EXHIBIT NO. 1

Honorable Governor Gavin Newsom
State Capitol
Sacramento, CA 95814

RE: Warehouse Design and Build Standards Bill (Anticipated to be AB 98)

Notice of OPPOSE (As of the draft RN# 24 21421, August 23, 2024, date stamped 1:12PM)

Dear Honorable Governor Gavin Newsom,

The City of Carson requests that you veto AB 98, as we strongly oppose the forthcoming warehouse bill (as described in the August 23, 2024 draft RN# 24 21421 date stamped at 1:12PM). The bill would limit new or expanded logistics use developments and warehouses on existing and rezoned industrial sites within 900 feet of sensitive receptors (including homes, hospitals, schools, and public recreational areas) unless specific standards are met. The bill would also require all local governments to update their circulation elements logistic use development information, including truck routes, signage, parking, and idling, and would authorize the Attorney General to fine local jurisdictions $50,000 every six months if they are not in compliance.

The process of developing the warehouse bill excluded Cal Cities, county associations, and other key stakeholders. While the bill intentions are aimed at addressing air quality related concerns adjacent to warehouse operations, this problematic gut-and-amend includes stringent requirements that will severely impact the ability for local jurisdictions to site based on unique geographic and community characteristics, and stifles economic and workforce development in their communities.

1. The warehouse bill was negotiated behind closed doors and excluded key stakeholders, including cities and counties.

The policy presented in the warehouse bill goes far beyond previous legislative efforts, including AB 1000 (Reyes) from earlier this year. Not only is the legislation far-reaching, but it has not been fully vetted through the legislative process. No policy committee has deliberated on this bill. Only hand-picked stakeholders were able to have their positions heard, and there has been no public hearings or opportunity for public comment on this substantial policy matter that forces a ‘one-size-fits-all’ approach on communities.

2. The warehouse bill takes local community-based solutions completely off the table.

We are extremely concerned that this measure overly constrains local governments by outright limiting a city's ability to site a new or expanded use of a logistic use development or warehouse that are within 900 feet of a sensitive receptors. Local decision making is essential to ensure zoning regulations are tailored to the unique needs and concerns of various communities. Cities and counties have good neighbor policies and local ordinances that make them better equipped to determine appropriate setback requirements and conditions for logistic use developments based on the specific geographic and regional factors in their communities and allows local governments the ability to engage the public. Cities are actively siting and zoning to prepare for community growth and development. Cities are already planning for housing, lowering vehicle miles traveled, updating climate action plans, zoning for open space and greenbelts, and more. We believe that local governments should retain their abilities to exercise local discretion when siting logistic use developments prior to any state-mandated conditions being required.

3. The warehouse bill creates an uneven playing field for local governments, creating winners and losers based on geography, hampering employment opportunities, and limiting future economic growth.

The warehouse bill establishes a tiered framework that applies different setback requirements and warehouse conditions depending on existing industrial or re-zoned sites across the state. This would make logistic use and warehouse developments in certain cities or counties more attractive compared to other cities or counties. This uneven playing field will benefit certain local governments to the detriment of others, in some cases solely based on geographic differences, hindering the ability of cities and counties to provide future job opportunities for their communities.

Additionally, several definitions in the bill would make the implementation of the measure extremely complex and remain problematic. The definition of 'logistic use' would include that the development may incidentally serve retail customers for onsite purchases and the bill also states that a logistic use development may not sell directly to consumers. This is contradictory and misleading. Similar, the definition of 'sensitive receptor' would include schools. Local governments are not responsible for the siting of schools and therefore would have no control should a school re-locate directly adjacent to a logistic use development or warehouse.

4. The warehouse bill proposes a cart-before-the-horse approach that lacks science-based evidence for the standards imposed.

The warehouse bill would require the South Coast Air Quality Management District (SCAQMD) to deploy mobile air monitoring systems within the counties of Riverside and San Bernardino beginning January 1, 2026 to January 1, 2032 and after conducting an air modeling analysis to evaluate the impact of air pollution on sensitive receptors from logistic use development operations, submit findings to the legislature by January 1, 2033. It is pre-emptive to require such stringent standards, including setback distances, when sound scientific data hasn't been collected and isn't available to justify these prescriptive requirements. Further, it is unclear why a bill with statewide standards and conditions would not require air quality monitoring and modeling across

the state to ensure such standards are in fact effectuating the change the bill intends to seek statewide.

The stringent standards in the bill are new and compounding on existing laws and regulations that local governments are already complying with. Without sound science backing the need for additional requirements, the warehouse bill would simply provide greater constrains that will hurt local communities. As noted, cities are already addressing environmental impacts by complying with existing regulatory frameworks such as 1) implementing the California Environmental Quality Act (CEQA), 2) developing regional transportation and land use plans through regional council of governments, 3) implementing the Advanced Clean Fleet (ACF) regulations promulgated by the California Air Resources Board, and 4) meeting existing rules related to air quality standards, such as by the SCAQMD, which has established regulations to limit emissions from certain types of businesses, including logistics and warehouse facilities. Ultimately, this bill would set a precedent of usurping local control without a sound scientific basis.

5. The required circulation element update is extensive and triggers existing statutory requirements in the circulation element to now be updated based on the new deadlines included in the bill.

The warehouse bill would require all local governments to update their circulation element with truck routing information by either January 1, 2028 or, if located in San Bernardino and Riverside counties, by January 1, 2026. This would require a local government to make these updates within two years and for the Inland Empire region, within one year of the statute coming into effect. The circulation element update would be required and would result in costly fines if not completed. However, the bill is not abundantly clear that cities and counties can disapprove a logistic use facility development from moving forward. Therefore, the bill thrusts extensive provisions onto local governments with no regard to the actual development of logistic uses and warehouses in their communities.

An unintended consequence of the warehouse bill would trigger that, based on the deadlines in the bill, existing statute that requires cities and counties to update their circulation element with protective safety measures for bicyclists and pedestrians must also meet the January 1, 2026 and January 1, 2028 deadlines, as prescribed in the bill. This would require local governments to complete all updates in the circulation element in this time frame, otherwise the enforcement provisions and costly fines would apply.

The circulation element update would also require that truck traffic avoid residential areas and sensitive receptors. The bill would limit the trucks traveling from highways to industrial zoned areas to only use major and minor collector streets and roads that predominantly serve commercially oriented uses. Communities are uniquely situated and not all regions can to meet these restrictive requirements. Further understanding of the potential implications in small to mid-size communities, and suburban, rural and urban communities should be further analyzed before imposing such restrictions.

6. The provisions of the bill will impose costly, unfunded mandates for local governments.

The warehouse bill would require local governments to comply with the extensive standards included in the bill and does not offer any form of cost reimbursement based on these mandates. Local governments work hard to comply with existing statute and regulations, such as CEQA, ACF, among many other state-mandated requirements. By adding new and complicating requirements, without including a mechanism for local governments to receive reimbursement for such mandated costs is unreasonable. This would make it more challenging for local governments to meet the demands in the bill which should ultimately be the intent of the legislation, should be to encourage local governments to achieve the proposed requirements, not make it harder with greater unfunded mandates.

7. The enforcement provisions are overly harsh, aiming to punish all local governments.

The warehouse bill would authorize the Attorney General to impose a fine of $50,000 every six months on local jurisdictions that do not complete their circulation element updates. Other legislation that has included similar fines, have been contingent upon a court order or litigation prior to such fines being imposed. With a 'no-questions-asked' approach to enforcement, local governments are being targeted with this punitive provision. Furthermore, this provision singles out local governments based on the completion of their circulation element update, rather than focusing on the implementation of all of the standards included in the bill. It should be noted that there are no other enforcement provisions in the bill for any of the other standards that are proposed.

For these reasons, the City of Carson joins Cal Cities and CSAC to oppose the warehouse bill. Please contact our City Manager's Office at mgeorge@carsonca.gov or 310-952-1731 if you have questions or concerns regarding our position.

Sincerely,

City of Carson City Council