

## **ILUP: BACKGROUND**

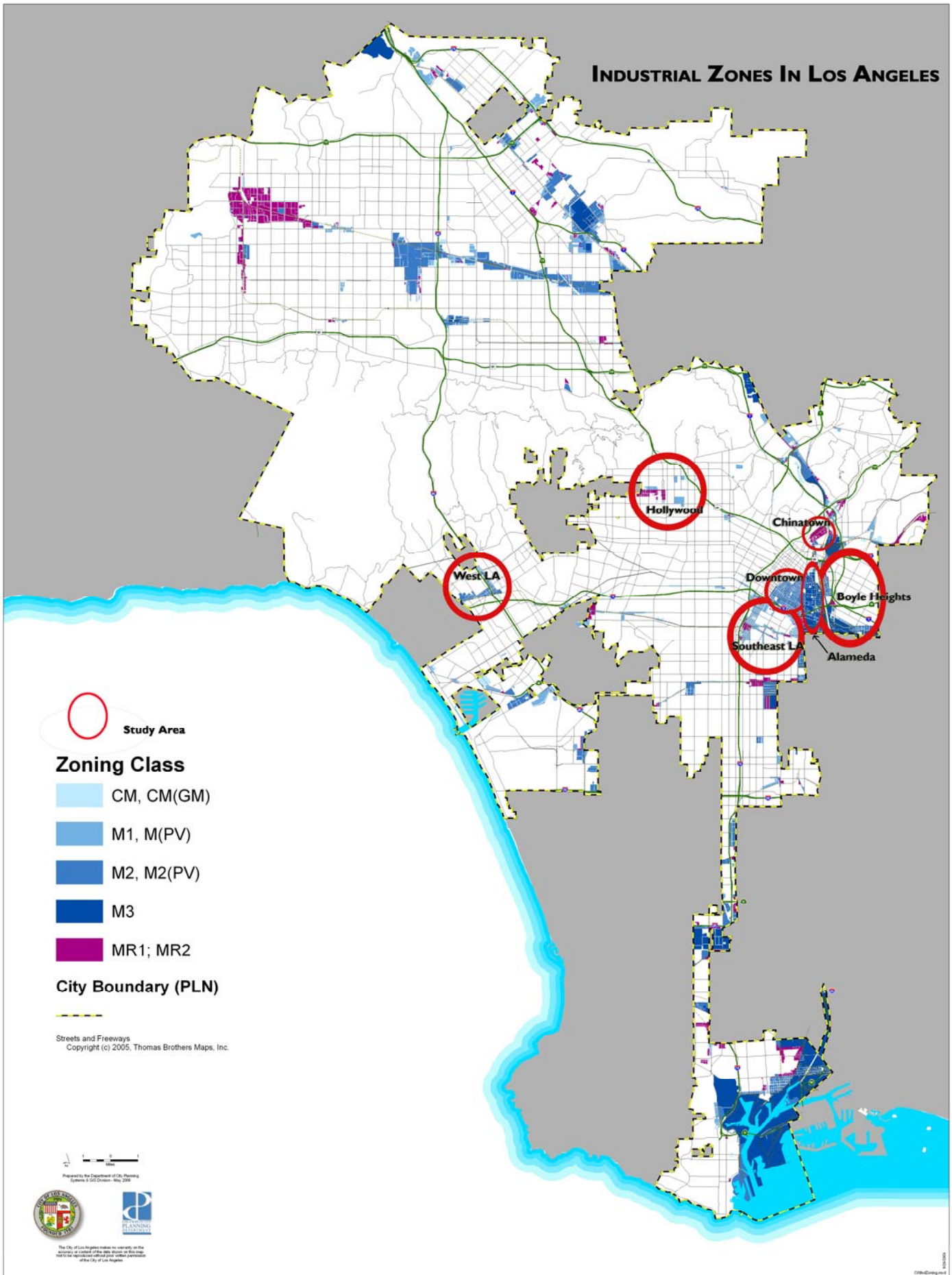
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The Mayor's Office in December 2005 directed the Department of City Planning and the Community Redevelopment Agency to undertake this study in response to the trend of converting industrial land for residential, commercial and institutional uses. Upon completion of the Project, staff conclusions regarding current city policy—to preserve industrial districts for job-producing uses and to review certain key areas for new General Plan designations and/or zoning and through the Community Plan process will be transmitted to the Planning Commission. No change to the General Plan will directly occur from these ILUP policy conclusions; stakeholder input regarding land use changes will be included in the Community Plan Update process.

Study findings to date point to serious consequences if the city's industrial land base continues to erode at the current rate. Some key findings include:

- Middle class manufacturing jobs are lost to other cities, although increases in population and housing units are creating a need for even more employment for Angelenos.
- Housing and jobs should be located in proximity to one another. Spatial mismatch creates a range of problems like gentrification, air pollution, longer commutes, loss of productivity and diminished quality of life.
- The City's effort to create "livable neighborhoods" is countered by a de-facto policy of parcel-by-parcel land use decisions. Dissipation of housing development not only adversely affects industrial districts, but detracts investment from those established residential neighborhoods.
- Many industrial land uses are necessary services that benefit the surrounding communities, like pet care, auto repair and building materials. Since some of these uses are restricted if in proximity to residential uses, developing housing in these districts limits the future of such services.
- To strengthen L.A.'s reputation for innovation and creativity, the City must provide the right environment – infrastructure, economic incentives and zoning regulations – to stimulate start-up industries and investments.

# INDUSTRIAL ZONES IN LOS ANGELES



# **Industrial Land Use Policy Project – BACKGROUND BRIEFING**

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*Under Direction of the Mayor, a Joint Effort of the Department of City Planning and the Community Redevelopment Agency of Los Angeles*

*Goals:*

- 1) Preserve land for new and future job growth
- 2) Retain jobs and businesses that currently serve our residents
- 3) Create work plan to enhance and improve industrial areas
- 4) Bring certainty to business and development communities and the public

## **KEY POINTS**

### **• A Healthy City Needs Jobs**

- In past 25 years, City of LA hasn't created a single new net job
  - Population increased by almost a million residents since 1980, but jobs declined by 57,000 (SCAG 2004)
  - City of Los Angeles projects jobs/housing ratio will fall from 1.41 in 1997 to 1.16 in 2025 (DCP Framework 1996)
- Only 8% of City's land is zoned industrial (excluding Port and LAX) = 19,000 acres
  - 26% (and growing) is already used for non-industrial purposes

### **• Tremendous Economic Impact of Industrial Lands**

- Los Angeles County is largest manufacturing center in nation as measured by employment (US Dept. of Labor, BLS 2005 reported by LAEDC Mar 2006)
- Industrial market in Los Angeles = tightest in the nation (Grubb & Ellis 2006)
  - Less than 1% vacancy rate in Central LA submarket (includes Downtown)
  - Drives up cost of industrial occupancy for businesses
  - Results in very limited space/land or buildings for business expansion
  - Over 1 million sq ft of current industrial demand in Central LA (LAEDC 2006)
- Industrial sector = 410,000 of 1,663,000 jobs in City, 25% of workforce in City (EDD 2005)
- Contributes 13% of total city revenues (*through property, business, utility and sales taxes*) collected by city, \$219 million annually in 2002 (IDPI)
- Those jobs support an estimated 270,000 households and 790,000 people (based on 410,000 jobs - Census 2000, Census 2005 ACS, BLS Consumer Spending 2001-2002)
- Industrial jobs have significant linkage to non industrial jobs (warehousing, food processing, shipping, repair, supplies)

### **• Industrial Jobs are Gateway to the Middle Class**

- Industrial jobs pay 1.5 times as much as retail jobs \$47,000 vs \$29,000 (EDD 2005)
- Provide career ladder and skill building jobs that are available to workers without post high school education
- Metro Los Angeles region (land from Hollywood to Greater Downtown)= half of City's industrial employment (SCAG 2000/IDPI)

- **We don't need industrial land to solve the housing crisis**
  - Existing capacity in downtown commercial and residential zones alone for 10-20 million ft<sup>2</sup> in residential development with access to transit, services, retail, parking, parks, etc.
  - Residential land value/sales price is about three times as much as industrial land (\$170-180 vs. \$40-50 sq ft)
  - Housing built on industrial land is not more affordable
    - Minimal difference in sales price for housing in South Park vs. Downtown industrial areas
    - Since 2001 only 3% of housing built in Downtown industrial areas was affordable; all as a result of public assistance
  - Land Speculation in industrial areas is driving up rents/land prices and pricing out industrial tenants.
    - Housing in industrial districts leads to disinvestment in businesses that remain
    - No certainty that new residential district will evolve to eliminate pervasive land use incompatibilities

### **What We Did Over the Past 2 Years**

- Analyzed 3 geographic sub areas – Greater Downtown (Alameda, Boyle Heights, Chinatown, Downtown, and Southeast LA), Hollywood and West LA
  - Areas experiencing greatest pressure to convert
  - Staff conducted field surveys, interviews with industrial business owners, data analysis between Dec 05 – Nov 06.
  - Issued preliminary recommendations Nov 06.
- Met with public, elected officials, business community, community organizations
  - Held more than a dozen public meetings Nov 06 – June 07
- Coordinated with Staff of various city departments
- Revised preliminary staff directions based on public and staff consultations

## ILUP Team Conclusions

- Affirm existing adopted policy to protect Industrial zoned land for employment/ industrial uses
- Strengthen mechanisms to implement that policy
- Make improvements to increase viability of industrial land
- Outline future work plan to improve and enhance industrial areas
  - Short term direction to stabilize and foster investment
  - Long term direction to improve employment and industrial lands through community plan policies and coordination
  - If merited, Community Plan Updates are the right place to make any policy changes
    - ILUP work will help inform and guide those updates
    - Capture community benefits if converting industrial land or changing industrial land use patterns
- Work product entails direction to DCP-CRA/LA staff
  - 4 Typologies; maps of all study areas showing geographically-specific directions:

<b>District Summary</b>	<b>Acres</b>	<b>% of Land</b>		<b>% of Jobs</b>	<b>% of Firms</b>
Employment Protection	<b>2,633</b>		80%	76%	58%
Industrial Mixed Use	<b>308</b>	9%	10%	18%	
Transition	<b>261</b>	8%	13%	22%	
Correction	<b>101</b>	3%	1%	1%	
<b>Total</b>	<b>3303</b>				

- Community Benefits to reduce impact of loss of industrial activity
- Background Report
  - Extensive background research on:
    - industrial land in Los Angeles,
    - economic and fiscal impacts of industrial sector,
    - industrial workforce,
    - comparison of housing vs. industrial activity,
    - zoning and building code regulations, and
    - other cities responses to similar issues.
- Because no change to policy, no Board/Commission action necessary
  - Will hold public review meetings prior to commission meetings early Jan
- Will be presented at **City Planning Commission 1/10/08** and **CRA/LA Board of Commissioners 1/17/08**

## PRELIMINARY RESEARCH CONCLUSIONS

- LA County is the largest manufacturing center in the U.S.  
(Source: LAEDC, “LA Stats 2006.”)
- In 2000, Industrial employment represented approximately 410,000 jobs in City of LA, 25% of total workforce in City
- Only 8% of City’s land is zoned for industrial uses, equaling approximately 19,045 acres (excluding Port and LAX, which are primarily transportation and import/export related uses and not currently subject to non-industrial development pressures)
- Approximately 1/4 of industrial zoned land is used for other purposes, leaving only 14,093 acres of City’s land in industrial use
- L.A.’s industrial lands reflect unique characteristics:
  - Provide land for Incubators/start ups in older districts with smaller parcels
  - Sustain small business operators – industries have stayed in LA by adapting to changing labor and economic conditions
  - Contain specialty districts of citywide, regional, even national importance such as districts for Flower, Jewelry, Toy, Produce, Fashion, Media Production, etc.
  - Typically produce goods in smaller quantities or finish products, unique and higher quality goods allowing businesses to respond quickly to market needs
  - Provide industrial services for surrounding areas
  - Frequently employ nearby residents, many of whom are transit dependent
- According to LAEDC’s LA Stats 2006, the largest manufacturing sectors include the following number of workers:
  - 61,500 in apparel
  - 60,500 in computer and electronic products
  - 51,900 in transportation products
  - 48,200 in fabricated metal products
  - 43,400 in food products
  - 25,500 in furniture
- Job growth industries are in bio-medical, entertainment, logistics and digital/media sectors
- Industrial land values and prices in the study areas have doubled and, in some cases, tripled as residential developers out bid industrial users

## INDUSTRIAL LAND USE POLICY STUDY TYPOLOGIES

- **“Employment Protection Districts”** - Areas where industrial zoning should be maintained, and where adopted General Plan, Community Plan and Redevelopment Plan industrial land use designations should continue to be implemented. Residential uses in these Districts are not appropriate.
- **“Industrial Mixed Use Districts”** - Areas that should remain as predominantly industrial/employment districts, but which may support a limited amount of residential use.
- **“Transition Districts”** - Areas where the viability of industrial use has been compromised by significant land use conversions and where this transition to other uses should be continued. Transition Districts are also areas where “Alternate Policies” (AP) such as Specific Plans; Transit Oriented Districts (TOD) and other planning efforts have been initiated or adopted. Unlike “Industrial Mixed Use Districts,” stand-alone housing or mixed-use developments containing housing and commercial uses may be appropriate in “Transition Districts.”
- **“Correction Areas”** - Areas where earlier land use decisions resulted in inappropriate land use patterns. A change in zoning and land use designations to correct existing land use conflicts is appropriate and should be encouraged.

<i>Studied Area Summary</i>	<i>Acres</i>	<i>% of Land</i>	<i>% of Jobs</i>	<i>% of Firms</i>
Employment Protection Districts	2,633	80%	76%	58%
Industrial Mixed Use Districts	308	9%	10%	18%
Transition Districts	261	8%	13%	22%
Correction Areas	101	3%	1%	1%
<i>Total</i>	3,303			

## COMMUNITY BENEFITS

### *For Industrial Mixed Use and Transition Districts*

#### **a. Relocation Consultation for Displaced Business**

- Require the use of a relocation consultant, paid for by the applicant, to identify sites, needed entitlements at relocation sites, and other conditions which would need to be met to effectuate the relocation.

#### **b. Job Training Assistance Fund**

- Require a \$15,000 payment for each industrial job displaced into a City approved job training assistance fund. Assistance will be targeted to employees of displaced businesses wherever possible.

#### **c. Minimum Job-Producing Space**

- Require and appropriately design (with regard to floor to ceiling heights, clearances, access to loading docks, etc.) a minimum percentage of project floor area equivalent to at least one (1) story or 0.5 FAR, whichever is less, to be permanently maintained for industrial/employment use and occupancy.

#### **d. Affordable Housing**

- Require a minimum number of on-site affordable units in residential, mixed-use, artist housing or live/work projects, based on the following percentages: 10% very low, 15% low, or 20% moderate income. A density bonus may be used towards satisfying this requirement.
- Use covenants to restrict affordability for a minimum of 55 years; provide for shared equity recovery if the units are developed as for-sale units.
- If on-site affordable units are infeasible, assess a fee for or require offsite units within a reasonable proximity to the site, but not on parcels that would exacerbate the loss of industrial land.

#### **e. Open Space**

- Require an open space fee equivalent to the Quimby fee in high-density residential (R5) zones for all housing types (including rental units), regardless of the density of the project.
- Allow offsets to the open space fee for privately created and maintained, but publicly accessible, open space.

#### **f. Infrastructure Improvements**

- Require appropriate infrastructure improvements such as sidewalks, curbs, gutters, trees, street lighting, etc. to create residential amenities in conjunction with changes to land use and/or zoning to provide residential uses. Such improvements should be designed to advance urban design, access and walkability standards appropriate to the particular site and its environs.

#### **g. Additional Conditions Within the Artist in Residence District Only (*including the potential expansion thereto*):**

- Require that the applicant covenant all residential or live/work units for artists with a valid business license.
- Prohibit private covenants, conditions and restrictions (CCRs) that restrict “hot arts” and artists that manufacture art.
- Include a certain percentage of floor area to be designated for communal work, gallery or other artist-related uses. (This can be credited toward the Community Benefit Minimum Job Producing Space requirement).

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## Key Facts About the City of Los Angeles' Industrial Economy

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### **A. Industrial Land Use and Development**

1. Industrial zoned land in the City of Los Angeles (excluding the Port and LAX) equals 19,045 acres.
  - 8% of the city's land.
2. The largest land uses on industrial zoned land are:
  - Industrial uses
    - Light manufacturing (28%)
    - Warehousing (12%)
    - Heavy manufacturing (7%)
  - Non-industrial uses
    - Institutional (10%)
    - Retail (8%)
    - Residential (4%)
3. There may be as much as 1,700 acres of vacant industrial land in the City, equal to 9.4% of total industrial zoned land.
4. A significant amount of industrial zoned land is used for non-industrial purposes.
  - 74% for industrial uses (14,124 acres)
  - 26% for non-industrial uses (4,922 acres)
5. The city has a significant amount of industrial uses on non-industrial zoned land.
  - 7,272 acres (3%) of the City's non-industrial zoned acreage is used for industrial purposes.
    - This amount represents almost 35% of the City's total industrial defined activity.
6. A significant amount of industrial zoned land (4792 acres) is located within the 34 redevelopment areas of the City, with considerable blight and decay.
  - 25% of the City's industrial land
  - Of the 5,296 industrial buildings in CRA/LA areas, 47% need rehabilitation.
7. A significant amount of the City's industrial land is problematic to develop because of environmental contamination.

8. A paradox exists in industrial land development in Los Angeles.
  - Industrial vacancy rates throughout the County and City are currently in the 2 to 4% range and have been in that range since the late 1990s, in spite of the loss of manufacturing jobs and businesses.
    - Rents for industrial space have remained relatively flat for almost a decade.
    - Prices for industrial zoned land have been increasing, which has made many industrial development projects financially infeasible.

### **B. The Industrial Base of the City of Los Angeles**

1. The City's six largest industries, which represent over 50% of the City's industrial workforce, are:
  - Wholesale trade, durables: 60,964 workers; 12%
  - Wholesale trade, non-durables: 44,143 workers; 9%
  - Motion picture production: 43,793 workers, 9%
  - Apparel manufacturing and design: 40,882 workers, 8%
  - Printing and allied products: 40,446 workers, 8%
  - Transportation, communication & utilities: 35,787 workers, 7%
2. Small businesses provide the bulk of industrial employment in the City.
  - 54% of industrial workers are employed in firms of 250 or fewer employees.
  - 31% of industrial workers are employed in firms with fewer than 100 employees.
3. The Los Angeles Economic Development Corporation (LAEDC) projected seven industrial SIC codes with high growth potential.
  - The Motion Picture industry was ranked first with over \$3.2 million in annual business tax revenue.
  - Transportation Services ranked second providing almost \$1.9 million.
  - Printing, Publishing and Allied Industries ranked third with over \$1.1 million.

**C. Employment and Business Changes**

1. From 1997 to 2000, the County experienced a net loss of 309 manufacturing establishments.
  - Transportation equipment down 8.2%
  - Machinery down 5.6%
  - Printing and related industries down 4.9%
  - Computer and electronics down 4.7%
2. The largest job losses occurred in transportation equipment.
  - Transportation equipment down 14.5%
    - These losses are associated with the reduction of airline orders and the closure of major airline manufacturers.
3. The only major job gainers were the food industry and the miscellaneous category.
4. The only major increase in number of establishments and firms was among furniture and related products firms (+38.3%).
  - This industry did not gain or lose jobs, suggesting decentralization into smaller specialty firms.
5. The Metro Los Angeles industrial region contains over half of the City's industrial employment at 53.8%.
  - Nearly 87% of all City employment in Apparel Manufacturing is located in the Metro L.A. region.
    - The apparel industry has the greatest concentration of firms and employment among industrial sectors.
6. The second largest concentration of industrial employment is located in the West San Fernando Valley at 15%.

**D. Infrastructure**

1. An Infrastructure Report Card prepared by the City's Bureau of Engineering of the Department of Public Works gave the City's infrastructure an overall grade of C+.
2. The most serious infrastructure limitations on industrial activity are constraints on goods movement and the City's roadways and area rail freight systems.
3. The Bureau of Engineering Report Card graded all components within the city's infrastructure.
  - The DWP's overall power system infrastructure rating is a "B."
  - The DWP's overall water system infrastructure rating is a "C."
  - The Bureau of Sanitation's wastewater treatment system rating is a "B+."
  - The Bureau of Sanitation's wastewater collection system rating is a "B+."
  - The Bureau of Sanitation's stormwater infrastructure condition rating is a "C+."

**E. Industrial Tax Revenues**

1. Citywide revenues generated in 2002 from all property, utility, sales and business taxes totaled \$1.7 billion.
  - Industrial sources account for \$219.4 million or 12.9% of total city revenues. Of these industrial revenues:
    - Property tax = 18.1%
    - Utility user tax = 46.4%
    - Business tax = 17.2%
    - Sales tax = 18.3%

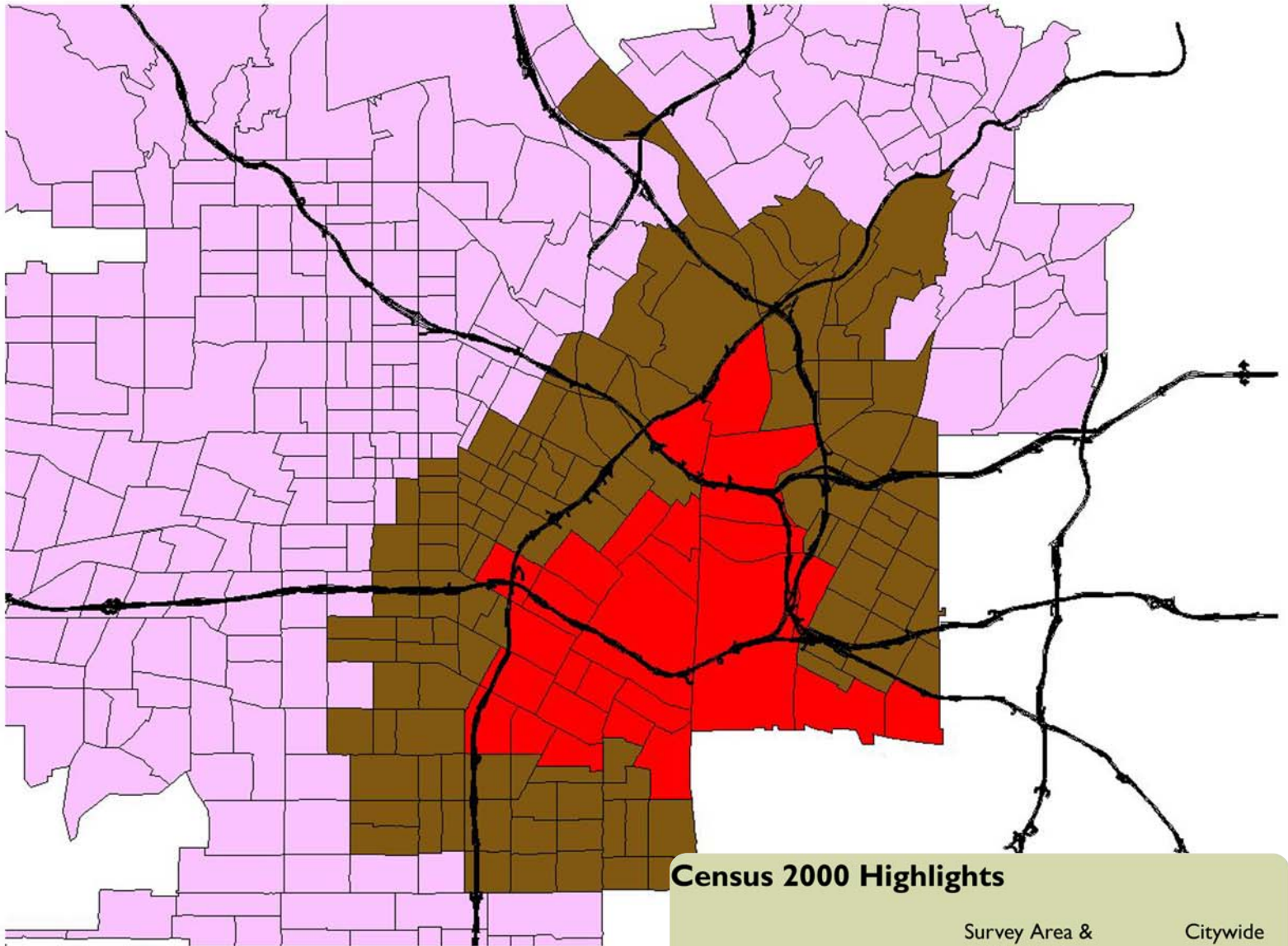
**F. Construction and Conversion**

1. Industrial construction within the City's industrial zones totaled \$769 million from 1997 to 2002, representing less than 49% of building permit valuations. Of these:
  - Warehouse = 36%
  - Manufacturing = 22%
  - Garage/Storage = 21%
  - Misc. Industrial/Other = 21%
2. Within the City's industrial zones, non-industrial use permit valuations totaled \$807 million from 1997 to 2002.
  - Slightly over 51% of the value of permits issued in those zones were for non-industrial uses during that period.
    - 33% of permits were for commercial uses
    - 14% retail uses
    - 3% residential uses
    - 2% institutional uses
3. Construction in the City's Industrial Regions was greatest in the Harbor Region in 2001.
  - Over 51% of industrial construction, 1.4 million sq. ft., was developed in the Harbor Region.

**G. Challenges to Industrial Development**





1. Issues that affect the redevelopment and revitalization of industrial land include:
  - Land availability and cost
  - Building and site limitations
  - Basic infrastructure and access/capacity limitations
  - Brownfields uncertainties
  - Entitlement process in the City of Los Angeles vs. elsewhere
  - National and global economic influences
2. A common challenge in encouraging new private investment is land assembly.
  - Parcel sizes are often too small to develop individually.
  - Negotiating with multiple owners can make land assembly time-consuming and/or cost-prohibitive.

# Greater Downtown Area Los Angeles Demographic Data (2000 Census)



## Census 2000 Highlights

	Survey Area & 1 Mile Radius	Citywide
Housing Units Without Access to a Private Vehicle	42,330 (39%)	210,770 (17%)
Persons Over 25 With a High School Diploma or Less	174,853 (79%)	1,172,110 (51%)
Persons Employed in Manufacturing	34,526 (28%)	202,277 (13%)
Population Living Below the Poverty Line	148,095 (38%)	801,050 (22%)

-  Freeways
-  Downtown Industrial Areas and Intersecting Tracts\*
-  1 Mile Radius
-  Census 2000 Tracts

\* Includes Survey Area and Non-Industrial Zones

Downtown Industrial Area is Comprised of Southeast Los Angeles, Chinatown, Alameda, Downtown Core and Boyle Heights



**Greater Downtown Industrial Area  
Los Angeles Demographics for 2000**

	Greater Downtown		City of Los Angeles	
	Industrial Area			
	1-Mile Radius*			
	Count	Percent	Count	Percent
Total Population	407,837		3,694,834	
Total Working Outside the Home	118,184		1,433,200	
Transit, Bike or Walk to Work	44,225	37	214,873	15
Commute Less Than 15 Minutes	22,174	19	270,935	19
Commute 15-24 Minutes	34,675	29	424,978	30
Commute 25-34 Minutes	31,281	26	349,706	24
Commute 35-44 Minutes	6,930	6	103,391	7
Commute 45 Minutes or More	23,124	20	284,190	20
Total Population 25 and Over	222,095		2,308,887	
High School Diploma or Less	174,853	79	1,172,110	51
Greater than High School Diploma	47,242	21	1,136,777	49
Employed Civilian Population 16 and Over	124,954		1,532,074	
Employed in Manufacturing	34,526	28	202,277	13
Employed in Wholesale Trade	7,328	6	60,691	4
Employed in Transportation and Warehousing	4,513	4	55,755	4
Total Household	109,276		1,276,609	
Households With Any Public Assistance	15,537	14	88,017	7
Persons With Poverty Status Determined	384,742		3,622,606	
Living Below the Poverty Line	148,095	38	801,050	22
100-200% of Poverty Line	130,217	34	878,215	24
Living Above 200% of the Poverty Line	106,430	28	1,943,341	54
Occupied Housing Units	109,143		1,275,358	
With No Access to Private Vehicle	42,330	39	210,770	17
With 1+ Vehicles	66,813	61	1,064,588	83
Source: Census 2000 Summary File 3, Sample data aggregated by census tracts for those tracts intersecting the Industrial Survey Area, and at 1, 2, and 3 mile radi from the Survey Area.				
* Radi are measured from the industrial zoned survey area. All totals are inclusive.				

**City of Los Angeles  
General Plan Framework Excerpts**

**Chapter 3 - Land Use  
GOALS, OBJECTIVES AND POLICIES  
ISSUE ONE: DISTRIBUTION OF LAND USE**

**GOAL 3A**

A physically balanced distribution of land uses that contributes towards and facilitates the City's long-term fiscal and economic viability, revitalization of economically depressed areas, conservation of existing residential neighborhoods, equitable distribution of public resources, conservation of natural resources, provision of adequate infrastructure and public services, reduction of traffic congestion and improvement of air quality, enhancement of recreation and open space opportunities, assurance of environmental justice and a healthful living environment, and achievement of the vision for a more liveable [*sic*] city.

Objective 3.2

Provide for the spatial distribution of development that promotes an improved quality of life by facilitating a reduction of vehicular trips, vehicle miles traveled, and air pollution.

Policy 3.2.3

Provide for the development of land use patterns that emphasize pedestrian/bicycle access and use in appropriate locations. ([P1](#), [P2](#), [P4](#))

Objective 3.4

Encourage new multi-family residential, retail commercial, and office development in the City's neighborhood districts, community, regional, and downtown centers as well as along primary transit corridors/boulevards, while at the same time conserving existing neighborhoods and related districts.

Policy 3.4.2

Encourage new industrial development in areas traditionally planned for such purposes generally in accordance with the Framework Long-Range Land Use Diagram and as specifically shown on the community plans. ([P1](#), [P2](#), [P18](#), [P21](#), [P26](#), [P37](#), [P39](#))

**Chapter 3 - Land Use**  
**GOALS, OBJECTIVES AND POLICIES**  
**ISSUE TWO: USES, DENSITY, AND CHARACTER**

**INDUSTRIAL**

***Definition***

It is the intent of the General Plan Framework Element to preserve industrial lands for the retention and expansion of existing and attraction of new industrial uses that provide job opportunities for the City's residents. As indicated in the Economic Development Chapter of the Framework Element, some existing industrially zoned lands may be inappropriate for new industries and should be converted for other land uses. Where such lands are to be converted, their appropriate use shall be the subject of future planning studies. Policies provide for the consideration of a broader array of uses within the industrial zones than has traditionally been acceptable to facilitate the clustering of uses, which may include retail, that support the basic industries or the location of industries in the same area where the waste products of one can be recycled as a resource for another ("industrial ecology") or a campus-like cluster of related uses.

**GOAL 3J**

**Industrial growth that provides job opportunities for the City's residents and maintains the City's fiscal viability.**

**Objective 3.14**

Provide land and supporting services for the retention of existing and attraction of new industries.

**Policies**

*Uses and Density*

3.14.1 Accommodate the development of industrial uses in areas designated as "Industrial-Light," "Industrial-Heavy," and "Industrial-Transit" in accordance with [Tables 3-1](#) and 3-9. The range and intensities of uses permitted in any area shall be determined by the community plans. ([P1](#), [P18](#))

<b>Land Use Designation</b>	<b>Corresponding Zones</b>
Industrial-Light	CM, MR 1, MR 2, M1, M2
Industrial-Heavy	M 3
Industrial-Transit	CM, M1, M2, C2

3.14.2 Provide flexible zoning to facilitate the clustering of industries and supporting uses, thereby establishing viable "themed" sectors (e.g., movie/television/media production, set design, reproductions, etc.). ([P19](#))

- 3.14.3 Promote the re-use of industrial corridors for small scale incubator industries. ([P1](#), [P2](#), [P26](#), [P31](#), [P36](#))
- 3.14.4 Limit the introduction of new commercial and other non-industrial uses in existing commercial manufacturing zones to uses which support the primary industrial function of the location in which they are located. ([P1](#), [P38](#))
- 3.14.5 Promote the development of a mix of commercial and light industrial uses in areas designated as Industrial-Transit. ([P1](#), [P38](#))
- 3.14.6 Consider the potential re-designation of marginal industrial lands for alternative uses by amending the community plans based on the following criteria:
- a. Where it can be demonstrated that the existing parcelization precludes effective use for industrial or supporting functions and where there is no available method to assemble parcels into a unified site that will support viable industrial development;
  - b. Where the size and/or the configuration of assembled parcels are insufficient to accommodate viable industrial development;
  - c. Where the size, use, and/or configuration of the industrial parcels adversely impact adjacent residential neighborhoods;
  - d. Where available infrastructure is inadequate and improvements are economically infeasible to support the needs of industrial uses;
  - e. Where the conversion of industrial lands to an alternative use will not create a fragmented pattern of development and reduce the integrity and viability of existing industrial areas;
  - f. Where the conversion of industrial lands to an alternative use will not result in an adverse impact on adjacent residential neighborhoods, commercial districts, or other land uses;
  - g. Where it can be demonstrated that the reduction of industrial lands will not adversely impact the City's ability to accommodate sufficient industrial uses to provide jobs for the City's residents or incur adverse fiscal impacts; and/or
  - h. Where existing industrial uses constitute a hazard to adjacent residential or natural areas. ([P1](#), [P18](#))
- 3.14.9 Initiate programs for lot consolidation and implement improvements to assist in the retention/expansion of existing and attraction of new industrial uses, where feasible. ([P36](#), [P37](#))

## **Chapter 7 – Economic Development GOALS, OBJECTIVES AND POLICIES**

### **GOAL 7A**

**A vibrant economically revitalized City.**

#### **Objective 7.1**

Focus available resources on a coordinated and comprehensive effort to promote economic activity in Los Angeles, including an aggressive marketing program that communicates the resources and assets available within the City.

#### **Policies**

- 7.1.2 Encourage community-based service and development entities in efforts to create small business expansion at the local level. ([P35](#), [P43](#))
- 7.1.3 Create and implement an economic development strategy. ([P35](#))
- 7.1.4 Develop an infrastructure investment strategy to support the population and employment growth areas. ([P36](#))
- 7.1.5 Allocate available public resources within the context of the market demand anticipated over the next five years. ([P38](#))
- 7.1.6 Identify Federal and State mandates which represent unreasonable barriers to future economic development in the City, and begin to address these mandates through appropriate lobbying efforts. ([P27](#))

### **GOAL 7B**

**A City with land appropriately and sufficiently designated to sustain a robust commercial and industrial base.**

#### **Objective 7.2**

Establish a balance of land uses that provides for commercial and industrial development which meets the needs of local residents, sustains economic growth, and assures maximum feasible environmental quality.

#### **Policies**

##### *Industrial*

- 7.2.8 Retain the current manufacturing and industrial land use designations, consistent with other Framework Element policies, to provide adequate quantities of land for emerging industrial sectors. ([P1](#), [P18](#))
- 7.2.9 Limit the redesignation of existing industrial land to other land uses except in cases where such redesignation serves to mitigate existing land use conflicts, and where it meets the criteria spelled out in Policy [3.14.6](#) of [Chapter 3: Land Use](#). ([P18](#))
- 7.2.10 Ensure that the City's industrial sites are regionally competitive to maintain and enhance a core manufacturing base. ([P37](#), [P38](#), [P39](#))
- 7.2.11 Ensure that the City has sufficient quantities of land suitable to accommodate existing, new and relocating industrial firms, whose operations are appropriate to a specific location in Los Angeles. ([P18](#), [P26](#), [P38](#))

- 7.2.12 Establish, as shown in [Figure 7-1](#), the area adjacent to the Port of Los Angeles, the rail corridor bisecting the San Fernando Valley, and the South Central/Southeast industrial area as market-linked targeted industrial areas (market-linked areas are described on page 7-4). ([P1](#), [P18](#))
- 7.2.13 Facilitate environmentally sound operations and expansion of the Port of Los Angeles and the Los Angeles International Airport as major drivers of the local and regional economy. ([P3](#), [P5](#), [P6](#), [P42](#))
- 7.2.14 Take steps to assure that new industries developed are sensitive to environmental and conservation issues, and that cumulative environmental impacts are addressed.

## **GOAL 7C**

**A City with thriving and expanding businesses.**

### **Objective 7.3**

**Maintain and enhance the existing businesses in the City.**

#### **Policies**

##### *Industrial*

- 7.3.4 Recognize the crucial role that the Port of Los Angeles and the Los Angeles International Airport play in future employment growth by supporting planned Port and Airport expansion and modernization that mitigates its negative impacts. ([P5](#), [P40](#))
- 7.3.5 Improve the movement of goods and workers to industrial areas. ([P3](#), [P4](#), [P45](#))
- 7.3.6 Retain the City's existing manufacturing base through an outreach program to existing businesses and an ongoing assessment of their specific land use requirements. ([P35](#), [P36](#), [P62](#))
- 7.3.7 Prioritize the retention and renewal of existing industrial businesses. ([P35](#), [P36](#), [P37](#))
- 7.3.8 Assist existing industries located in Los Angeles with their expansion plans and/or relocation efforts to find suitable industrial sites in the City. ([P36](#), [P37](#))

## **GOAL 7D**

**A City able to attract and maintain new land uses and businesses.**

##### *Target Industries*

### **Objective 7.5**

Capture a significant share of regional growth in the "targeted" or emerging industries in the City of Los Angeles.

#### **Policies**

- 7.5.1 Identify emerging and pro-actively clean industries to specifically attract to the City of Los Angeles. ([P35](#))
- 7.5.2 Maintain an ongoing dialogue with representatives of major firms in the target industries to determine facility/siting, infrastructure, and labor force requirements. ([P35](#), [P37](#))
- 7.5.3 Strive to provide an industrial business climate that meets the needs of the targeted industries. ([P21](#), [P35](#), [P36](#), [P40](#))

- 7.5.4 Proactively market Los Angeles to emerging industries to encourage them to locate within the City, with an emphasis on the attraction of environmentally-oriented and "clean" industries. ([P35](#), [P40](#))

### **GOAL 7E**

**A City with a highly qualified labor force.**

#### **Objective 7.7**

Achieve an effective "match" between the qualifications of the local labor force and the anticipated personnel requirements of existing and emerging industries in the City.

### **GOAL 7F**

**A fiscally stable City.**

#### **Objective 7.8**

Maintain and improve municipal service levels throughout the City to support current residents' quality of life and enable Los Angeles to be competitive when attracting desirable new development.

#### **Policies**

- 7.8.1 Place the highest priority on attracting new development projects to Los Angeles which have the potential to generate a net fiscal surplus for the City. ([P35](#), [P36](#))
- 7.8.2 Implement proactive policies to attract development that enhances the City's fiscal balance, such as providing financial incentives and permitting assistance. ([P35](#), [P36](#), [P40](#), [P67](#))
- 7.8.3 Encourage mixed-use development projects, which include revenue generating retail, to offset the fiscal costs associated with residential development. ([P18](#), [P22](#))

### **GOAL 7G**

**A range of housing opportunities in the City.**

#### **Objective 7.9**

Ensure that the available range of housing opportunities is sufficient, in terms of location, concentration, type, size, price/rent range, access to local services and access to transportation, to accommodate future population growth and to enable a reasonable portion of the City's work force to both live and work in the City.

### **GOAL 7H**

**A distribution of economic opportunity throughout the City.**

#### **Objective 7.10**

Program resources in a manner that encourages appropriate development, housing opportunities, transit service and employment generation in all areas of the City, with particular emphasis on those portions of the City which historically have not received a proportional share of such opportunities, consistent with the City's overall economic policies.