



## CITY OF MURRIETA

June 25, 2019

The Honorable Jose Medina  
Member, California State Assembly  
State Capitol Building, Room 2141  
Sacramento, CA 95814

**RE: AB 485 (Medina) Economic Subsidies. Warehouses.**  
**Notice of Opposition**

Dear Assembly Member Medina:

The City of Murrieta regrets that, despite the most recent amendments, it must oppose your AB 485, which would continue to impose significant obstacles to a local agency seeking to provide local economic development subsidies to a warehouse. In brief, it creates an inequity by establishing a higher bar for one type of economic development activity than required of any others.

Changing consumer buying habits and the expansion of electronic commerce are resulting in the closure of traditional brick and mortar stores and the expanded need for additional warehouses and logistics centers to distribute goods directly to customers. Some communities, typically in inland California, which lack the economic wealth and advantages and resources of coastal communities, seek to develop their local economies around the growing warehouse and logistics industries. In some instances, these jurisdictions are in competition with potential locations in Nevada and Arizona.

All other proposed local economic subsidies are required to comply with the transparency provisions established by AB 562 (Williams), Chapter 740, Statutes of 2014. That law, Section 53083 of the Government Code, requires significant upfront transparency prior to any economic subsidy over \$100k being provided; permanent posting on the local agency's website; and a periodic five-year report during its term. For a warehouse, however, this bill requires much more detailed information; annual reports and public hearings, and copies sent to the Governor's Office of Business and Economic Development.

While the bill states that there is a "statewide concern" it fails to articulate why there is a need for such extensive analysis and reporting specifically on a warehouse as opposed to a myriad of other potential economic development opportunities.

Last year, Governor Brown's veto message on a similar bill stated that it "...goes too far by adding reporting rules that will be overly burdensome to a single industry. It may actually hinder efforts to improve business opportunities in local communities, which is an outcome no one desires." The policy justification for such additional complexity associated with a warehouse remains unclear.

For the reasons stated above, the City opposes AB 485. If you have any questions, please feel free to contact Louie Lacasella, City Manager's Office at (951) 461-6008 or [llacasella@MurrietaCA.gov](mailto:llacasella@MurrietaCA.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Kelly Seyarto', written in a cursive style.

Kelly Seyarto  
Mayor

Cc. Murrieta City Council  
Senator Jeff Stone  
Assembly Member Melissa Melendez  
Erin Sasse, League of California Cities Public Affairs Manager  
David Jones, Emanuels Jones & Associates