



City of Carson Moratorium on Warehouses and all Logistics Facilities

Without any outreach or warning to the businesses of Carson, the Carson City staff put on the March 21 City Council agenda a moratorium stopping all development, expansion or modifications to warehouses and other logistics facilities. Even worse, the moratorium does not allow any new tenant leases or extensions of leases lasting 3 years or more to be entered into without approval of the City, which is totally discretionary.

The business community, led by Watson Land Company and NAIOP SoCal President Lance Ryan, worked feverishly and over 90% of the testimony at the hearing was opposed to the moratorium, yet it was unanimously approved. Additionally, the Mayor created an ad hoc Committee made up of the Mayor and one other Councilman, 6 City Commissioners and two industry representatives, which we later got expanded to four industry representatives. Peter Herzog has been appointed to the ad hoc committee, and the ad hoc committee will have met twice by the time of your Board meeting. There is a great deal of activity and various initiatives being undertaken to address what is viewed as an entirely inappropriate action that is not legally justified and some sections are probably unconstitutional. The main thrust currently is to remove the anti-lease provisions immediately and to prevent the moratorium from being extended beyond its initial 45 days. There are a whole host of issues surrounding this moratorium which we can discuss, and President Ryan can certainly elaborate on this issue. This is a very serious situation with potentially far reaching effects as if this succeeds in Carson, it could spread to other cities.

SCAQMD and CARB Actions – CARB Pushes ISRs Forward

The month of March started out well with the Ozone Air Quality Management Plan (AQMP) finally being adopted by the SCAQMD, and, most importantly, Supervisor Kuehl's effort to mandate an Indirect Source Rule (ISR) be ADOPTED on warehouses by February of 2019 was resoundingly DEFEATED. The vote was: Yes 4, No 9. A great victory after a very lengthy effort. However, under the Federal and State Clean Air Acts, once the AQMP is approved locally it then must be acted upon by the California Air Resources Board (CARB). Once the AQMP was approved, we confirmed the CARB staff would not be recommending any changes to the AQMP. So far so good. We then began to hear rumors about some CARB Board members considering amendments to the plans, and we appropriately set in motion to be prepared to have a large turnout for the CARB hearing in Riverside.

As was the case with the Kuehl amendments, nothing was presented before the hearing and nothing was available at the hearing until AFTER all the public testimony was closed. Then CARB Board Member Hector de la Torre put up on the screen an Addendum to the Resolution to adopt the plans stating:

“...within 12 months of this date, staff shall return to the Board with concepts for an Indirect Source Rule to control pollution from large freight facilities including ports, railyards, warehouses, and distribution centers, as well as identified alternatives capable of achieving similar levels of emission reductions.”

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This was approved unanimously along with the AQMP, which will now be sent to the US EPA (Environmental Protection Agency).

From the industry side, to say we are upset would be a gross understatement. Several conference calls have already occurred and what is being set in motion is both a Sacramento and local effort. Essentially, the same group that fought off the De Leon bill to add members to the SCAQMD Board has reformed. A steering committee of that group has been formed that includes NAIOP's Peter Herzog and Rex Hime of CBPA. We decided to start at the top with Governor Brown, and a letter has been sent to the Governor expressing our sense of betrayal, a call for action, and a request to meet to discuss this in the immediate future. Much more will be put into motion and we will keep you advised.

Victory – Measure S Defeated in City of Los Angeles – A Huge Win!

It was the grass roots effort that defeated Measure S in the City of Los Angeles by an incredible two to one vote (70% Yes to 30% No). Although the Yes campaign had significantly more money than the No campaign, a well organized campaign that mobilized community leaders and organizations defeated a measure that would have put in place a moratorium on building in the city. Thank you to NAIOP SoCal members who helped with this grass roots effort. In the Los Angeles City Council primary election Mayor Garcetti was elected with an overwhelming 81% of the vote. Incumbent council members were also elected with the exception of run-offs in District 1 where incumbent Gilbert Cedillo is in a run off with Jo Bray-Ali and in District 11 where no incumbent ran there is a run-off between Monica Rodriguez and Karo Torossian.

Even More Taxes Approved in Los Angeles County!

Measure H passed with 70% of the vote to implement a ¼ cent sales tax for ten years to help prevent and combat homelessness. It also will fund mental health, substance abuse treatment, health care, education, job training, rental subsidies, emergency and affordable housing, transportation, outreach, prevention, and supportive services for homeless children, families, foster youth, veterans, battered women, seniors, disabled individuals, and other homeless adults.

Fire Departments Continue to Evaluate Fees

The Orange County Fire Authority (OCFA) is reviewing the fee schedule for reviewing plan checks, which they do every couple of years. NAIOP is meeting with representatives of OCFA. The City of Anaheim Fire Department has tabled recommendations to implement new regulations opposed by NAIOP SoCal. Both agencies are being closely monitored.

Welcome New Member

We are pleased to welcome NAIOP SoCal member *David Lapkin* (Marsh Risk and Insurance Services) as new Legislative Affairs Committee Member. The Committee meets once a month on the third Thursday of the month for a working lunch in Costa Mesa. Interested in government and politics? We are interested in you!

Reminder to Contact Your NAIOP Legislative Staff

If you hear of something going on legislatively that is a problem for commercial real estate – at the local level and state level, please contact NAIOP's Legislative Affairs staff! Also for updates be sure to visit www.naiopsocal.org where Legislative Updates appear on the home page.



“The best social reform program in the world is a job.”

- President Ronald Reagan