How do planning practitioners address freight transport and logistics sprawl? Case study in Los Angeles

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Objectives and method

- Identifying how warehousing and logistics activities are integrated into local and regional policies and planning processes
- Los Angeles as an example (≈200 local governments)
- Two surveys: April 2012 (Dablanc, 2014) and July 2015 during academic visits at the University of Southern California
  - Interviews with local governments (planning, land use or economic development) and experts
  - Consultation of local and regional documents – planning, zoning, economic development
Los Angeles Five County Area

Los Angeles administrative areas:
- Counties
- Los Angeles
- Others (Orange)
- Greater Los Angeles
- Metropolitan Area
- City of Los Angeles
- Zip codes areas

More warehouses in L.A.

- A huge increase in the number of warehouses and distribution centers (NAICS 493)

<table>
<thead>
<tr>
<th></th>
<th>LA</th>
<th>Riverside</th>
<th>San Bernardino</th>
<th>Ventura</th>
<th>Orange</th>
<th>Total</th>
</tr>
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<tbody>
<tr>
<td>1998</td>
<td>220</td>
<td>0</td>
<td>34</td>
<td>8</td>
<td>49</td>
<td>311</td>
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<tr>
<td>2009</td>
<td>515</td>
<td>85</td>
<td>252</td>
<td>0</td>
<td>94</td>
<td>946</td>
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<tr>
<td>2013</td>
<td>485</td>
<td>100</td>
<td>294</td>
<td>0</td>
<td>105</td>
<td>984</td>
</tr>
</tbody>
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- Annual growth b/w 1998 and 2009: +18%
  Annual growth b/w 2009 and 2013: +1%
- Inland Empire vacancy rate 2009: 12.8%
  Inland Empire vacancy rate June 2015: 3.6%
- Statistical issues
  - NAICS 493: mini-storage facilities? (Woodsma et al., 2015)
Distance to center of gravity increased from 26 to 32 miles

Los Angeles, warehouses, 1998-2009

(NAICS 493)
Dablanc and Farr, 2012

IFSTTAR
More warehouses because...

- Increased logistics content of industries and activities
- Serving global supply chains and the processing of international shipments (CSX, July 2015: “On the East Coast, there is no Inland Empire”)
- Serving new urban markets: e-commerce, same day delivery
Amazon fulfillment centers in the Inland Empire

Downtown L.A.

Ports of LA/LB

Amazon DCs
Municipalities and warehouses??

- Hesse, Northern California (2002)
- Cidell, Chicago (2011) “in a world of flows and networks, [planners] work within bounded territories”
- Dablanc & Ross, Atlanta (2012)
- Raimbault, Paris (2014)
- 50%: no conflict, isolated or integrated in industrial parks
- 20%: large logistics parks, dynamic logistics real estate
- 15%: poorer municipalities, ex. manufacturing, EJ issues
- 15%: multimodal freight villages, inland ports
Local strategies towards warehouses in the L.A. metro area

- Trying to **prevent logistics growth** in traditional manufacturing areas: Vernon
- **Diversifying**, introducing more job intensive logistics (repair, e-commerce), new manufacturing, new high tech and research: Gateway Cities, Riverside
- Looking at logistics as a way to **revitalize manufacturing areas**: Rancho Dominguez (County – Employment Protection Districts)
- Looking at logistics as a **strategic sector** for accelerated local economic growth: Moreno Valley and other Inland Empire communities
Perceived local benefits of logistics facilities

Jobs

Inland Empire jobs creation

- 2013: 50,000 (19% in logistics)
- 2014: 50,000 (20% in logistics)
- 2015 (6 months): 50,000 (25% in logistics)

Tax revenues

- City of Industry: “We have no business tax, no impact fees, low development fees, but we have a property tax, one of the highest in L.A.”

- “Residents do not have to commute, politicians see their city grow, and they enjoy political campaign contributions...” (J. Husing)
City of Vernon

- 112 people, 1800 businesses, 55,000 jobs
- Warehouses account for 27% of the city’s buildings but 5% of its revenue
- Warehouses associated with truck traffic, road repairs and ... low spending in electricity
- B/w 1989 and 2005, a municipal regulation banned warehousing uses for buildings >50,000 sq ft
- Since end of 1990s, “parcel tax” to facilities involved in warehousing, distribution and trucking, with the exception of refrigerated warehouses
- Losing battle: logistics buildings’ share is increasing
City of Moreno Valley

- 200,000 people
- Per capita income 40% below State average
- Six areas of logistics development... going East
  - DC built for Skechers covering 1.9 million sq ft, one of the largest warehouses in California
  - Generated opposition and litigation, settled in exchange for environmental improvements to the project
  - A 41 million sq ft project called “World Logistics Center” enthusiastically supported by the municipality
Recurring issues

- Competition for logistics
  - Riverside County v. San Bernardino County

- Incorporation
  - City of Vernon (1905), City of Industry (1957): incorporated to protect a business friendly environment and keep revenue
  - Jurupa Valley (2011): to stop industrial development policy from San Bernardino County - City received Environmental Justice award from American Planning Association in 2015

- Environmental controversies
  - Moreno Valley
  - Rialto: a local referendum in which the population voted in favor of a logistics cluster for its buffer/landscaping benefits
Lack of regional coordination

- Land use/building permit decisions are local (cities and counties)
- No attention to regional consequences
- Lack of metropolitan/regional coordination: “we love planning but other counties do not and are ready to accept anything without any care given to conflicts of use, environmental justice or transitional planning”
Freight in new regional planning initiatives

- SB375 (2008) California's anti-sprawl law: need for each metropolitan planning organization to define a Sustainable Communities Strategy
- SCAG (Los Angeles): 2012

“... promote a more balanced mix of residential, commercial, industrial, recreational and institutional uses located to provide options and to contribute to the resiliency and vitality of neighborhoods and districts.”
SANDAG (San Diego): 2011

- A Goods Movement Strategy “that balances freight benefits with sustainability needs"
- “Update the Regional Comprehensive Plan to include policies, programs, and guidelines to integrate goods movement land uses and facilities, with minimal impact to adjacent communities"
- "Support local general plans to identify the long-term needs of moving goods, industrial warehousing infrastructure, and connectors to the regional freight network. Coordinate this effort with economic studies"
Conclusion: ways forward

- Monitoring trends, informing decision-makers
- Promoting logistics parks and clusters
- Promoting regional coordination
- Promoting zoning ordinances that allow for logistics operations in residential/mixed use areas with careful architectural/envtual requirements
References