

## I. INTRODUCTION

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The City of Los Angeles Community Redevelopment Agency (CRA) has commissioned this Economic Adjustment Strategy (EAS) for the Wilmington Industrial Park (WIP) -- a 232-acre multi-purpose industrial center located in the Harbor Redevelopment Project Area. The study is a response to the trend toward lagging private investment in a region that lacks centrally located developable commercial land. It is an area that needs to generate more stable and diverse employment opportunities for the local population, eliminate blighted conditions, and enhance the character of the overall community.

This analysis provides a strategy for improving the performance of this real estate asset based on market and land use analyses, creation of development concepts, and the development of a detailed feasibility and capital funding analysis leading to a comprehensive implementation program.

### **STUDY OBJECTIVES: WILMINGTON INDUSTRIAL PARK**

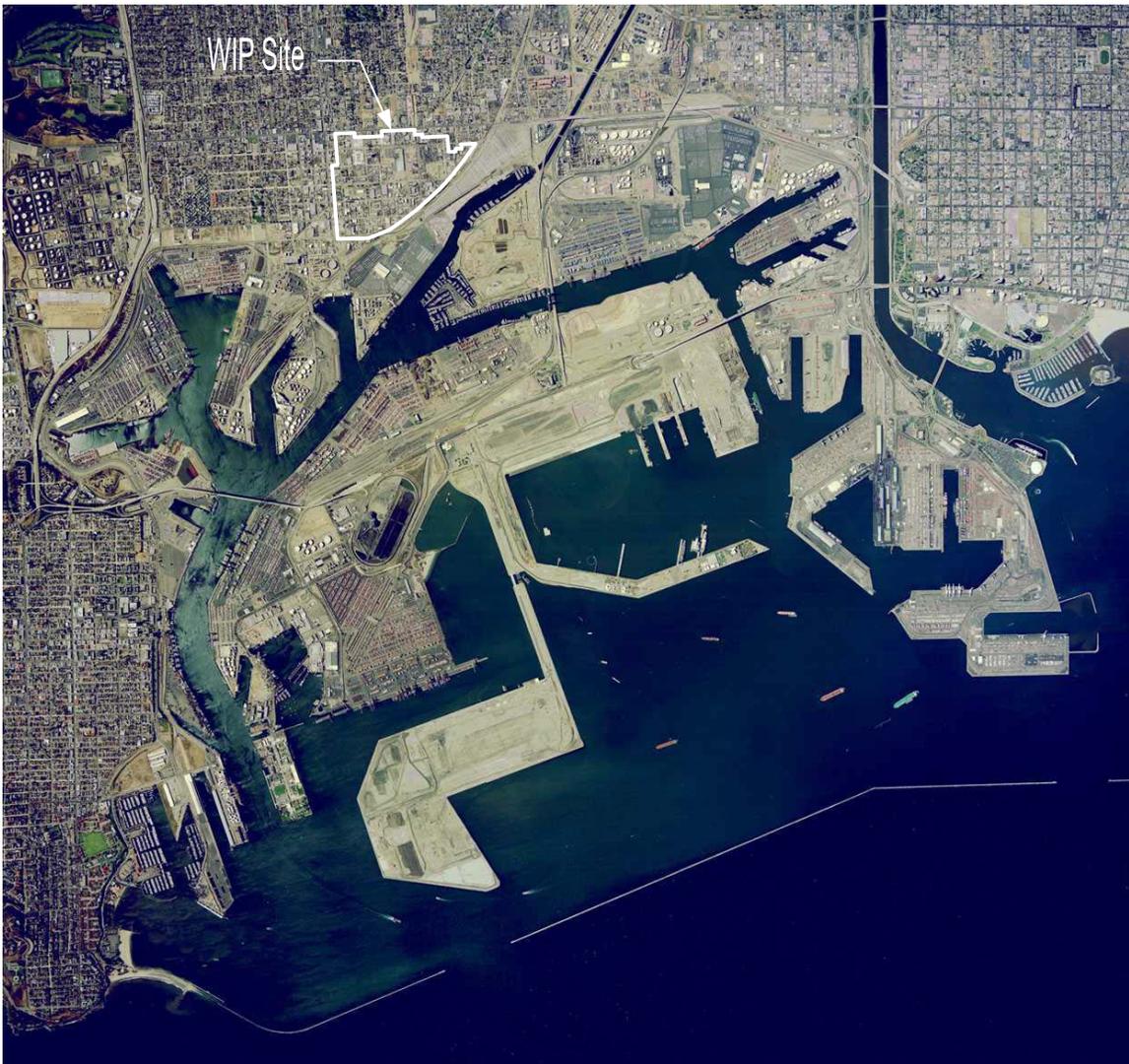
Adequate industrial land is in short supply in the Los Angeles Harbor Area. The CRA is confronted with the challenge of reversing decades of negligence and decay in an environment with inconsistent levels of infrastructure improvements, design quality, and investment from parcel to parcel. The development of a functional business environment will require a highly coordinated, multi-disciplinary effort involving the sustained energy of the CRA and its private sector development partners.

The WIP is the City's third Brownfields Demonstration Site, and is divided into over 600 parcels replete with oil wells, interim uses, and pockets of small and medium sized manufacturing, cold storage, and Port support uses. The park holds significant potential for attracting developers and owner-operators looking for infill sites in the South Bay industrial market. It can be a viable project if local market strength and brownfields initiatives at all levels are strong enough to offset the area's constraints.

This Economic Adjustment Strategy responds to the CRA's goals and objectives for this industrial community, which include:

- **Initiate and sustain higher levels of capital investment** by attracting strong, job producing light industrial, manufacturing, and cold storage/packing firms, while encouraging expansion of existing anchor developments.
- **Improve vacant and underutilized properties** within the project boundary, and determine the most suitable uses given inherent market and site opportunities and constraints.

- **Reduce blight**, particularly along the main East-West and North-South corridors. These corridors act as entryways into the Study Area and, if improved, could improve perceptions of the project area and attract investment.
- **Generate employment.** Provide additional economic opportunity to the area's well-regarded labor force. New jobs associated with intensified and diversified industry within the WIP can help to diversify the local economy and stabilize the local job market.
- **Capitalize on the WIP's excellent location** with proximity to a well-integrated port, rail, and interstate transportation hub.



*Los Angeles Harbor Area*

## METHODOLOGY

Based on the broad goals outlined above, the EAS establishes a land use and economic strategy – essentially a business plan – that provides an over-arching framework guiding future CRA redevelopment activities in this area. The study has been developed through a broad spectrum of analysis and research efforts including contributions to the development of a Geographic Information System (GIS) with a web interface accessible to staff, brokers, developers, and the general public. This tool provides a wealth of information relating to subsurface infrastructure, soil conditions, capital improvement plans for the area, market information, the CRA’s Strategic Plan phasing strategy, and other items of interest.

Specific methodologies are described throughout the report’s environmental, market, land use, capital improvement, and financial analyses. The overall methodology employed over the course of the study is as follows:

- **Inventory lands available** for redevelopment or intensification (including documentation of ownership, current use, acreage, zoning, and other key characteristics).
- **Evaluate regional and local market conditions** to determine demand for development, with emphasis on enhancing opportunities for employment of existing members of the community.
- **Identify primary development opportunity focus areas** with high potential for initial reuse success as industrial scale development sites. The selection of the specific target areas is based on access/visibility, concentrations of ownership, size of parcels, soil conditions, presence of oil wells, and other opportunities and constraints established through field research, analysis, and interviews with major area businesses.
- **Phase redevelopment activities** to leverage the presence of existing CRA-assisted and major private developments, as well as existing infrastructure systems;
- **Examine the quality of the infrastructure** (roadways, water, wastewater, storm drainage, and utilities) for accommodating proposed new development, and recommend systems requiring replacement or augmentation.

- **Create a comprehensive circulation plan** that facilitates the safe and efficient movement of pedestrians, vehicles, and cargo, and discourages illegal and unsafe truck activity on Anaheim Street.
- **Create flexible building concepts** that fit within the area's block pattern, and appeal to a diverse set of assembly, light industrial, and manufacturing firms.
- **Provide building façade and site perimeter recommendations** to create consistency among physical improvements throughout the site and to eliminate blight conditions.
- **Examine the financial feasibility** of redevelopment, including an evaluation of private sector real estate funding capacity in conjunction with available public funding sources and financing techniques.
- **Provide an overall structure** for attracting major new development projects with reference to public/private development roles and responsibilities.

## ORGANIZATION OF REPORT

*Volume I* of this report is the Economic Adjustment Strategy. It is organized into eight chapters. **Chapter I** includes an introduction to the project and methodologies used in the analysis. Following this introduction, **Chapter II** provides an executive summary of the Strategy. **Chapter III** provides a discussion of existing conditions in the WIP, with reference to land uses, infrastructure, other physical characteristics, and previous planning documents related to the site. **Chapter IV** provides a summary of market conditions driving the WIP development strategies. **Chapter V** identifies development opportunities in the WIP in terms of land uses and key development opportunity areas. In **Chapter VI**, a development phasing strategy is provided, followed by a public/private financing strategy in **Chapter VII**. **Chapter VIII** provides an implementation strategy.

*Volume II* is comprised of a market analysis supporting the Economic Adjustment Strategy.

*Volume III* is a compilation of technical reports, including a tax increment discussion and a detailed geotechnical report.

## ABOUT THE AUTHORS

The following firms and personnel contributed to this report:

- Economic & Planning Systems (EPS) – market analysis, financial analysis, implementation, and project oversight; David Zehnder, Jack Sevey, Shanna Wasserman and Nicole Brown. EPS is an urban economics consulting firm with an extensive background related to redevelopment, public/private partnerships, and brownfields development. EPS has offices in Sacramento, CA., Berkeley, CA., and Denver, CO.
- Jordan Woodman Dobson (JWD) – land use planning and project oversight assistance; Joe DeCredico, Dick Woodman and Ron Everett. JWD is an industrial and maritime planning, architecture and engineering firm based in Oakland, CA.
- Psomas Engineers – information systems, civil engineering; Kenn Dobson and Mike Crehan. Psomas is a national engineering firm with local offices in Los Angeles.
- Diaz, Yourman & Associates (DYA) -- geotechnical engineering; Jerry Diaz, Jorge Sandoval, and Gary Halbert. DYA is a Santa Ana-based geotechnical consulting firm.

- Seifel Consulting – tax increment and fiscal analysis; Anne Simpson and Marie Munson. Seifel Consulting is located in San Francisco, CA.

The staff of the CRA and the City of Los Angeles provided invaluable feedback and insight that is integrated throughout this report – Steve Andrews, Susan Totaro, Rafique Khan, Ed Donnelly, Al Nicholson, Betty Pace, and Craig Tranby of the City Environmental Affairs Office.