

Apparel

Los Angeles County's apparel manufacturing industry is centered in Commerce, Vernon, and Gardena with clusters of garment manufacturers and dye houses, as well as machine shops. However, there are examples of large operations located in other parts of the market area, including the WIP, where American Soccer manufactures uniforms for the American Youth Soccer Organization (AYSO) nationwide. According to the owner, the firm seeks to expand in place in the WIP and benefits from a large and stable labor force that generally originates in local neighborhoods. This appears to indicate the suitability of the WIP for future apparel manufacturing opportunities, perhaps in specific niches such as sporting goods and other operations not requiring location in the garment district.

Despite repeated warnings that the apparel industry is disappearing from Los Angeles, employment in the apparel and textile manufacturing sector of the County has shown surprising growth, increasing from approximately 103,000 in 1990 to 115,000 in 2000. The number of jobs peaked in 1998 and the industry has been steadily losing jobs since due to rising natural gas prices, a regulatory environment that is difficult to navigate, and widespread disarray in the retail industry as a whole. Further, the apparel sector in Los Angeles is driven primarily by small businesses that are increasingly at a disadvantage when dealing with large retail chains.

Average pay is \$18,000 per year. However, income ranges from minimum wage to over \$69,000 for management positions.

DISTRIBUTION OF REGIONAL MANUFACTURERS BY SIZE

Judging by the current distribution of firms by size, demand will be strongest among smaller companies. Manufacturing employment in the region is concentrated in establishments with fewer employees. Sixty-seven percent of the establishments house between 1 and 19 employees. Another 17 percent are establishments with 20 to 49 employees. Only 2 percent of the firms employ more than 250 persons. Wilmington has a similar establishment distribution as the Los Angeles Region, with 89 percent of its 65 manufacturing establishments housing less than 50 employees. Using typical employment densities, this implies that the majority of manufacturing firms in L.A. County need facilities sized less than 20,000 square feet.

WAREHOUSE AND RELATED OPERATIONS

While Los Angeles County lost market share in warehouse and distribution during the 1990s, the South Bay market increased its share of the County market. The cost of land drove the location decisions of warehouse and distribution firms during the 1990s, as new high ceiling, low-rent facilities were developed in the Inland Empire. Potentially, the trend of South Bay warehouse and distribution firms remaining could mean that

firms moving outside of the area were those not tied to port traffic, and that South Bay firms remained.

The standard warehouse facility includes 16 truck doors per 100,000 square feet, 120-foot truck turning radius, shared truck yard, parking ratios of 2 per 1,000 square feet, single ownership of each building, and no fiber optic connections. However, demand is highest for upgraded product.

Local master-planned industrial parks (in Carson) provide a hybridized warehouse/light industrial product, including 24 truck doors per 100,000 square feet, 135-foot truck turning radius, private parking areas, parking ratios of 4 per 1,000 square feet, single ownership with CCRs enforced on tenants, fiber optics capability built in, 30 foot ceiling clearance, and inclusion in a Foreign Trade Zone.

Security is an important issue for tenants in warehouse/distribution space. Because Wilmington is perceived as a community with higher crime, a successful development here may require secured access and parking as well as security patrol.

In addition to strong demand for standard warehouse space, demand for related projects may also be prevalent, including space for cold storage, logistics, and other port-related operations (discussed below).

COLD STORAGE

This is a specific subset of the warehouse/distribution market where the WIP has a distinct competitive advantage due to its proximity to the Port and the ability to maintain an unbroken cold chain to preserve the quality of foods. Cold storage operations are often used to flash freeze fish, other meats, and fruits and vegetables. Although not intensive in terms of employment, these operations are often affiliated with packaging and other value-added enterprises that are. Rents and assessed values are higher than standard warehouse operations and required parcel sizes are smaller due to the need for added facilities, such as insulated areas and freezers.

LOGISTICS

Of the 390 business expansions that took place in Los Angeles County in 2001, the logistics industry comprised the second largest share with 24 expansions during this time period. Firms in the logistics industry are in the business of seeking out the easiest and fastest way to deliver product and move freight. Logistics businesses are located in office facilities and comprise employment by customs brokers, logistics experts, and freight foremen. The Long Beach Port area currently houses most of the area's logistics companies. The WIP offers a potential location for new or expanding logistics firms if office product is made available at the Park. This type of development is most likely to occur once other public and private investment is attracted to the site.

PORT-RELATED

Both ports employ support industries that maintain, repair, and upgrade the existing port facilities. Typical support industries include welders, surveyors, commercial divers, fabrication facilities, construction yards, heavy equipment repair, oil spill response equipment, and ship chandlery businesses that provide vessel supplies. The U.S. Customs Service operates off-terminal inspection facilities to unload and inspect suspect cargos. Aside from the union labor issues discussed in previous sections of this report, these facilities could be located in the project area to take advantage of the project site's proximity to the ports. The CRA could also work with the Port of Los Angeles to identify potential businesses that could increase trade through the port. An example of this includes businesses similar to Potential Industries' eco-business concept that recycles paper products and exports the material to foreign manufacturers. Additional detail on the port relocation outlook will be provided in **Chapter III**.

III. INDUSTRIAL REAL ESTATE MARKET CONDITIONS

The industrial market in the five-county region is comprised of an estimated 1.5 billion square feet of industrial space, approximately 900 million square feet of which is located in Los Angeles County. Orange County and the Inland Empire each have another quarter billion square feet of industrial space, while Ventura County is the smallest industrial sub-market with just over 50 million square feet of space.

A summary of industrial market conditions for L.A. County and the region is provided in **Table 11**. As shown, the supply of industrial space in the region consists of just under 60 percent warehouse and distribution space, 30 percent manufacturing space, and approximately 10 percent high technology or research and development space.

Table 12 highlights industrial market trends between the Harbor Cities Area (when data is available) which includes the Wilmington Industrial Park, the South Bay area, and Los Angeles County.

INVENTORY, ABSORPTION, AND VACANCY TRENDS

Table 13, as well as **Figures 9** and **10**, summarizes the change in industrial market conditions between 1999 and 2001 for each County as well as the South Bay area.

INVENTORY

During the 1999-2001 period, which spans both sides of a business cycle, the Los Angeles Basin added approximately 67.9 million square feet of industrial space to its base. Due to the availability of vacant land and relatively low land prices, 50 percent of new space added to the region occurred in the Inland Empire. Los Angeles County was able to capture 32 percent of new construction within the Los Angeles Basin. The South Bay region was responsible for 9 percent of total new construction in the region.

Despite the current recession, growth of new space throughout the region during the last three years has remained constant at about 2.3 percent annually. This growth is attributed to continued production of already approved industrial projects primarily in the Inland Empire that were not dissuaded due to a slowing economy.

Table 11
Wilmington Industrial Park Economic Adjustment Strategy
Industrial Market Indicators 4th Quarter 2001 - Los Angeles Basin Subareas

Item	Los Angeles County	Inland Empire	Orange County	Ventura County	L.A. Basin
Industrial Supply					
Warehouse/Distribution [1]	577,130,000	204,630,000	56,200,000	16,450,000	854,410,000
Manufacturing [1]	243,480,000	54,570,000	154,540,000	21,930,000	474,520,000
High Tech/R&D [1]	81,160,000	13,640,000	70,250,000	16,450,000	181,500,000
Total Industrial Base [2]	901,760,000	272,840,000	280,980,000	54,830,000	1,510,410,000
Market Share (County/LA Basin) [3]	59.7%	18.1%	18.6%	3.6%	100.0%
Net Absorption [4]	2,600,000	14,900,000	(1,300,000)	80,000	16,280,000
Under Construction [5]	5,010,000	4,250,000	2,470,000	1,150,000	12,880,000
Vacant [6]	36,790,000	23,380,000	14,660,000	3,090,000	77,920,000
Percent Vacant [7]	4.1%	8.6%	5.2%	5.6%	5.2%
Ave. Lease Rate - Standard Industrial [8]	\$0.55	\$0.39	\$0.66	\$0.65	\$0.56
Ave. Lease Rate - R&D/Flex [9]	\$0.85	\$0.63	\$0.94	\$0.79	\$0.80
Site Sales Prices per SF [10]	\$10 - \$18	\$4.00 - \$5.50	\$14 - \$28	\$6.50 - \$13.63	\$4.00 - \$18.00
Building Sale Prices per SF [11]	\$55 - \$77	\$37 - \$62	\$67 - \$131	\$69 - \$92	\$37 - \$131

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Source: DAUM Commercial Real Estate Services, Society of Industrial & Office Realtors

[1] Distribution of supply from Society of Industrial & Office Realtors, 4Q 2001

[2] Data from DAUM Commercial Real Estate Services, 4Q 2001.

All DAUM numbers based on industrial & flex buildings > or = to 5,000 sqft.

[3] Geographical area total industrial base divided by regional total industrial base.

[4] Net absorption from DAUM Commercial Real Estate Services, 4Q 2001

[5] Data from DAUM Commercial Real Estate Services, 4Q 2001

[6] Data from DAUM Commercial Real Estate Services, 4Q 2001. Does not include vacant space for sublet.

[7] Direct vacant sqft divided by total industrial base.

[8] Data from DAUM Commercial Real Estate Services, 4Q 2001

[9] Data from DAUM Commercial Real Estate Services, 4Q 2001

[10] Data from SIOR 2001; Lower site price refers to average for sites over 10 acres.

Higher price refers to average for sites less than 2 acres.

[11] Data from DAUM 2000; Low figure refers to median sales price for buildings 100,000 sqft or more, high figure refers to median sales price for buildings less than 20,000 sqft.

Table 12
Wilmington Industrial Park Economic Adjustment Strategy
Industrial Market Indicators 4th Quarter 2001 - Los Angeles County Subareas

Item	Harbor Cities Long Beach Area	South Bay Area	Los Angeles County
Industrial Supply (existing)			
Warehouse/Distribution [1]	--	169,610,000	577,130,000
Manufacturing [1]	--	33,920,000	243,480,000
High Tech/R&D [1]	--	22,620,000	81,160,000
Total Industrial Base [2]	35,760,000	226,150,000	901,760,000
Market Share (subarea/LA County)[3]	4.0%	25.1%	100.0%
Net Absorption [4]	--	(1,260,000)	2,600,000
Under Construction [5]	180,000	750,000	5,010,000
Vacant [6]	2,010,000	10,140,000	36,790,000
Percent Vacant [7]	5.6%	4.5%	4.1%
Ave. Lease Rate - Standard Industrial [8]	\$0.60	\$0.56	\$0.55
Ave. Lease Rate - R&D/Flex [9]	\$0.70	\$0.79	\$0.85
Site Sales Prices per SF [10]	\$10 - \$15	\$12 - \$16	\$10 - \$18
Building Sale Prices per SF [11]	\$50 - \$80	\$58 - \$100	\$55 - \$77

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Source: DAUM Commercial Real Estate Services, Society of Industrial & Office Realtors

[1] Distribution of supply from Society of Industrial & Office Realtors, 4Q 2001.

[2] Data from DAUM Commercial Real Estate Services, 4Q 2001.

All DAUM numbers based on industrial & flex buildings > or = to 5,000 sqft.

[3] Geographical area total industrial base divided by L.A. County total industrial base.

[4] Net absorption from DAUM Commercial Real Estate Services, 4Q 2001

[5] Data from DAUM Commercial Real Estate Services, 4Q 2001; Data for Harbor Cities from CSULB Technology

[6] Data from DAUM Commercial Real Estate Services, 4Q 2001. Does not include vacant space for sublet.

[7] Direct vacant sqft divided by total industrial base.

[8] Data from DAUM Commercial Real Estate Services, 4Q 2001.

[9] Data from DAUM Commercial Real Estate Services, 4Q 2001.

[10] Data from SIOR 2001; Lower site price refers to average for sites over 10 acres.

Higher price refers to average for sites less than 2 acres.

[11] Data from DAUM 2000. Low figure refers to median sales price for buildings 100,000 sqft or more, high figure refers to median sales price for buildings less than 20,000 sqft. Includes EPS estimate for Harbor Cities building sales price per.

Table 13
Wilmington Industrial Park Economic Adjustment Strategy
Historical Industrial Market Trends

Item	1999	2000	2001	Total / Average
Inventory [1]				
Los Angeles County	879,820,000	891,220,000	901,760,000	901,760,000
South Bay	219,720,000	221,020,000	226,150,000	226,150,000
Inland Empire	238,600,000	251,900,000	272,840,000	272,840,000
Orange County	270,560,000	277,100,000	280,980,000	280,980,000
Ventura County	<u>53,530,000</u>	<u>54,400,000</u>	<u>54,830,000</u>	<u>54,830,000</u>
Region Total	1,442,510,000	1,474,620,000	1,510,410,000	1,510,410,000
Net Absorption [2]				
Los Angeles	26,500,000	29,400,000	2,600,000	19,500,000
South Bay	6,800,000	6,400,000	(1,260,000)	3,980,000
Inland Empire	16,250,000	22,100,000	14,900,000	17,750,000
Orange County	7,150,000	8,400,000	(1,300,000)	4,750,000
Ventura County	<u>950,000</u>	<u>1,800,000</u>	<u>80,000</u>	<u>943,333</u>
Region Total	50,850,000	61,700,000	16,280,000	42,943,333
Vacancy Rates [3]				
Los Angeles	5.1%	3.2%	4.1%	3.1%
South Bay	3.5%	3.1%	4.5%	2.8%
Inland Empire	11.5%	8.2%	8.6%	7.0%
Orange County	5.0%	3.2%	5.2%	3.3%
Ventura	<u>7.1%</u>	<u>5.0%</u>	<u>5.6%</u>	<u>4.4%</u>
Region Average	6.2%	4.1%	5.2%	3.9%
Average Standard Industrial Rent [4]				
Los Angeles	\$0.51	\$0.55	\$0.55	\$0.54
South Bay	N/A	N/A	\$0.56	N/A
Inland Empire	\$0.38	\$0.41	\$0.39	\$0.39
Orange County	\$0.59	\$0.68	\$0.66	\$0.64
Ventura	<u>\$0.57</u>	<u>\$0.59</u>	<u>\$0.65</u>	<u>\$0.60</u>
Region Average	\$0.51	\$0.55	\$0.55	\$0.54
Average R& D / Flex Rent [5]				
Los Angeles	\$0.77	\$0.82	\$0.85	\$0.81
South Bay	N/A	N/A	\$0.79	N/A
Inland Empire	\$0.53	\$0.58	\$0.63	\$0.58
Orange County	\$0.92	\$1.08	\$0.94	\$0.98
Ventura	<u>\$0.71</u>	<u>\$0.80</u>	<u>\$0.79</u>	<u>\$0.77</u>
Region Average	\$0.76	\$0.83	\$0.83	\$0.80

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Source: Collier Seeley Market Outlook 2000, DAUM Commercial Real Estate Services Office

[1] 1999 Inventory data for South Bay from Collier Seeley Market Outlook 2000.

Data at the County level and South Bay 2000 to 2001 from DAUM Commercial Real Estate Services Office & Industrial Market Review, 4Q 2001.

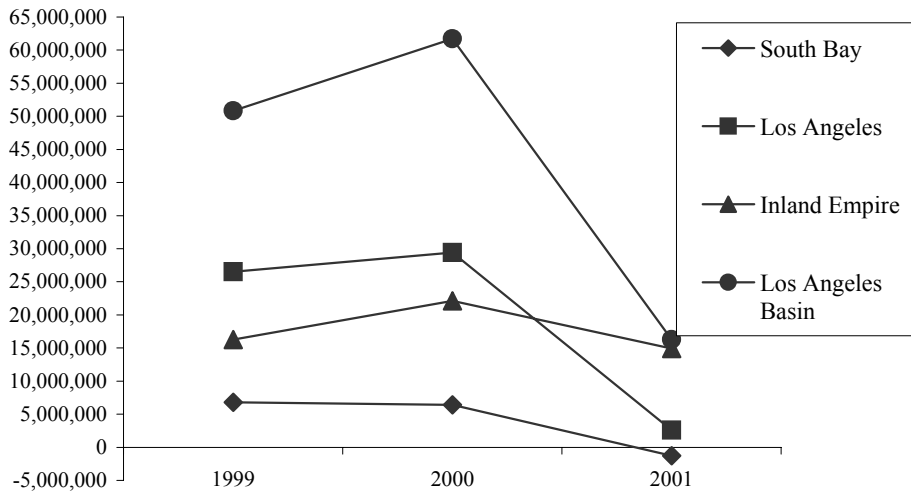
[2] Absorption data for South Bay from Collier Seeley Market Outlook 2000 and 2001.

[3] 1999 & 2000 vacancy data for South Bay from Collier Seeley Market Outlook 2000 and

[4] Data from DAUM Commercial Real Estate Services Office & Industrial Market Review, 4Q 2001.

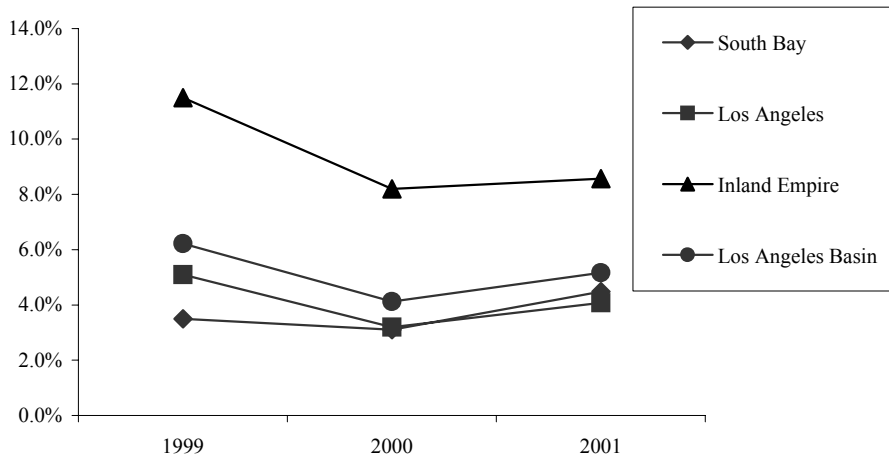
[5] Data from DAUM Commercial Real Estate Services Office & Industrial Market Review, 4Q 2001.

Figure 9
Wilmington Industrial Park Economic Adjustment Strategy
Net Absorption for 1999, 2000, & 2001



Source: DAUM, Colliers Seeley, and EPS

Figure 10
Wilmington Industrial Park Economic Adjustment Strategy
Vacancy Rates for 1999, 2000, & 2001



Source: DAUM, Colliers Seeley, and EPS

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NET ABSORPTION

While growth of new inventory in the Los Angeles Basin held steady during 2001 as recessionary trends magnified, net absorption⁴ decreased, but remained positive in the region as a whole in contrast to other industrial centers in the United States. Major trends include:

- Los Angeles County realized positive net absorption during 2001 of 2.6 million square feet, down from 29.4 million square feet in 2000 and 26.5 million square feet in 1999.
- Net absorption in the Inland Empire, while down 33 percent from 2000 levels, was 14.9 million square feet in 2001. As such, the Inland Empire accounted for 92 percent of the positive net absorption region-wide in 2001.
- Within Los Angeles County the San Gabriel Valley and the Carson/Rancho Dominguez sub-areas were the primary drivers of positive net absorption, although the South Bay region as a whole realized a negative 1.26 million square feet of net absorption.

VACANCY RATES

Despite the current slow down in the economy, measured in terms of vacancy rates, the Los Angeles region remains an industrial stronghold as compared to other U.S. industrial markets. Compared to 50 other U.S. industrial markets, the Los Angeles region ranks third in terms of vacancy.⁵

Direct vacancy rates, which measure the percent of vacant industrial space in a particular region, were at 5.2 percent in the Los Angeles Basin as of 4th quarter 2001.⁶ While up from 2000 levels, the current vacancy rate is still below the 6.2 percent rate of 1999, indicating strong demand for industrial space.

Within the Los Angeles Basin, Los Angeles County and the South Bay continued to be the tightest industrial markets in the region measured in terms of vacancy. With a fourth quarter 2001 vacancy rate of 4.1 percent, Los Angeles County had the lowest vacancy rate in the region, reflecting a shortage of industrial supply in the South Bay and Los Angeles County region that has existed for some time.

⁴ Net absorption is a measure of the additional space leased or sold in a particular time period after accounting for space that was vacated. A positive net absorption figure indicates that more space was being occupied than vacated, while a negative net absorption figure indicates the opposite.

⁵ Grubb & Ellis, "Industrial Market Trends: A Survey of the Nation's Industrial Markets," Fall 2001.

⁶ Unless otherwise noted, all vacancy rates quoted in this report measure direct vacant square feet, excluding space available for sublet.

RENTS AND SALE PRICES

Table 13 also highlights the change in industrial net rents throughout the Los Angeles Basin and its sub-areas. Rents on standard industrial space (not including R&D/flex space) throughout the Los Angeles Basin have remained relatively constant at approximately \$0.55 per square foot in 2000 and 2001, up from \$0.51 in 1999. These rents are similar to those found in the Wilmington area.

Within the Los Angeles Basin, lower rent prices can be found in the Inland Empire at \$0.39 a square feet for standard industrial space. As compared to the Los Angeles Basin, rents in the Inland Empire are 30 percent lower for standard industrial space. As compared to Orange County, however, the South Bay and Los Angeles County offer less expensive options for both standard industrial and R&D/flex land and space.

Industrial land prices throughout the Los Angeles Basin vary between sub-areas and parcel size. Within the region, land prices in Orange County are among the highest, ranging from \$14 per square feet for larger parcels and \$28 per square feet for smaller parcels. This compares to values of \$10 to \$15 per square foot in Wilmington and the Harbor Cities.

Although rail access is an important asset offered in much of the South Bay market, there does not appear to be any premium for locations with immediate rail access.

SUPPLY RESPONSE TO INDUSTRIAL DEMAND

The following section describes the dominant market segments in each sub-area. Next, the market is narrowed to Los Angeles County and the South Bay for purposes of characterizing competitive position and user demand.

LOS ANGELES COUNTY

In Los Angeles County, warehouse and distribution space comprise an estimated 64 percent of the total industrial base. This is driven largely by the need to transport, store, and distribute goods at and near the Ports of Los Angeles and Long Beach.

South Bay Area

In the South Bay area industrial space is dominated by warehouse and distribution facilities associated with LAX and the Ports of Long Beach and Los Angeles, which accounts for approximately 75 percent of the total industrial building inventory. Manufacturing space accounts for 15 percent of industrial space in the submarket, while high tech/R&D facilities comprise approximately 10 percent of such space.

In general, there has been a trend of industrial development moving southeast from the original concentration near Los Angeles International Airport to Gardena, Torrance, and

Carson. The higher-end industrial uses have continued this southeast movement along the 405, and are now concentrated either in Torrance or in east of Los Angeles County in Cypress. The majority of existing space is located in older, single building developments, but there are several major planned or recently constructed industrial parks offering more modern facilities.

Harbor Cities Area

Much of the planned development in the South Bay submarket is in and around the Harbor Cities area. It is estimated that total industrial building potential in the area from key projects is 6.0 million square feet.⁷

Among the new developments in the Harbor Cities area are Dominguez Technology Center, Carson Town Center, Harbor Gateway Center, the San Pedro Business Center/Port of Los Angeles Distribution Center, and the proposed redevelopment of Boeing's 230-acre manufacturing facility at the Long Beach Airport to light manufacturing and R&D.

Two major parks provide an excellent example of what the local market can do given adequate land and a controlled environment. These include the Watson Industrial Center South (WICS) and the Dominguez Technology Park, both in the City of Carson. Together, these two prominent industrial parks are now home to logistics companies such as TRW, Hellmann Worldwide Logistics, and NEC Logistics; transportation and distribution firms such as Griley Freightlines, Premier Transportation, and Yamato Transport; and the light assembly/distribution divisions of companies such as Herbalife, Warehouse Entertainment, Huffy Corporation, and Trek Bicycles.

- **Watson Industrial Center South.** This project was initiated the same year that the WIP was created. The WICS is a 350-acre master-planned industrial center offering 6.7 million square feet of industrial buildings with protective covenants, well maintained landscaping, and an infrastructure that can accommodate changing technologies.
- **Dominguez Technology Park (DTP).** Another Watson Land Company development in Carson, this is a 438-acre master-planned business center featuring attractive and functional land and buildings for corporate headquarters, and technology and industrial uses. The DTP offers new buildings through its build-to-suit opportunities and speculative development program, and was designed to accommodate a variety of technology uses including: electronics, research, and development; computer software and hardware design and production; sound studio and motion picture staging; and aerospace.

Located north of Wilmington, the City of Carson has been a major beneficiary of Port-related and other industrial growth. Carson is a relatively inexpensive environment to do business in, and is supported by strong economic demographics and other

⁷ Not including the WIP or vacancies.

characteristics that are important in making business location decisions. For example, Carson does not charge a utility tax or local property tax, and it has low business license fees. The City also offers fast-track permitting, streamlined project approvals, special business incentive areas, and business assistance programs. Carson also ranks in the top 15 percent for lowest crime rates, making it one of the safer business communities in the County. Many of the users locating in Carson will likely never be strong candidates for projects such as the WIP, as the area is able to deliver land, public services, and general image that would be difficult (and prohibitively expensive) to replicate in the WIP. However, certain projects in Carson are pertinent to the WIP.

Although it is mostly developed and sold-out (and thus does not represent competitive supply), a key project worthy of examination is Watson Land Company's Carson Town Center (CTC). This project offers 925,800 square feet of space within 14 buildings. Eleven of these buildings are being sold to owner-users. Of these, nine buildings share common walls, and are divisible to about 17,000 square feet. This project has been very successful in attracting light industrial/assembly, manufacturing, and warehouse users. A derivative of this project, with smaller buildings, could be a viable prototype for one or more areas of the WIP.

Other major projects that are in progress or planned in the Harbor Cities Area include:

1. Harbor Gateway Center

- Located at 190th Streets and Normandie Avenue, Los Angeles, California
- 170 acre master planned industrial business center
- 2.2 million building sqft existing and mostly leased
- 1 million building sqft planned
- Anticipated buildout within one to two years

2. The Exchange (Hawthorne Industrial Center)

- Located in Hawthorne, California
- 104 acre master planned, mixed-use development
- 260,000 sqft research and development planned
- 600,000 sqft warehouse planned
- 860,000 total sqft planned

3. CA State University Long Beach (CSULB) Technology Park

- Located in Long Beach, California
- 25 net acres planned
- Estimated 320,000 building sqft planned (based on an average 0.45 FAR)

- 180,000 building sqft under construction
- 500,000 total estimated building sqft at buildout (based on an average 0.45 FAR)

4. Boeing Long Beach Airport Site (PacifiCenter)

- Located at 3855 Lakewood Blvd, Long Beach, California
- 260 planned acres to include office, retail, hotels, housing, and open space in addition to industrial space.
- 2.3 million planned industrial building sqft
- Buildout anticipated to be within 10 years

5. Port of Los Angeles Distribution Center

- Located in San Pedro
- Pure warehouse distribution product
- Initial phase of 547,000 sqft already leased to garment industry-related packaging/distribution tenant
- 1.3 million sqft second phase recently completed and available
- 1.9 million sqft total

POLICY-DRIVEN REAL ESTATE DEMAND

In the past and present, the WIP has been the beneficiary of several major relocations brought about by expansion of the Port of Los Angeles. Because the Port, like the CRA, is statutorily required to fund the relocation of displaced businesses, this is likely to continue indefinitely. In addition, the City has been actively exploring the potential feasibility of developing an eco-industrial park, with significant focus on the WIP as a potential venue for such a complex. The following section evaluates future absorption potential stemming from these sources.

PORT RELOCATION OUTLOOK

The San Pedro Bay Cargo Forecast projects that cargo through the ports of Long Beach and Los Angeles is anticipated to triple between 2000 and 2020. To accommodate this anticipated growth, both ports have implemented aggressive expansion programs to provide additional terminal space through expansion or consolidation of their existing terminals, or creation of new landfills. These expansion programs have displaced a number of non-port-related uses and other industrial uses that do not require waterfront access. In the Port of Los Angeles, plans are currently underway to expand terminal operations in the West Basin area, and portions of Terminal Island. In the Port of Long Beach, expansion efforts are occurring throughout the harbor. These expansion efforts