

## V. GROWTH INDUCEMENT

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### A. INTRODUCTION

Section 15126.2(d) of the *California Environmental Quality Act (CEQA) Guidelines*, as amended, requires the discussion of the ways in which a project could foster economic or population growth or the construction of additional housing, either directly or indirectly, in the surrounding environment. Such a discussion should also include projects that would remove obstacles to population growth and the characteristics of a project that may encourage and/or facilitate other activities that, either individually or cumulatively, could significantly affect the environment. CEQA emphasizes that it must not be assumed that growth in any area is necessarily beneficial, detrimental or of little significance to the environment. The purpose of this section is to evaluate the growth-inducing potential and impact of this project.

### B. GROWTH-INDUCING POTENTIAL

In general, a project would have growth-inducing potential if the project would foster spatial, economic or population growth in a geographic area such that the project meets one of the following criteria:

- Removal of an impediment to growth (e.g., the establishment of an essential public service or the provision of new access to an area);
- Economic expansion or growth (e.g., construction of additional housing, changes in revenue base, employment expansion, etc.);
- Establishment of a precedent-setting action (e.g., an innovation, a change in zoning or general plan designation); or
- Development or encroachment in an isolated or adjacent area of open space (being distinct from an “infill” type of project).

Should a project meet any one of these criteria, it can be considered growth inducing. An evaluation of this project compared against these growth-inducing criteria is provided below.

It must be emphasized that the *CEQA Guidelines* require an EIR to discuss the ways in which a project could be growth inducing and to “...discuss the characteristics of some projects that may encourage...activities that could significantly affect the environment.” However, the *CEQA Guidelines* do not require that an EIR predict (or speculate), specifically where such growth would occur, in what form it would occur, or when it would occur. Attempting to determine the environmental impacts created by growth that could be induced by the proposed project is speculative in that the precise size, type and location of specific future projects, which may be induced by this project, are unknown at the present time. To the extent that specific projects are known (as discussed in **Section IV, Environmental Impact Analysis**, of this EIR), those projects either have already been or will be subject to their own

environmental analysis. Furthermore, it is speculative to state conclusively that implementation of the project alone would induce growth in the surrounding area, as there are many variables that must be considered when examining the mechanics of urban growth (e.g., market forces, demographic trends, etc.). Impacts associated with growth in the City of Los Angeles area can be found in the cumulative analyses for each environmental topic analyzed in **Section IV**. Individual cumulative impact assessment methodology is contained within each environmental issue addressed within this EIR.

## 1. Removal of an Impediment to Growth

Growth in an area may result from the removal of physical impediments or restrictions to growth, as well as the removal of planning impediments resulting from land use plans and policies. In this context, physical growth impediments could include nonexistent or inadequate access to an area or the lack of essential public services (e.g., water service), while planning impediments may include restrictive zoning and/or general plan designations.

The project area contains established commercial, industrial, manufacturing, retail and residential land uses and supporting infrastructure. Construction of the commercial, retail and residential uses proposed on each of the three project sites would require the modification, upgrade and/or replacement of existing infrastructure in order to support the increased land use intensity associated with the project. However, given that this project would be constructed in a built-out urban environment where growth is planned for and guided by the Central City Community Plan and the Central Business District and City Center Redevelopment Plans, implementation of this proposed project would not result in the removal of impediments to growth. A more detailed discussion of infrastructure extension/upgrades associated with the project is addressed below.

An established transportation network exists in the surrounding area that offers local and regional access to the project site. The existing roadways adjoining the site include Main Street, Broadway, Hill Street, 12<sup>th</sup> Street and 11<sup>th</sup> Street. As discussed in the traffic analysis prepared for the proposed project, adequate capacity exists on roadways and at intersections to accommodate the traffic projected to be generated by the proposed project. No off-site mitigation would be required relative to transportation and traffic impacts. Parking, vehicular access to the parking structure, and loading and service areas for the project would be provided and accessed from existing site access points. The project area is also well served by various public transportation means including city and commuter buses, light-rail transit and the DASH shuttles, as discussed in **Section IV.F, Transportation**, of this EIR. As such, on-site improvements to the project would not necessarily remove impediments to growth or induce growth within the area.

The water, sewer, energy (electricity and natural gas) and wastewater infrastructure required to support the proposed project would be available to each project site from surrounding streets. Development of the project would necessitate the construction of an on-site distribution system to convey the public services and utilities on the site. All infrastructure systems would be designed to accommodate the uses proposed within the project and would not extend beyond the boundary of the project. The on-site service lines would be sized to meet the demands of the proposed project. No growth-inducing impacts due to the extension of electrical or natural gas service lines would occur with the development of the project. In addition, the project would not require the upgrade of existing or development of new facilities such as wastewater treatment plants, landfills, or power plants.

In summary, the design and construction of internal project roadways and access points, and the provision of water, sewer, electrical, natural gas and waste infrastructure needed to accommodate the project would not necessarily remove impediments to growth or induce growth within the few undeveloped areas surrounding the project area.

## **2. Economic Growth**

The proposed project includes the development of 575 residential condominium units, 39,725 square feet of office space, and 42,950 square feet of retail space. As the proposed project site is developed, property in the neighborhood of the proposed project site can be expected to experience increased economic growth and possible development in a more dense fashion. This pressure would be generated by the availability of supporting public and institutional services, recreational opportunities, additional retail and commercial opportunities, and more downtown residents generated by the proposed project. All of the above can increase land values and make development of adjacent properties financially attractive for property owners. Any actions taken to entitle land for future development would be subject to impediments associated with the planning process, as described below under Precedent-Setting Actions.

Development of the proposed project site would also increase the population of the area by approximately 1,087 people. As a result, the proposed project would be expected to generate increased demand for goods and services. This demand would be partially met through the provision of retail shopping, general services, and dining opportunities on the proposed project sites. Surrounding urban uses would also partially accommodate the additional demand of increased goods and services generated by the proposed project.

Development of the proposed project would involve approximately 575 new condominium units, which would be available for purchase. As such, the provision of these additional residential units would result in an increased residential property tax base in the Downtown Los Angeles area. This enhanced property

tax base would have the potential to generate additional population and economic growth in the vicinity of the project sites.

The future residents of the proposed project site also represent an incremental increase in the local labor force. Given the location of the project in the dense urban environment of Downtown Los Angeles, it is expected that the residents seeking employment within the City could primarily be absorbed by the existing employment opportunities in the immediate project area. However, the proposed project would also include 39,725 square feet of office space, which could provide employment opportunities for a small percentage of the new building residents.

Therefore, implementation of the proposed project does have the potential to result in economic, employment and population growth in the Downtown Los Angeles area.

### **3. Precedent-Setting Action**

Changes from a project that could be precedent-setting include (among others) a change in zoning, general plan designation, general plan text or approval of exceptions to regulations that could have implications for other properties or that could make it easier for other properties to develop.

The project sites are located within the South Park neighborhood of the Central Business District and City Center Redevelopment Project Areas. As such, real property development on the sites is subject to the Community Redevelopment Agency (CRA) plans and jurisdiction. The maximum floor-area-ratio (FAR) permitted in the South Park area north of Pico Boulevard is 6:1. Considered as a whole, the project has a FAR within this 6:1 limit. However, considered individually, the proposed new buildings on the Hill Street and 12<sup>th</sup> Street sites would exceed the FAR permitted by the redevelopment plans.

The project sites are within the Central City Community Plan Area of the City of Los Angeles General Plan Land Use Element. The Central City Community Plan Land Use Map designates the project site as Regional Commercial and indicates that the FAR is restricted to 6:1. In addition, the City of Los Angeles Planning and Zoning Code contains policies regulating the type and form of land use in the City. The project sites are zoned C2, Commercial, in which residential, retail and office uses are permitted. For residential uses within the C2 zone, the Planning and Zoning Code restricts density to 1 unit per 400 square feet of lot area. However, because the project includes mixed uses, the Los Angeles Municipal Code (LAMC) Section 12.22 A.18(a) allows a greater density of 1 unit per 200 square feet. As proposed, the Hill Street building would contain approximately 1 unit per 200 square feet of lot area and the 12<sup>th</sup> Street building would contain approximately 1 unit per 145.5 square feet of lot area. The project is also designated as within Height District 4D, which limits the density of the site to a FAR of 6:1, unless a Variance for Zone Change is granted for greater density or a FAR averaging Conditional Use Permit is

granted. As stated above, when considered individually, the proposed new buildings on the Hill Street and 12<sup>th</sup> Street sites would exceed a FAR of 6:1.

As part of project approval, the City of Los Angeles would have to grant a variance or zone change or allow the transfer of FAR from one project site (the Broadway site) to the other two project sites (the Hill Street and 12<sup>th</sup> Street sites), as well as grant a variance for any increased density beyond 1 unit per 200 square feet of lot area. Because discretionary approvals are needed, the actions could be precedent setting. However, as discussed above, the whole of the project would not exceed the FAR of 6:1, and this is consistent with the existing zoning and redevelopment plans. The height and density of the project in general is consistent with the downtown urban environment. Therefore, the potential does exist for this potential precedent-setting action to be considered growth inducing.

#### **4. Development of or Encroachment Isolated on Open Space**

Development can be considered growth inducing when it is not contiguous to existing urban development and “leaps” over open space areas. The proposed project includes three currently underutilized properties located in an entirely urban and built-out area; as such, implementation of the proposed project would constitute an urban infill project. Presently, commercial, manufacturing, industrial, retail and residential land uses surround each of the three project sites on all sides. While the project would extend this existing pattern of development, it will not “leap frog” over any undeveloped areas or introduce development into an area which has not been developed. Therefore, this project does not have the potential to result in growth inducement through the development of, or encroachment into, isolated or open space areas; no potentially significant impacts would result.