

December 12, 2005

**To: Andrew Adelman, General Manager, Department of Building and Safety
Richard Benbow, Acting Chief Executive Officer, Community Redevelopment Agency
Mercedes Marquez, General Manager, Housing Department
Mark Winogrand, Interim Planning Director, Department of City Planning
Clifford Graves, General Manager, Community Development Department
Rudy Montiel, Executive Director, Housing Authority of the City of Los Angeles**

**From: Bud Ovrom, Deputy Mayor of Housing & Economic Development
Adriana Martinez, Director, LA's Business Team**

**cc: Marcus Allen, Deputy Chief of Staff
Kevin Acebo, Deputy Mayor, Intergovernmental Relations
Councilmember Eric Garcetti, Chair, Housing, Community and Economic Development Committee
Councilmember Ed Reyes, Chair, Planning and Land Use Management Committee
Peter Gutierrez, Assistant City Attorney, City Attorney's Office**

I request your collective recommendation regarding strategies to address the increasing pressure to convert the city's industrial zones to alternative land uses. We must think strategically and proceed with caution when evaluating various competing uses for our scarce industrial land. Please work together expeditiously to evaluate this critical issue, and return with recommendations at the first Economic Development Cabinet meeting in January, 2006. The recommendations should include short- and long-term planning and regulatory decisions that will address our land use needs citywide.

Pending these recommendations and decisions, I urge caution as your departments process individual land use cases and applications during this critical study period. We must vigorously protect the little industrial land that we have to be sure that we preserve a healthy economy and provide jobs for the City's future. To the extent that non-industrial uses seek to use the limited amount of industrial space we have in the City, we must more carefully consider the loss of this limited resource as applications for such non-industrial uses are filed on properties that are zoned and planned for industrial uses. Your recommendations should thus include a work program on how to address individual and immediate cases as well.

Los Angeles' industrial jobs occur on a very small fraction of the 464 square miles that make up the City. Only 8% of our city is zoned for industrial use, primarily in 5 concentrations: Greater Downtown, the Westside, Hollywood, the railroad corridor across the Valley, and the Harbor. These industrial areas are a precious resource that, if lost or severely compromised, will be impossible to recreate.

The Mayor intends to establish the policies, incentives, and regulations that are necessary to protect and grow our industrial base for 21st Century jobs. A comprehensive analysis of the 8% of our city that is industrially-zoned may reveal that some of the land is appropriate for conversion to other uses, and that some industrial uses can function within a greater mix of uses. Similarly, it may show that the loss of some of this land will cause irreparable harm to our ability to sustain and grow our job base. Because industrial jobs are changing so rapidly, the

fact that industrial land or buildings may be vacant or under-performing today is not necessarily a determinant measure of their value for the industrial uses of the near or distant future.

It is critical that we plan wisely for a diversified economic base while simultaneously accommodating our need for additional housing and other uses. The approach must be balanced in all cases. It is critical that decisions about conversion of industrial land be strategic and thoughtful.

If you have any questions or need further information, please contact Adriana Martinez, Director, LA's Business Team, on (213) 978-0662.