



January 3, 2023

TO: Chair Juan Carillo, Vice Chair Marie Waldron & Members, Assembly Local Government Committee

FR: California Business Properties Association
 Association of Western Employers
 Bay Area Council
 Building Industry Association of Southern California
 Building Owners & Managers Association of California
 California Chamber of Commerce
 California Building Industry Association
 California Business Roundtable
 California Hotel & Lodging Association
 California Manufacturers & Technology Association
 California Restaurant Association
 California Retailers Association
 California Trucking Association
 Inland Empire Chamber Alliance
 Inland Empire Economic Partnership
 Institute of Real Estate Management of California
 Los Angeles County Business Federation
 NAIOP California and all State Chapters
 New California Coalition
 Pacific Merchant Shipping Association
 Southern California Leadership Council

RE: AB 1000 (Reyes) – Warehouse Ban – OPPOSE

The groups listed above remain respectfully opposed to AB 1000 (Reyes), despite recent proposed amendments. AB 1000 remains a ban on warehouse and logistics center projects over 100,000 sq. feet within 1,000 feet of a "sensitive receptor" or within 500 feet of a sensitive receptor if a project can be "fully zero emission by December 31, 2028."

While the proposed amended language to AB 1000 attempts to show a compromise, the proposed amendments instead increase the buffer zone. The proposed amendments change how the distance of the buffer zone is measured to a direct line from "property line of the sensitive receptor to the property line of the qualifying logistics use." This manner of measurement is fully devoid of scientific support and in many instances would result in 4,000 feet of total buffer distance measuring 1,000 feet from each property line of a logistics use. The common way to measure a buffer distance is from a logistics use's loading docks where most truck activity occurs. Many logistics uses are designed to have truck activity on only one side of a building.

Currently, a typical size building of 250,000 sq. feet would require approximately 11.5 acres to be built with adequate parking. Under AB 1000, that same building would need to find 172 acres of land that has no sensitive receptor. This is equal to 7.5 million sq. feet or more than 130 football fields.

If ZEV mitigations were attainable (they are not) a 500-foot buffer would still require 3 million sq. feet of available industrial land, the equivalent of 52.9 football fields. A 1000-foot buffer equates to a 15x land use requirement and a 500-foot buffer equates to a 6x land use requirement. There simply is not enough land in San Bernadino or the Inland Empire to accommodate a 500-foot or 1000-foot buffer. ZEV mitigations are unattainable because the regional grid is not prepared for the load from charging and cannot meet the interconnection requests already in state law. There is already a huge backlog of interconnection requests to support clean fleets and ISR requirements. The ZEV mandates in this bill are effectively unobtainable and present unrealistic standards that cannot be met.

AB 1000 severely negatively impacts development of housing associated with master planned communities. AB 1000 will negatively impact construction of new housing at a time when California remains in a dire housing crisis. AB 1000 eliminates the ability to locate housing near job sites, which will stymie mixed-use and master planned development from moving forward. If AB 1000 were law, these types of projects will never come to fruition, which is the reason this bill is labeled as a "Housing Killer" by the California Building Industry Association. Simply put, a 1000-foot buffer is a non-starter for California's housing industry. AB 1000, as proposed, reduces the land available for future development, which will increase the cost to build in the Golden State. AB 1000's proposed buffer is overly restrictive and will do nothing to increase critically needed housing in California.

This bill will also destroy jobs, many of them good-paying union jobs, and deny opportunities for employment to many in the state that can least afford it. The logistics industry has always been a good partner in surrounding communities, is a job creator,

is helping to solve the housing crisis, and is essential to the state’s Supply Chain.

The bill would triple the buffer size the California Attorney General has stated was a “model” for other jurisdictions which sets forth “the most stringent environmental standards in California for new warehouse projects.” The bill would also apply to buildings four times smaller than this “model” or 100,000 square feet, a building size smaller than most big-box retailers such as Costco, Home Depot, and Target.

AB 1000 removes authority from local government and is a *de facto* ban on new facilities in most parts of the Inland Empire. Local governments remain opposed as AB 1000 will result in job losses, will stop new housing projects, and will push these projects to less urbanized areas of the state inducing greenfield development that will induce more vehicle miles traveled, more greenhouse gases, and more particulate pollution. Moreover, new logistics uses in the Inland Empire provide natural buffers from some of the largest polluting land uses, such as freeways and railways. In addition, logistics uses commonly replace heavy industrial legacy land uses such as steel yards and power generating stations.

According to Pomona College Economics Professor Fernando Lozano, who also co-chairs California Governor Gavin Newsom’s Council of Economic Advisors, since 2009 Transportation and Warehousing “has generated **1 of every 4 new jobs in the Inland Empire, that’s more than 145,000 jobs**. Statewide during the same period, these industries have created close to 386,000 jobs, or 1 of every 10 new jobs. Altogether this sector accounts for almost **\$1 billion a month of total wages paid**, equivalent to 15% of all wages in the region. These industries have provided jobs and income to many workers excluded from other jobs in recent years, especially those with no college education.” (from [SB Sun, March 31, 2023](#))

From an environmental perspective, this bill relies on two-decade old data that fails to account for existing and/or proposed regulations that have reduced and will continue decreasing air pollutant emissions from trucks, transportation refrigeration units, and yard equipment such as forklifts that service warehouses.

The bill is attempting to address an issue that the California Air Resources Board (CARB) and regional air boards, such as the South Coast Air Quality Management District (SCAQMD), are already working to resolve and proposes solutions that are not only unworkable, but will push warehouse development further east, unnecessarily increasing VMT/GHG/particulate emissions.

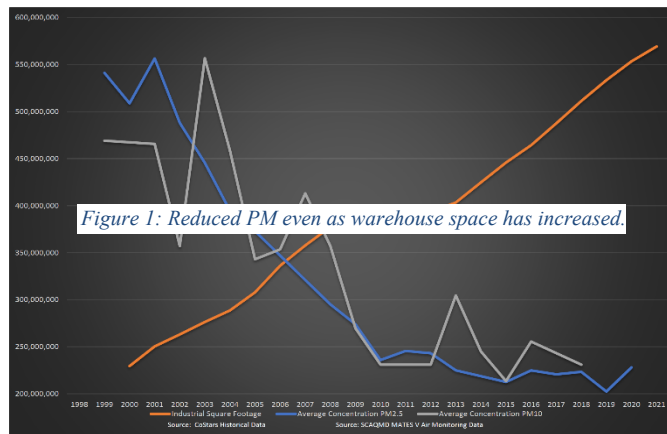
As an example, CARB has recently adopted the 2023 Advanced Clean Fleets (ACF) regulation which is part of CARB’s overall approach to accelerate a large-scale transition to zero-emission medium- and heavy-duty vehicles. ACF works in conjunction with the Advanced Clean Trucks (ACT) regulation, approved March 2021, which helps ensure that zero-emission vehicles (ZEV) are brought to market. According to CARB, the ACF regulation is expected to significantly increase the number of medium- and heavy-duty Zero Emission Vehicles on California roads, beyond the sales expected from the ACT regulation. The two regulations together are expected to result in about 510,000, 1,350,000 and 1,690,000 ZEVs in California in 2035, 2045, and 2050, respectively. CARB staff estimates that, of the 1.8 million medium- and heavy-duty vehicles operating daily in California, 532,000 will be subject to ACF fleet requirements.

As another example, SCAQMD recently adopted the Warehouse Indirect Source Rule (2021) that regulates warehouse facilities to reduce emissions from the goods movement industry. The Rule requires facilities to obtain Warehouse Actions and Investments to Reduce Emissions (WAIRE) menu-based points that requires warehouse operators to earn WAIRE Points by completing actions off the WAIRE Menu, by implementing an approved Custom WAIRE Plan, or by paying a mitigation fee every year.

Under the policies of CARB and SCAQMD in the past three decades, PM2.5 and PM10 have significantly decreased while the warehouse square footage has increased to service the region’s growing population. Policies have required light, medium, and heavy-duty vehicles to be cleaner and emit less, and advances in warehousing and logistics operations and technology make today’s facilities energy efficient, cleaner, and greener than at any time in our history.

According to SCAQMD’s August 2021 Multiple Air Toxics Exposure Study V (MATES V) “the average levels of diesel PM in MATES V are 53% lower at the 10 monitoring sites compared to MATES IV and 86% lower since MATES II based on monitored data. Based on other SCAQMD analyses of projected diesel PM emissions in future years, significant decreases in diesel PM health impacts are expected within the next 5-10 years.

The air toxics cancer risk continues to decline throughout the Basin, with a 40% decrease in risk since MATES IV and an 84% decrease since MATES II, based on measurement data at the 10 fixed monitoring locations. The estimated Basin-wide population-weighted cancer risk calculated from the modeling data leads to a similar conclusion with a 54% decrease since MATES IV.”



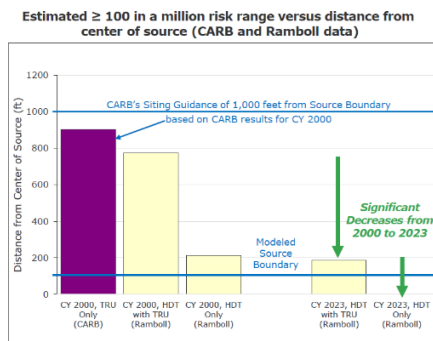
In response to a recent advocacy paper, respected environmental firm Ramboll looked into claims made by supporters of this bill and found serious errors, omissions, and flaws, including the paper ignores progress and omits the positive impacts of ongoing regulatory developments; relies on outdated data; and fails to acknowledge that commercial cargo will continue to move through California communities even if warehouses are forced to locate elsewhere. [Click here to see the full Ramboll Report.](#)

**MODELING RESULTS
CANCER RISK VS. DISTANCE**

Ramboll's Truck with TRU scenario results in CY 2000 similar to CARB results using older methodology.

With latest emission factors and methodology, cancer risk estimates in CY 2023 and beyond are below 100-in-a-million at most distances

CARB's minimum siting guidance of 1,000 ft for sensitive receptors located in the vicinity of warehouses is now overly conservative and should be significantly reduced or eliminated



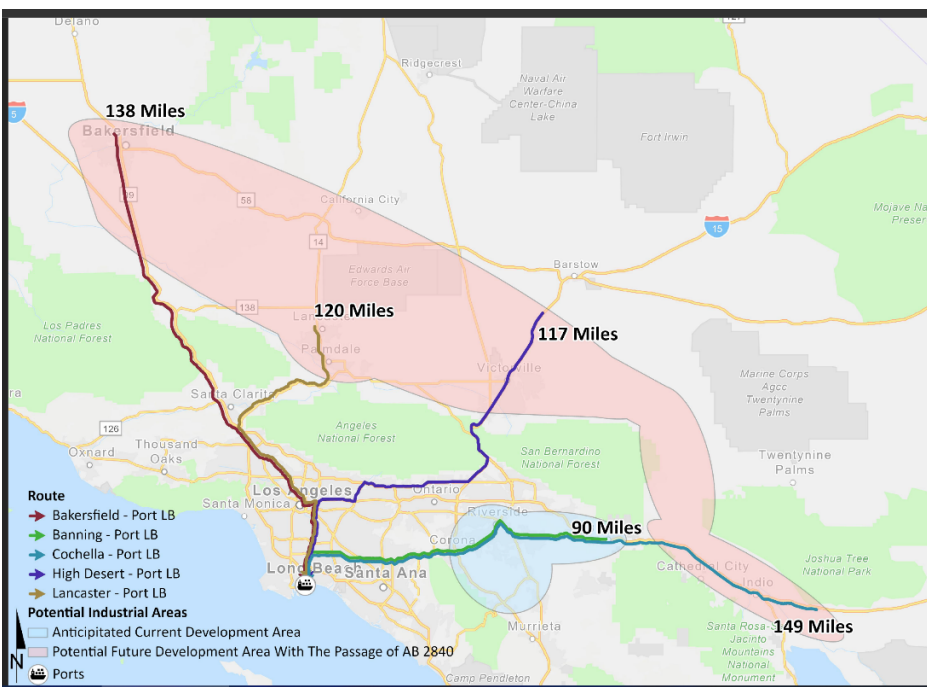
On the final point – goods will still need to be moved on our roads and through California to get to consumers, but this ban will increase VMT/GHG and particulates, increase impacts on roads and infrastructure, and force communities that have already invested in logistics infrastructure to lose taxes, jobs, and increased housing.

The impact of an arbitrary siting buffer is severe. The practical effect is that it will push development of warehouses and logistics centers further east. This map shows where facilities are currently being sited to serve the Southern California Basin (blue area) and shows the area where companies would look to site new facilities under AB 1000 (pink area).

Under this artificial and unworkable ban on building warehouses, and due to a lack of infrastructure and workforce in the area in pink, many companies will also look towards the [Phoenix Logistics hub and Southern Nevada to serve California](#) moving the jobs and taxes out of state and increasing how far trucks must drive to serve our residents.

Notably, the bill is in direct contradiction to other State policies, such as the California Competes Tax Credit Grant Program. This program is operated and managed by the Governor's Office of Business and Economic Development (GoBiz), is funded with \$180 million per year through the 2027-28 fiscal year for statewide grants for key industries to invest and create jobs in California. Over the last decade, California has invested over \$90 million alone in tax incentive financing for the establishment and expansion of logistics uses in the Inland Empire.

Furthermore, as currently written AB 1000 will prohibit existing buildings from being rebuilt in the event they become obsolete in the event of a natural disaster such as a fire or earthquake damage. As such, over time, the existing portfolio of industrial facilities should be expected to be substantially reduced, and unable to be rebuilt. Which will in turn substantially reduce the number of jobs (from today's levels) and increase the VMT/GHG (from today's levels).



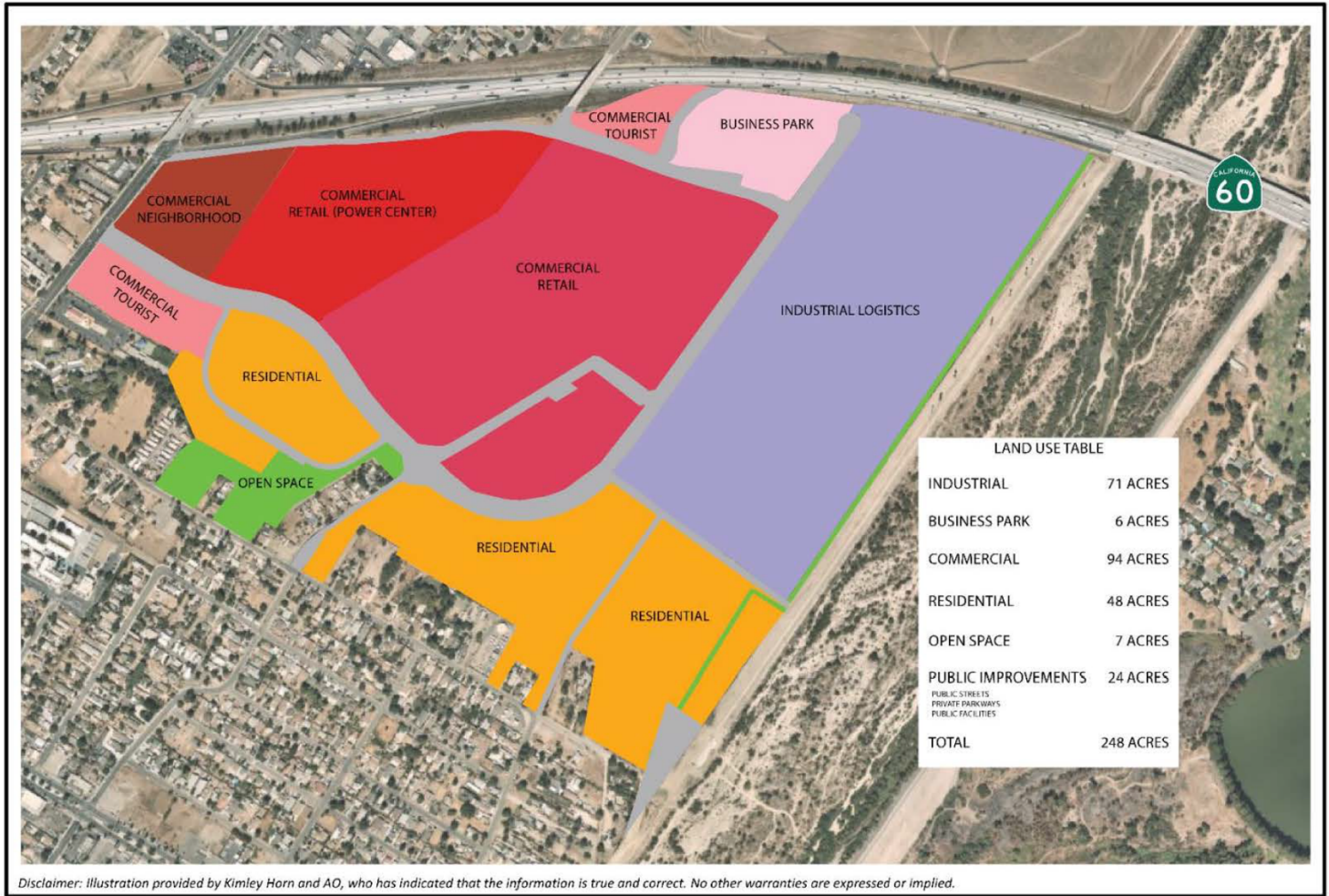
Lastly, AB 1000 will stop local governments employing modern city planning techniques to help revitalize areas and induce economic development. The photo exemplifies areas in all of your districts that could be put to higher and better uses to serve your constituents. Under CEQA, these projects move forward by acknowledging there are nonconforming uses in the redevelopment area – under AB 1000 these types of redevelopment plans and projects will simply not happen. Local governments are in the best position to determine if such projects are a good fit for their communities. AB 1000 removes that ability to determine planning and land use for siting warehouse and logistics projects.

For these reasons, we respectfully ask that you vote “no” on AB 1000. For additional information regarding our position, please contact Skyler Wonnacott, California Business Properties Association (CBPA) at (916)960-3951 or swonnacott@cbpa.com.

ADDITIONAL AB 1000 VISUALS

AB 1000 will make building housing more difficult. This is an example of a housing/master plan project that would have difficulty moving forward under provisions of AB 1000. Co-locating logistics and warehouse uses are key components enabling compliance with state and regional GHG/VMT requirements and provide the fiscal base to enable economic viability.

Exhibit 4: Conceptual Land Use Plan

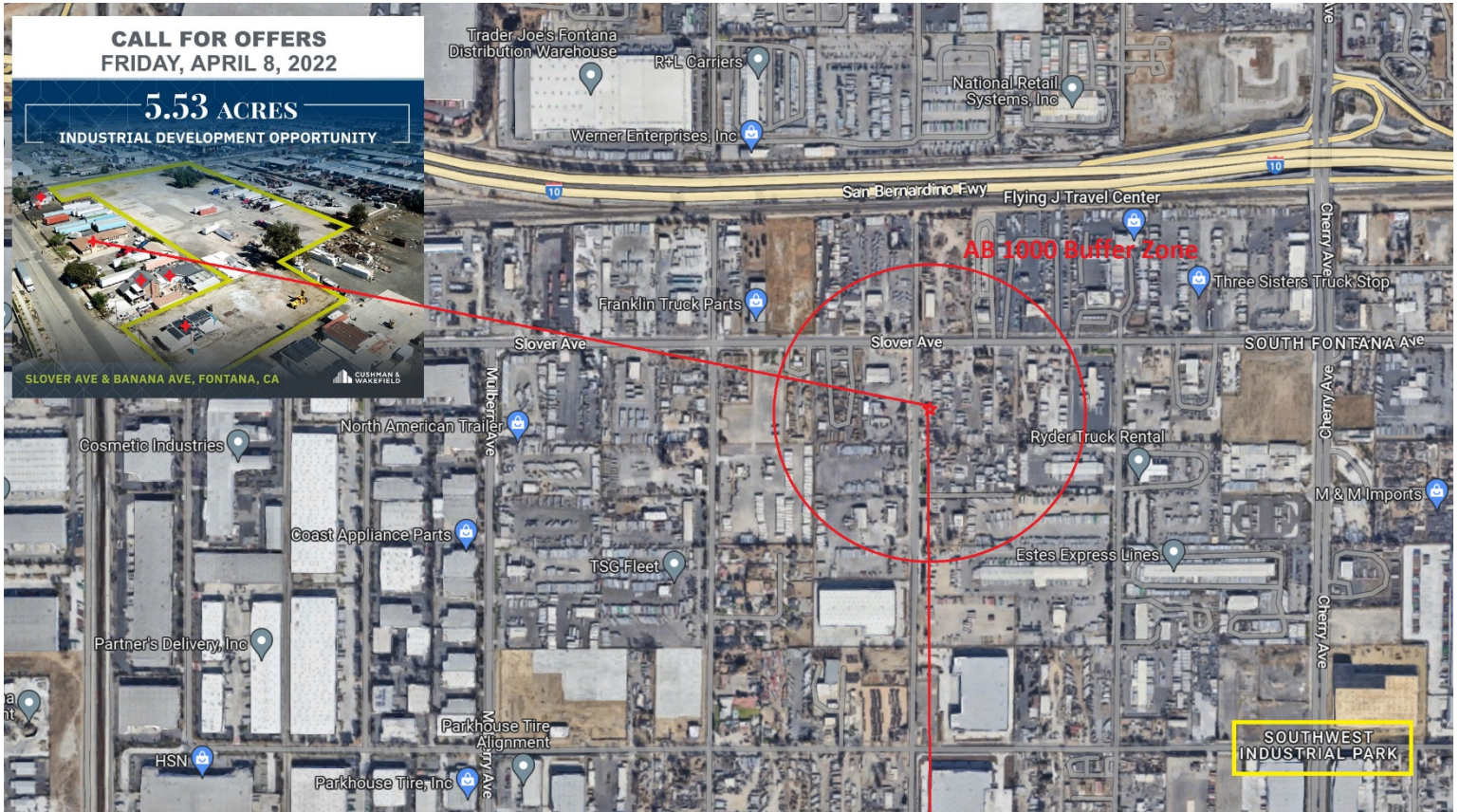


Sources: Kimley Horn and AO, March 10, 2022.

District at Jurupa Valley
 Conceptual Land Use Plan



AB 1000 will make redevelopment of urbanized areas that are transitioning to industrial impossible in many areas.



Example of Redevelopment opportunity that would not happen under AB 1000 and how it impacts surrounding properties.

This is an area designated by the local government as the Southwest Industrial Park at the intersection of several major transportation arteries/hubs (highway, rail, airport).

