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Creating a Regional Program for Preserving Industrial Land: Perspectives from San Francisco Bay Area Cities

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Issue

Industrial land plays a vital role in supporting the regional economy in the San Francisco Bay Area. It provides the operating space and support services for export sectors and other important local clusters, maintains linkages between businesses and sustains a local supply chain, provides diverse employment opportunities for people with a broad range of skills (including those with lower educational attainment), and supports a high share of middle-wage job opportunities. However, the Bay Area's current inventory of industrial land (and associated jobs) is at risk due to increasing pressure from housing and mixed-use construction¹. In addition, the region's state-mandated Sustainable Communities Strategy (SCS) for the nine-county area (Plan Bay Area) does little to address the needs of businesses that are not located in retail or office space. In response, the Association of Bay Area Governments (ABAG) Executive Board unanimously recommended that ABAG staff develop a Priority Production Area (PPA) program for industrial areas. The PPA program, if adopted, will include locally designated zones where production, distribution, and repair (PDR) services would receive priority in determining future land use, and would be a designation that cities can voluntarily adopt. ABAG-MTC anticipates completing a final draft of the PPA program no later than the end of 2019 for incorporation into Plan Bay Area 2050.

Research Findings

An essential aspect of the PPA program will be developing guidance local jurisdiction can use to determine which sites are eligible for the program. A preliminary analysis has been conducted that illustrates how industrially zoned land fares in meeting a set of possible criteria. The goals of this analysis are to illuminate how criteria could be used to designate PPA sites, begin to develop a set of criteria that ABAG-MTC could use to assess PPA site applications, determine how much of the region's industrial land meets the possible criteria, and identify where the sites that meet the possible criteria are located. An [interactive map](https://goo.gl/xjjjZG) (<https://goo.gl/xjjjZG>) of the nine county area was created to visually demonstrate to what extent parcels meet the proposed possible criteria (see Figure 1). In addition to program criteria, it is also suggested that ABAG-MTC develop industrial land typologies that describe existing industrial sites as well as provide a framework for envisioning how industrial spaces that could evolve or change in the future.

Leverage funding and resources

A primary attractor of the PPA program would be its ability to provide funding to maintain and improve PPA sites. Conversations with city staff generated a series of ideas that could guide funding decisions. For example, the PPA program could leverage funding for infrastructure improvements (e.g., transportation, utilities, broadband), capital improvements for adapting or improving industrial buildings, internal funds for businesses, and/or workforce development programs. Specific projects supporting PPAs could be added to the Economic Development District (EDD) action plan. In addition, to reduce the restrictions involved in using MTC's federal transportation dollars, the PPA program could consider a funding swap with a county or agency with more flexible funds that could fund non-transportation aspects of the PPA program.

Number of Criteria Met	Total Acres	Percent of the Region's Industrial Land
0	5,533	5.7
1	13,282	13.6
2	14,071	14.4
3	21,053	21.6
4	16,781	17.2
5	11,978	12.3
6	10,181	10.4
7	3,063	3.1
8	1,389	1.4
9	121	0.1

Figure 1. Summary of number of criteria met across the San Francisco Bay Area Region

Research Findings (continued)

Provide planning assistance

Similar to Plan Bay Area's Priority Development Areas (PDA) Planning Grant and Technical Assistance Program, the PPA program could include a technical assistance program for jurisdictions that do not have the capacity or funds to plan for or actively manage their industrial areas. Assistance could include: 1) simplify and streamline zoning code and bring zoning codes up to date to allow for evolving industrial uses; 2) conduct a detailed needs assessment of industrial businesses, sales tax revenue, and employment; 3) update a General Plan to reflect industrial land priorities; and/or 4) conduct regular outreach with relevant stakeholders, including the brokerage community.

Facilitate information sharing of best practices

The program could identify best practices around the region to serve as a framework and/or toolbox cities can use to plan for industrial land and encourage the adoption of best practices (e.g., cities could receive bonus points in the PPA program if they are doing a certain number of identified best practices).

Align transportation planning with industrial land use needs

The PPA program could require and facilitate the development of a comprehensive, multi-modal transportation plan that would address both goods movement and worker access issues for PPA sites.

Provide links to economic development

Related policies or programs for economic development could provide joint support to PPAs, particularly ABAG-MTC's EDD program (currently being developed).

Challenges and Barriers

The PPA program will likely receive significant political pushback, especially in the context of the current housing crisis in the Bay Area. In this context, the messaging around the program's intentions to complement the PDA program and to stabilize, not necessarily grow, the PDR sector will be crucial to its success. In addition, city staff expressed concerns in regard to the possibilities of being locked into industrial uses, the duplication of existing industrial zoning or protections, and political misuses; and experts cautioned that the program should avoid being too specific when defining designation criteria.

Further Reading

This policy brief is drawn from the research report "Regional Industrial Land Preservation: Perspectives from San Francisco Bay Area Cities on a Priority Production Area Program" prepared by Emily Roach and Karen Chapple at UC Berkeley. The full report can be found here: <https://escholarship.org/uc/item/2st706c0>.

¹ Chapple et al. (2017). Industrial Land and Jobs Study for the San Francisco Bay Area. Center for Community Innovation, UC Berkeley. Retrieved from <http://www.planningforjobs/research>

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