



September 9, 2024

The Honorable Gavin Newsom
California Governor
1021 O Street, Suite 9000
Sacramento, CA 95814

Re: Assembly Bill 98 (J. CARRILLO) – Request for Veto

Dear Governor Newsom:

On behalf of the City of Santa Rosa, I am writing to respectfully request your veto on Assembly Bill (AB) 98, which would limit new or expanded logistics use developments and warehouses on existing and rezoned industrial sites within 900 feet of sensitive receptors unless specific standards are met.

NATALIE ROGERS

Mayor

MARK STAPP

Vice Mayor

EDDIE ALVAREZ

VICTORIA FLEMING

DIANNA MACDONALD

JEFF OKREPKIE

CHRIS ROGERS

AB 98 usurps critical decision-making authority from local governments by imposing statewide mandates on where warehouses can be located and how they must operate. The bill includes stringent buffer zone requirements and mandatory truck route provisions, which severely limit the availability of land suitable for logistics use, even in areas already zoned for industrial purposes. In densely populated regions, these restrictions could make it nearly impossible to find viable sites for new or expanding logistics facilities. This not only hinders new developments but also forces existing facilities to consider relocation out of state.

Critically, AB 98 strips local governments of the flexibility to balance economic development with environmental and community health concerns based on their unique needs. The bill undermines the ability of communities to effectively manage growth and development, leading to unintended consequences that could harm local economies.

The bill's requirement for logistics centers to meet stringent zero-emission vehicle (ZEV) standards by 2028 is unfeasible given the current state of California's energy infrastructure and ZEV availability. The existing backlog in grid interconnections and insufficient readiness for such an increase in power demand make these standards impossible to meet within the proposed timeframe. We support ZEV technology and have encouraged supportive infrastructure development as well as its use in our community, but the requirements of AB 98 place an undue burden on businesses. In some cases, the bill could prevent projects from moving forward due to the limited availability of electricity from providers.

Additionally, the bill's aggregate square footage threshold (250,000 square feet) is cumulative, meaning that even small, phased expansions could trigger costly and restrictive requirements. AB 98 utilizes an overly broad and generic definition of "logistic use," which can also define industries beyond warehouses. Businesses constantly move and store goods, cargo, and products within their facilities and AB 98 does not differentiate between a building used solely for manufacturing and one that is used for multiple purposes. This approach unfairly penalizes businesses that grow responsibly over time, disincentivizing expansion and economic development within the City and the state.

Office of the Mayor

100 Santa Rosa Avenue - Room 10 • Santa Rosa, CA 95404

Phone: (707) 543-3010 • Fax: (707) 543-3030

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AB 98 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.

Further, the bill is not abundantly clear that cities can disapprove a logistic use facility development from moving forward. Rather, the bill thrusts extensive provisions onto local governments with no regard to the actual development of logistic uses and warehouses in their communities. AB 98 unduly restricts local zoning and land use authority, constricts the City in tailoring public health protections to communities affected by qualifying logistics use, and imposes costly, unfunded mandates for local governments.

In closing, we are concerned about how this bill was developed. The Legislative session ended on August 31. It is concerning that this measure had no chance for meaningful public input and stakeholder engagement, and essentially no discussion or debate before being voted on.

NATALIE ROGERS

Mayor

For these reasons, we must respectfully request your veto on AB 98. Should you have any questions, please contact our legislative advocates Dane Hutchings or Sharon Gonsalves with Renne Public Policy Group at 916-974-9270.

MARK STAPP

Vice Mayor

EDDIE ALVAREZ

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Sincerely,

Natalie Rogers
Mayor, City of Santa Rosa

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