VI. DEVELOPMENT AND PHASING STRATEGY

DEVELOPMENT STRATEGY OVERVIEW

The rapid redevelopment of the WIP will require an assertive effort including modifications to the regulatory regime, upgrades of the park's circulation network and amenities, and a properly sequenced development strategy. This chapter presents the physical sequencing and methods of development; a comprehensive discussion of implementation is provided in the final chapter of this report.

To attract significant investment to the WIP, it is recommended that the following general parameters guide the CRA's development actions:

- **Seek development of light industrial and manufacturing** product appropriate for diverse users and settings. Parcels should be combined, as practical, into 1-3.5 acre, 3.5-7 acre and larger areas to accommodate an array of specialized manufacturing, light industrial/flex, cold storage, and other port-related uses such as logistics firms. Product should incorporate common walls, and be divisible to 10,000 square feet where possible.

- **Target key corridors and entrance areas** for improvement as a way of improving the site's market appeal and showing physical evidence of CRA redevelopment progress. This can be done by acquiring small areas of land at key entrances to the site and developing landscape concepts that identify the entrance to the site. Enhancing key corridors can be accomplished through a thematic street tree and underplanting program that is irrigated and maintained. Fencing planted with rapidly growing vines can be incorporated into rights-of-way to temporarily screen blight conditions and marginal structures.

- **Attempt to pair more easily developed parcels with more difficult areas** that are contaminated, have fragmented ownership, or have other development constraints. This will cross-subsidize development of difficult areas, and it will improve the market appeal of readily developed parcels.

- **Target areas with good soils** for the development of buildings. Even if these areas have difficult parcelization and ownership patterns, they are more economically developed than areas requiring piles due to liquefaction threat.

- **Cluster properties into "packages"** that will incorporate the scale necessary to support minimum debt issuance thresholds, qualify for substantial grant funds, and attract major private sector development interests.

- **Improve the East-West and North-South axes of the park.** The planning and development of these areas will catalyze high-value development of the park's major land assets – particularly those located in the Northwest Quadrant.

- **Defer development of lands in the Southwest Quadrant**, unless there is a strategic need to improve them. This area has significant liquefaction issues and likely requires expensive subsurface foundation systems such as stone columns or piles. The development of the other areas of the park, combined the long-term prospect of Port-related relocations able to pay the development premiums likely required for the area, will facilitate intensive development of this area over the long-term. The area's development will be assisted by appreciation within the WIP and the continued dwindling regional land supply.

- **Solicit property owner participation in the redevelopment process.** The WIP harbors several property owners that are very accomplished industrial developer/brokers. In some cases, outside developers should be paired with existing property owners. If property owners are disinterested, the CRA should assertively proceed with one or more RFQ/RFP processes, select one or more qualified developers for exclusive negotiations, and structure contractual agreements providing for timely development and a sharing of costs.

- **Relocate displaced manufacturing operations into newly developed industrial space.** This would be tantamount to pre-leased or pre-sold buildings, improving the availability of construction financing.

- **Designate interim locations for truck parking and union training** operations in the Southwest Quadrant – the area most susceptible to liquefaction threat. These operations do not necessarily require environmental remediation or high-quality soils, command very high residual land values (around $20 per square foot), and provide for effective marketing by requiring site clearance. The CRA should incentivize parcelization and paving of key sites with the provision that land will be needed within a 5 to 10-year time frame for more intensive development.

- **Designate a permanent location for a modern salvage facility** (off-site if possible, on-site as a back-up option); grant funds should be obtained and specifically targeted to this project; if on-site, relocate only viable, higher value salvage operations to this area (7-acres maximum). The relocation strategy for salvage yards should allow existing salvage operations' inventory to dwindle over a period of 90 days. Remaining inventory will be surplus/low value and less expensive to purchase for disposal.

- **Pursue negotiations with oil companies** active in the area to modify facilities (e.g., adopt slant-drilling techniques from key areas set-aside within the WIP) to accommodate development, so that major resource losses do not affect redevelopment feasibility.

PHASING STRATEGY METHODOLOGY

The phasing strategy recommended in this section is a product of quantitative and qualitative analysis, summarized by the following sequence of steps:

1. **Build parcel database.** Includes title company and assessor information, site visit notes, prior analysis (e.g., Bight Findings Analysis, SCS Phase I Report, 1994 EIR), and the most current aerial photography available.

2. **Determine Status of Blocks.** Blocks are assigned one of three status levels, with Status 1 representing vacant, open storage, salvage, or parking lots; Status 2 indicating significant presence of existing structures, and Status 3 assigned to parcels harboring "anchor tenants," including major private investments as well as Owner Participation Agreements (OPAs) and Development Disposition Agreements (DDAs) executed by the CRA. The CRA has waived its right to the future use of eminent domain on these parcels.

3. **Rank blocks** according to status assignment and other criteria including presence of liquefiable soils, the quantity of active oil wells, the number of tenants requiring relocation, and the total number of property owners in a given block. **Table 4** and **Figure 12** present the results of this ranking system with properties organized into "A", "B", and "C" quality categories.

4. **Make experience-based judgments.** The team's internal development experience guided qualitative decisions regarding the sequence of phasing.

5. **Combine quantitative and qualitative factors** to arrive at a phasing strategy intended to prime, catalyze, and sustain investment with a targeted buildout period of ten years.

Table 4
Summary - Developable Properties - Sorted by Total Ranking [1]
Wilmington Industrial Park Economic Adjustment Strategy

Block	Phase	Land Sqft	Acres [1]	% of Project	Assessed Value (AV)	Average AV per Land Sqft	# of Parcels [2]	Liqui-fact Zone [7]	Active Oil Wells [3]	Development Status [4] (in sqft of land) Status 1 [4]	Status 2 [4]	Status 3 [4]	# of Owners [5]	RANKING [6] Status 1 Acres	Active Oil Wells [3]	# of Owners [5]	Liqui-fact Zone	Total Rank	Categ [8]
25	3A	137,973	3.2	2.1%	$1,737,200	$12.59	25	1	0	131,635	6,338	0	3	5	5	5	5	20	A
11	2	152,408	3.5	2.3%	$318,200	$2.09	11	1	1	152,408	0	0	2	5	4	5	5	19	A
15	2A	143,796	3.3	2.2%	$851,018	$5.92	18	1	1	139,135	4,661	0	3	5	4	5	5	19	A
28	1	144,614	3.3	2.2%	$1,035,600	$7.16	27	1	4	144,614	0	0	3	5	4	5	5	19	A
19	3	153,072	3.5	2.4%	$2,037,990	$13.31	13	1	2	153,072	0	0	1	5	3	5	5	18	A
10	2A	114,371	2.6	1.8%	$1,171,400	$10.24	15	1	0	114,371	0	0	5	4	5	4	5	18	A
18	1	152,995	3.5	2.4%	$177,100	$1.16	15	1	2	152,995	0	0	1	5	3	5	5	18	A
23		70,524	1.6	1.1%	$123,800	$1.76	9	1	0	70,524	0	0	1	3	5	5	5	18	A
24		46,136	1.1	0.7%	$586,300	$12.71	16	1	0	46,136	0	0	2	3	5	5	5	18	A
30	2B	152,076	3.5	2.3%	$1,088,300	$7.16	20	1	0	152,076	0	0	6	5	5	3	5	18	A
4		76,371	1.8	1.2%	$852,200	$11.16	9	1	0	45,296	0	31,075	5	3	5	4	5	17	B
5		90,483	2.1	1.4%	$598,600	$6.62	12	1	1	77,894	12,589	0	2	3	4	5	5	17	B
14	2	152,351	3.5	2.3%	$340,100	$2.23	12	2	0	152,351	0	0	1	5	5	5	2	17	B
31	2A	138,667	3.2	2.1%	$1,218,000	$8.78	29	1	0	138,667	0	0	14	5	5	2	5	17	B
34	1	280,091	6.4	4.3%	$3,334,900	$11.91	5	2	0	280,091	0	0	3	5	5	5	2	17	B
47		149,709	3.4	2.3%	$1,632,700	$10.91	11	2	0	130,849	18,860	0	2	5	5	5	2	17	B
9	2B	123,781	2.8	1.9%	$1,858,000	$15.01	3	1	0	0	123,781	0	2	1	5	5	5	16	B
12		58,529	1.3	0.9%	$1,394,500	$23.83	4	1	0	0	58,529	0	1	1	5	5	5	16	B
22		84,216	1.9	1.3%	$619,300	$7.35	11	1	0	69,928	14,288	0	6	3	5	3	5	16	B
51		152,845	3.5	2.3%	$893,100	$5.84	26	2	0	102,229	50,616	0	3	4	5	5	2	16	B
26	1	153,060	3.5	2.4%	$1,292,400	$8.44	20	1	0	0	60,104	92,956	2	1	5	5	5	16	B
20	3	141,211	3.2	2.2%	$1,198,900	$8.49	32	1	1	81,141	60,070	0	4	3	4	4	5	16	B
32	2	152,268	3.5	2.3%	$1,285,000	$8.44	2	2	1	152,268	0	0	1	5	4	5	2	16	B
33		120,904	2.8	1.9%	$993,000	$8.21	10	2	0	67,935	0	52,969	3	3	5	5	2	15	C
53	1A	55,564	1.3	0.9%	$569,100	$10.24	13	2	0	55,564	0	0	1	3	5	5	2	15	C
37		91,155	2.1	1.4%	$1,358,300	$14.90	8	2	0	14,288	76,867	0	2	2	5	5	2	14	C
21	3A	116,072	2.7	1.8%	$2,335,700	$20.12	13	1	2	46,436	69,636	0	7	3	3	3	5	14	C
38	1A	144,739	3.3	2.2%	$1,307,800	$9.04	17	1	1	73,553	71,186	0	7	3	4	3	5	15	C
27	1	111,449	2.6	1.7%	$1,507,100	$13.52	40	1	0	70,720	40,729	0	6	3	5	3	5	16	C
45	1A	126,855	2.9	1.9%	$1,260,800	$9.94	25	2	0	102,505	24,350	0	7	4	5	3	2	14	C
48		152,048	3.5	2.3%	$1,844,400	$12.13	12	2	0	32,540	71,444	48,064	4	2	5	4	2	13	C
54	1A	47,548	1.1	0.7%	$239,000	$5.03	13	2	0	47,548	0	0	7	3	5	3	2	13	C

Table 4
Summary - Developable Properties - Sorted by Total Ranking [1]
Wilmington Industrial Park Economic Adjustment Strategy

Block	Phase	Land Sqft	Acres [1]	% of Project	Assessed Value (AV)	Average AV per Land Sqft	# of Parcels [2]	Liqui-fact Zone [7]	Active Oil Wells [3]	Development Status [4] (in sqft of land) Status 1 [4]	Status 2 [4]	Status 3 [4]	# of Owners [5]	RANKING [6] Status 1 Acres	Active Oil Wells [3]	# of Owners [5]	Liqui-fact Zone	Total Rank	Categ [8]
46		152,815	3.5	2.3%	$2,012,600	$13.17	29	2	0	112,901	39,914	0	19	4	5	1	2	12	C
49		151,760	3.5	2.3%	$1,594,700	$10.51	12	2	0	0	138,557	13,203	5	1	5	4	2	12	C
50		152,255	3.5	2.3%	$2,410,700	$15.83	15	2	0	0	128,942	23,313	7	1	5	3	2	11	C
6		150,123	3.4	2.3%	$3,668,400	$24.44	4	1	0	0	0	150,123	2	1	5	5	5	16	N/A
7		177,725	4.1	2.7%	$3,635,000	$20.45	3	1	0	0	0	177,725	1	1	5	5	5	16	N/A
8		134,930	3.1	2.1%	$3,060,000	$22.68	2	1	0	0	0	134,930	2	1	5	5	5	16	N/A
16		152,619	3.5	2.3%	$1,552,200	$10.17	13	1	0	0	0	152,619	1	1	5	5	5	16	N/A
29		152,516	3.5	2.3%	$1,489,700	$9.77	27	1	0	0	0	152,516	6	1	5	3	5	14	N/A
43		50,617	1.2	0.8%	$899,000	$17.76	1	1	0	0	0	50,617	1	1	5	5	5	16	N/A
17		157,420	3.6	2.4%	$3,162,100	$20.09	3	1	1	0	0	157,420	1	1	4	5	5	15	N/A
40		79,000	1.8	1.2%	$861,600	$10.91	15	1	1	0	0	79,000	7	1	4	3	5	13	N/A
13		73,920	1.7	1.1%	$1,900,000	$25.70	1	2	0	0	0	73,920	1	1	5	5	2	13	N/A
36		217,800	5.0	3.3%	$4,014,300	$18.43	2	2	0	0	0	217,800	2	1	5	5	2	13	N/A
39		138,085	3.2	2.1%	$4,450,000	$32.23	1	2	0	0	0	138,085	1	1	5	5	2	13	N/A
41		221,441	5.1	3.4%	$2,302,800	$10.40	6	1	1	0	0	221,441	3	1	4	5	5	15	N/A
44		115,691	2.7	1.8%	$1,915,100	$16.55	21	2	0	0	0	115,691	6	1	5	3	2	11	N/A
52		238,808	5.5	3.7%	$3,205,500	$13.42	10	2	0	0	0	238,808	4	1	5	4	2	12	N/A
Total		**6,505,406**	**149.3**	**100.0%**	**$79,193,508**	**$12.17**	**661**		**19**	**3,111,670**	**1,071,461**	**2,322,275**	**186**						
Acres		**149.3**								**71.43**	**24.60**	**53.31**							

"ranking"

[1] Developable excludes parcels with existing builldings. Future development could include removal/relocation of these tenants.

[2] Includes alleys

[3] Per Psomas.

[4] Definition of development status shown below (Status determined by examination of assessors information and aerial photograph):

1 = Developable - vacant, open storage, or salvage.
3 = Non-developable - anchor tenant, existing structure and/or adjacent parking lot.
2 = Possibly developable, existing structure and/or adjacent parking lot

[5] Includes only status 1 and 2 properties.

[6] "5" is most favorable for development, "1" is least favorable for development.

[7] "1" is lower probability of liquifaction and "2" is higher probability of of liquifaction

[8] Indicates relative level of quality as shown on **Figure 12**.

SOURCE: Stewart Title, Diaz Yourman & Associates, and EPS

Insert Figure 12

RECOMMENDED DEVELOPMENT PHASING

The balance of this chapter sets forth an approach to property development, guided by the principles established in the preceding section. **Table 5** characterizes the key phases involved in redevelopment of the WIP and **Table 6** summarizes the utility work/costs associated with all phases of redevelopment.

PHASE 0: OVERALL PROJECT IMPROVEMENT

Prior to the initiation of the strategy described below, the CRA must show progress addressing the major development constraints identified in **Chapter II**. In particular, illegal occupation of right-of-way must be abolished, and zoning and criminal laws must be enforced.

PHASE I: ENTRANCE AND CENTRAL CORE DEVELOPMENT

Specific Objectives

Demand is acute for available property in the South Bay market area. For end-users that are familiar and comfortable with the region, some properties in the WIP can be marketed in their present condition. However, the rate of development will continue to be slow and deliberate. In order to attract significant investment among major development interests, it will be necessary for the CRA to demonstrate its intent to improve the quality of surroundings.

This can be accomplished at three locations (see Phasing Diagram, **Figure 11**):

1) Pursue development of the interior of the park near the intersection of E Street and Eubank, as well as the northern portion of Eubank. This involves the development of Blocks 18, 28, and portions of Blocks 26 and 27.

2) Improve the western E Street entrance through the development of Blocks 34 and 35.

3) Improve the entrance of the property at the intersection of Eubank and Alameda, as well as the immediate Eubank corridor, involving Blocks 53, 54, 45, and 38. As shown, this area is depicted as Phase IA – distinguished by its location in a possible liquefaction zone.

This sequence of improvements will vastly improve the appearance of the park at its entrances and along its major north-south and east-west corridors, improving the marketability of the park, and setting the context for subsequent phases of development.

Land Resources & Ownership Patterns

This phase improves two entrances of the park and creates consistent street frontage along nearly all of Eubank and E Street. It consists of 24.4 acres.

The most obvious development opportunity in this phase consists of a two-block area that, if developed, would provide the beginnings of a very solid core of manufacturing and other high value uses. Specific attributes of this area are as follows:

- **Block 18** (3.51 acres). Bound by Eubank on the west, MacFarland on the east, Block 28 on the south and G Street on the north, the block contains 17 parcels and an alley. The predominant property owner is Carson Dominquez properties. The block has historically been undeveloped and has contained six oil wells of which two are still active. All 3.51 acres are designated as Status 1 -- targeted for development based on presence of open yards, parking lots, and overall lack of developed structures. American Soccer has reportedly had preliminary discussions with the CRA regarding a facilities expansion on this block as well as Block 28 to the south. The CRA should hold intensive meetings with this important anchor tenant to better specify their expansion plans as such an expansion would be an ideal outcome for these two blocks. If no immediate interest exists, the CRA should take actions to secure a developer.

- **Block 28 (**3.32 acres). Bounded by Eubank on the west, Macfarland on the east, E Street on the south and Block 18 on the north, this is also a possible American Soccer expansion site. Owner mailing lists indicate that there are three major property owners on the block including Potential Industries/Chen, Jorge Bojorquez and Jan Hinson. The block contains 26 parcels and an alley. The property was vacant until the early 1990's when the eastern portion was paved for purposes of truck parking. All 3.32 acres are designated as Status 1; however, there are four active oil wells on the property that add considerable expense and complication to prospective development. Discussions with the oil companies to determine the value of mineral resources and alternative approaches to facilitating development should occur immediately.

Across McFarland Avenue from the above two blocks, there are portions of two blocks surrounding Union Ice (Blocks 26 and 27). Preliminary plans shown by Union Ice have identified these areas as future expansion opportunities. Similar to the American Soccer discussion above, the CRA should provide Union Ice with an opportunity to state its intentions regarding these properties, as Union Ice is an extremely valuable addition to the WIP through its combination of cold storage and affiliated packaging activities. Characteristics of the area are as follows:

- **Block 27 (**2.56 acres). Bounded by MacFarland on the west, Dominquez on the east, E Street on the south and F Street on the north, there are several major property owners on the block including the Deluca Trust, Dominick Tinti, Lawrence Tieman and Andrew Hughes. The block contains 39 parcels and an alley. The property was vacant until 1985. Since that time a number of boat yards, storage and auto wrecking operations have been established. There are no oil wells on the block. It has been determined that 1.62 acres are Status 1 properties, and .94 acres are designated as Status 2 – a designation indicating presence of tenants and minor structures that may be candidates for relocation and redevelopment.

- **Block 26** (.9 acres). This is a small adjunct on the east side of the Union Ice facility, owned by American Soccer. It contains a building of approximately 10,000 square feet, which was reportedly on the market for approximately $1.0 million, or $100 per square foot. The asking price for this building, which occupies about a third of the available portion of Block 26, indicates that the owner considers it to be in good condition. As a result, it has been classified as a Status 3 property. The remainder of the property (.6 acres) is cleared and suitable for additional small office or industrial space (e.g., two 10,000 square foot buildings); truck parking is likely problematic.

- **Block 34/35** (6.43 acres). Located at the WIP's main western entrance on Broad, the area is also bounded by Quay on the east, D Street on the south and E Street on the north. There are three major property owners on the block's five parcels including Celia Dubin, Annette Colier and Swift Transportation, which holds the vast majority of the area. Aerial photography indicates four buildings on the block and a large paved truck parking yard, which is reportedly being leased to the City as an impound yard. There are no active oil wells on the property. All 6.43 acres are designated as Status 1. The major issue plaguing this site is the potential threat of liquefaction, as discussed above.

If financial resources permit, it would be very beneficial to improve the Phase IA area to provide an improved entrance and south Eubank Avenue corridor. This is a candidate for exogenous funding, and will require a concerted effort to acquire and assemble parcels. The three southern blocks (45, 53, and 54) should be merged to create a single, cohesive development opportunity, involving the vacation of a significant street right-of-way. Major characteristics by block include:

- **Block 38 (**3.32 acres). Bounded by Lecouvreur on the west, Eubank on the east, D Street on the south and E Street on the north, the block contains 17 parcels and an alley. Major property owners include B & C Properties, Chelsea Ann Corporation and Christy Maynez. Property development was initiated in the 1970's and contains several businesses that may be ideal candidates for relocation within the park. There are two active oil wells on the property. It has been determined that 1.69 acres are Status 1 properties, and 1.63 acres are Status 2 properties.

- **Block 45 (**2.91 acres). Bounded by Lecouvreur on the west, Eubank on the east, C Street on the south and D Street on the north, the block contains 24 parcels and an alley. There are several major property owners on the block including B & C

Properties and Claude Kouchi. There are no active oil wells on the property. It has been determined that all 1.18 acres are designated as Status 1 and 0.28 acres are designated as Status 2. The western portion of the property contains a trucking yard (Tricon Transportation) with some small businesses including Mesco Electronic Balancing Company on the north. Mesco seeks expansion opportunities for this business, as well as possible additional real estate development opportunities on the block, and may be a candidate for an OPA.

- **Block 54 (**1.09 acres). Bounded by Block 53 on the west, Eubank on the east, Harry Bridges Boulevard on the south and C Street on the north, there are 13 parcels on the block owned by several entities. The property has no active oil wells and is currently used as a scrap and salvage yard. It has been determined that all 1.09 acres are designated as Status 1.

- **Block 53 (**1.28 acres). Bounded by Block 52 on the west, Block 54 on the east, Harry Bridges Boulevard on the south and C Street on the north, all 12 parcels of Block 53 are owned by V. Zarate and it is the home to Atlantis Seafood, which occupies a very small building on the site. There are no active oil wells on the site. It has been determined that all 1.28 acres are in the Status 1 category. Because of the common ownership, this is an excellent opportunity to develop a cohesive project in the near term. However, because of the threat of liquefaction, it will be important to a) test for potential liquefaction by conducting soil borings; and b) work closely with regulators at the City to discuss the possibility of "waffle" slabs or other innovative, less expensive foundations (relative to the cost of driving piles or stone columns) that are used in neighboring jurisdictions such as Long Beach.

Development Opportunities and Concepts

Blocks 18 and 28 opposite of Juanita's Foods on the east side of Eubank are cleared, highly marketable, and when combined offer a 7-acre project that will be highly sought after if costs can be controlled. The most significant constraint is the four active oil wells on the property, and possible related and unrelated contaminants. However, the incorporation of a superblock concept on these two blocks should provide the acreage necessary to develop by locating parking or landscape areas around the oil wells.

Phase IA Block 34/35 on the West E Street entrance presents a cleared, very marketable six-acre (+/-) development opportunity benefiting from Avalon Street access. Core samples will be necessary to determine development opportunities in light of the potential for liquefaction. If liquefaction danger is present, this property could serve as truck parking or car parking servicing the Phase II project described below. If the soil conditions warrant the building of an industrial facility or complex, this block has the potential to support both the superblock and infill development concepts.

Phase I Infrastructure Upgrade Strategy

Civil engineering analysis performed in support of this strategy indicates that improvements should be made as described in **Table 7**. This includes $1.2 million in total costs ($1.09/SF for the 26-acre phase), of which $625,000 are local improvements. The balance of $600,000 is recommended for inclusion in the City CIP. With these CIP costs deducted from the total, costs are reduced to $0.53 per square foot.

Although these costs, as a percentage of value, are well below cost burdens typically experienced in "greenfield" locations, this favorable relationship is more a function of high land values than low costs.

PHASE II: NORTHWEST QUADRANT

Specific Objectives

This phase is the centerpiece of the phasing strategy. If the Phase I development is successfully implemented to improve circulation and improve the image of the area as a solid investment environment, this phase can result in the successful development of a 23-acre light industrial and manufacturing center in the northwest quadrant of the WIP.

This area includes about 11 acres of cleared land (Blocks 11, 14, and 32) that imply relatively low relocation costs, paired with more difficult, highly fragmented areas within Blocks 10, 15, 31, and 30. This phase, when completed in addition to the Phase I areas, will contribute to over 60 percent buildout of the WIP's development capacity, and will achieve the goal of improving value, appearance, and marketability for much of the WIP, catalyzing a challenging Phase III project and infill of remaining parcels.

Land Resources & Ownership Patterns

Phase II

This phase includes the following areas:

- **Block 11 (**3.5 acres). Bounded by Lakme on the west, Quay on the east, G Street on the south and Anaheim Street on the north, the block contains 10 parcels, of which eight are owned by Watson Land Company – an excellent candidate for an Owner Participation Agreement (OPA). Except for the northeast corner, which appears to be auto salvage, the property is a dirt lot. There are no active oil wells on the site. All 3.5 acres are designated as Status 1.

- **Block 14 (**3.5 acres). Bounded by Lakme on the west, Quay on the east, Block 32 on the south and G Street on the north, this block is also entirely owned by Watson Land Company. It appears in the aerial photograph to be paved and used for truck parking. There are no active oil wells on the site and all 3.5 acres are designated as Status 1.

- **Block 32 (**3.5 acres). Bounded by Lakme on the west, Quay on the east, E Street on the south and Block 14 on the north, the block is entirely owned by Tony Guzman, is paved, and is used for a trucking operation called Harbor Express. There is one active oil well on the site and all 3.5 acres are designated as Status 1. This parcel is shown to be at risk for liquefaction, according to the project geotechnical engineer's analysis. If so, it may still have value as a parking area for the Phase II project.

<u>Other Phase II Development</u>

In order to create appropriate scale and geometry for a master developer project, improve marketing prospects for Blocks 11, 14, and 32, and achieve strategic cross subsidization within the Phase, it is recommended that five additional blocks be included in this phase. These blocks include significant development constraints related to ownership and nature of existing uses.

<u>Phase IIA</u>

- **Block 15 (**3.30 acres). Bounded by Quay on the west, Banning on the east, F Street on the south and G Street on the north, the block contains 17 parcels and an alley. Major land owners include Darrell Deck and CBA Industries. The property appears to be used for auto salvage and storage. There is one active oil well on the site and classified as Status 1.

- **Block 31 (**3.18 acres). Bounded by Quay on the west, Banning on the east, E Street on the south and F Street on the north, the block contains 28 parcels and an alley. Harry Senior and Louie Pineda are the major landowners. The property appears to contain a collection of salvage yards and truck parking facilities. There are no active oil wells on the block and the entire block has been designated Status 1.

<u>Phase IIB</u>

- **Block 30 (**3.49 acres). Bounded by Banning on the west, Lecouvreur on the east, E Street on the south and F Street on the north, the block contains 19 parcels and the major property owners are Mary Murat and Glenn Jones. The property appears to contain a collection of salvage yards and truck parking facilities. There are no active oil wells on the block and the entire block has been designated Status 1.

- **Block 10 (**2.63 acres). Surrounded by Quay on the west, Banning on the east, G Street on the south and Anaheim Street on the north, the block contains 14 parcels and an alley. Stanley Chang, Bernard Tropp and the Richardson Trust are the major landowners. The property appears to be used for truck parking and trucking operations. There are no active oil wells on the site and it has been determined that all 2.63 acres are Status 1 properties.

- **Block 9** (2.84 acres). Bounded by Banning Blvd. on the west, Lecouvreur on the east, G Street on the south and Anaheim on the north, the block contains 2 parcels and an alley. There are two major property owners including Susan Murat and Fero Industrial. There are no active oil wells on the block. It appears from the aerial photograph to be a trucking operation. The entire block has been assigned Status 2.

Development Opportunities and Concepts

This phase brings a good mix of scale and cleared acreage, making it a highly marketable area – the one portion of the park presenting major master development potential. This has been confirmed by comments from major developers touring the WIP who have commented on possibilities of this area.

The phase includes a mix of relatively straight forward and more difficult parcels, and will involve the relocation of a union forklift training operation that is presently utilizing Block 11 as a parking lot, as well as the need to deal with salvage operations and oil wells in the Phase IIA area. Possible liquefaction problems on southern and western portions make this a good location for preliminary soil borings to determine the specific soil content.

With the vacation of F Street and Banning Boulevard throughout the Phase II area and the vacation of Quay Avenue above G Street and Lecouvreur Avenue between E Street and F Street, this area is a prime candidate for the consolidation of three superblocks that will offer block sizes of approximately 7, 10, and 11 acres. These superblocks could be developed as one master planned industrial complex, or as two or three separate smaller development opportunities. In addition, there is the opportunity to hold out the approximately 10 acres north of G Street for infill development. If Juanita's Foods decides not to expand onto Block 16, this block could be consolidated with Blocks 15, 30, and 31 to create an approximately 15-acre rectangular superblock.

Phase II Infrastructure Upgrade Strategy

Phase II is programmed for the numerous improvements estimated to cost approximately $1.3 million ($1.13 per SF with a land area of 25.9 acres). **Table 8** details the infrastructure improvements and associated costs for this phase. Improvements recommended for City CIP inclusion (approximately $985,000) are associated with major intersection projects. Deducting these costs, local improvements are estimated to require an investment of $301,000, or $0.27/SF. This relatively low cost burden should facilitate cost effective development if other costs related to soils conditions and relocations can be controlled.

PHASE III: EASTERN AREA

Specific Objectives

Building on the initial two phases of development that establish opportunities for major new stand alone projects, it will be important to take advantage of the comparatively good soils in Phase III to accommodate stand-alone owner-user facilities, port relocations (manufacturing and cold storage), and other infill projects.

Phase III involves developing underutilized land in the northeast area of the WIP. It is more problematic than the initial two phases in many respects, as it involves challenging relocations, and involves some higher value existing industrial facilities that the CRA must work around. The completion of this third phase, in conjunction with ongoing private efforts, will result in the buildout of about 90 percent of the WIP. It is expected that at this point of WIP buildout, the enhanced viability of the park will be evidenced by significantly higher and more consistent levels of investment, resulting in the timely infill development of remaining properties.

Land Resources & Ownership Patterns

- **Block 19 (**3.51 acres). Bordered by MacFarland on the west, Dominguez on the east, F Street on the south and G Street on the north. The property consists of 14 parcels and is owned entirely by Bragg Investment Company. There are two active oil wells on the block and the entire block has been designated Status 1.

- **Block 20 (**3.24 acres). Bounded by Dominquez on the west, Sanford on the east, F Street on the south and G Street on the north, the block contains 31 parcels and an alley. There are three major property owners including Robert Wolfenden, Jan Meiselman and Andre Ruggeri, where the Stone Depot is located. There is one active oil well on the block. The Status 1 designation has been assigned to 1.81 acres, while 1.38 acres have been deemed Status 2.

- **Block 21** (2.66 acres). Bordered by Sanford on the west, Flint on the east, F Street on the south and G Street on the north, the block contains 12 parcels and an alley. Major land owners include Seacliff Foods established 1991. There are two active oil wells on the block. It has been determined that 1.07 acres fit the Status 1 criteria, while 1.60 acres are classified as Status 2.

- **Block 25 (**3.17 acres). Bounded by Sanford on the west, Flint on the east, E Street on the south and F Street on the north, the block contains 24 parcels and an alley. Major property owners include Betty Straus and Andy Lee. It appears in the aerial photograph that the block is primarily dirt and partially used for truck parking. The southwestern corner of the block is occupied by South Bay Heating & Air established in 1985. There are no active oil wells on the block; 3.02 acres are designated Status 1 and .15 acres are Status 2.

Development Opportunities and Concepts

The land underlying this phase is among the least likely to liquefy, according to geotechnical information produced for this strategy. The area has good access, with a location on the major circulation corridors within the WIP. It has numerous oil wells, and possibly extensive contamination. Very expensive relocation efforts are likely.

Infill development is the likely conceptual model for this area as there are several small, but valuable tenants such as Stone Depot, Seacliff Seafoods, Bragg Company, and South Bay Heating and Air Conditioning, as well as two CRA assisted developments, Advanced Finishes and Paragon, that would have to be relocated at great expense to facilitate the superblock model. However, if South Bay, Bragg, and Stone Depot were relocated, Blocks 19 and 20 could be combined into a superblock and block 25 would be a full 3.5 acre block development opportunity.

Phase III Infrastructure Upgrade Strategy

Table 9 summarizes the Phase III infrastructure upgrades. Phase III infrastructure improvements are projected to cost approximately $275,000 – all local in nature. This equates to $0.50/SF over the 12.6 acre area. Although the infrastructure cost burden is the lowest among the phases examined in this chapter, the successful development of this latter phase will necessitate the funding of onerous costs relating to environmental remediation and the relocation of certain businesses. The estimated funding gap for this and other phases, as well as strategies for funding redevelopment, are explored in the following chapter.