



November 17, 2023

Dear Mayor and City of Stockton Council Members,

The Greater Stockton Chamber of Commerce has thoroughly reviewed all documentation provided to the Planning Commission on this measure, and we are opposed to the adoption of the proposed “Warehouse Ordinance” to the Stockton Municipal Code, Title 16 (Development Code). The Chamber strongly encourages the City Council to reject the proposed addition. There are several aspects of all three options considered by the Planning Commission, including “Option C” which has been recommended to Council for adoption. Impacts of this ordinance to the business community will be significant. There are also concerns surrounding the impetus for this effort, and the questionable level of influence the State Attorney General’s office and one special interest group, seems to have had during this process.

Specific Concerns with Proposed Code Language

There are several areas causing significant concern and needing further clarity within the draft code update, specifically:

1. Define “Logistical Warehouse”: What distinguishes a logistical warehouse from other types of warehouses, and what are the other categories of warehouses?
2. New Construction Only? Are these provisions applicable only to new ground-up construction? Does this include additions? The Chamber recommends clarity be added to the code language regarding these categories.
3. Definition of “Future Project”: What is the exact definition of “Future Project”? Is a future bathroom remodel considered a “future project”?
4. Applicability to Projects 100,000 SF or Greater: This size range is often demised into smaller warehouses that are utilized by smaller businesses. The cost to build these projects will drive up the lease rates for smaller warehouse space, having a major impact on small businesses that lease warehouse space in the 10,000-50,000 SF range, because these spaces are usually contained housed within warehouses in the 100,000 – 200,000 SF size range.
5. Feasibility of Solar Requirements: Has a feasibility study been conducted to verify that the electrical infrastructure, “the grid”, is capable of handling an influx of solar projects on this magnitude? Has PG&E confirmed that their infrastructure is capable of handling the potential impacts within a reasonable amount of time?
6. Appropriateness of inclusions in “On-Going Operations”: Several of the provisions with the On-Going Operations section are completely inappropriate for





inclusion in a land development code section, and further are entirely impractical and unenforceable. For example, how is the City to monitor and enforce the requirement of all electric equipment in Section 1? How is it appropriate to require employers to provide transit route and schedule information and coordinate ridesharing among employees? Further, how is the City to practically monitor and enforce this provision in the first place?

7. Timeline for Ordinance Effective Date: As written, the ordinance is to go into effect 30 days after adoption. Are currently entitled projects excluded from these new requirements? What stage does a project need to be at to be excluded, i.e., received entitlement from Planning, had approved Improvement Plans, had a Building Permit issued? As written, there is significant ambiguity as to what point a project must have reached at the time of this ordinance going into effect in order to be excluded from these requirements. The Chamber recommends clarity be added with respect to what level of approval a project has reached in order to be excluded from this. The Chamber also suggests that a 12-month timeline for the ordinance going into effect from the time of adoption, should the Council adopt, such that projects already in motion may reach the point to be grandfathered.

Impacts to Stockton

Has there been a detailed economic analysis of what these provisions will do to the cost of a project? Should this ordinance be adopted, Stockton will be at a significant disadvantage for attracting new businesses and the economic development opportunities surrounding that, compared to other area jurisdictions. The proposed measures will create significant economic impacts to potential projects, but only within Stockton. Preliminary feedback from major industrial developers operating in Stockton indicate that if this ordinance is adopted, they will simply pursue projects within other jurisdictions, effectively halting industrial development in Stockton for the foreseeable future and potentially leaving more vacant warehouse space across our city.

Concerns Regarding Transparency, Process, and the Impetus of this Effort

The MOU from a specific project (the Mariposa project) obligated the City to bring a warehouse ordinance to the Council for consideration. **The Council is under no obligation whatsoever to adopt this, or any version of a warehouse ordinance.** By having this code adoption *considered* by Council, the City will have met its obligation under the MOU.

It is the prerogative of the City Council to set priorities for the City and it's professional staff. Based on review of the MOU and the other included project documentation, it appears that this effort is being significantly and inappropriately



influenced by the State's Attorney General Office, and a special interest group. The effort has taken valuable and limited staff time and energy on a non-Stockton priority, causing a significant delay to Stockton's comprehensive Development Code update project, and undoubtedly, many other priority efforts to the City.

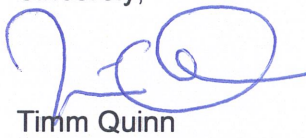
The Stockton Chamber is concerned over what we perceive to be an overreach of the State Attorney General, and a special interest group, driving the legislative priorities for Stockton. Building and environmental codes are set at the State level, and there is an established process which occurs every three years to update these types of provisions for the entire state.

Recommendations

The Greater Stockton Chamber of Commerce encourages the Stockton City Council to reject this proposed addition to the Development Code outright. We also request additional information and transparency regarding the Attorney General and Sierra Club's involvement in the prioritization of this effort, and in the drafting of the specifics of each of the options presented to the Planning Commission.

If the Council believes any of the specific aspects presented are in the best interests of the City, its residents, and its businesses, we recommend the Council direct staff to conduct further research where appropriate, with full transparency to the general public and include those provisions within the upcoming comprehensive Development Code update. We request a detailed economic analysis accompany any provision included to ensure that prior to Council adoption there is a full evaluation as to that provisions likely impacts to Stockton businesses.

Lastly, we recommend that all non-development related aspects the Council wishes to pursue be created through a separate program that contains practical and implementable language. An example of this type of aspect includes ideas such as employers required to coordinate employee ridesharing, requirements to sell 51% of solar-produced power to low-income residents, etc.

Sincerely,


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Holman Investors, LLC

3400 E. Eight Mile Road, Stockton, CA 95212
(209) 931-9740

December 5, 2023

Re: City Council Agenda Item 16.1

Stockton City Council,

1. The Memorandum of Agreement between the City of Stockton and the California Attorney General and the Settlement Agreement between the Sierra Club, Greenlaw Development, and the City of Stockton (collectively the "Settlement Agreements") do not require the City Council to adopt the Logistic Warehouse Standards Ordinance ("Ordinance"). The Settlement Agreements only require the City Council to consider the proposed Ordinance, thus the City Council can deny the proposed Ordinance and remain in compliance with the Settlement Agreements.
2. The proposed Ordinance contains many of the measures that the California State Legislature rejected when AB 1000 did not pass a committee vote earlier this year. The requirement in the Settlement Agreements for the City Council to consider the proposed Ordinance appears to be an attempt to legislate through threat of litigation rather than through the normal legislative process.
3. If the City Council chooses to move forward with adoption of the proposed Ordinance, then to facilitate completion of existing industrial projects in Stockton (that were approved and annexed many years before the Settlement Agreements were signed) in accordance with the Development Code that exists today, the following, highlighted language should be incorporated into Section 16.80.390.A of the adopted Ordinance:
 - A. **Applicability.** The standards will apply to the following applications:
 1. These standards shall not apply to any new building constructed on property that was incorporated into the City of Stockton prior to December 31, 2023.
 2. These standards shall apply to logistic warehouses 100,000 square feet in size or greater.

Thank you for considering the above comments.

Sincerely,



Holman Investors, LLC
Matthew Arnaiz

Stockton Warehouse Ordinance Update
Stockton Environmental Justice advocates Option C amendments

Below are amendments to Option C from Stockton Environmental Justice advocates for Stockton Warehouse Ordinance Update. (Measure #s 11, 13, 14, 15)

Measures:

#11 Setbacks	Add to Option C Ordinance the following amendments with underlined change. Crossed out corresponds to deleted amendments in Option C. • <u>Building Setbacks: 2:1 ratio of building setback to building height.</u> • Loading Dock Door Setback: Unless determined to be physically impossible, When adjacent to sensitive receptors, a loading dock door shall be oriented away from the sensitive receptor and located a distance of 300-feet from said receptor, The building and auto parking can be located within the 300-foot distance. <u>Loading docks, truck entries, and truck drive aisles shall not abut adjacent sensitive receptors within the required setback area.</u> • A sensitive receptor shall be defined as schools, health care facilities, libraries, churches, correctional facilities, parks/recreational facilities, in-home daycare, health facilities (hospitals, long term care facilities, retirement and nursing homes) or more than two directly contiguous residential units. <u>Justification:</u> Measure #11 of the Option C contains an exception to the dock door setback for being physically impossible. The similar updated provision in the Fontana ordinance contains no physical exception. Refer to their planning commission resolution. Option C for the setbacks states: “Loading Dock Setback: Unless determined to be physically infeasible, when adjacent to sensitive receptors, a 300-foot buffer shall separate all truck loading docks unless the areas within the 300-foot buffer utilize zero-emission trucks and equipment.” The City of Fontana has actually recognized that it is <u>physically and feasibly possible</u> to provide setbacks away from sensitive receptors.
#13 Solar	Add to Option C Ordinance the following amendments with underlined change. Crossed out corresponds to deleted amendments in Option C. • Each developer of an individual specific development proposal shall prepare the subject building structures in such a way to accommodate future solar panels pursuant to applicable Building Code requirements. • The building permit application for qualifying facilities must demonstrate that sufficient power will be provided from clean energy sources for the operational base power use at the start of operations. Developers shall have the following options, or any combination of options, for procuring clean energy to meet operational base power needs for new building structures. Options may include 1) installing solar panels on the subject building or building site, and/or 2) procuring 100% clean energy from AVA Community Energy, and/or 3) participating in California’s Community Solar Program. • Operational base power is defined as the amount of power required to supply loads for all ordinary operational uses of the site. Loads for all ordinary operational uses of the site includes, as non-exhaustive examples, loads for minimal heating for fire sprinklers, primary office space lighting, HVAC, warehouse power, warehouse lighting, site lighting, minimum power for dock positions (including chargers for yard equipment, and any plug-ins for transport refrigeration units), and the amount of light-duty electric vehicle supply equipment required by CalGreen. Loads for all ordinary operational uses of the site exclude, as non-exhaustive examples, loads for specialized equipment, non-standard automation or material handling systems, and chargers for heavy-duty trucks. • <u>The solar system installation should be done by owners, operators, tenants, or a qualified solar system contractor.</u>

	<table><tr><th>Weight Class</th></tr><tr><td>Heavy Heavy-Duty (HHD) GVWR > 33,000 lbs.</td></tr><tr><td>Medium Heavy-Duty (MHD) GVWR 19,501-33,000 lbs.</td></tr><tr><td>Light Heavy-Duty (LHD) GVWR 14,001-19,500 lbs.</td></tr><tr><td>Emergency Vehicles GVWR > 14,000 lbs.</td></tr></table> <u>EV Charging station and ZEV grants available.</u> Ensures installation of electric vehicle charging stations, especially for heavy-duty trucks while being conscious of market. Medium-duty and heavy-duty electric vehicles are commercially available through these sites https://californiahvip.org/vehicles/ and https://globaldrivetozero.org/tools/zeti/ 2021 Catalog of EV availability Guide from SDG&E https://www.sdge.com/sites/default/files/2021_sdge_electric_vehicle_availability_guide_1.pdf ZEV grants are available today: https://fleets.pge.com/	Weight Class	Heavy Heavy-Duty (HHD) GVWR > 33,000 lbs.	Medium Heavy-Duty (MHD) GVWR 19,501-33,000 lbs.	Light Heavy-Duty (LHD) GVWR 14,001-19,500 lbs.	Emergency Vehicles GVWR > 14,000 lbs.
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Emergency Vehicles GVWR > 14,000 lbs.						
#15 Electric Charging	Add to Option C Ordinance the following amendments with underlined change. Crossed out corresponds to deleted amendments in Option C. • Provide EV charging stations for automobiles per building code and provide conduit to a future designated area for Heavy Duty Truck Charging Facility. • <u>At least 10% of all passenger vehicle parking spaces shall be electric vehicle (EV) ready, with all necessary conduit and related appurtenances installed. At least 5% of all passenger vehicle parking spaces shall be equipped with working Level 2 Quick charge EV charging stations installed and operational, prior to building occupancy. Signage shall be installed indicating EV charging stations and specifying that spaces are reserved for clean air/EV vehicles. Unless superior technology is developed that would replace the EV charging units, facility operator and any successors in interest shall be responsible for maintaining the EV charging stations in working order for the life of the facility.</u> Justification: As of the current Option C, the building code does not cover any electric charging stations for automobiles. Therefore, we can't reference "per building code" until there is some requirement for electric charging stations. The additional amendment is consistent with the City of Fontana's warehouse ordinance (Ordinance 1891 Sec. 9-73. – Alternative Energy).					

Stockton Warehouse Ordinance Update
Stockton Environmental Justice advocates Option C amendments

Below are amendments to Option C from Stockton Environmental Justice advocates for Stockton Warehouse Ordinance Update. (Measure #s 11, 13, 14, 15)

Measure #	Option A- Proposed MOA Ordinance Standards	Option B- Adjust MOA Ordinance Standards	Option C- Proposed Industry Ordinance Standards	EJ Advocates Recommended Amendments to Option C
11	All loading docks shall be located no closer than 300 feet from all sensitive receptor groups. The distance shall be measured from the loading dock or any building edge, whichever is closer to the property line of any nearby sensitive receptor defined as any residence, including private homes, condominiums, apartments, living quarters, schools, preschools, daycare centers, in-home daycares, health facilities such as hospitals, long term care facilities, retirement and nursing homes, community centers, places of worship, parks (excluding trails), prisons, and dormitories.	- Building Setbacks: 2:1 ratio of building height to building setback. - Loading Dock Setback: Unless determined to be physically infeasible when adjacent to sensitive receptors, a 300-foot buffer shall separate all truck loading docks unless the areas within the 300-foot buffer utilize zero-emission trucks and Equipment. - For the purposes of defining receptors for the 300-foot buffer requirements, receptors shall include all schools, health care facilities, libraries, churches, correctional facilities, parks/recreational facilities, in-home daycare, health facilities (hospital, long-term care facilities, retirement, and nursing homes), or more than two directly contiguous residential units.	Loading Dock Door Setback: Unless determined to be physically infeasible, when adjacent to sensitive receptors, a loading dock door shall be oriented away from the sensitive receptor and located a distance of 300-foot feet from said receptor unless the dock doors are utilized by zero-emission trucks and equipment only. The building and auto parking can be located within the 300-foot distance	Add to Option C Ordinance the following amendments with underlined change. Crossed out corresponds to deleted amendments in Option C. <u>Building Setbacks: 2:1 ratio of building setback to building height.</u> - Loading Dock Door Setback: Unless determined to be physically impossible, When adjacent to sensitive receptors, a loading dock door shall be oriented away from the sensitive receptor and located a distance of 300-feet from said receptor, unless the dock doors are utilized by zero emission trucks and equipment only. The building and auto parking can be located within the 300-foot distance. <u>Loading docks, truck entries, and truck drive aisles shall not abut</u>

ATTACHMENT B			<u>adjacent sensitive receptors within the required setback area.</u> • A sensitive receptor shall be defined as schools, health care facilities, libraries, churches, correctional facilities, parks/recreational facilities, in-home daycare, health facilities (hospitals, long term care facilities, retirement and nursing homes) or more than two directly contiguous residential units.
			<u>Justification:</u> Measure #11 of the Option C contains an exception to the dock door setback for being physically impossible. The similar updated provision in the Fontana ordinance contains no physical exception. Refer to their planning commission resolution. Option C for the setbacks states: “Loading Dock Setback: Unless determined to be physically infeasible, when adjacent to sensitive receptors, a 300-foot buffer shall separate all truck loading docks unless the areas within the 300-foot buffer utilize zero-emission trucks and equipment.” The City of Fontana has actually recognized that it is <u>physically and feasibly possible</u> to provide setbacks away from sensitive receptors.

ATTACHMENT B			trucks. • The office portion of a building’s rooftop that is not covered with solar panels or other utilities shall be constructed with light colored roofing material with a solar reflective index of not less than 78. • Electrical Room Sizing. To ensure that warehouse electrical rooms are sufficiently sized to accommodate the potential need for additional electrical panels, either a secondary electrical room shall be provided in the building, or the primary electrical room shall be sized 25% larger than is required to satisfy the service requirements of the building or the electrical gear shall be installed with the initial construction with 25% excess demand capacity. • Warehouse Dock Seal Doors. Exterior loading dock doors that are adjacent to conditioned or indirectly conditioned spaces shall have dock seals or dock shelters installed at the time of permitting. • Onsite Equipment Infrastructure. Project should provide infrastructure to support charging of electric power onsite equipment.	power required to supply loads for all ordinary operational uses of the site. Loads for all ordinary operational uses of the site includes, as non-exhaustive examples, loads for minimal heating for fire sprinklers, primary office space lighting, HVAC, warehouse power, warehouse lighting, site lighting, minimum power for dock positions (including chargers for yard equipment, and any plug-ins for transport refrigeration units), and the amount of light-duty electric vehicle supply equipment required by CalGreen. Loads for all ordinary operational uses of the site exclude, as non-exhaustive examples, loads for specialized equipment, non-standard automation or material handling systems, and chargers for heavy-duty trucks. • <u>The solar system installation should be done by owners, operators, tenants, or a qualified solar system contractor.</u> Justification: The amendment keeps things consistent on who is handling the solar system installation.
14	All applicable facilities shall maintain	Electric Vehicle Chargers Stations (EVCS)	To facilitate the installation of future electric	Add to Option C Ordinance the

ATTACHMENT	Electric Vehicle (EV) fleets in accordance with the following: - Heavy-Duty Trucks: all heavy-duty trucks (Class 7 and 8) domiciled on site are model year 2014 or later from start of operations and shall expedite a transition to zero-emission vehicles, with the fleet fully zero-emission by December 31, 2025, or when commercially available for the intended application, whichever date is later. - Medium-Duty Vehicles: vehicles/delivery vans/trucks (Class 2 through 6) on-site shall apply: (i) 33% of the fleet will be zero-emission vehicles at the start of operations, (ii) 65% of the fleet will be zero-emission vehicles by December 31, 2023, (iii) 80% of the fleet will be zero-emission vehicles by December 31, 2025, and (iv) 100% of the fleet will be zero-emission vehicles by December 31, 2027. "Domiciled on-site": applies to vehicles parked or kept overnight at the qualifying facility(ies) more than 70% of the calendar year or dedicated to the qualifying facility(ies) site (defined as more than 70% of the truck routes during the calendar year that start at the qualifying facility(ies) site even if parked or kept elsewhere). The tenant/operator of the qualifying facility(ies) shall not be responsible to meet "clean fleet" requirements for vehicles used by common carriers operating under their own authority that provide delivery services to or from the qualifying facility(ies) site. - Zero emission vehicles that require maintenance can be temporarily replaced with alternative vehicles.	Infrastructure for Trucks: provide conduits to provide EVCS to meet future needs. Conduit should be provided on the site to serve 50% of the number of truck docking stations. Location of conduit is at discretion of the developer (e.g., truck trailer parking spaces or docking stations).	vehicle charging stations for heavy-heavy duty (HHD) trucks, in connection with each individual development proposal, the subject building improvement plans shall identify an area for future HHD truck charging stations, and the subject developer shall install conduit from the power source to the identified area.	following amendments with underlined change. Crossed out corresponds to deleted amendments in Option C. - To facilitate the installation of future electric vehicle charging stations for <u>light-heavy duty (LHD), medium-heavy duty (MHD)</u>, and heavy-heavy duty (HHD) trucks, in connection with each individual development proposal, the subject building improvement plans shall identify an area for future <u>LHD, MHD</u>. HHD truck charging stations, and the subject developer shall install conduit from the power source to the identified area. <u>Electric Vehicle Chargers Stations (EVCS)</u> <u>Infrastructure for Trucks: provide conduits to provide EVCS to meet future needs. Conduit should be provided on the site to serve 50% of the number of truck docking stations. Location of conduit is at discretion of the developer (e.g., truck trailer parking spaces or docking stations).</u> Justification: If Option C is using “Heavy-Heavy Duty” (HHD) truck language in this, then for consistency purposes, they must include light-heavy duty (LHD)
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ATTACHMENT B	• If an EV fleet is not commercially viable, documentation from a minimum of three (3) EV dealers identified on the californiahvip.org website must be submitted prior to issuance of a building permit for the new building demonstrating the inability to obtain the required EVs or equipment needed within 6 months. • If a qualifying facility fails to meet the "clean fleet" requirement, the tenant/operator must implement a Voluntary Emissions Reduction Agreement (VERA) that mitigates emissions through emission reduction projects. The Air District will verify the mitigation effort. The tenant/operator must continue to fund the VERA until fully compliant with the clean fleet requirements.			and medium-heavy duty to cover all heavy duty trucks being given future electric charging stations. Not every distribution facility is going to primarily have heavy-heavy duty trucks because they also include light-heavy duty that handle deliveries within the region. Below is a screenshot from CARB and their classifications of heavy duty trucks. CARB's information on HHD: https://ww2.arb.ca.gov/sites/default/files/2022-05/Carl_Moyer_Program_Chapter_4_Updated_040722.pdf
15	Electric charging facilities shall be provided onsite sufficient to charge all automobiles, and electric trucks domiciled on the site.	Electric charging facilities shall be provided onsite sufficient to charge all electric automobiles and electric trucks domiciled on the site unless otherwise prescribed in Section 16.80.390.	Provide EV charging stations for automobiles per building code and provide a conduit to a future designated area for Heavy Duty Truck Charging Facility.	Add to Option C Ordinance the following amendments with underlined change. Crossed out corresponds to deleted amendments in Option C. • Provide EV charging stations for automobiles per building code and provide conduit to a future designated area for Heavy Duty Truck Charging Facility. • <u>At least 10% of all passenger vehicle parking spaces shall be electric vehicle (EV) ready, with all necessary conduit and related appurtenances installed. At least 5% of all</u>

ATTACHMENT B			<u>passenger vehicle parking spaces shall be equipped with working Level 2 Quick charge EV charging stations installed and operational, prior to building occupancy. Signage shall be installed indicating EV charging stations and specifying that spaces are reserved for clean air/EV vehicles. Unless superior technology is developed that would replace the EV charging units, facility operator and any successors in interest shall be responsible for maintaining the EV charging stations in working order for the life of the facility.</u> Justification: As of the current Option C, the building code does not cover any electric charging stations for automobiles. Therefore, we can't reference "per building code" until there is some requirement for electric charging stations. The additional amendment is consistent with the City of Fontana's warehouse ordinance (Ordinance 1891 Sec. 9-73. – Alternative Energy).
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Case Studies:

- [The Environmental and Traffic Impacts of Warehouses in Southern California](#)
- Health Effects of California’s Warehouse Boom Raise Concerns Among Residents and Policy Makers
 - <https://environmentalhealth.ucdavis.edu/blog/californias-warehouse-boom-raises-health-concerns>
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ATTACHMENT B

ATTACHMENT B

Warehouse Sustainable examples

Port of Los Angeles

https://www.portoflosangeles.org/references/2023-news-releases/news_102523_caap_update_nov8

<https://www.portoflosangeles.org/environment/sustainability/solar-power>

https://www.portoflosangeles.org/references/news_101515_solar_power_projects

https://kentico.portoflosangeles.org/getmedia/3f92f886-236e-4f05-a99d-64ba50d831b1/07_13_15_special_agenda_item_5_transmittal_2

Port of Stockton

<https://www.portofstockton.com/wp-content/uploads/2022/08/port-fact-sheet.pdf>

<https://www.portofstockton.com/zef-blueprint/#:~:text=The%20Port%20of%20Stockton%20MD,a%20small%20port%20or%20public>

San Diego Heavy Duty Truck AB617

https://www.sdapcd.org/content/dam/sdapcd/documents/grants/Final_Project%20Plan_Short-Haul%20ZE%20Truck%20Pilot.pdf

ZANZEFF Frito Lay

<https://www.prnewswire.com/news-releases/frito-lay-transforms-california-facility-into-showcase-for-sustainability-301725247.html>

<https://www.fritolay.com/frito-lay-transforms-california-facility-into-showcase-for-sustainability>