What is the Future of the City’s Industrial Land?

Presented by the Department of City Planning & Community Redevelopment Agency

May 2006
Key Facts

• Only 8% of City is zoned for industrial use
  – (19,000 acres, net of Port and LAX)

• Industrial lands - a critical component of City’s economy:
  – Industrial tax revenues total $219.4 million
  – 13% of City total
  – Industrial employment in City totals 509,000 jobs
  – 28.5% of City total employment
Key Facts

• Housing is not allowed by right in Industrial Zones
  – Requires zone change by City of Los Angeles

• Live/work is allowed conditionally
  – Requires discretionary review of the Planning Dept.
Major Issues

• Other uses can outbid industrial uses
• Substantial loss of industrial land to other uses:
  – 26% of industrial zoning has non-industrial uses
  – Great demand for schools, institutions, big box commercial, and housing
Major Issues

- From 1997-2002, 51% of the value of building permits issued on industrial land was for non-industrial uses.

- Vacancy rate for industrial land is very low—less than 2%.
Mayor’s Office Request

• Study led by DCP & CRA, involving DOT, CDD, and other Departments
  – Survey existing industrial land
    o Hollywood, Westside, Downtown
      (to date, rest of City to follow)
  – Analyze data

• Provide policy recommendations to CPC, City Council and Mayor
Key Policy Question:

Should industrial land be used to accommodate housing demand, or generally retained to provide industrial-related jobs and services?
3 General Policy Options

1. Retain and protect existing industrial zones
2. Allow partial or full conversion to other uses
3. Modify existing zoning to allow a greater mix of industrial and other uses
Factors to Consider

• A healthy city must maintain a balance of jobs and housing
  – Need for both is great and will continue as our population grows
  – Many industrial jobs require skilled labor and offer higher than retail wages
Factors to Consider

- Industrial uses provide land for jobs and contribute to City’s tax base
  - Loss of industrial uses decrease revenue to General Fund
  - Residential uses increase the demand for General Fund services w/o corresponding increase in revenues
Factors to Consider

• New housing in industrial zones increases land costs for new and expanding businesses
  – Many local entrepreneurs who start businesses in industrial areas are unable to stay as they grow.

• High current demand for industrial land
  – Small parcels - business incubators and start ups
  – Large parcels – studios and business campuses
Factors to Consider

• Industrial land also provides for “industrial services”
  – many services needed by the community “fit best” in industrial zones, e.g.,
    • Auto repair
    • Kennels and animal hospitals
    • Public storage
    • Lumberyards and nurseries
Factors to Consider

• In Hollywood especially, demand for studio and entertainment-related uses

• There is a benefit to an industrial or entertainment “district” – supports interdependent relationships
Survey Process

Zoning map
Survey Process

- Field survey of industrial zones by foot to record:
  - Existing uses/businesses
  - Condition of structures
  - Surrounding uses and neighborhoods
What we Found in Hollywood

- 80% of uses are Industrial

- Industrial: 80%
  - Commercial: 8%
  - Misc: 12%
What we found in Hollywood

- 202 acres - Studios, post production, prop houses, digital imaging and film processing
- 16 acres - light industrial
- 10 acres - auto related
- 8.6 acres - self storage
Preliminary Staff Recommendations

- Staff analyzed data and maps to develop the following recommendations:
Unique Opportunity

• Current Community Planning update process is well underway

• Offer policy recommendations that can be implemented as part of the CPU update
Next Steps

- Invite public comment tonight
- Allow additional comment through end of June
- Review input and revise as necessary
- Prepare recommendations to decision makers
- Public Hearing in Fall 2006
Website
http://cityplanning.lacity.org/

Email
Conni.Pallini-Tipton@lacity.org
Questions?