the north property line shall be moved from back of sidewalk to the back of trees at the edge of the parking lot.
3. The tree palette shall be revised to reflect more water efficient species for drought tolerance and security in consultation with staff.

The Staff Report and Minutes for the May 7, 2025 meeting are provided as Attachments 10 and 11 to this report. The DRC conditions of approval are included within Resolution No. 11633 (Attachment 1).

The applicant has subsequently revised the project plans (Attachment 4), addressing the Conditions of Approval recommended by the DRC.

Planning Commission

On July 21, 2025, the Planning Commission conducted a public hearing for the project. One written comment from Gina Cunningham of Homeaid, and two verbal comments from members of the Labors International Union of North America (LIUNA) in support of the project were received.

The Planning Commission requested clarification regarding warehouse peak hours of operation, on-site storm drain water retention and parking lot run-off, and possible conflicting hours of operation with the Valencia Gardens Apartments.

The Planning Commission recommended approval of the project to the City Council by a 5-0-1-1 vote. The Staff Report and Minutes for the July 21, 2025, meeting are provided as Attachments 13 and 14 to this report.

7. ATTACHMENTS

- Attachment 1 Resolution No. 11633
- Attachment 2 Vicinity Map
- Attachment 3 Existing Site Photographs
- Attachment 4 Project Plans, received August 5, 2025
- Attachment 5 Draft EIR No. 1870-20, dated March 2023
- Attachment 6 Final EIR No. 1870-20 (SCH No. 2021090399), dated June 28, 2023
- Attachment 7 Final EIR No. 1870-20 Technical Appendices
- Attachment 8 Environmental Review No 1889, Addendum to Certified EIR (SCH No. 2021090399)
- Attachment 9 Environmental Review No. 1889, Addendum to Certified EIR (SCH No. 2021090399) Technical Appendices
- Attachment 10 Design Review Committee Staff Report dated May 7, 2025
- Attachment 11 Design Review Committee Minutes dated May 7, 2025
- Attachment 12 Planning Commission Resolution No. PC 09-25
- Attachment 13 Planning Commission Staff Report dated July 21, 2025
- Attachment 14 Planning Commission Minutes dated July 21, 2025
- Attachment 15 Written Public Comment from the July 21, 2025 Planning Commission meeting