

October 10, 2012

William Roschen, FAIA, President, City of Los Angeles City Planning Commission
200 N. Spring Street
Los Angeles, CA 90012

Re: **Cornfield Arroyo Seco Specific Plan**

Dear Mr. Roschen:

On behalf of the Los Angeles County Economic Development Corporation (LAEDC), an organization dedicated to promoting job growth, economic expansion and preserving the overall global competitiveness of Los Angeles County, I am writing to express the LAEDC's concerns regarding the proposed Cornfield Arroyo Seco Specific Plan (the "Proposed Plan"), which we believe will further reduce the City's valuable and dwindling jobs-producing (industrial) land and erode our ability to site the businesses and jobs we so desperately need here in Los Angeles by making it easier to convert more of the City's scarce industrial land base to other uses, such as residential to meet *potential* demand in the Proposed Plan boundary area.

As you know, the Cornfield Arroyo Seco Specific Plan is intended to implement the Central City North, Northeast LA and Echo Park Community Plans. These Community Plans are guided by precepts set forth in the City's General Plan Framework,* which is meant to provide a comprehensive, long-range strategy to guide the update of the General Plan's other elements, including the community plans. The General Plan Framework also provides guidance for the preparation of related general plan implementation measures including Specific Plans.

With the above in mind, the City of Los Angeles has a long-held policy to defend its industrially-zoned land, especially in its planning activities. The City's General Plan Framework provides specific guiding objectives and policies on the preservation of the City's industrial land in its Land Use (LU) and Economic Development (ED) Chapters, stating that the City of Los Angeles must:

- "Provide land and supporting services for the retention of existing and attraction of new industries" (LU Objective 3.14)
- "Limit the introduction of non-industrial uses in existing commercial manufacturing zones to uses which support the primary industrial function of the location in which they are located" (LU Policy 3.14.4)
- "Retain current manufacturing and industrial land use designations to provide adequate quantities of land for emerging industrial sectors" (ED Policy 7.2.8)
- "Limit the redesignation of existing industrial land to other land uses except in cases where such redesignation serves to mitigate existing land use conflicts" (ED Policy 7.2.9)
- "Ensure that the City's industrial sites are regionally competitive to maintain and enhance a core manufacturing base" (ED Policy 7.2.10)

* Originally adopted by the L.A. City Council on December 11, 1996 and re-adopted on August 8, 2001

- “Ensure that the City has sufficient quantities of land suitable to accommodate existing, new and relocating industrial firms.” (ED Policy 7.2.11)

Yet even with this strong and explicit industrial land use retention, maintenance and preservation policy, the City of Los Angeles has only about eight percent (8%) of its total land base zoned for industrial uses that are needed to support the modern, typically “greener” and technically advanced sectors driving our economy (e.g., clean tech, entertainment, biomedical). What’s more, nearly 30 percent of this [eight percent] industrially-zoned land has already been redeployed for population-accommodating uses, leaving less than six percent (6%) of the City’s total land area available for active jobs-producing industrial uses – even though competition for industrially zoned land in Los Angeles remains extremely high. This, in turn, has left our city with one of the lowest industrial vacancy rates (around 2.5 percent in the City’s central core) in the nation and fewer places on which to house our region’s more job-dense businesses—a consequence of which is the inability of many companies (and the jobs they support) to expand or even locate in the City of Los Angeles at all.

By 2005, the conversion of industrial land to other uses got so bad that Los Angeles City Mayor Villaraigosa directed the Los Angeles Department of City Planning and the Community Redevelopment Agency of the City of Los Angeles to look more deeply into the effects of the potential loss of the City’s industrial areas. The culmination of this effort was the Industrial Land Use Policy (ILUP) Project, which demonstrated the critical role of job-producing industrial land to the City’s long-term economic health and to the hundreds of thousands of residents employed in industrial sectors, including L.A. County’s nation-leading manufacturing sector, which supports close to 370,000 jobs. In fact, it has been generally acknowledged that the dearth of suitable, industrially-zoned spaces is a big reason why the City of Los Angeles has added almost one million new residents since 1980, but has failed to create a single net new job for these residents in those three decades. Clearly the systematic and historical trend to decommission our jobs-producing land base cannot continue if we expect to reverse that startling job trend and reduce the City’s continued and excessively high (currently 12.3 percent) unemployment rate by attracting emerging industries to Los Angeles.

The Cornfield Arroyo Seco Specific Plan outlines a vision to transform the area just northeast of downtown Los Angeles – much of which is currently “industrially” zoned – into a place with open space, multi-family residential, and mixed-use centers as well as a hub of clean technology companies. The Proposed Plan even revises the General Plan Framework Element, reclassifies zoning classifications, creates new design constraints challenging to modern industrial uses, and introduces a new land use designation – “Hybrid Industrial” – which redesignates industrially-zoned land to permit “a controlled mix of residential, commercial, community, and industrial uses.”

The problem is that not only does this planned redesignation reduce the Proposed Plan boundary area’s industrial land base by about 6.4 percent right off-the-bat, but **it makes it much easier for increasingly more industrial spaces to be redeployed and used for nonindustrial purposes.** As important, although the Proposed Plan seems to embrace industrial uses conceptually, it includes so many design constraints, e.g., frontage use limitations, maximum block length restrictions, ceilings on parking, etc., that it makes industrial development unreasonable, prohibitive and almost completely implausible on a practical level. For your convenience, we have detailed a number of these specific design constraints along with recommendations to appropriately and rationally resolve these proscriptive limitations in favor of modern industrial uses in the attachment to this letter. This is not to mention the outright prohibition against “heavy industrial,” the floor area ratio (FAR) bonuses and incentives for residential and

open/community spaces, respectively, and other outwardly hostile industrial use provisions. Such unintended outcomes (with serious economic consequences) most certainly run contrary to the Citywide General Plan Framework, the General Plan's Land Use and Economic Development Chapters, the ILUP and even the expressly stated purposes of the Proposed Plan to "provide economic growth opportunities for emerging clean technologies" and "maintain and enhance the concentration of jobs."

With the definition of "industrial" in Los Angeles quickly changing, the effects of a declining industrial land base don't simply affect manufacturing and warehousing. Today, industrial means medical laboratories, wholesale trade, publishing, and motion picture and television production as much as it means durable and nondurable manufacturing. It means skilled, high-value and high-wage jobs in growth areas vital to our city's long-term economic prosperity, industries such as logistics and so-called "new economy" areas like biomedical, electric vehicles and high-tech. Yet, with demand for industrial land so high and vacancy rates so low, continuing to allow other permissible uses in industrial zones will only serve to increase land costs for new or expanding businesses, which hurts the City's capacity to retain, attract, and grow businesses and jobs.

For all of the above reasons, we urge the City Planning Commission to abide by and enforce the City's own Industrial Land Use Policy and further restrict the use of industrially-zoned land for nonindustrial purposes in the proposed Cornfield Arroyo Seco Specific Plan as well as other plans, reviews, and policy matters going forward. We simply cannot afford to go backward on our efforts to preserve, revitalize, and grow our industrial land base in the City of Los Angeles.

Sincerely,



Bill Allen
President & CEO
LAEDC

Enclosure: Additional CASP Comments, 10-9-2012

Cc: Los Angeles City Mayor Antonio Villaraigosa
Honorable Members of the Los Angeles City Council
Michael J. LoGrande, Director of Planning
Members of the Los Angeles City Planning Commission