

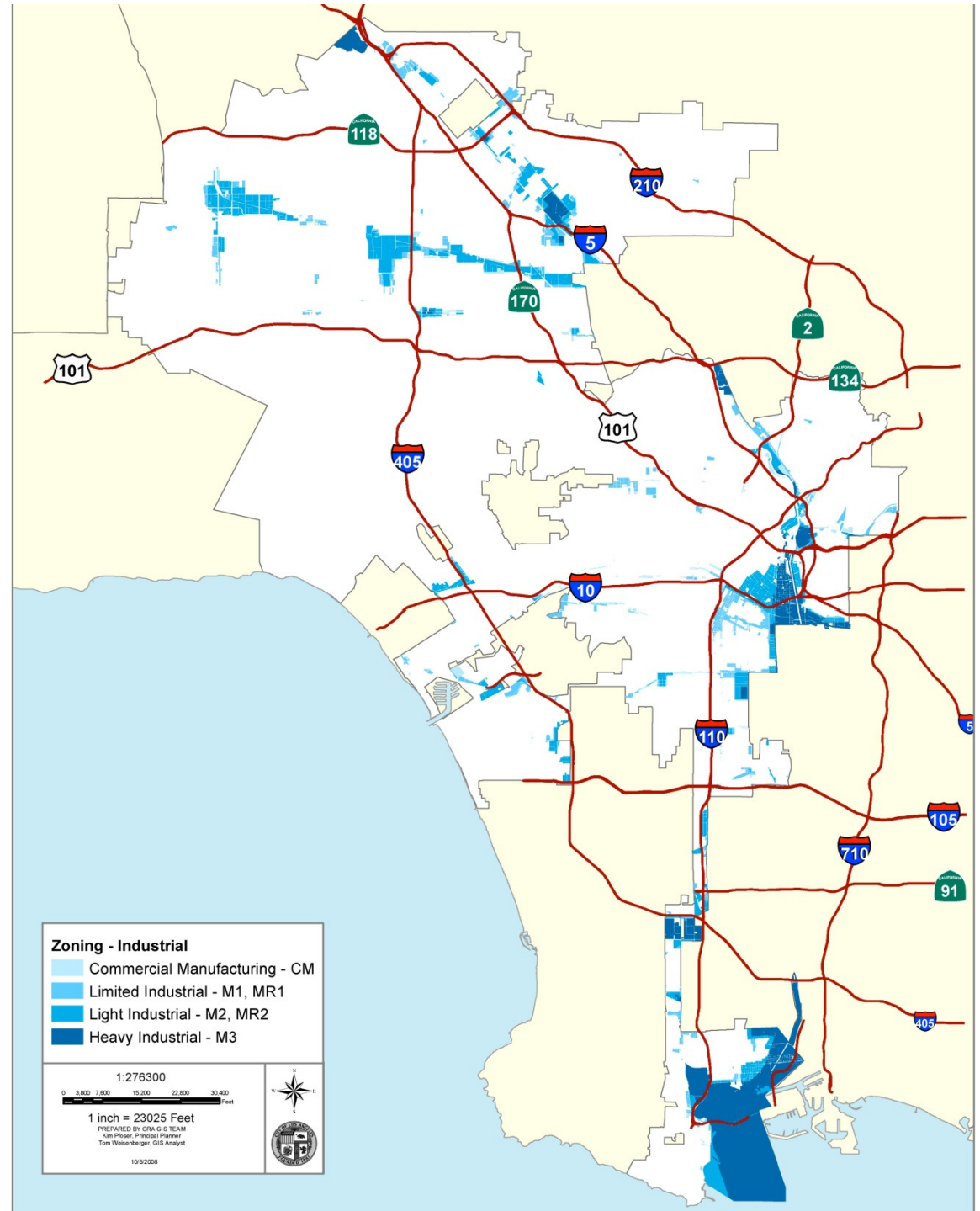
Green Manufacturing in Los Angeles



Land Use Challenges and Opportunities

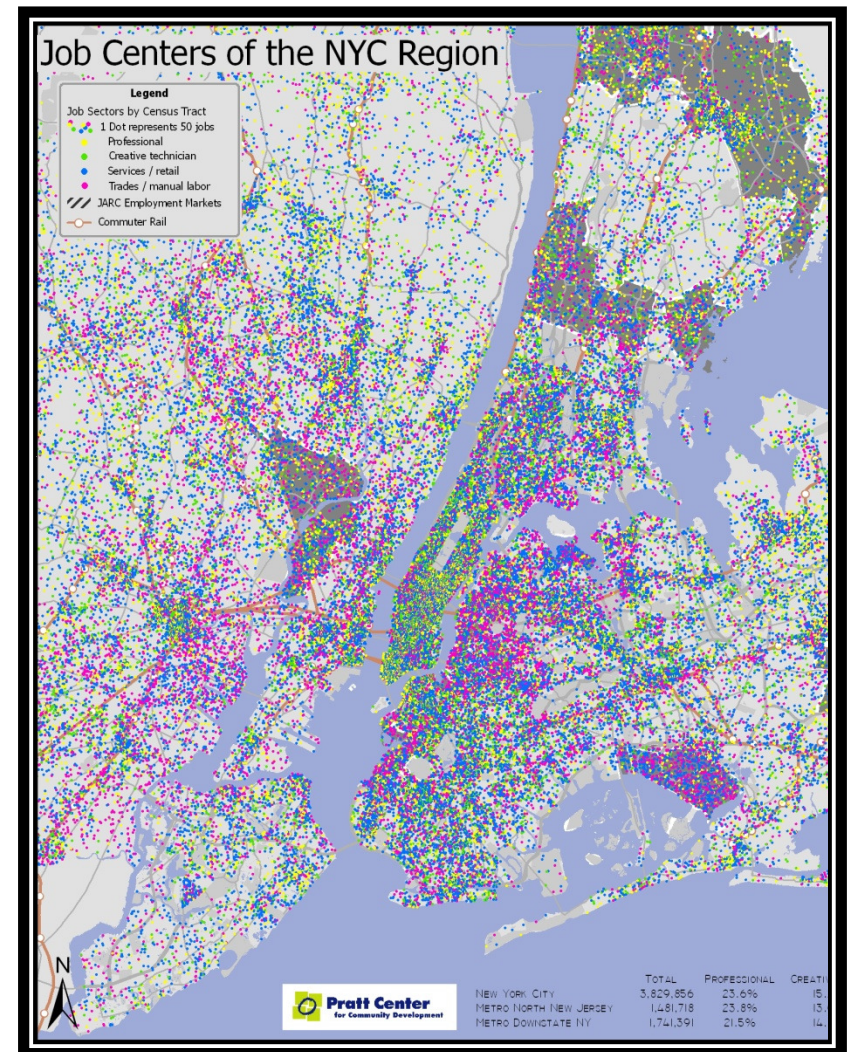
City of Los Angeles

- 8% of city is zoned industrial
- Industrially-zoned land accounts for 13% of General Fund revenue and houses 410,000 jobs
- 25% of industrial land is used for non-industrial purposes, particularly housing
- Vacancy rate for industrially-zoned property is less than 3%



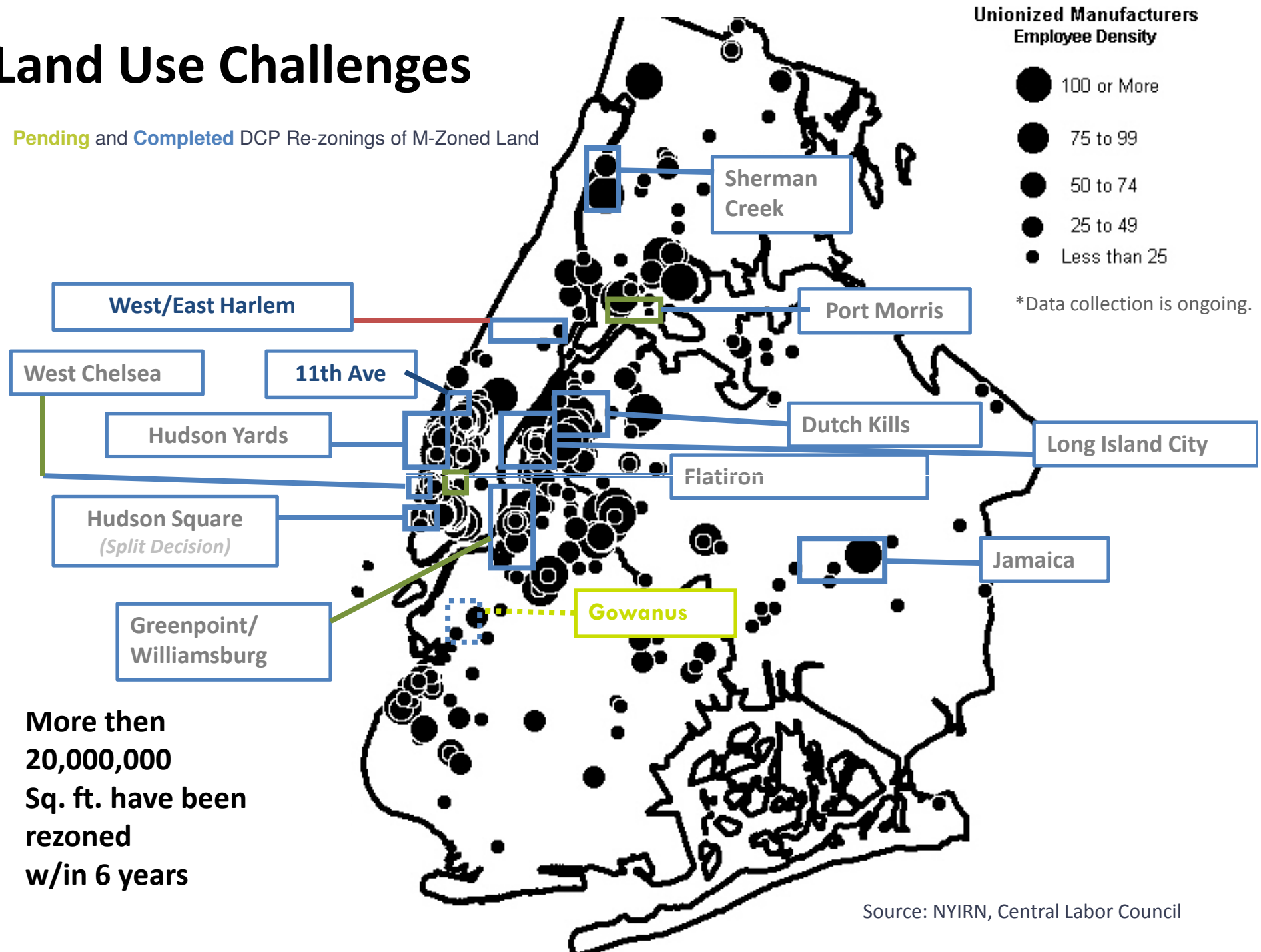
Land Use in New York

- City's Land Use Policy
 - Overview
 - Plan NYC
 - Industrial Business Zones (Stable Industrial Areas)
 - North Brooklyn (Mixed Use Zoning)
- Models For Industrial Retention/Development
 - Brooklyn Navy Yard (City-Owned Industrial Park)
 - Greenpoint Manufacturing And Design Center (Mixed Use Non-Profit Development)
 - NY Fashion Space Mixed-Use Non-Profit Development)



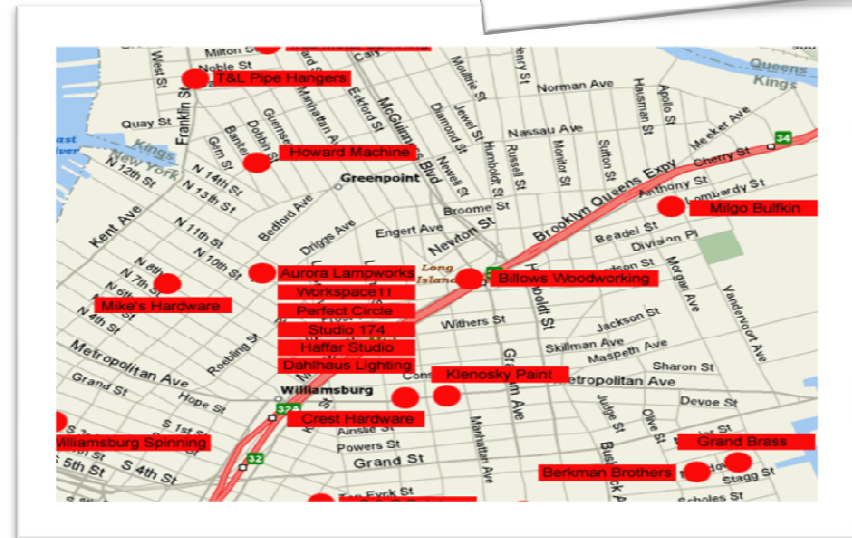
Land Use Challenges

Pending and Completed DCP Re-zonings of M-Zoned Land

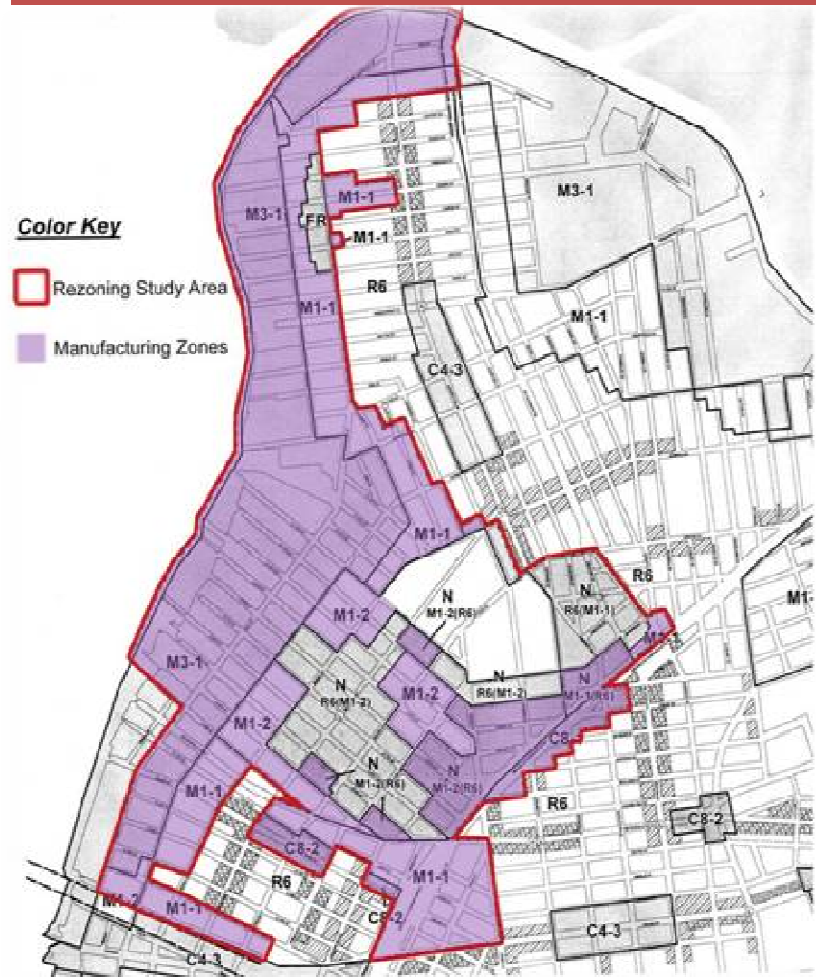


Greenpoint / Williamsburg

A Thriving Creative Community Nurtured by Diversity



Original Special District Zoning

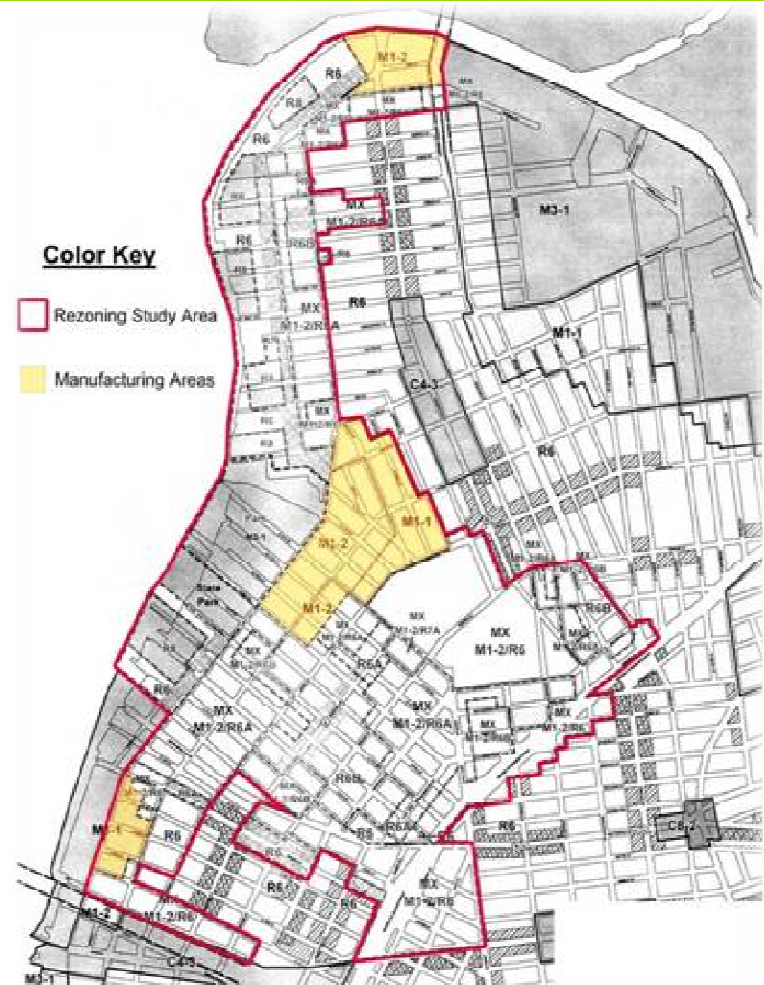


Greenpoint Williamsburg Today

- Out-of-scale residential development
- Displacement of artists, artisans and light manufacturing



Revised Zoning



Greenpoint Williamsburg Today

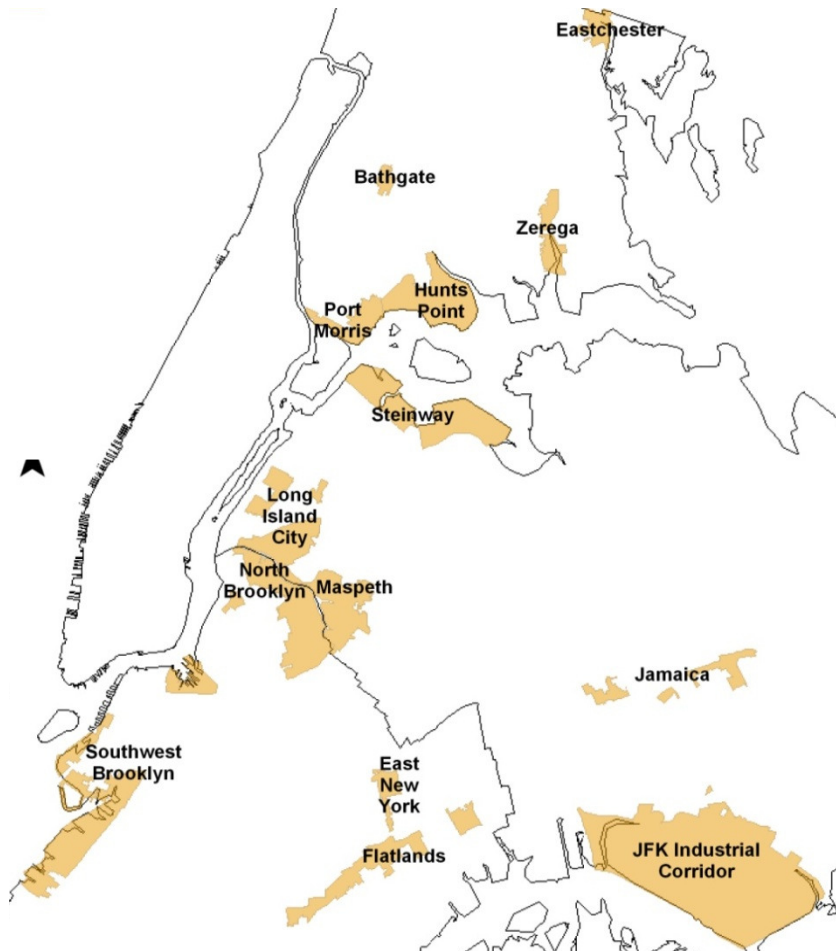


Brooklyn Navy Yard

Manufacturing Zoned Land



2005 Policy: Industrial Business Zones



Response to criticism of rezonings

- ▶ Industrial Policy: Real Estate Stability Is Essential
- ▶ 16 Industrial Business Zones with commitment not to zone residential
- ▶ New Mayoral Office
- ▼ Porous - did not limit other commercial development (offices, hotels, retail)
- ▼ Not zoning - not permanent or enforceable
- ▼ Covered only 50% of Mfg Jobs
- ▼ Not for mixed use communities



Brooklyn Navy Yard Development Corporation



- 1801: Brooklyn Navy Yard established
- 1939-45: Peak employment 70,000 workers
- 1966-90's: Navy Yard closes, land is transferred to NYC and begins prolonged disinvestment due to physical and political obsolescence





Rebirth of the Brooklyn Navy Yard

Turn around began in mid-90's

- BNY became safe haven for displaced firms
- New professional management
- Strategy to make BNY financially self-sustaining, creating political will for City's reinvestment as City's exit strategy
- Focus on high value sectors including artisan production, entertainment/theatre, green manufacturing
- Be a good neighbor (generating 1,000 employment placement in 6 years)
- Partner with tenants - But do not subsidize rent

Result - No vacant space



BURKE SUPPLY



Green Development Projects

Perry Avenue Building



All new construction must be a minimum of LEED Silver:

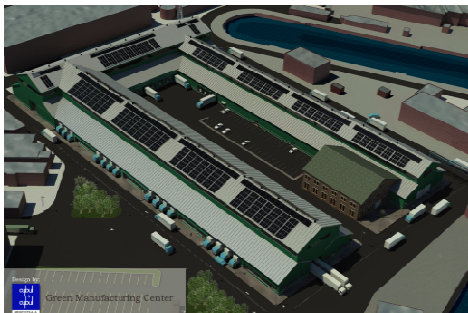
- ❑ \$25 million privately financed/90,000 SF, 3-story building
- ❑ Nation's first multi-tenant, multi-story green building (LEED Gold)
- ❑ City's first building mounted wind turbines

**Brooklyn Navy Yard Center
at Building 92**



- ❑ Adaptive reuse of historic structure
- ❑ 22,000 SF modern extension with leasable office space, event and community space, classroom space, and exhibit
- ❑ LEED Platinum anticipated for entire complex

Green Manufacturing Center



- ❑ \$30 million adaptive reuse of 220,000 SF building
- ❑ Reuse foundation and steel of the three turn-of-century former machine shops
- ❑ Multi-tenanted building targeting green manufacturers



Brooklyn Navy Yard: Challenges

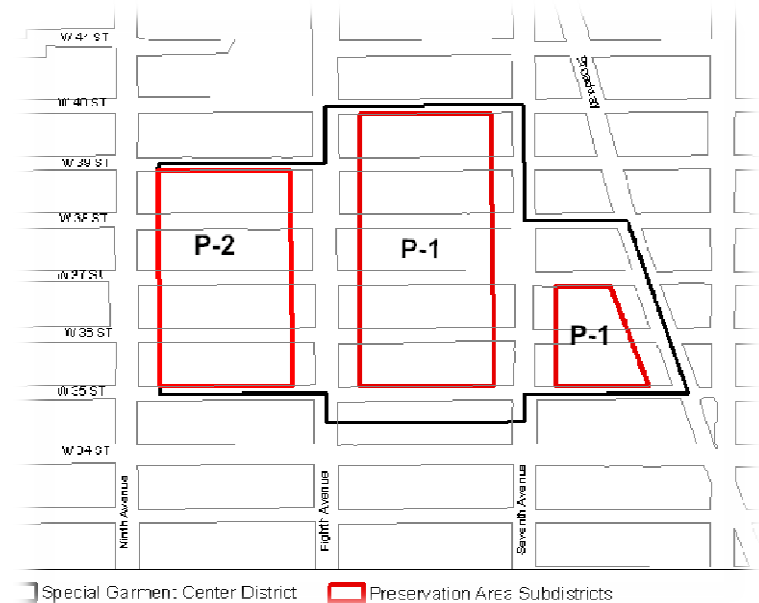
Balancing self-sufficiency strategy (rent revenue) with mission of preserving industrial jobs is complicated:

- ❑ Offices for architects, designers and contractors
- ❑ Proposed Admiral's Row Retail Development
- ❑ Public Access vs. Security Needs of Tenants
- ❑ Drive for revenue vs. Comprehensive Planning of City's Industrial Space Needs



The Next Navy Yard? NYC's Garment Center

- Apparel provides approximately 75,000 jobs creating total local economic output of \$10 billion
- Anchored by Garment Center cluster of design, marketing and production businesses
- Production space is underutilization and NYC needs more Class B office District creating pressure to change zoning



Rezoning and New York Fashion Space

- New, non-profit real estate development corporation
- Acquire 600,000 sq. ft. to retain 2,500 apparel production jobs
- Alleviate need for zoning through industry ownership
- Allow development of Class B Office Space
- Financed through special assessment and public subsidies



Lessons Learned and Evolution

- ❖ Predictable land use is critical to business investment, economic growth and job creation
- ❖ A mix of zoning and other strategies are needed to reflect diversity of economic development needs
- ❖ Developing capacity of mission-driven real estate partners is critical providing space in mixed use areas

Cleantech Manufacturing Center

- Central Industrial Redevelopment Project Area
- Located in Downtown Los Angeles, close proximity to highways
- Formerly considered as site for a state prison
- Approximately 20.6 acres (897,336 sq. ft.)
- CRA/LA-owned
- Brownfield Demonstration site with approved and implemented remediation plan
- Zoned for heavy manufacturing (M-3)



Western/Slauson Industrial Area

- Bounded by railroad tracks on the north, Western on the east, Gage on the south, and Wilton Place on the west.
- 63 acres, 120 parcels, mostly developed with some opportunity sites, surrounded by commercial on the north and residential on east, south, west
- Historic collection of manufacturing and service commercial activities
- Estimated 1400 employees, approx 27 employees per acre of private property (compared to standard of 20 per acre)
- Major employers: Interstate Baking/Hostess (75 years), Cisco, Advance Paper Box (85 years), Laidlaw
- Majority operates as manufacturing, rather than warehousing, distribution, and logistics.



