

Date: September 20, 2016  
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Subject: Adoption of Priority Production Areas as a Plan Bay Area 2040  
Implementation Action

## Introduction

In June 2015, the Regional Planning Committee took action to evaluate a Priority Industrial Area program as an addition to Plan Bay Area 2040 (See attachment 3). In January 2016, MTC published a Goods Movement study that, among other things, emphasized the importance of maintaining adequate land for warehousing and distribution close to urban areas and transportation infrastructure. Throughout 2015 and 2016, a University of California team led by Dr. Karen Chapple produced a series of memos funded by CalTrans on the region's industrial land inventory, capacity for future growth, occupancy and expected demand (See summary in attachment 1). These memos conclude that although at the regional level the supply of industrial land exceeds projected demand, a closer look at location shows a mismatch between available land supply and expected growth in demand in the urban core. The region's 600,000 plus jobs on industrial land are projected to grow to almost 750,000, but particularly in the urban core, these jobs are at risk from pressure for housing and mixed use construction. Industrial lands have a high share relative to the region of jobs that provide middle wage opportunities for workers without a college degree, while many of the businesses provide services to business activities and individuals more broadly located in the Bay Area.

## Priority Production Areas

The technical advisory committee (See attachment 2) for the study of industrial land has recognized the value of businesses and economic vitality in these areas. They advised that a targeted land use policy will be needed to retain adequate land and facilities for manufacturing, warehousing and distribution activities in the urban areas where infill development is occurring, as well as in some suburban areas where incompatibilities are resulting from mixed use or residential development. The research also shows that industrial lands in the Bay Area include a wide range of economic activities. Thus the Priority Production Areas program would need to be flexible to meet the needs of all jurisdictions. Based on conversations with businesses and economic development experts the name was modified from Priority Industrial Area to Priority Production Areas.

Priority Production Areas would be locally designated zones where manufacturing, warehousing, distribution and repair services would be a priority consideration in determining future land use. The UC Berkeley Industrial Land Study suggests

characteristics for consideration in determining where a Priority Production Area is needed to retain industrial land and where conversion would be appropriate, including existing and neighboring uses, proximity to transportation and suppliers, the quality and type of jobs and business opportunities, and projected industrial land demand and availability.

**Action**

Action: Recommend to the ABAG Executive Board that ABAG staff develop a Priority Production Area program for inclusion in Plan Bay Area, by refining criteria and identifying supportive resources and implementation actions.

Attachments:

1. Industrial Land and Jobs Study
2. Industrial Land Study Technical Advisory Committee
3. Priority Industrial Area Concept