



RURAL COUNTY REPRESENTATIVES
OF CALIFORNIA

September 5, 2024

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

RE: Assembly Bill 98 (Carrillo and Reyes) – REQUEST FOR VETO

Dear Governor Newsom:

On behalf of the Rural County Representatives of California (RCRC), we must respectfully request your veto of Assembly Bill 98, concerning logistics use projects and truck routes. RCRC is an association of forty rural California counties and the RCRC Board of Directors is comprised of elected supervisors from each of those counties.

AB 98 imposes restrictions and design standards on logistics use projects within 900' of a wide variety of sensitive receptors. The measure also requires all local governments to update their circulation elements to identify and establish travel routes for the transportation of goods, materials, or freight for storage, transfer, or redistribution. Failure to update the circulation element by January 1, 2028, exposes RCRC's 40 member counties to penalties of up to \$50,000 for each six-month period.

While AB 98 was drafted to address the expansive warehouse developments in Southern California, its sweep and construction will have far reaching consequences on rural areas.

AB 98 proposes one-size-fits-all mandates that are poorly suited for application in large parts of the state. AB 98 was negotiated behind closed doors with no input from those local governments who are responsible for local land use decisions, siting projects, and mitigating their impacts. Failure to include local governments has resulted in legislation that is overly-broad, will have far-reaching consequences in rural California, and imposes costly new mandates on smaller jurisdictions that will derive little to no benefits from having to update their local

1215 K Street, Suite 1650, Sacramento, CA 95814 | www.rcrcnet.org | 916.447.4806 | Fax: 916.448.3154

circulation elements. By creating a one-size-fits-all solution to warehouse siting, this proposal ignores the geographic, population, and economic diversity of the state and the different approaches they require.

Intended to address warehouses in urban areas, AB 98’s sweeping mandate will cause significant collateral damage to many types of agriculture projects in rural regions. AB 98, like previous warehouse measures, is intended to address the community, environmental, and traffic impacts associated with urban warehouse projects. Unfortunately, the bill is far more sweeping in scope and applies to all buildings in which cargo, goods, or products are moved or stored for later distribution to businesses or retail customers and where heavy-duty trucks are involved in the movement of those goods.

As drafted, the bill applies to manufacturing and agricultural processing facilities that may include smaller warehouses that are far different in size, scope, and impact than their urban counterparts. The bill is not limited to large warehouses that exceed 100,000 square feet, but would equally apply to much smaller storage buildings that may be just a fraction of that size (provided that the commodities stored in those buildings are transported by heavy-duty trucks).

Worse yet, the bill imposes even more rigorous standards on agricultural projects because they are typically located on parcels zoned for agriculture rather than for industrial use. While the bill was drafted to deal with urban land use issues and major distribution warehouses, it failed to contemplate that its regulatory framework is far broader in scope and poorly suited for application in rural and agricultural regions.

Equally troubling, the bill restricts the siting of logistics use projects to arterial roads, collector roads, major thoroughfares, or “local roads that predominantly serve commercial uses.” These types of roads may not be available where ag-related facilities need to be located in rural areas. “Local roads that predominantly serve commercial uses” only contemplates commercial or industrial uses, not the agricultural uses more frequently encountered in rural settings. The waiver process included in the bill is illusory considering that the project must be located in an existing industrial zone (and these projects are typically located in agricultural settings).

AB 98 subjects local governments to grossly excessive penalties for failure to update planning documents that will have little to no practical utility for those jurisdictions. This measure requires all local governments, regardless of their size, to update their circulation elements to identify and establish specific travel routes

The Honorable Gavin Newsom
Assembly Bill 98 – REQUEST FOR VETO
September 5, 2024
Page 3

for the transport of goods, materials, or freight for storage, transfer, or redistribution. These routes are to avoid residential areas and sensitive receptors. Failure to comply by January 1, 2028, will subject jurisdictions to a \$50,000 penalty for each six-month delay. *This costly mandate fails to acknowledge that many smaller jurisdictions will derive little to no benefits from the investment.* Many smaller jurisdictions do not have, and are not likely to become home to logistics use projects and transportation impacts are often limited to major state and federal highways. Other rural jurisdictions are most likely to host agricultural processing facilities that may include smaller warehouses that neither pose the community risks nor generate the traffic associated with the much larger warehouses this bill is intended to address.

For these reasons, RCRC must respectfully request your veto on AB 98. The Legislature should develop a refined measure that incorporates stakeholder feedback and avoids the pitfalls inherent in this legislation. If you should have any questions, please do not hesitate to contact me at jkennedy@rcrcnet.org.

Respectfully,



JOHN KENNEDY
Senior Policy Advocate

cc: The Honorable Juan Carrillo, California State Assembly
The Honorable Eloise Reyes, California State Assembly