



April 5, 2012

Los Angeles City Council President Herb J. Wesson, Jr.
200 N. Spring Street, Room 430
Los Angeles, CA 90012

Re: **City of L.A. Comprehensive Zoning Code Update**

Dear City Council President Wesson:

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 support for the proposed Comprehensive Zoning Code Update, which we see as critical to ensuring that the City of Los Angeles is able to meet the land use needs of its increasingly more innovative, knowledge-based and technology-driven 21st Century economy.

On July 14, 2010, the Los Angeles City Council voted unanimously (14-0) to support Los Angeles County's first-ever, consensus-built Strategic Plan for Economic Development. This effort brought together more than 1,080 stakeholders from business, labor, environmental organizations and other community-based groups to develop a plan to ensure a strong, diverse and sustainable economy for Los Angeles County's residents and communities. Successfully updating the City of Los Angeles's zoning code to reflect a 21st Century economy advances two core aspirational goals laid out within the plan: "Create a Business Friendly Environment" and "Implement Smart Land Use Policies," both of which are critical to advancing the long-term job growth prospects and economic vitality of the City of Los Angeles.

It goes without saying that Los Angeles's economy is not the same as it was in 1946—the last time the City's zoning code was dramatically revised. As our economy continues to diversify and evolve, so must the policies and regulations that direct and shape the development necessary to support our economy not only today, but going forward. Simply put, to have a strong, vibrant and robust economy here in the City of Los Angeles, we must also have the requisite and appropriately designated land base on which to support the businesses and industries driving the City's economy. Overhauling our antiquated zoning code to reflect the City's existing economic mix and diversity is a policy change that acknowledges that the status quo does not provide us with a strategic direction forward but rather serves to block our city's progression as a global leader in emerging areas as varied as digital media, electric vehicles, information technology, and medical devices – all of which are up-and-coming, rapidly growing sectors in our city.

It is a well-known fact that developing land in the City of Los Angeles is not an easy feat. In recent years, promising changes have been instituted to ensure that the City becomes much more business friendly in land use matters, including the creation of a Development Services Case Management Office. We applaud the City for pursuing some of these changes. However, the City cannot stop its efforts there; more needs to be done to ensure that we are implementing smart land use policies to support every phase of a product's life cycle – from its design and creation to its production and exportation. In



particular, smart land use policies include: providing more clarity early-on in the development process (e.g., issuing zoning confirmation letters as they do in the City of Portland); providing additional clarity that comes from by-right development and expedited permitting; and finally, of course, providing more rationality in our city’s zoning code so that it reflects our 21st Century economy.

Currently, the City of L.A. has only about eight percent of its total land base zoned for industrial uses; these are uses needed to support the modern, typically clean and technically advanced sectors driving the economy, not the “smokestack” industries of yester-year. Unfortunately, about 30 percent of this industrially-zoned land has already been redeployed for population-accommodating uses. This, in turn, has left our city with one of the lowest industrial vacancy rates in the nation—close to two percent in our industrial core —and fewer places on which to house our region’s more job-dense businesses. This systematic effort to decommission our jobs-producing land base cannot continue if we expect to reduce our city’s excessively high (13.3 percent) unemployment rate and reverse the alarming statistic of the City of Los Angeles not adding a single net new job in over three decades—even though it has added close to one million new residents during that same time period.

As you continue your budget deliberations, we urge you to recognize the important benefits associated with dedicating resources to comprehensively update the City’s archaic and outmoded zoning code in a way that not only reflects our modern economy, but protects the employment (industrial) land needed to support the businesses driving today’s and tomorrow’s economy. While we acknowledge that the City is facing tough budgetary decisions, it is worth remembering that efforts to welcome more businesses and the private-sector jobs these businesses create will not only help to address the City’s current and future fiscal situations, but provide it with the revenue to support the myriad of social programs that help enable and facilitate our high quality of life here in the City of Los Angeles.

Sincerely,

A handwritten signature in black ink that reads "Bill Allen". The signature is written in a cursive, flowing style.

Bill Allen, President & CEO
Los Angeles County Economic Development Corporation

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