Split Roll Update – Revised Initiative Filed

FIGHT FOR PROP 13
STOP HIGHER PROPERTY TAXES

The Split Roll proponents have filed a revised initiative. This will have to get the requisite signatures, nearly one million, and they will have until about May 1, 2020 to do so. The various teachers' unions are now putting their full backing into the effort, and have indicated split roll is now their main focus for 2020. The Zuckerbergs recently put in $1 million to the effort. The split roll initiative that has already qualified remains on the ballot, and will not be taken off unless the new one actually qualifies for the 2020 ballot.

The proponents are claiming the new initiative takes care of problems with the old one. What they are actually admitting is the old one is flawed, would fail to be passed, and they have to try to make this sound more appealing to the voters. While there are more words in the initiative claiming to help small businesses, clarify school funding, revise implementation dates, etc., the bottom line does not change. It will remove commercial real estate from Prop 13, your properties will initially be reassessed, and then reassessed every three (3) years even if there is no sale of the property. It is as dangerous as the old one and the absolute necessity to spend the time, money and effort to defeat it has not changed. The other thing that has not changed is the need to continue to raise funds to defeat Split Roll in 2020!

Take Action NOW! Go to **StopHigherPropertyTaxes.org/donation**, and make your donation by October 1st! You can also contribute to the NAIOP SoCal Issues PAC!

Los Angeles Countywide Sustainability Plan – "OurCounty"

The Los Angeles Board of Supervisors recently passed what they are calling a sustainability plan, entitled "OurCounty", that they say will "enhance the well-being of every community in the County while reducing damage to the natural environment and adapting to the changing climate", and it "envisions ...a just economy that runs on renewable energy instead of fossil fuels." What it lays out are 159 actions that are to be evaluated in the future that could lead to new zoning, general plans, rules and regulations, etc. While it would only directly apply to the land mass within the County jurisdiction, it is clear the County wants to engage all 88 cities in an effort to have them do the same, so the name OurCounty. Several of the items are aimed directly at the business community, while others could have an indirect impact. A few examples are:

1. Adopt CALGreen Tier 1 green building standards and identify which Tier 2 standards could be adopted as code amendments.
2. Implement substantive resident and **small business protection measures** to avoid displacement impacts from community investments, **including rent control, just cause evictions, and "right-to-return" ordinances.**

Over >>>

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3. Collaborate with the City of Los Angeles, Santa Monica, and other members of the Building Decarbonization Coalition to develop building energy and emissions performance standards that put this County on a path towards building decarbonization. **(Retrofit current buildings?)**

4. Develop and implement a transportation demand management (TDM) ordinance that **requires developers to incorporate measures such as subsidized transit passes and car share.**

5. Develop a Net Zero Water ordinance for new development.

Input from the NAIOP SoCal Board is important and would be greatly appreciated. The Legislative Affairs Committee will be discussing this issue further, and we are also in conversation with a broad group of business stakeholders in Los Angeles.

Regulatory Tsunami

> SCAQMD – Proposed Indirect Source Rule (ISR)

The South Coast Air Quality Management District (SCAQMD) just two weeks ago released a very general outline of the ISR they plan to take for Board approval in May, 2020. So, the ISR issue is no longer a general conversation about "concepts", we are essentially in the actual rule-making process now. The good news is the SCAQMD has indicated they are NOT at this time pursuing facility emissions caps on warehouses, nor are they pursuing the fleet requirement that warehouses only allow certain low emission truck fleets to come to warehouses. What they are pursuing is that OPERATORs, not owners, of warehouses over 100,000 square feet would be given a certain number of points they have to achieve each year, based upon the number of trucks that come to a warehouse. They will then have a menu of one-time and ongoing "actions" an operator can take to earn their annual allocated points. And, of course, if you cannot get enough points on any given year or just choose not to, you can pay an annual "mitigation fee". They do not know how the number of trucks will be translated into the number of points operators have to obtain, nor how they will determine the value of each menu item, or how much emission reductions any of this will create, or how they would translate the number of points an operator is required to gain into the amount of the fee. Needless to say, there Is a lot of unknown information. We believe this ISR effort will take up a lot of time and resources as the environmental community has made it clear they want this adopted in May, 2020.

> California Air Resources Board (CARB) Rules

a.) <u>Advanced Clean Trucks Rule – Large Entity Reporting Requirement</u> – This draft rule would require to ANY entity doing business in California with annual national gross revenue over $50 million in 2019 to fill out a three-page questionnaire. The entire purpose of the reporting requirement is "…to collect information to assess suitability of electric vehicles across multiple business cases and to inform future strategies on how to accelerate the zero-emissions vehicle market…" <u>In other words, get information from you to make rules against you.</u> The questionnaire gets into how many facilities you operate and/or own, how you ship goods from the facilities, what you ship, how many truck trips occur, how many suppliers use your facility, and more. The draft rule says the report is due "…April 1, 2021 for their facility operation in 2020 and for any fleet as it was comprised as of January 1, 2021." The final draft of the rule will come out in October, 2019, and is to be approved by mid-2020.

b.) <u>Transportation Refrigeration Units (TRUs)</u> – CARB is drafting a proposal to require all trucks with TRUs to only use all electric TRUs. To go along with that requirement, this proposal would apply to refrigerated warehouses and distribution centers that are larger than 20,000 square feet. Starting in 2023, a cold storage facility would have to register with CARB and also establish a geofence around their property. Starting in 2024, such a facility would have to complete the installation of electric charging stations to support the use of all-electric TRUs at the facility. Then in 2025 you would be required to turn away any truck that does not have an electric TRU (impair throughput) or report that truck to CARB. Essentially, be CARBs TRU cop. CARB will charge you a facility registration fee to offset CARBs cost for the program. No amount of such a fee has been mentioned to date, nor has it been determined how often you would have to pay the fee. CARB has indicated they plan to have draft regulatory language out in early 2020, and take this item to the CARB Board in late 2020.

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