

# Urban industrial land and land policy: national context

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# Outline

- Urban industrial land use and building typology across the 20<sup>th</sup> century
- What urban industrial uses continue to be supported by the market?
- How do policy/planning help to optimize those opportunities, with notes on a recent spate of industrial land use studies.
- Examples: New York, Chicago, Seattle



A VIEW IN THE KENSINGTON WALK DISTRICT  
 Most of the mills shown in this picture manufacture brick and pipe. They stand in the northern portion of the city, and were built long before the advent of steel. In fact, Philadelphia is generally a manufacturing city, the greatest manufacturing city on earth—the "World's Greatest Workshop." The site has a special meaning open for growth in the world's largest manufacturing of iron.

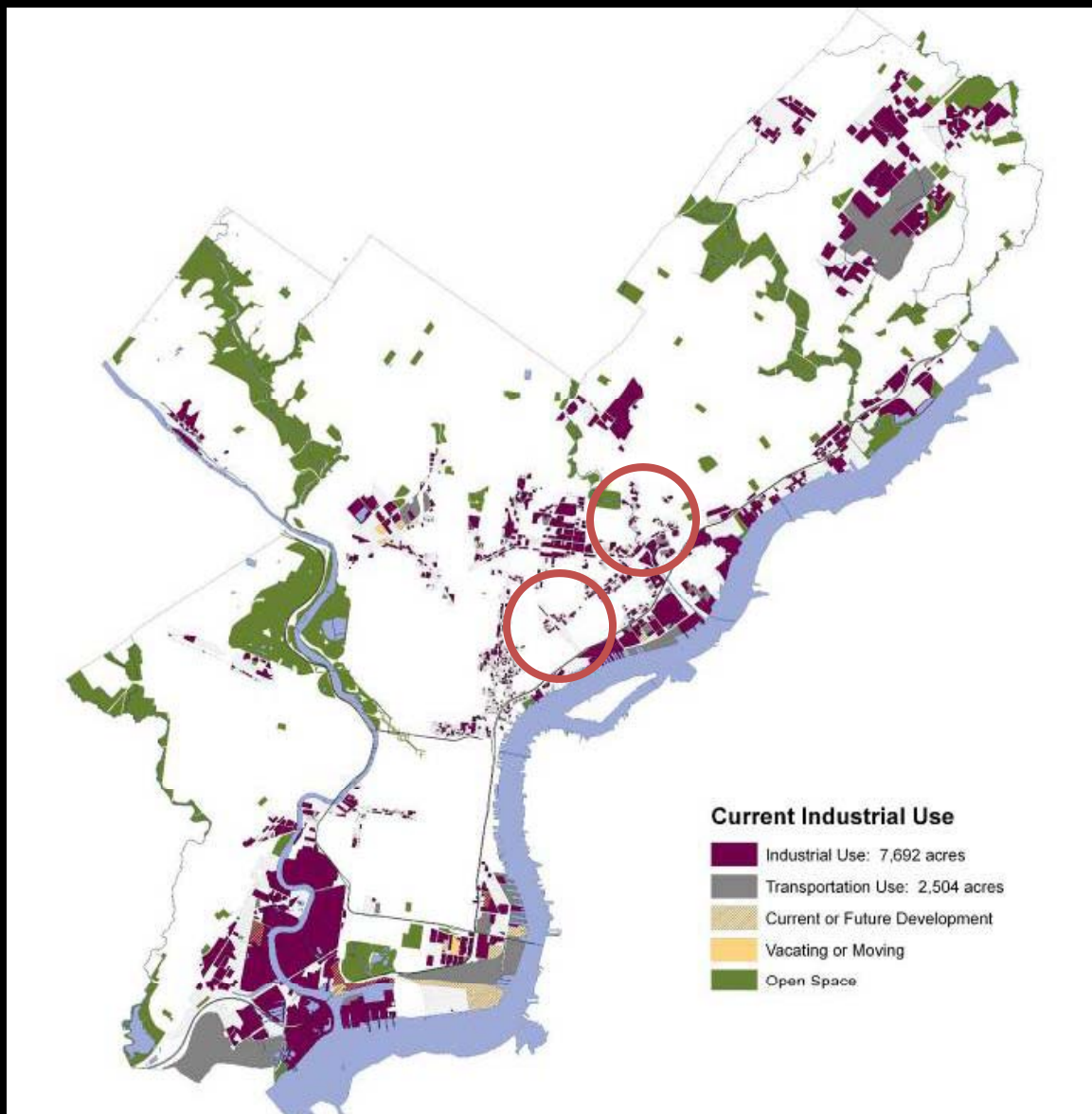
Kensington neighborhood,  
Philadelphia



Henry Reihl Building,  
Frankford neighborhood,  
Philadelphia

- High cost urban environments
- Obsolescence of 19th/early 20th century industrial buildings and neighborhoods
- Growing productivity means fewer people are employed in manufacturing
- Shift to services specialization
- Growing tension in cities between industry and fiscally higher-yielding uses

# Industrial land use patterns in Philadelphia from 20,000 feet



Source: Philadelphia Industrial Development Corporation

Cities/counties conducting industrial land use studies and/or promulgating industrial promotion policies since 2000

- San Francisco
- Los Angeles
- San Diego
- San Jose
- Oakland
- Richmond, CA
- Milpitas, CA
- Napa County California
- Santa Clara County, CA
- Portland
- Seattle
- New York
- Boston
- Philadelphia
- Minneapolis
- Chicago
- Baltimore
- Lee County, FL
- Arlington County, VA

Source: Dempwolf 2009

## Common goals of officials doing the studies:

- Responding to increasing demand for industrial land by other uses
- Interested in understanding the employment and earnings impact of industrial vs. other land uses as well as the direct fiscal impact
- Interested in understanding the linkages between industrial land uses and the overall system of land uses
- Interested in establishing geographic, site and building characteristics that make urban land competitive for industry
- Interested in differentiating between industrial land that should remain industrial and what should be converted for other purposes

# Rethinking the Industrial Sector

## **SUPER-SECTOR** → **SUB-SECTORS** (71 NAICS Codes)

**Agriculture/Forestry/Fishing/Hunting** → All

**Construction** → All

**Manufacturing** → All

**Trade, Transportation, and Utilities** → Utilities, Transp/Warehsg, Wholesale, some Retail

**Information** → Publishing, Film/Video, Broadcasting, Telecom

**Financial Activities** → Storage, Truck Leasing

**Professional and Business Services** → Testing Labs, Veterinary, Security, Waste Mgmt

**Education and Health Services** → Ambulance Services, Blood/Organ Banks

**Leisure and Hospitality** → Caterers, Mobile Food Service

**Other Services** → Repair/Maintenance

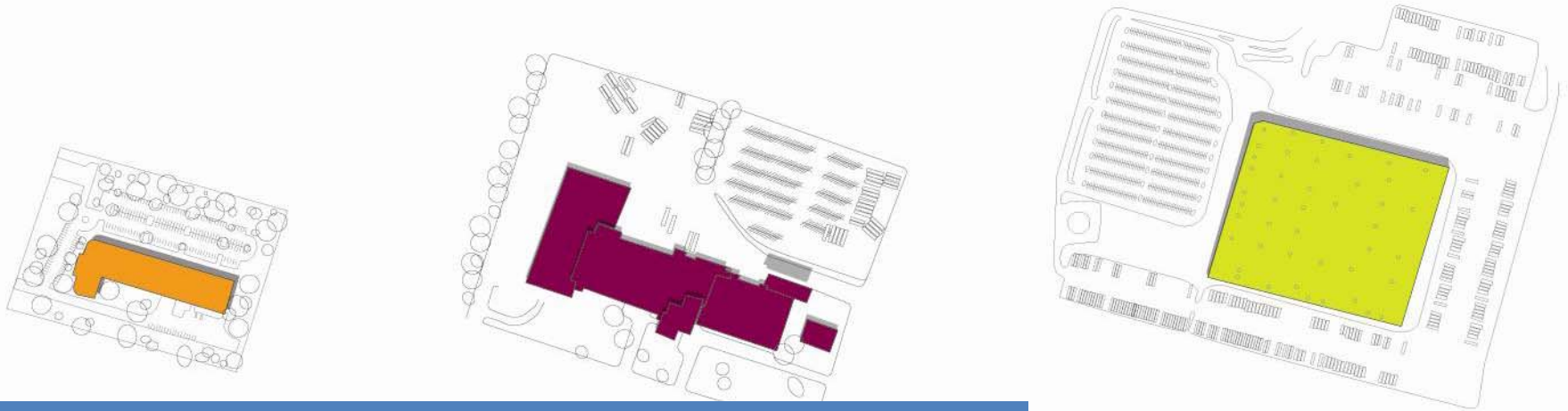
## Identifying the competitive advantages/disadvantages of current industrial land inventory



Apptec: 75,200 square foot, single-story laboratory and biopharmaceutical manufacturing facility at the Philadelphia Navy Yard

### Criteria:

- Amenable to continued competitiveness as a site for industrial firms?
- Valuable to the city from an employment and/or revenue generation perspective?
- Amenable to conversion to other uses?



- Leading service industries depend on utilities, transportation, distribution, repair
- Employment, wage and revenue effects of industrial use are significant
- For some production sectors and in some locations, urban industry makes sense
  - Food processing
  - Advanced manufacturing/flex space
  - Craft-based manufacturing (e.g. custom furniture making)
  - Artisan production – studio work in ceramics, textiles, photography, fine arts, digital arts



→ **warehouse  
distribution**

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Industrial Business Zones  
New York City

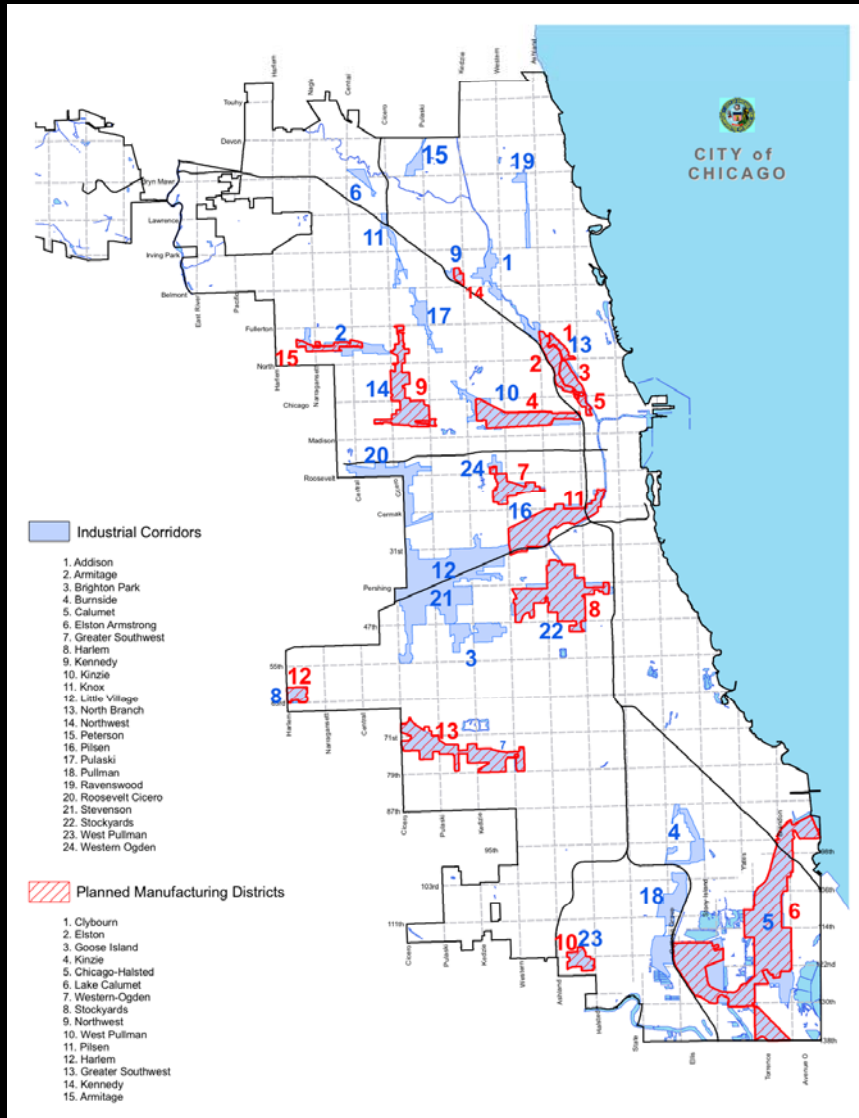
City created 16 Industrial Business Zones (IBZs) in 2005

- Residential rezoning is prohibited
- Relocation tax credits for industrial business to move to an IBZ
- City-owned land is made available for Industrial use

City created the Office of Industrial and Manufacturing Businesses to oversee and coordinate industrial policy implementation across agencies



Source: *New York City Industrial Policy: Protecting and Growing New York City's Industrial Job Base, 2005*



Industrial Corridors and PMDs  
Chicago

City developed Planned Manufacturing Districts (PMDs) in 1988, now 15 citywide

- Early adopter of industrial land retention
- PMD zoning overlay restricts rezoning to non-industrial uses: special use permits are required
- Designation process can be initiated by the mayor, aldermen, or property owners
- Overall, PMDs place fewer limitations on non-industrial uses than retention programs in other cities

Source: City of Chicago; Joel Rast, *Curbing Industrial Decline or Thwarting Redevelopment*, Milwaukee, University of Wisconsin-Milwaukee Center for Economic Development 2005





Retail Conversion of Manufacturing Building,  
Clybourn Corridor PMD

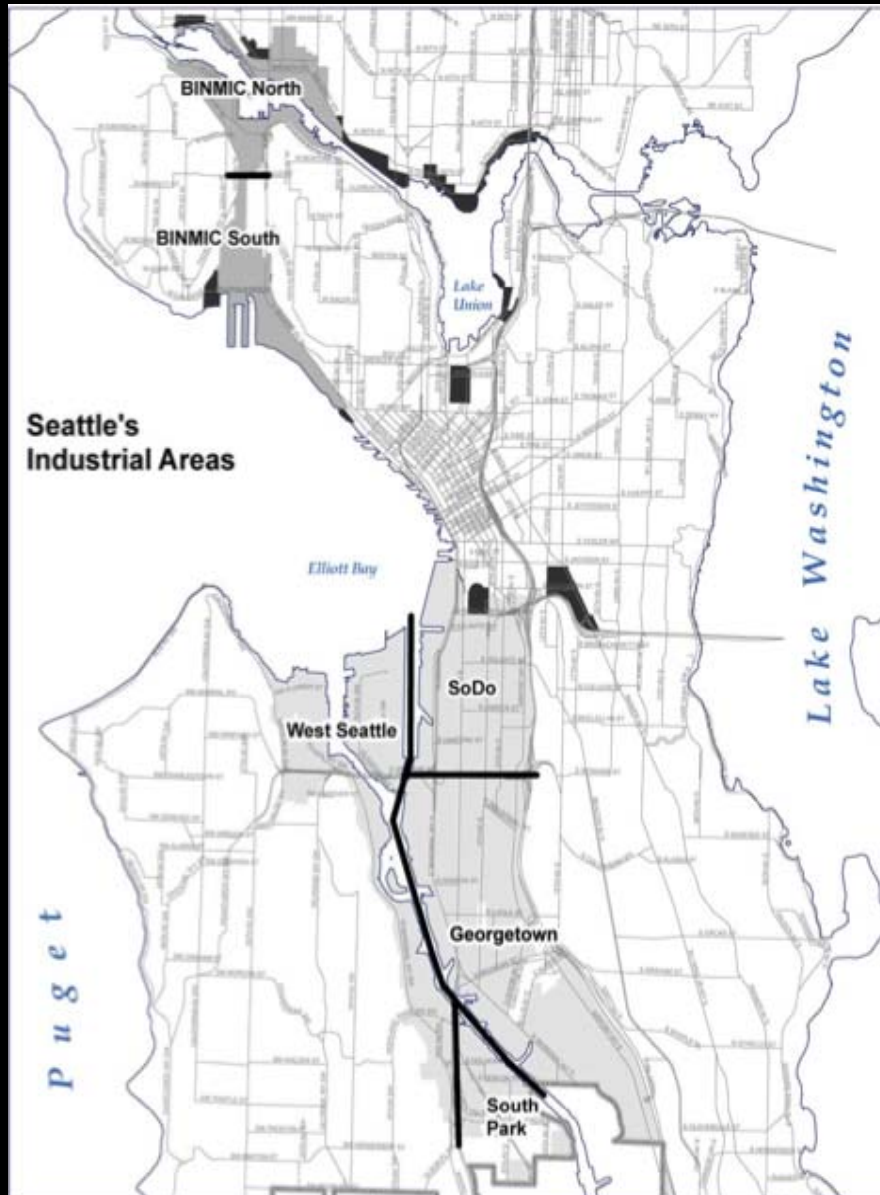


Finkl Steel, Manufacturing Business in  
Clybourn Corridor PMD with 340 Employees

PMDs have seen steady job growth, but manufacturing employment levels have varied

Special use permits are relatively easy to attain

PMDs are largely successful in preventing residential conversions of industrial land, but other commercial uses have expanded, some of which can conflict with industry



County designates Manufacturing/Industrial Centers (M/IC) as part of statewide Growth Management Act

- Areas with good access to highway, rail, air, and waterway system; Non-industrial uses are discouraged
- Countywide growth incentives in other areas ensure that M/IC space is not needed for non-industrial uses

In 2005, City of Seattle went further with a 2-year study to strengthen industrial land policies

- Recognized need to accommodate 90,000 new industrial jobs over the next 30 years
- Detailed survey of industrial businesses, revealed logistical barriers as well as agglomeration economies
- Recommended reducing maximum size levels for retail and office space in industrial areas to reduce competition for space

Source: *Seattle's Industrial Lands: Mayor's Recommendations*, 2007



Port of Seattle

### Seattle Survey of Publicly-Owned Industrial Land

Ownership	Acres
Port of Seattle	976
King County	534
City of Seattle	203
State of Washington	73
Federal Government	58
Sound Transit	20
Other	61
<b>Total</b>	<b>1924</b>

City increased allowances for office and commercial in light industrial districts while decreasing allowances in heavy industrial districts

- Allowed for expansion of R&D in light industrial areas
- Incorporated enhanced design standards in light industrial areas
- Maintained integrity of heavy industrial districts and reduced price pressure on industrial firms

Developed an adaptive reuse program to convert obsolete tall industrial structures in heavy industrial areas to commercial uses

Conducted an inventory publicly-owned industrial land (50% of total), with recommendations to relocate non-industrial uses