E-Commerce Development Boom or Bust? Potential Setbacks for Warehouse Development in Inland Empire on Hold for Now

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A bill that would have made development and expansion of warehouse and logistics projects more difficult in the Inland Empire has stalled out in the present legislative session. Assembly Bill 2840 passed the State Assembly earlier this year, but failed to make it out of the Senate Governance and Finance Committee at the hearing on June 29, 2022. While the bill may be down, do not count it out. In fact, AB 2840’s author, Assembly Majority Leader Eloise Gómez Reyes, is expected to renew her efforts next year to get the potentially de facto moratorium legislation enacted.

According to Assembly Leader Reyes, the intent of AB 2840 was to provide a buffer zone between the diesel truck traffic emissions generated by warehouse facilities and a variety of defined “sensitive receptors” such as residences, schools, health care facilities, playgrounds and other community uses.
Under the last draft of the bill, prior to its quiet demise, “qualifying logistics use” – defined as any logistics use with 100,000 or more square feet of building space, including, but not limited to, warehouses – would be subject to additional restrictions in the counties of Riverside and San Bernardino and any cities within those counties. Specifically, these local governments would be prohibited from approving development or expansion of any qualifying logistics use that is adjacent to a sensitive receptor unless the local government imposes either: (i) a minimum setback of 1,000 feet on the qualifying logistics use or (ii) alternative measures on the qualifying logistics use that will reduce the project’s impacts to public health and safety in a manner comparable to the minimum setback. AB 2840 would have also required that the local government, prior to approving a qualifying logistics use, require the project applicant to develop a written construction careers agreement that specifies: (1) all construction work for the project, including repairs and renovations after completion, shall use a skilled and trained workforce as defined in Section 2601 of the Public Contract Code; and (2) a set percentage of jobs created by the project must go to local residents.

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