Neo-Industrialization
A Vision for the Alameda Corridor Plan Area
and Goodyear Industrial Tract Site

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Vision Statement

Our vision for the Alameda Corridor Plan Area consists of three components: the economic component, which refers to employment and industry in the area; the social component, which involves the plight of the local residents, and the physical component, concerning the condition of the land and the built environment. We also recognize that these three components are intertwined with a political framework that must be negotiated if any plan is to be successful.

Within this construct, our vision aims to improve each of the components in the Plan Area in order to create a viable, sustainable, and pleasant place to live.

For the purpose of this paper, our main focus will be on the economic component, while bearing in mind that the other two cannot be ignored. The main vehicle we will use to operationalize our vision is a process called Neo-Industrialization.

Neo-Industrialization is a process that involves the attraction of new environmentally friendly and sustainable industry to the area, including the use of an Eco-Industrial Park (EIP) to link some of these industries together. Neo-Industrialization is a preferable term to re-industrialization, in that it avoids the negative connotations of smokestacks and drab buildings commonly associated with re-industrialization.

Environmentally friendly industry is industry that is benign to the environment, and preferably is of some aid to the environment through either producing a product from some form of waste, or by using waste to produce energy to power other industry in the area. The buildings these industries occupy will also ideally be energy efficient, with architecture that evokes a sense of place in the community. The ultimate goal is that the area becomes renowned for being the location of environmentally friendly industry. This will aid the industry in being sustainable, and allow our Plan Area to revive and have a healthy economy.
An EIP is a community of manufacturing and service businesses seeking enhanced environmental and economic performance through collaboration in managing environmental and resource issues. By working together, the community of businesses seeks a collective benefit that is greater than the sum of the individual benefit that each company would realize if it optimized its individual performance only.¹

A specific example of our vision in action is a site proposal for the Goodyear Site, a 208-acre industrial parcel located in South Central Los Angeles. The proposal highlights the locational competitive advantage and addresses specific tasks that are required to turn our vision into reality. In sum, we propose to clear and remediate a significant portion of the site, facilitate and develop an EIP anchor in the form of a material recovery facility or public utility, all while establishing marketing, human capacity building, regional partnership and business improvement programs.

The remainder of the paper addresses the building blocks of our vision, those things that must first be done if the vision is to be realized. Section One examines EIPs and the brownfield redevelopment process. Section Two examines marketing programs, business improvement programs, funding programs and human capacity building programs. Section Three introduces the site and offers our site proposal. Section Four offers conclusions and suggested areas for further study.

¹ Research Triangle Institute Fieldbook for the Development of Eco-Industrial Parks
http://www.rti.org/units/ssid/cer/parks.cfm
Eco-Industrial Parks (EIP)

The contradiction between limited resources and excessive waste on material and energy demands a solution. Neo-Industrialization is a vehicle that provides opportunities for solving this problem. Specifically, the use of Eco-Industrial Parks serves this very purpose.

Concept

What is an EIP?

An EIP is a community of manufacturing and service businesses seeking enhanced environmental and economic performance through collaboration in managing environmental and resource issues. By working together, the community of businesses seeks a collective benefit that is greater than the sum of the individual benefit that each company would realize if it optimized its individual performance only. ²

The core goal of the EIP concept is to increase business success while reducing pollution and waste at the same time.

The earliest example of an EIP began to evolve in Kalundborg, Denmark in the 1970s, from managing waste materials in an innovative way and using freshwater more efficiently. By forming a network among power stations, refinery facilities, manufacturing industries, the city and local farmers, this EIP reduces the costs and uses energy effectively (Appendix I ). This EIP was not intentionally designed at the beginning. It formed and evolved naturally just like the evolution of an organism over the years. In the past two decades, this symbiotic network has made great achievements and become an example to be followed by many other countries.

The early EIP development in the U.S. was triggered by a businessman named Paul Hawken. He raised the question of potential benefits of a designed industrial ecosystem. In the United States, the first generation of EIPs has been developing since the early 1990s. Currently, there are four demonstration sites designated by the President's Council on Sustainable Development for investigation: Baltimore, MD, Cape Charles, VA, Brownsville, TX, and Chattanooga, TN.

In the Plan Area, our vision is to revitalize the local economy through Neo-Industrialization. This can be achieved through EIPs, which link fragmented industries in a collaborative network and enhance both economic and environmental benefits.

Key element: Business Network

How can an EIP realize its goals?

Networking is the answer. An EIP realizes its goals by establishing linkages and trading by-products among related partners. An EIP could work within a defined border or in a broader industrial ecosystem as a virtual EIP. In a broader sense, an EIP does not

have to be established at a specific site; it can also be a virtual linkage that connects partners seeking to use or exchange materials at their respective sites.

In a market economy, competitiveness seems to be the underlying factor for success. However, it is often believed that regional cooperation is more important, especially for small- or medium-sized businesses to compete in the global market.

Small- and medium-sized enterprises (SMEs) can maximize their profit through business networking for joint activities, such as research and development (R&D), product manufacturing and assembly, training, purchasing, and marketing. Networking is an effective strategy for many SMEs to compete with large integrated conglomerates. Business networking is essential to the success of the business clusters in the Plan Area.

**Components in the business networking**

EIPs integrate elements of sustainable design into a “closed-loop” ecosystem. The essential components of the links are:

- energy and water flows
- material recycling
- integrated management
- sustainable design of infrastructure
- effective marketing
- economical transportation system
- community participation
- government coordination and support

**The evolution of an Eco-Industrial Park**

The Eco-industrial Park cannot be established overnight, but is an evolving process. Attracting businesses often takes a great deal of time. In the early stages of development, a virtual EIP can be used while trying to attract businesses to locate on the EIP site.
Inner Loop – Infrastructure development

The inner loop, or core, consists of the material and energy flows within the EIP. It is based on the linkage of related industries on the site. The shaping of the infrastructure and relocating the business can be defined in terms of three levels of development:

- The first level is the establishment of core businesses: recovery and transferring facilities, such as Material Recovery Facility (MRF), Energy Recovery Facility (ERF), Inert Recovery Facility (IRF).
- The second is the relocation and/or development of preliminary processing industries, such as paper mills, which produce raw materials for further processing in other industries.
- The last, but not the least important, level is the relocation and/or development of further Precision Processing Industries.

Outer Loop – Community participation

The outer loop of the ecosystem can stretch further into the community. In this larger umbrella of the EIP concept, the community participates in the process of the EIP formation through material, energy, information, and technical exchanges.
The community includes:

- Local residents and industries, such as retailers and business services, that are not included in the inner-loop. The waste produced from these origins can flow into the manufacturing loop as raw materials after recovery treatment. Through recycling process, this waste could be converted into useful goods and go back to this community or enter other markets.

- Institutions, colleges and non-profit organizations, which are good resources providing technical support and information to help EIP development. The information and technology they provide will give impetus to the development of the inner loop. With the feedback from the development, those organizations will in turn gather useful information and improve the business linkage in the system.

**Incentives and Benefits**

Why is an EIP concept accepted?

An EIP gives impetus to the local economic development by acting as a business organization competing in the global marketplace, and a mechanism to attract and retain businesses in the local area.

An EIP is an economical and ecological park. Simply stated, the overall benefit of building an EIP is to minimize environmental impacts/pollution and maximize economic benefits.

**Environmental Benefits**

- **Very low emission**

Industrial emission pollution has been an environmental problem that perplexes many cities. Eco-Industrial development is aimed at minimizing the emission as much as possible in a closed loop within the industrial bio-system. In reality, although it is not
always possible to achieve zero emission, the form of EIP can reduce industrial emission to a great level by consuming the wastes and exchanging by-products.

- **Enhanced sustainability**

  Material and energy exchanges can reduce the waste disposal rate and conserve energy. Integrating business management in a business cluster, such as administration management and concentrated transportation management, can reduce transfer time. Manufacturing industries, which are the main industry clusters in the region, have a large share of cost associated with energy usage, material acquisition, and transportation. Therefore, a higher possible gain can be derived from the resource connections.

- **Community friendly industrial environment**

  In this region, industrial zones are located along Alameda Corridor, adjacent to residential areas. The current industrial pollution and emission have negative influence on the local community. EIP development can improve the quality of life by reducing the noise, air, and waste pollution. Also, the green and sustainable design of the physical elements of EIP provides public recreation space, where the employees and local residents can enjoy the facility.

**Economic Benefits**

Eco-industrial business networking is merely an extension of the traditional model which includes efforts to improve market share, strengthen competitive advantage and gain larger purchasing discounts through bulk buying. By doing so businesses on the link can maximum their profit. Maximum profit is always an impetus to attract business investment to improve local economic environment, which also brings more job opportunities open to the local residents.
Brownfield Redevelopment

Land value is a function of four factors: location, location, location and contamination.

A long history of manufacturing has left a trail of environmentally contaminated land throughout the Alameda Corridor Plan Area. These sites are commonly referred to as brownfields. In California there are an estimated 38,400 brownfields. According to the Environmental Protection Agency, a brownfield “is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse.”

In order to realize the vision of Neo-Industrialization within the Plan Area, a lot of brownfields should be environmentally cured. Local governmental agencies and related organizations must attempt to make brownfield redevelopment as efficient and accessible as possible. This requires knowledge from all Neo-Industrialization participants about the brownfield redevelopment process. This also requires effective marketing and de-stigmatizing brownfields in eyes of developers. What follows is a general description of the brownfield development process and how it applies to our site proposal.

Barriers to Brownfield Redevelopment

The California Environmental Quality Act (CEQA) mandates “both public and private projects which may have a significant environmental effect require the preparation by the public agency, of an Environmental Impact Report” (EIR). EIRs are important to brownfield redevelopment since they provide detailed description of the existing environmental setting. This analysis is likely to yield findings of contamination. Such findings can become controversial in assigning cleanup liability.

Liability is a major inhibitor of brownfield redevelopment. Many property owners suspect their sites to be contaminated without substantiated evidence. Their property is difficult to sell and develop because the owner does not want to share in the cleanup costs, especially if they did not contribute to the contamination. The liability threat affects buyers as well as sellers who fear sharing in cleanup costs.

Another problem in redeveloping brownfields is the sheer magnitude of brownfield sites. Besides that plethora of contaminated sites there are many clean sites only believed to be contaminated. The number of brownfields proliferated in 1996 when the Environmental Protection Agency removed many sites from the Superfund list.

Cleanup costs frequently stifle brownfield redevelopment. Although cleanup costs are hard to quantify prior to cleanup, the Urban Land Institute estimates brownfield cleanup to cost between four and five dollars per square foot. The cost of cleanup significantly reduces the return on investment, to the point where the investment is abandoned in favor of a less risky venture. Many developers ignore projects where the cost of cleanup

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3 Simons, Robert, Turning Brownfields into Greenbacks
4 Environmental Protection Agency website: www.epa.gov/brownfields
6 Simmons, Robert, "Turning Brownfields into Greenfields"
is too high or unknown. A major component to mysterious cleanup costs is the “how clean is clean” standard. Government entities are typically unwilling or unable to determine what constitutes an acceptable cleanup.

Brownfield redevelopment commonly bears an opportunity cost. While land is less expensive for a contaminated brownfield than a greenfield, the costs associated with cleaning contaminated property significantly reduce the return on investment (equity). This problem is exacerbated by the lending community’s reluctant approach to brownfield remediation. Lenders typically reduce loan-to-value and demand higher debt coverage ratios. These factors make developing a greenfield much more enticing opportunity.

A final barrier is the political arena. The fiasco at the Belmont High School site destroyed the Los Angeles Unified School District’s public image. They faulted in brownfield development by not fully cleaning the property. In the political arena, there is a threat of completely losing public acceptance by botching brownfield remediation. This threat, to an extent, serves as a barrier to brownfield redevelopment. This problem is exacerbated in the plan area where there are many city governments with varying attitudes about growth, environmental justice and redeveloping their brownfields.

Benefits to Brownfield Redevelopment

Developing brownfields can be beneficial for residents, politicians and the environment alike. In developing brownfields, new opportunities are created. New housing, commercial areas or places of work can exist where there was previously only a piece of corroded neglected land. These newly developed sites generate property, sales, business and income taxes as well as generating other sources of revenue such as business license fees and permitting fees. In California, 365 brownfield projects have added 21,000 new jobs and generated $475 million in tax revenue.\(^7\)

Brownfield development promotes sustainability in that sprawl is corralled. Most brownfields are located in central urban areas, and when these sites are redeveloped, virgin land in the hinterland is spared. Moreover, the process of brownfield development is environmentally beneficial through removing contamination from the soil, water or air.

The barriers are temporary. The process of remediating brownfields is relatively new. In a sense, it is an effort to clean decades worth of contamination. Government at all levels and branches should continue to develop laws and regulations that promote the redevelopment of brownfields. Moreover, to ensure Neo-Industrialization, the cost of brownfield development should be known and minimized.

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\(^7\) Bartsh, Charles, “The Color of Redevelopment”
Means to RemEDIATE AND DEVELOP BROWNFIELDS

THE ASSESSMENT & REMEDIATION PROCESS

Brownfield redevelopment should be preceded by a three-phased environmental assessment. The Phase I environmental audit is a qualitative review of the site. This generally includes field observations, interviews, reviewing available literature about the site and review of relevant regulations and documents.

Phase II and III assessments are in-depth analyses of the site. The processes include sampling, testing and analyzing samples to determine the source, nature and extent of the problem. These phases indicate what course of cleanup action to undertake as well as a determination of risks and costs.

Following Phase II and III assessments come the remediation of hazardous substances. This generally includes removing contaminated media, onsite or offsite treatment, groundwater treatment, containment of contaminants, fencing and monitoring the site. There are many types of technologies available to remediate brownfield contamination.

Many different parties conduct remediation. In most cases, the developer or local government remediates (or pays for the remediation of) the brownfield. There are also specialized developers such as equity players who buy brownfields to remediate and resell.

LEGAL CONSIDERATIONS

The field of environmental law has made great strides toward facilitating brownfield cleanup. The California Environmental Quality Act of 1970 required extensive environmental review for all projects causing significant effects to the physical environment. These reviews, EIRs, identify existing conditions and measures to mitigate future environmental problems.

In 1976, Congress passed the Resource Conservation and Recovery Act. This act’s primary purpose is to regulate the generation, transportation, treatment, and disposal of hazardous wastes. As such, organizations that generate wastes are required to identify themselves to the state and federal Environmental Protection Agency (EPA). These parties establish a tracking system of their wastes to ensure that their hazardous wastes end up in licensed recycling, incineration or disposal facilities.

Congress passed another important act in 1980. The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) created an elaborate liability scheme which encompassed anyone in the chain of property title, including lenders if they chose to foreclose on a defaulted loan. It also broadened the definition of contaminants from “imminent” to “hazardous”. Under this law, liability is commonly referred to as “strict, joint and several”. This act made more parties liable for more types of pollutants. The liability structure imposed by CERCLA has served as a serious impediment to brownfield redevelopment.

Since the 1970’s, the EPA has created two lists of the most contaminated sites. The Superfund list and the National Priorities List are eligible for Superfund money. This funding source is a revolving trust fund financed by taxes on chemical feedstocks and
recoveries from settlements and lawsuits brought on by the EPA against responsible parties. Properties that are neither Superfund nor NPL are eligible for state-led voluntary cleanup programs (VCPs).

The emergence of VCPs has served to counteract the broad reach of liability and cost cleanup uncertainties. These programs usually include technical assistance from regulators and assurances about the extent of liability. These programs are popular because they allow private parties to initiate cleanup and work cooperatively with state agencies. By May 1998, 365 projects had entered into VCPs. These programs generated 21,000 jobs, added $475 million in tax revenues, opened up 13 million square feet of office, commercial and industrial space.8

California’s Voluntary Cleanup Program

In 1993, the California Legislature established the Voluntary Cleanup Program. This law has streamlined the remediation process. Before the state VCP, developers had to deal with many different agencies for each type of contamination on the property. As such, the state designated the Department of Toxic Substances Control (DTSC) as the lead agency. In this program, the developer enters an agreement with the DTSC. The DTSC performs an array of useful services including document review, site assessment, planning, implementation of site remediation, and issuance of certification upon completion.

In general, the DTSC handles soil-related issues while the State Water Resources Control Board (SWRCB) handles groundwater-related projects. In a sense, the developer has the option to select either state agency. The SWRCB is responsible for overseeing remediation of sites with leaking underground storage tanks (LUST).

In order to attain the services provided by the DTSC, the volunteer submits a preliminary site assessment. If no remediation is required, the DTSC can issue a "no further action" letter that protects the property owner against requirements to remediate the site beyond what has been done. In projects requiring remediation, the volunteer prepares a workplan to remediate the site. The DTSC oversees the remediation process and issues a "no further action" letter when the site is remediated. The VCP does not include "covenant not to sue" letters which protect the property owner against future lawsuits.

"The problem in dealing with DTSC is that they have energetic, creative people at the top of the pyramid," Gregory Trimarche explains. He adds "but when you actually start doing deals with project managers, etc., they are not as motivated to push projects through. Brownfields often require approving new technologies and breaking out of the normal mold. Project managers often don't see the upside because if it doesn't work, they take the blame, but they don't get credit if it does work."9

8 Bartsch, Charlie, Matrix of Brownfield Programs by State, www.nemw.org
9 Van Keuren, Kellee, “Brownfield Efforts in Los Angeles Picking Up Steam”
Cleanup standards are determined on a site-by-site basis, depending on the contamination levels, location and future use of the site. Brownfields slated for future industrial use are not held to the same standard as brownfields slated for single family home residential use. Over 100 sites in Southern California and 230 statewide have entered the voluntary cleanup programs.10

**Financing Considerations**

There are many sources of finance available to brownfield developers. Funding is available for all steps in the redevelopment process; from site assessment to final cleanup. Perhaps the two most accessible sources are the City's brownfield fund and the Brownfields Tax Incentive. The City created a $2.4 million fund to be used for assessment, acquisition, remediation and community involvement at brownfields sites.

The Brownfields Tax Incentive, derived from Empowerment Zone designation, allows the property owner/taxpayer to fully deduct the cost of cleanup rather than capitalizing it. The deduction occurs in the year of cleanup expenditures. A site qualifies four ways: EPA Brownfields Pilot site designation, in census tracts with 20% or more of the population below the poverty level, rural areas with 75% land zoned industrial and special districts including Empowerment Zones and Enterprise Districts. Superfund sites are not eligible. This incentive expires July 1, 2001.

There are many available funding sources. A list of available funds is provided in a subsequent section. In addition to direct funding sources, there have been several statutes passed in California, which facilitate the redevelopment of brownfields.

**Assembly Bill 2610, the Community Facilities Act,** permits the creation of local facilities districts that levy assessments for the cleanup of brownfields. **The Mello Roos Community Facilities Act** permits local governments to issue bonds and use the proceeds to remediate brownfields. **The Polanco Act** cedes development authorities the power to investigate sites, order cleanup or clean the site themselves and charge responsible parties. **Senate Bill 1285, Hazardous Material Liability of Lenders and Fiduciaries,** provides limited liability for lenders that have a legal interest but do not "directly" contribute to the potential release of toxic materials.

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10 Van Keuren, Kellee, “Brownfields efforts in L.A. are picking up steam”, www.brownfieldnews.com
Development Process

According to the Urban Land Institute, the development process for brownfields includes seven steps. The steps are listed in figure 5. Since laws and regulations change as well as real estate markets, this list is certain to change per external forces.

Figure 5: Brownfield Development Process

Step 1  Determine whether the brownfield can be excluded from the development project
Step 2  Become familiar with state VCP
Step 3  Prepare preliminary financial plan and financing plan for remediation
Step 4  Control the site
Step 5  Remediate the site
Step 6  Obtain permanent financing
Step 7  Monitor contamination and preserve Covenant Not to Sue
Building Up and Utilizing Human Capacity

Overview

A high unemployment rate and lack of skilled labor characterize the labor market of the Alameda Corridor Plan Area. According to the 1990 U.S. Census, 28% of residents over the age of 18 in the plan area attained less than a 9th grade education. There is a glaring urgency to build up human capacity to improve the plan area's economy.

To build up human capacity in the plan area and achieve our vision of Neo-Industrialization, we recommend full utilization of current or potential human resources and establish people-intensive strategies. Our vision supports the creation of jobs in environmentally friendly and sustainable industries.

To match job skills and employees' career interests with job opportunities there must be programs promoting job expansion and creation. Specifically, the programs should train candidates for employment in new manufacturing-based industrial clusters to compensate the loss of manufacturing jobs. Nearly 30% of all manufacturing jobs in Los Angeles County disappeared between 1988 and 1994.11

With Neo-Industries, it is imperative to develop specialized skills and knowledge in plan area residents. To accomplish this, specialized neo-industrial training and education programs are required. The net result is local residents become qualified for the windfall of jobs spawning from the plan area's Neo-Industrialization and the area once again enjoys the fruits of a vibrant economy.

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Figure 6: Building and Utilizing Human Capacity

= VIBRANT ECONOMY

Colleges, Government Agencies, Environmental Agencies

Job Creation & Expansion & Retention

Build up Human Capacity

Education

Job Training

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Three Elements to Building Up and Utilizing Human Capacity

Building up and utilizing human capacity is comprised of three elements. The first element is job creation and involves efforts geared toward attracting new employers into an area or the formation of new businesses or government entities. The second element is job expansion and retention and involves programs geared toward offering incentives for businesses seeking to expand employment and/or remain. The third element, and most salient, is job training and education which involves improving the employment and educational skills of unemployed and underemployed citizens. For the plan area, these elements must be geared toward Neo-Industries. The overarching goal is to forge a healthier environment and economy.

**Job Creation**

There are excellent future markets in California for Neo-Industrial jobs. The market for environmental goods and services has been identified by economists as one of the fastest-growing sectors in the Los Angeles region and the rest of the nation. According to David Friedman more than 18,500 companies in the Los Angeles region, two-thirds of all environmental firms, are planning to increase their workforce in the next five years.\(^{12}\) U.S exports earnings for environmental goods and services were $6 billion in 1991.\(^{13}\) The international market for environmental goods and services will grow to over $300 billion by 2000 and will grow at 5.5% annually through the end of the century.\(^{14}\) This growing market is also aided by government policies and programs that are used to encourage the growth of environmental industries such as waste reduction, recycling and energy efficiency.

This rampant growth presents many opportunities for creating Neo-Industrial jobs. First, jobs can be created from processing recyclable materials and manufacturing recycled-content products. According to a 1992 study for the California Integrated Waste Management Board, diverting 50% of the state’s waste stream from landfills could generate 40,000 or more new jobs in California by the year 2000. Jobs in the material recycling sector could be created by government agencies, nonprofit groups and private recycling businesses.

Another avenue of ample employment opportunity is Neo-Industrial manufacturing. In general, these jobs are byproducts of innovative environmental technologies. These technologies reduce pollution, turn waste materials into inputs for new products, manufacture non-toxic products and employ energy efficient practices. Neo-Industrial employment opportunities will continue to develop as businesses market their products and practices as "eco-friendly".

It is crucial that the plan area capture some of this Neo-Industrial growth. Planners and politicians need to collaborate and attract Neo-Industrial firms into the plan area. This is the essence of job creation.

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Job Expansion and Retention

The objective of job expansion and retention programs is to provide incentives that induce businesses to expand their employment base as well as remain in the area. One method of achieving this is to develop temporary jobs. It enables employees to gain work experience while receiving varying degrees of retention assistance and other kinds of post-placement support. Temporary jobs can be made available for young people with limited work experience and people who need a second chance as well as individuals with limited skills, homeless individuals, high school dropouts from very poor neighborhoods, less-educated and chronically unemployed.

Since our Plan Area has high rate of unemployment and unskilled people, temporary employment provides low-skill and low-wage workers with short-term job opportunities and likely increase the possibility of them advancing to better-paying positions.

The temporary services industry has evolved and grown rapidly over the last two decades. Between 1983 and 1996, the number of people working for temporary service firms nearly quintupled, from 471,800 to 2,310,800.¹⁵

Many companies want to keep core staff costs down, increase their hiring and staffing flexibility, and raise labor productivity. Hiring temporary employees is a popular way to achieve these goals. This policy has resulted in greater opportunities for unemployed individuals enter or re-enter the labor force.

There is another IRE (Industrial retention and expansion) tactic for job expansion. It focuses on recyclable manufacturing. Because manufacturing jobs can provide good work for people with limited education, skill and experience, a successful IRE strategy can benefit people needing work and income.

According to 1990 US Census, Los Angeles Consolidated Metropolitan Statistical Area (CMSA) has 57% durable goods manufacturing of state jobs and 58.4% non durable goods manufacturing of state jobs. Though this trend has not continued and the percentage of each has decreased to 30% and 39% in 1999, respectively, L.A. CMSA still has a large number of manufacturing employment 658,600 (1990 US Census, California Employment Development Department).²

In addition, some cities such as Compton, Huntington Park, Lynwood, South Gate, Vernon in the Plan Area have industries that are highly developed for manufacturing. In these cities, the efforts need to focus on improving competitive edge and identifying niche so that jobs are not lost and new businesses can exceed the low level of growth forecasted for the manufacturing sector. Recyclable manufacturing is a means to achieve this.

Furthermore, the Federal Housing and Urban Development Department (HUD) facilitates the development of the manufacturing sector in Enterprise community resources and

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¹⁵ Dorie Seavey, New Avenues into Jobs, December 1998

Empowerment Zones. The Economic Development Agency (EDA) supports the development of manufacturing space and infrastructure as well.  

Job Training and Education

First, we seek to upgrade the existing stock of human resources more attractive to employers. In other words, our goal is to educate and train the area labor force to make it more employable or suitable for more skilled positions. The second goal is to avoid underutilized human resources and to maximize their use. This means helping area residents achieve their full occupational potential. In addition, through environmental and energy programs, people have to be educated to make them contribute to an enhanced environment.

To support these methods empirically, we use and extend the existing programs in Alameda Corridor and around the Plan Area. Supplies institutions (such as colleges and environmental agencies, government agencies) to develop user-driven, customized strategies are needed. The following Client-oriented, Fixed Curriculum Training and Education, and Environmental and Energy programs are recommended for the Plan Area.

- Client-oriented Programs

Client-oriented Programs provide training designed to meet client or consumer expectation and ensure successful transition to a more efficient and consumer oriented system. They include:

(1) Adult and Career Education
It provides various courses and programs that can be customized according to the needs of employers. Its objective is to educate and train economically disadvantaged adults and youths, in and out of school.
(Responsible Agency: Compton College)

(2) Regional Job Training Programs
These programs provide job training and job placement for individuals to sort and process recyclables. They try to improve regional quality of life by obtaining and maintaining long-term employment. Priority is given to students living in Compton and surrounding communities. Training is free for students.
(Responsible Agency: Compton Regional Job Training)

(3) Regional Occupational Programs (ROP)
These programs train students so that they can attain the skills necessary to gain employment. Programs can be customized according to the needs of employers. Specific programs target displaced electronics technicians and aerospace workers.
(Responsible Agency: Los Angeles County Regional Occupational Programs)

- Fixed Curriculum Training and Education Programs

Fixed Curriculum Training and Education Programs use pre-designed curriculum and offer classroom education and on-the-job training at the local level.

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17 Neil S. Mayer, Saving and Creating Good Jobs December 1998
(1) OJT programs
OJT programs provide classroom training and on-the-job training programs. Their objective is to increase client employment and employability.
(Responsible Agency: Los Angeles County)

(2) Chemical Technology Program
It seeks to train community college students to work in chemical technology and allied fields.
(Responsible Agency: Los Angeles Trade Tech College)

(3) Environmental Hazardous Material Training (EHMT)
It provides students with the knowledge and skills to prepare them to work with hazardous substances in compliance with governmental regulations. Its clients are community college students and students pay tuition.
(Responsible Agency: West Los Angeles Colleges)

- Environmental and Energy programs

(1) Recycled products and manufacturing programs
These programs provide resources that can be used to initiate and expand businesses related to manufacturing products comprised of recycled materials. Loans are available for these programs at both the state and the local levels. Los Angeles helps businesses take advantage of recycling opportunities through its Recycling Market Development Zone.
(Responsible Agency: Los Angeles County Community Development Commission)

(2) Energy conservation programs
These programs provide energy conservation incentives, rebate programs, as well as investment opportunities to businesses and households at the local level and loans at the state level. For example, Industrial Energy Efficiency Programs provide financial incentives to replace gas equipment such as space heaters, boilers, dryers, furnaces, kilns, ovens, process cooking equipment and other industrial process equipment with new, high efficiency gas equipment. The programs target businesses engaged in manufacturing located within the Gas Company’s service area.
(Responsible Agency: The gas company)

(3) Neighborhood programs
A neighborhood program is the Conservation Hotline which conducts audits to inform customers of ways to better utilize electric and water services.
(Responsible Agency: City of Los Angeles, Department of Water and Power)

\textit{Linkage to College-utilizing the University of Southern California (USC)}

(1) Business Expansion Network (BEN)
Its mission is to cultivate the entrepreneurial spirit of the communities, by providing its individuals, businesses, and organizations access to educational and technical resources that foster new recyclable manufacturing business expansion and “Green” job creation. Specifically, BEN provides small business with consulting and training as well as business planning, marketing, operation and financial management, and access to
capital and procurement opportunities. It also provides advisory services to non-profit organizations and foundations engaged in community and economic development.

(2) Minority Business Development Center
The Center promotes community economic development by providing and technical assistance to growing and start-up minority-owned business in a variety of areas, including marketing, financing and procurement certification. Advanced business training and up-to-the-minute industry trends are also available to clients.

(3) Neighborhood Enterprise Program
Entrepreneurs and small businesses that demonstrate the ability to create “Green” jobs in the neighborhoods receive assistance from professional business consultant, as well as MBA candidates and expert faculty at the Marshall school of Business.

(4) Construction related-business assistance program
According to the Alameda Corridor Transportation Authority (ACTA), the project will generate a total of 10,000 construction-related jobs. To meet the new demand, business assistance program is prepared at Civil Engineering School.

(5) Bilingual Education program
Since close to 60 percent of the population are Hispanics in the Plan Area, USC provides English education and proficiency in English to people. The program is operated by the Rossier School of Education.

(6) Familiarizing EIP program
USC’s School of Policy, Planning, and Development provides this program to make people more familiar to the concept, especially the benefits and feasibility of EIP. Since EIP is new to the public, it is hard to get funds, gather subsidies and garner public support for the concept. Therefore, informing the public about EIP is essential to developing the regional economy. Particularly, USC’s Center For Economic Development can take charge of this program.

The true purpose of our Plan Area economic development lies not in the amount of dollar increased or the number of housing units produced or jobs created, but in the community’s sense of pride, self-efforts, and collective achievement. More concretely, in case of decreasing the population of unemployment in the plan area, it does not mean that “stockpiling welfare recipients” or “reducing unemployment statistics”. It means that more increased number of more developed human resource is used in a more right place. That’s what we try to pursue.

A vibrant economy can be accomplished by building up human capacity. Through training and education, we improve human capacity. Through Job creation, expansion, and retention, we utilize improved human capacity. Hence, the plan can produce the immediate relief of severe economic, social, and physical distress, and eventually wider regeneration of the community through human capacity development.
Effective marketing strategies for business retention and expansion are critical to the revitalization of the Alameda Corridor Plan Area. Overall marketing strategies are necessary to change the Plan Area's image, to make known the potential economic opportunities available in the area, and to inform and involve area residents in the planning process. The marketing strategies derived focus on the following three areas.

1. Marketing Brownfields and the EIP Concept

The proposed economic development plan involves the transformation of selected brownfields in the Alameda Corridor Plan Area to successful eco-industrial parks (EIP). One of the major challenges of establishing a closed-loop or semi-closed-loop eco-industrial park is the identification and bringing together of related industries. Brownfields like the Goodyear site have to be marketed to prospective businesses or industries that might be interested in being a part of an eco-industrial park.

At the moment, the City of Los Angeles's Environmental Affairs Department is promoting the City's brownfields as sites with tremendous economic potential for reuse. Given that brownfields are commonly viewed as liabilities or “problem properties” rather than opportunities, it is necessary to alter or remove this view in the minds of potential businesses and developers. This can be achieved by informing them of the following: the locational benefits of a site, relatively low cost of acquiring the land, expedited permitting and remediation process offered by the City, and growing availability of financial and other resources available for brownfield clean-up or remediation.

To attract businesses, simply marketing brownfield sites is not sufficient. It is also necessary to market the idea or concept of an eco-industrial park, especially the economic and environmental benefits associated with it. One of the means to achieve this is by informing potential or interested firms about the successes of well-established EIPs, such as the one in Kalundborg, Denmark. Firms have to be convinced that the successes of other EIPs can be duplicated at sites along the Alameda Corridor. Fact-based marketing is the way to accomplish this. This form of marketing presents factual evidence to show that EIPs can succeed, and are beneficial to both the local environment and economy.

2. Marketing the Alameda Corridor Plan Area and “Neo-Industrialization”

“Neo-Industrialization” refers to a new form of industrialization that aims to achieve both economic and environmental benefits. Unlike traditional industrialization, neo-industrialization is a means of a cleaner, more technologically advanced form of economic development that promotes environmental protection: it does not occur at the expense of the quality of the environment. Because this is a relatively new concept, marketing is necessary to promote it as a major means of production in the future. To sell this idea to industrial developers and businesses, information must be provided
regarding areas with successful neo-industrial and environmentally sustainable economic development projects. Such areas include Silicon Valley in northern California and the Research Triangle in central North Carolina.

The goal of the economic development plan is to revitalize the entire Alameda Corridor Plan Area, not just the Goodyear site. However, it is important to note that the successful redevelopment of the Goodyear site will likely be one of the most effective ways to promote the Plan Area as a whole. Once prospective parties see that economic success can be achieved, they will have more interests and confidence in establishing or expanding their businesses in the Plan Area. In other words, an economically viable EIP established at the Goodyear site can result in reinvestment to the Plan Area as a whole.

Besides this, overall marketing strategies to promote the Plan Area as a whole are necessary. Prospective parties have to be informed about the Plan Area, especially in the following areas: (1) its physical and political geography (2) demographics, i.e. the potential labor supply and skill level of labor force; (3) potential economic opportunities, i.e. an inventory of brownfields and underutilized sites available for reuse; and (4) government assistance and incentives available, i.e. funding programs (city, county, state, and federal) and permit processing assistance.

Web Marketing: WWW.ACRP.ORG

The widespread availability of the above information is critical to making the Plan Area known to prospective investors and businesses. Given that our society and economy are becoming more “high-tech” and information-based, the internet should be a major means of marketing the Plan Area. Numerous local and regional public and private agencies have begun marketing or promoting sites for redevelopment on the internet. The City of Burbank, for example, uses its web site to promote redevelopment project areas in the City. The site not only provides information about the areas, it also informs potential developers about the City’s demographics, unique economic attributes (e.g. home of certain prominent firms), well-maintained infrastructure system and so forth.

North Carolina’s well-known “Research Triangle” also uses the internet as a way to promote the area. The Research Triangle Regional Partnership (RTRP) has on its web site information about the area’s economic and demographic characteristics, the relocation assistance offered, and area businesses and industries.¹⁸ In addition, the site has a very useful search feature that allows interested developers to identify potential buildings or sites in the area suitable for their businesses. Figure 7 shows the “Finding the Perfect Site” page on the RTRP web site.

A web site will be constructed as one of the major means to promote the Alameda Corridor Plan Area and what it offers to potential businesses and developers. The site address will be “www.acrp.org,” referring to the acronyms of the to-be-created Alameda Corridor Regional Partnership (discussed below). Like the City of Burbank and RTRP sites, acrp.org will provide information describing the Alameda Corridor Plan Area and its unique characteristics. The web site will also have a site/building search function and

¹⁸ Research Triangle Regional Partnership, www.rtrp.org
serve as a forum for community discussion (further discussed later). Figure 8 presents an example of what the web site may look like.

**Figure 7: Site Search Page**

![Site Search Page](source: Research Triangle Regional Partnership, www.rtrp.org)
To create the web site, the Alameda Corridor Regional Partnership (ACRP) will consider retaining the services of Urban Insight, a web development firm in Southern California that focuses primarily on urban planning, real estate and economic development industries. Urban Insight appears to be the ideal firm to provide web site development and internet marketing services to the ACRP because of their understanding and experience in not only web development, but urban planning and economic development as well. Past clients of Urban Insight include: the Urban Land Institute, University of Southern California’s School of Policy, Planning, and Development, Los Angeles County Workforce Preparation and Economic Development Collaborative, South Park Stakeholders Association, and West Angeles Community Development Corporation.

A Regional Collaborative: the Alameda Corridor Regional Partnership (ACRP)

There is currently no regional agency specifically promoting the Plan Area as a whole. However, there are a number of agencies marketing the Los Angeles County region or certain sections of the Plan Area. They include (but not limited to):

- Los Angeles County Community Development Commission (CDC);

19 Urban Insight, www.urbaninsight.com
Los Angeles Economic Development Corporation (LAEDC);
Alameda Corridor Transportation Authority (ACTA);
Gateway Cities Partnership;
City of Los Angeles Mayor’s Office of Economic Development; and
New Los Angeles Marketing Partnership (NLAMP).

It is the recommendation of this economic development plan to create a regional collaborative, consisting of governments, businesses, residents, non-profit organizations, and other groups, to market the Alameda Corridor Plan Area. This is necessarily because the Plan Area consists of a number of local jurisdictions and a diversified group of stakeholders. An example of a functioning regional collaborative is “Joint Venture,” a 501(c)(3) non-profit organization established to enhance the economic vitality and quality of life in Silicon Valley. Like Joint Venture, the Alameda Corridor Regional Partnership (ACRP) will be a network that performs the following:

- Helps retain, expand and attract business to the Alameda Corridor Plan Area;
- Supports entrepreneurs in their efforts to start new businesses;
- Sponsors a unique partnership between the public and private sectors to streamline regulatory processes and reduce costs;
- Stimulates the development of environmentally-beneficial industry; and
- Promotes local efforts to create a healthy community.

The major goal of this collaborative is to bring individuals together from business, government, and the community to identify and to act on regional issues affecting the Alameda Corridor Plan Area’s economic vitality and quality of life. Funds for ACRP will be provided by businesses, local governments, professional associations, labor organizations, foundations, and individuals. The major partners of this regional partnership will include: the Los Angeles County Community Development Commission (CDC); the cities of Carson, Compton, Huntington Park, Long Beach, Los Angeles, Lynwood, South Gate, and Vernon; local business associations and chambers of commerce; area community development corporations; the federal Economic Development Administration (EDA), federal and state environment protection agencies; and the Urban Land Institute (ULI).

Like Joint Venture, ACRP should pursue the creation of a “Smart Permit” program to facilitate developments in the different jurisdictions constituting the Corridor Plan Area. This program is based on new internet-enabled processes and systems, and a public-private collaboration towards a regional approach to community development applications, permit tracking, drawing submittals, and geographic information systems (GIS). Under this program, residents and development firms will be able to do the following through the internet:

- Obtain information and check on the status of projects and applications;
- Obtain information on parcels;
- Request and schedule inspections; and
- Submit comments on projects

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20 Joint Venture, www.jointventure.org
3. Informing and Involving Area Residents

Given that the residents are the major stakeholders, it is very important to inform, educate, and involve them in a plan or strategy to revitalize the Plan Area. According to the National Environmental Justice Advisory Council (NEJAC), “early, ongoing, and meaningful public participation is a hallmark of sound public policy and decision making”. This section describes strategies to inform and involve the public in the economic revitalization of the Alameda Corridor Plan Area.

To minimize NIMBYism (Not-In-My-Backyard), efforts should be made to inform residents about EIPs and benefits associated with them, such as job creation, environmentally friendly means of producing different products, improved infrastructure in surrounding areas etc. A means to inform residents about public meetings regarding the redevelopment of the Plan Area is through the more traditional forms of print media, including brochures, flyers, and other advertising material. The internet is, of course, another way to inform the community. The web site to be developed for the Plan Area will include a special section of local residents. This site will provide up-to-date information about the Plan Area, such as upcoming community meetings and events.

Information technology can also be used to facilitate public/community participation. Both written and internet surveys can be conducted to solicit public input on strategies for redevelopment. Community meetings will be organized and held regularly by ACRP, the regional collaborative to be established. Local community development corporations (CDCs) and other non-profit organizations will play critical roles in informing area residents about and involving them in the meetings and related events. CDCs will have to engage in public outreach efforts through the distribution of flyers (and other material) and visits to the homes of residents. Given the relatively large Hispanic population in the Plan Area, provision of information in Spanish is critical. Promotion of job training or skill development programs to area residents is especially key to reducing unemployment in the Plan Area. Such programs can be advertised in local public facilities (e.g. libraries, community centers, parks), social and religious institutions, and on the ACRP web site.

Community empowerment through internet training and grant writing training (per speaker from EPA) is also important to ensure and facilitate continuous public participation and involvement. Increased internet training and accessibility will result in a more informed community that is much more likely to be active in the decision making process. Grant writing training allows local non-profit organizations to secure government and private foundation funds for community development projects. Many grants are un-awarded because there were no qualified applicants. The combination of internet and grant writing training can lead to a greater inflow of government and foundation funds to improve the neighborhoods of the Plan Area.

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Funding Sources

Funding the Vision

It is important to realize that our vision of Neo-Industrialization can be a reality from a funding standpoint. New, clean, sustainable industry is an item that is very important on the federal government agenda, as evidenced from President Clinton’s recent statement in support of this issue. Given the great interest on the part of the federal government, it is reasonable to expect that some federal funding will be made available to help make this type of industry a reality.

In addition to receiving federal money, clean, sustainable industry can also expect to receive money from private individuals or organizations. Historically, new, groundbreaking ideas have attracted a great deal of funding from private individuals. An example of this is Silicon Valley. This area was financed almost entirely by venture capital, people who believed in the ideas of others. If enough people are convinced that our vision for the area is viable, they will contribute money to companies who participate in our proposed type of industry. This will help to advance our ideas and turn our vision of Neo-Industrialization into a reality.

Some funding commitments have already been realized. The area has been designated as both a federal Empowerment Zone and as a Redevelopment project area. These designations open up both tax breaks and incentives, as well as access to funding not available otherwise.

The empowerment zone designation gives the area tax credits for the wages of local hires, welfare to work programs, capital equipment purchased, and cleanup costs incurred in preparing a site for development. In addition, the designation qualifies an area for both low cost federal loans (Section 108 Loans), and tax exempt bond financing. These programs make it much easier to make the site desirable for businesses.

The designation as a redevelopment project area also offers many opportunities. The two main ones are eminent domain and Tax Increment Financing (TIF). Eminent Domain gives the Community Redevelopment Agency the power to assemble land necessary to make a project that eliminates blight. This can be very beneficial in our area, as our vision of Neo-Industrialization may require several large parcels of land.

Tax Increment Finacing allows the redevelopment agency to sell bonds, which are used to finance a project. The new property tax revenue generated from the project pays the bonds back. If a project is successful, TIF money will continue to flow and will allow for other projects to be financed.

The Empowerment Zone designation and the designation as a Redevelopment Project area offer the best access and potentially the largest sums of money available to fund

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22 www.jointventure.org
23 www.hud.gov; www.cityofla.org
24 New property tax revenue is compared to property tax revenue collected from a set base year. Each year, the difference between the tax collected for that year and the tax collected for the base year is given to the Redevelopment Agency.
our vision. However, several other potential funding sources exist. A table of potential funding sources is included below.

**Figure 10:**
**Funding Source Table**

<table>
<thead>
<tr>
<th>Funding Source</th>
<th>Issuing Entity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Development Block Grants</td>
<td>Federal Department of Housing and Urban Development (HUD)</td>
<td>Grants are given out to carry out a wide variety of community development functions, including neighborhood revitalization, economic development, and improved community facilities and services</td>
</tr>
<tr>
<td>Los Angeles Community Development Bank</td>
<td>Federal Department of Treasury</td>
<td>Provides loans to businesses in designated areas that would otherwise not qualify for typical loans.</td>
</tr>
<tr>
<td>SEED Loan Program</td>
<td>Community Financial Resources Center</td>
<td>Provides loans to businesses planning to locate in South Central Los Angeles.</td>
</tr>
<tr>
<td>Small Business Expansion Loan Program</td>
<td>Community Financial Resources Center</td>
<td>Provides loans to businesses planning to locate in South Central Los Angeles.</td>
</tr>
<tr>
<td>City Development Lending Group, Inc.</td>
<td>City of Los Angeles, Mayor's business and Economic Development Office</td>
<td>Provides financial and consulting services, as well as loans to minority owned businesses in Los Angeles, for the purchase of equipment or other business assets.</td>
</tr>
<tr>
<td>International Trade Loan Program</td>
<td>United States Small Business Administration</td>
<td>Provides funds for land and buildings, and to build renovate and improve facilities. The goal is to help small businesses develop or expand their international markets.</td>
</tr>
<tr>
<td>Micro-loan program</td>
<td>United States Small Business Administration</td>
<td>Provides loans for machinery and equipment, and working capital.</td>
</tr>
<tr>
<td>Economic Adjustment Program</td>
<td>United States Department of Commerce, Economic Development Administration</td>
<td>Provides Grants to develop and implement local economic development strategies designed to address a serious contraction of the economic base. Grants are provided to new and start-up businesses, but may not be used for relocation assistance.</td>
</tr>
</tbody>
</table>

Source: Green Jobs Resource Guide, Environmental Affairs Department L.A.
EPA homepage, [www.epa.gov](http://www.epa.gov)
HUD homepage, [www.hud.gov](http://www.hud.gov)
Site Proposal

Site Description

The Goodyear Industrial Tract Site is located in South Central Los Angeles. It is the largest continuous industrial site in Los Angeles. It is readily accessible by freeway, light rail and major arterials. It is four blocks east of the Harbor Freeway and three blocks west of the Metro Blueline. Slauson Avenue and Avalon Boulevard border the site. (See Map, next page, appendices)

The site contains 325 small businesses with several vacant properties. This suggests that there are at least this many parcels and most likely more as some parcels lay vacant and one business may occupy several parcels. Assembling a significant portion of this site for a single project can be especially difficult without the assistance of a major public entity.

Many of these businesses are in marginal industries such as apparel reprocessing, aluminum recycling and palette recovery and repair. These marginal industries are not damaged by relocation. For example, the apparel reprocessing industry could operate in any (industrial) setting where there is storage space available for units that are to be shipped. See (Figures 11 & 12)

The site was designated a Federal Empowerment Zone in 1994. This designation is beneficial because it offers tax relief to businesses in the form of wage credits for local hiring, higher capital write-offs and the Brownfields Tax Incentive. Empowerment Zone designation also provides businesses access to low interest federal loans and tax exempt bond financing for capital, infrastructure and other improvements. In addition, the EPA has earmarked this site as a Brownfields Showcase for its Brownfields Community Showcase program. This designation enables it for grants, technical assistance and coordination from federal agencies. Finally, the site is part of the Council District 9 Corridors South of the Santa Monica Freeway redevelopment project area. As such, the CRA may acquire and assemble land for resell or lease to private parties or

Figure 11: Northwest Reprocessing

Figure 12: Apparel Storage

Above: Northwest Reprocessing is an example of marginal industry.

Above: Used clothing awaits and shipment.
conveyance to a public entity. Incorporation in the redevelopment area allows for the use of tax increment financing. It is evident that the Goodyear site has political backing, environmental significance and great potential for development.

Proposal

Our vision is ambitious, but nonetheless plausible given the right circumstances, at the right market window in the right area. The time is ripe to undertake a major project at the Goodyear Site. The millenium is new, political winds are shifting, venture capitalists are seeking new avenues for investment and costs of contaminating land can no longer be tolerated. For these reasons, we feel it appropriate to propose a phased development with the first phase occupying 40 acres and consisting of Eco-Industrial Park (EIP) anchor businesses. (see Figures 13&14)

Figure 13: Current Site

Figure 14: Proposed Site

Ultimately, this site will become an operating EIP. The first phase includes the EIP’s core. It is envisioned that the entire site will become integrated in the EIP. The net result is fulfillment of our vision for Neo-Industrialization. This site will provide good jobs, a cleaner environment, a sustainable and stable economy and perhaps become an architectural icon for the plan area.
The rest of this proposal highlights the process required to synthesize this proposed anchor EIP project. The components to this process include: land assembly, business relocation, site assessment and remediation of contaminants, the creation of a joint partnership entity, infrastructure and building construction, marketing to attract Neo-Industrial businesses, job training programs to integrate local residents into the project and the establishment of programs dedicated toward promoting the project area's business environment.

Pre-Development

While we have suggested the development of an anchor EIP, it is prudent to conduct a market analysis. Given the level of investment required, success is not an option. It must be the result. In a sense, a detailed market analysis safeguards against project failure and failure to realize our vision. Moreover, this market analysis must be comprehensive enough to cover industrial real estate in the five-county region. We realize the difficulty in analyzing a market that is in its infancy. There is no precedent for analyzing supply and demand of EIP space. The demand is, by and large, latent for EIP space since many businesses are not aware of the general concept or the benefits of immersing oneself in an EIP.

That said, the proposal will require a major tract of land (40 acres). This tract is comprised of approximately 75 parcels and the land is roughly valued at $35 million. This poses tremendous difficulty in assembling land and relocating and compensating existing tenants or property owners. We recommend one of three courses of action for the formation of or use of an existing entity powerful enough to undertake this task.

**Option One**: The CRA negotiates for the purchase of parcels or exercises its power of eminent domain to acquire, assemble and possibly transfer parcels. The CRA, a local agency of the state, has the ability to sell the assembled parcels to a private party for private use. The CRA would issue bonds to perform parcel acquisition, compensation to those relocated and for those who cannot otherwise be relocated. The bonds are paid back through tax increment financing (TIF).

The benefits to utilizing the CRA to perform these tasks are the ability to resell the land to a private entity, the potential for the agency to collect TIF to finance other projects, the familiarity with the project area, local political framework and the general processes.

The first drawback to utilizing the CRA is their current lack of discretionary funds. Most of their incoming TIF goes toward debt service on existing bonds rendering it difficult to issue new bonds. Another drawback, exercising eminent domain is expensive and time consuming. If the CRA is unable to purchase property through a negotiation process, the price tends to increase above the CRA's appraisers' assessed fair market value. Disagreements over fair market values are brought to court which require more time and money to settle. Finally, exercising eminent domain may be viewed negatively by local residents and businesses.

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25 This figure is derived from counting individual parcels under the proposal's footprint.
26 This figure is derived by using a land value of $20 per square foot.
Option Two: The creation of a joint partnership/venture agreement between a public agency and private entity. Option Two contains many combinations of partners. In this scenario, the CRA cooperates with the County and a well-capitalized private entity. Two types of well-capitalized private entities include a development firm or a firm with a large revenue stream. These firms would have to have good track records including rapport with lending institutions and a history of successful projects. One practical combination might include the County and the CRA teaming up with a private utility company such as Southern California Edison or U.S. Water LLC.

A major benefit of a joint partnership is the private sector shares in acquisition costs rather than having the burden rest solely on the public sector. This is especially preferable given the hesitance towards spending large amounts of public moneys. A private partner also has experience in brokering deals and developing sites throughout the nation. Firms such as U.S. Water can rely on the vast network of experts on their team who have superior credentials in water and wastewater privatization, finance, engineering, operations, and maintenance. Having the CRA in the partnership would be necessary for land assembly.

A drawback to a joint partnership is the private entity may be more concerned with return on investment rather than the long term benefits expressed in our vision. This essentially boils down to the social policy goals of the public entity versus the shorter term investment goals of the private organization. This problem is exacerbated by the short window of opportunity available in the private sector. Negotiating partnership agreements between parties could persist to the point where the window of opportunity closes for the private entity and the project is abandoned in favor another (less risky) project elsewhere.

Option Three: The creation of a joint powers authority. A joint powers authority is a government entity created under state law that allows two or more government agencies to combine forces by "jointly" exercising their powers with respect to a specific purpose or set of objectives. The CRA and the County could collaborate with a large public utility agency such as the Department of Water and Power or the Department of Public Works' Sanitation Bureau.

A benefit in creating a joint powers authority is that it could exercise eminent domain for the purposes of constructing a public facility on the site.

A drawback in creating the a joint powers authority is the burden of high acquisition costs rests solely on the public sector. Large publicly financed projects are subject to a high level of public scrutiny. If viewed in the wrong light, the project and authority could suffer political backlash. Another drawback is the problem inefficient management due to the conglomeration of multiple bureaucracies. Finally, both public entities may have minimal experience in operating a joint powers authority as well as involvement in similar projects.

Brownfield Remediation

We recommend establishing a special purpose development authority to take advantage of the Polanco Act. This act enables development authorities to designate properties as brownfields, and command cleanup. This would reduce the cost of land. This
development authority could part of either the joint partnership or joint powers authority. The creation of this special purpose authority is based on the premise that if the development authorities perform these functions, they will be harshly criticized by community members, activists and politicians. As such, this authority shields both agencies from political backlash. Hence, the worst case scenario is the disbanding of the special purpose development authority.

For any of the three options presented above, the lead organization should enter into a state voluntary cleanup program. It must strive to attain the highest level of protection against cleanup liability. Also, the remediation should reduce costs by capping contaminated soil where possible, and overlaying the cap with a parking lot or right of way.

Initial Infrastructure

Infrastructure for the proposed project will require a large capital outlay. We recommend tying the infrastructure investment to Tax Increment financing if possible, so the investment has a chance of being returned. In addition, federal grant funding should be sought in order to reduce the burden on local government agencies. Attempts should be made to lobby politicians at both the state and federal level for additional funding, on the merits of the vision.

EIP Initial Development Strategy

As discussed above, it is not realistic to demolish all the industries and build a whole new EIP on this 208-acre site at this stage. Our strategy for this site is phase-development.

- Based on the existing business clusters, design a practical business linkage within the site and in a broader community context.

- Set anchor businesses in the core EIP as public funded facilities or as a public-private joint venture.

- In the first phase, develop a 40-acre core-EIP on the north part of the site. Anchor businesses and some directly related manufacturing industries of the EIP will be located in this area.

- Reducing unnecessary time and processing waste by establishing centralized transportation agency, material and energy transferring and recovery facility, and a central management office.

- The development of the EIP site presents like a series of concentric circles radiating from the center of anchor industries to the peripheral precision processing industry and to the community. Each circle is a self-closed loop with its own linkage within. And there is also inter-linkage between all the different circles. This multi-level linkage forms a network which ensures the continuation of the linkage at different stages of the development.
EIP Components

- **Business opportunities** (Key Tenants, different level of development, and EIP development radius)
  - Anchor businesses

  *Waste collection, power plant, water treatment plant, MRF (material recovery facility) and transportation collaboration* are the anchor businesses in the Goodyear EIP, which is essential in collecting the waste from outside/inside the EIP and transferring it to the recovery facility.

  The collected wastes, after preliminary treatment, enter the flow of preliminary processing manufacturing industries. Power plant and water treatment plant manage the energy and water flow within the EIP. Additional power and water enter the municipal system and facilitate the local communities.

  *Preliminary processing manufacturing industries*

  Preliminary processing manufacturing industries include paper mill, food waste treatment plant, waste clothes treatment plant, recycling center (bottle, pallet, metal), etc. Those industries can either use the collected wastes as raw materials or reuse the recycled material after some clean-up process. The latter could be the recycling transfer center. After preliminary process, their products could be reused or be used as the feed stocks for other industries. The clients of this kind of industries are other industries. Usually they don't have direct linkage with individual consumers or retailers.

  *Precision processing manufacturing industries.*

  The products from precision processing industries serve individual consumers and, in most cases, it can’t be further manufactured, which is a significant difference between preliminary processing and precision processing, such as furniture, apparel, and painting.
Community outreach
The linkages are not limited to the site of EIP. It can stretch not only to the nearby industries and businesses, but to local residents as well. For example, the waste from the residence are collected and shipped to the EIP waste collection center. The additional gas, water, electricity generated in the EIP loop could flow out to reach local communities.

Material and energy flows
Material and energy flows are the mechanism that enables the EIP to function as a network. The following diagram shows the flows within the EIP and also their linkage with the community.

Figure 16: Material and Energy Flows
On Site Business Linkage

Phase I development is proposed to build a Core EIP, which including a power plant, a water treatment center, an integrated MF/TR center. The MF/TR center includes MRF, waste collection center and a transportation center. During this period, linkage between the Core and established manufacturing industries on the site should also be established.

Here is a demonstration of the proposed Core EIP and the material and energy linkage in the site area.

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27 A MRF (Material Recovery Facility) is a facility that separate and process wastes that have been source-separated, as well as the separation of commingled wastes. Those separation and processing can also occur at large integrated materials recovery/transfer facilities (MR/TFs). An integrated MR/TF may include the functions of a drop-off center for separated wasted, a materials separation facility, a facility for the composting and bioconversion of wastes, a facility for the production of refused-derived fuel, and a transfer and transport facility.
Remediating the Goodyear Site

Current Conditions

The Goodyear site contains 325 small businesses employing 1,600. There are several vacant properties. The businesses are diverse and include consumer products recycling facilities, paint manufacturing, lumber/palette production, steel products, apparel recycling and manufacturing and food products. Several parcels are known to be contaminated. Contamination has contributed to business owners’ inability to obtain financing for expansion. It has also inhibited efforts to recruit new businesses to the site. The plethora of small parcels under different ownership make it difficult to acquire and consolidate property. Finally, the site attracts illegal dumping see (Figure 18).

Figure 18: Illegal Dumping

Above: Tires are illegally dumped in front of vacant property.

Figure 19: Hazardous Site

Above: The Fabri Cote Glass Fabrics site is a hazardous waste facility.

The Environmental Protection Agency has identified 2 hazardous waste properties within the Goodyear site. The two sites are the site of Fabri Cote and Standard Nickel-Chromium Plating Company (See Figure 19). There are no Superfund or NPL sites. As such, all property is eligible for remediation through a voluntary cleanup program.

The City of Los Angeles was selected in March 1998 to be one of 16 communities designated as a Federal Brownfields Showcase Communities. This designation is accompanied with grants, technical assistance and coordination from federal agencies. The Goodyear Industrial Tract site was designated a case study site for the Showcase Communities program. Thus far, the City has received federal funds from the Department of Housing and Urban Development and the Economic Development Administration to fence the site, clean up abandoned railroad spurs, rebuild infrastructure and provide businesses with technical assistance for expanding and confronting contamination-related issues.

In Los Angeles, there are 3 agencies that are involved with brownfield redevelopment. The agencies include the Community Redevelopment Agency,
the Environmental Affairs Department and the Redevelopment and the Economic Development division of the office of Mayor Richard Riordan. The CRA specializes in implementation of the brownfield development process. The CRA performs functions such as site assembly, infrastructure improvement and grant administration. The Environmental Affairs Department plays a major role in guiding brownfield cleanup policy and regulation. In addition to governmental agencies, there are non-profit and private organizations directly and indirectly committed to the redevelopment of brownfields.

Remediating the Goodyear Site

To fulfill our vision, significant portions of the 40 acres will need to be remediated. The proposed site includes two hazardous waste facilities, and presumably contains a lot of contamination. As such, the entire process needs to be facilitated by a large entity with significant capital reserves. As stated in a previous section, we recommend one of three organizations to handle both the remediation process and development process.

Since the site will remain industrial and handle some hazardous wastes, there is no need to make the soil “clean enough to eat”. Instead, we recommend reducing the cost of remediation by encapsulating contaminated soil where possible. The capped soil could be used as a parking lot or transshipment center.

Figure 20

Figure 21

Above: Vacant and presumably contaminated.  Above: Vacant, graded and possibly aminated.

Neo-Industrial Technology used in Remediation

Since our vision advocates the creation of industry that uses and generates sustainable technology, we recommend applying this idea to the remediation
process. This requires using new approaches to remediating brownfields. The EPA has established a Superfund Innovative Technology Evaluation (SITE) that is dedicated to developing alternative and innovative treatment technologies. On November 2, 1999 SITE issued a request for proposals of brownfield sites to host demonstrations/evaluations of innovative technologies for hazardous waste cleanup. SITE will prepare a treatability study plan and provide the personnel and facilities for sampling and analysis. Successful applicants will become informed about their site’s conditions as well as the cost of utilizing an innovative remediation technology. We recommend that property owners within the Goodyear site submit applications to SITE. Applications are available online at www.epa.gov/ORD/SITE.

There are many sustainable remediation alternatives. An important recent development is Recycled Soil Manufacturing Technology (RSMT). Bion Environmental Technologies Inc. has developed a soil that is made by using animal waste. This process known as bioremediation remediates soil by breaking down hazardous substances by using bacteria.

A similar technology is phytoremediation. In this technology, plants to the remediating. Roots carrying oxygen to soil degrade organic pollutants. This increases hydrocarbon oxidation by enervigating local microbes. Heavy metals can be harvested away after they are absorbed and concentrated in the stems and leaves of plants. These technologies are much cheaper and more sustainable than traditional remediation processes. However, bioremediation and phytoremediation require several growing seasons. As such, these technologies should be initiated throughout the site immediately. By the time the sites undergo phase II and III assessments, the contamination levels will have reduced.

Voluntary Cleanup Program

We strongly recommend the remediator and developer coordinate with the DTSC and enter into a voluntary cleanup program. This is advantageous because it reduces the number of environmental agencies involved in the process. Moreover, the DTSC has the ability to issue a “no further action” letter which essentially protects the property owner from liability.

Utilizing Financial Incentives and Grants

Assuming 50% of the 40 acres are subject to remediation, the cost of remediation will be nearly $4 million. This cost does not account for pre-
remediation costs such as site assessments, consulting services and carrying costs. It is evident that the project will require significant subsidies.

For the Goodyear Site, we recommend that the proposed joint partnership/joint powers authority attain funds from HUD for site assessment. The EPA, by way of the Brownfield Showcase program, could provide additional funding for further site assessments and subsequent remediation.

The site's location in an Empowerment Zone makes it eligible for loans up to $10 million from the Los Angeles Community Development Bank. In addition, the site's location in the Community Redevelopment Agency's (CRA) Council District 9 Corridors South of the Santa Monica Freeway project area allows for the use of tax increment financing. Although the CRA us currently low on discretionary funds, it is probable that investments in other areas of the City will bear fruit.

There are lenders who specialize in financing brownfield redevelopment. Los Angeles LDC, Inc., for example, managers two revolving loan funds on brownfields to support the remediation and redevelopment that create jobs and remove blight. To further reduce the risk, the developer could purchase environmental insurance. This protects them against unforeseen cleanup costs or legal suits. This may be too expensive however since there only five environmental insurers nationally and the overall high costs of the project.

Marketing Brownfield Redevelopment

To facilitate the redevelopment of brownfields in the Plan Area, we propose overall marketing strategies to promote brownfields as attractive economic development opportunities. Currently, brownfields are viewed upon as liabilities or problem properties, primarily because of the perceived difficulties and costs of brownfield remediation.

To market reuse of the Goodyear site, it is necessary to provide potential developers and businesses with more accurate, detailed information about the brownfield remediation and development process, and the increasing financial and other resources available for clean-up. Also, developers, decision-makers, and area residents have to be informed and educated about the economic, social, and environmental benefits of brownfield redevelopment. Their support is critical to the successful redevelopment of the Goodyear site. In addition, our marketing efforts to potential developers will emphasize and promote the locational benefits of the site.
References


Marketing the Goodyear Site

To successfully transform (partially) the Goodyear site to an EIP requires effective, site-specific marketing strategies. Specifically, marketing is needed to change the site’s image. At the moment, the Goodyear site is characterized by visual blight, soil contamination, illegal dumping, and a lack of sufficient infrastructure. The area is also known to have high crime rates.

Marketing efforts for the site have already begun. Currently, the Los Angeles Environmental Affairs Department (EAD) promotes the Goodyear site as an urban industrial area with significant economic potential for redevelopment and reuse. EAD also indicates that the City has received federal funds from the federal Department of Housing and Urban Development (HUD) and the Economic Development Administration (EDA) to accomplish the following: fence the site, monitor access, clean up abandoned rail spurs, rebuild infrastructure, and provide businesses with the support they need to expand and address contamination-related issues.\(^30\) It is clear that both City and federal governments are committed to the redevelopment of the site. This show of commitment certainly facilitates the marketing of the site, as interested or potential firms will now have more faith in the area knowing that there is government support for the reuse of the site.

What businesses to attract?

The key question concerning our marketing strategies is clearly “who is the target?” Or in other words, what businesses should be attracted to the Goodyear site. Given that our vision keys in on the development of an EIP, our target is firms and industries involved in recycling, material (waste) recovery, environmentally clean production, bio-technology, alternative fuel production, and research and development (R&D) activities. An example of such a firm is Arkenol, which specializes in the construction and operation of bio-refineries and has already expressed an interest in being part of an EIP in the Alameda Corridor Plan Area.

How to attract these businesses?

The major ways to market to the targeted companies are through the internet (web) and the print media. As mentioned previously, our strategy calls for the development of a web site to market the Plan Area as a whole. This web site (www.acrp.org) will include information about the Goodyear site in order to inform interested businesses about the area’s economic potential and unique geographic, demographic, and other characteristics. In particular, the strategic geographic location of the Goodyear site should be emphasized. The site is located near the Alameda rail lines and major freeways which connect the site to the globally significant ports of Los Angeles and Long Beach. Web links to the acrp.org site should also be placed on the web sites of members in the Alameda Corridor Regional Partnership.

Advertising in newspapers and well-circulated trade magazines is another means to promote the site and make known to developers and businesses what it has to offer. Examples of such periodicals include the Los Angeles Times, San Francisco Examiner,

\(^{30}\) City of Los Angeles Environmental Affairs Department, www.cityofla.org/EAD/index.htm

What businesses to retain?

It is clear from field visits and research that a selected few of the existing businesses on the Goodyear site should be retained. They include aluminum, steel, wood, and material recycling businesses. These businesses appear to be operating efficiently and compatible with the idea of developing an EIP on the site. Little incentives are necessary to retain these businesses, primarily because of “inertia.” Inertia is a major locational factor and is based on the logic that once a firm is established at a location, many forces operate to keep it where it is, even when a new facility is required.\(^{31}\) It would, however, require some incentives or assistance to prompt the businesses (to be kept) to improve or upgrade their facilities.

How to retain and improve existing businesses?

Information regarding city and county financial resources available for business improvements would have to be provided to existing businesses (those deemed worthy of retaining). City and county economic development agencies will take the initiative in contacting area businesses and making field observations to identify their improvement needs. Also, the creation of an industrial business improvement district (BID) is a means to improve the physical conditions of the site area and the businesses to be retained. In fact, various industrial business owners in the site area are currently in the process of forming a BID.

BIDs are a type of assessment district in which business owners choose to be assessed a fee by the city to fund predetermined business-related activities and improvements that will benefit the businesses. BID revenues may be used for a vast range of activities, programs and improvements including business promotions, security enhancement, installation of street lighting and graffiti removal. By pooling private resources, business owners in a BID collectively pay for activities that they cannot afford individually. BIDs are one of the most valuable and effective finance tools available to the small business community.

A major component of the BID is a Business Team that aims to retain, attract, and expand businesses in the site area. This Team will work with and utilize the resources of the Alameda Corridor Regional Partnership. The Team will periodically meet with existing and prospective businesses, and provide marketing material/information to prospective businesses.

A Corridor Beautification Team will be established to clean up, maintain, and landscape streets in the site area. The Hayden Tract Architects, whose work and designs have given a formerly blighted area in Culver City a new revitalized and improved physical appearance, will likely be consulted by the Beautification Team. A Corridor Safety Unit will also be created and will work closely with the Los Angeles Police Department and Los Angeles County Sheriffs in providing security to the businesses at the site and surrounding areas. The Unit will deploy uniformed “Community Service

Representatives" (CSRs) to patrol on foot. The CSRs will serve as the "eyes and ears" of the street and, keep area police better informed, and help to improve police response times.

It is important that at its early stages, the BID carry out highly visible projects, i.e. capital and aesthetic improvements such as banners on street light posts. This is necessary to show the participating businesses that their monetary contributions to the BID are making immediate changes in the site area. To keep its members informed, the BID administration will provide periodic newsletters and conduct regular meetings to address certain issues and concerns of member businesses.

**How to inform and involve area residents?**

Aside from informing potential businesses about the site area, it is also necessary to inform and involve residents living in surrounding neighborhoods in South Central Los Angeles and Florence (unincorporated County area). These residents are major stakeholders of the redevelopment or reuse of the site in that they will be significantly affected by how the site will be developed in the future. Residents must be informed and educated about EIPs and the economic and environmental benefits associated with them (as mentioned before). The support of the residents is absolutely critical to the success of an EIP.

As in the case with marketing to businesses, the two primarily forms of providing information to the local community are through the internet and print media. The Alameda Corridor Regional Partnership will be responsible for the production and distribution of informational material to area residents. Community meetings and information sessions will be conducted in area schools (e.g. Edison Junior High School), library, or parks to provide residents with the forum to voice their views and hear from business, government, and community representatives.

Internet training, as stated earlier, is a means to empower local residents. Through the Internet, residents can access information they previously could not acquire or would have difficulty accessing. Given the relatively low educational levels of residents, internet training classes are needed to equip community members with the skills to get information they need or want. Internet training goes hand in hand with the proposed use of the internet to inform and involve the public. Not only do residents need to know how to use the Internet, they must also have the facilities to do so. A way to address this is by expanding computer facilities in area libraries and opening up schools to area residents for computer use. Another possibility is the development of an internet center on the Goodyear site. This center will provide internet access, and computer and other training classes to area residents and businesses. Funding for such a facility is available through City agencies, philanthropic corporations, and major computer and information technology firms such as IBM, Dell, and Apple.
Building Up and Utilizing Human Capacity at the Goodyear Site

The Goodyear site contains 325 small businesses employing 1,600. There are several vacant properties. The businesses are diverse and include consumer products recycling facilities, paint manufacturing, lumber/palette production, steel products, apparel recycling and manufacturing and food products. There are some proposals to improve the site’s economy.

First, a Goodyear training and education program is suggested. It should be a client-oriented program particularly for Neo-Industries & EIPs at the Goodyear site, and Brownfield cleanup. It helps to meet clients’ or employers’ needs and build the EIP at the Goodyear site. It trains people for remediation jobs, EIP jobs, and administration. This program should begin immediately because remediation will be conducted long before the EIP is operation. Brownfield remediation training is very useful in the plan area given the number of brownfields.

We recommend utilizing the various workforce development organizations in the plan area as well as the major colleges. The Job Training Partnership Act sponsored by the L. A. County operates 2 One-Stop Career Centers in the plan area. The One-Stop centers in Compton and Inglewood could be locations where residents are trained for work in the site’s Neo-Industries.

Here, new departments are expanded or added according to the current economic situation such as the trend of employment or industry. This program is based on ad hoc-flexibility and resilience. It also provides high schools internships on-site training like internships at the waste material facility (EIP) – on the job training. It is funded by loan and grants through HUD (Housing and Urban Development Department), CDC (Community Development Commission), EPA (Environmental Protection Agency). Developer exaction used to fund staff to create training programs. Private foundations will contribute in order to develop the training program that will enhance human resources around the Goodyear site.

Second, we mandate local hiring quotas or preference for the Goodyear training program graduates & qualified residents. In addition, we propose a tax incentive system for institutions which employ qualified residents.

Finally, We suggest technical assistance utilizing USC. It helps small businesses adjacent to proposed site to instruct them how to use the EIP. USC MBA School, Planning School, and the Center for Economic Development will provide technical assistance, and consulting. USC’ s programs try to make people actively involved. The EIP developer should contact USC for information on how to best utilize the EIP.
Conclusion

Neo-Industrialization is very plausible for the Alameda Corridor Plan Area. We have shown this through our site proposal. Our proposal advocates the development of anchor EIP facilities. We intend subsequent phases to our proposal, and over the course of time, our vision for an Neo-Industrial plan area may be realized.

The plan area will pioneer the movement toward creating a large network of Neo-Industrial development. In many ways, we expect this movement to mimic that of the Silicon Valley, where eventually the development of new Neo-Industries will longer require massive public investment. We recognizes these changes cannot occur overnight, and offer this paper as both a presentation of what the plan area can become and how a project might fit into the overall vision.

We recommend further study to be conducted on financing infrastructure and financing construction of the core EIP businesses. In conjunction with detailed site assessments, these studies would remove much of the uncertainty that clouds the realization of EIPs in the plan area, and especially the Goodyear site.
Appendix I  BUSINESS IMPROVEMENTS

Business Improvement Districts (BIDs)

Through our observation and research, we have found that the Alameda Corridor Plan Area lacks business leadership and business collaboration. There has not been a political or corporate entity that truly takes on the leading role in the business development and oversees the business partnership in the Plan Area. These have been parts of the reason why we see many existing companies migrate out of the Plan Area while new businesses seek locations elsewhere.

Our recommending action for the County is help community businesses developing their business improvement districts (BIDs) and link these small BIDs into an interactive business network. These BIDs will take on the leading role in the business development at a local level while maintain a collaboration throughout the Plan Area.

The BIDs will work with both public and private businesses and institutions and form a business partnership. The alliance is served to retain, attract, and expand businesses in the Plan Area. The BIDs will play a central role in providing problem-solving assistance to meet with existing and prospective businesses. They can produce brochures to assist companies in their expansion or relocation efforts in the Plan Area.

Potential initiatives that the County may consider include:

- Divide the Plan Area into many small regions,
- Identify key property and business owners, and seek support from them.
- Identify business clusters, groups of firms from the same or related industries and have common product or service. The uses of these clusters will make it possible to recognize potential business linkages and cooperation and encourage new business formation.\(^{32}\)
- Provide and increase a “regional” dialogue. This can be done via communication networks, such as the www and email, newsletters, meetings and forums. These will keep the BID community and businesses informed about each other’s development, success as well as failures.

The County may seek support for the initiatives from cities’ Mayor and Council offices, LAEDC and local EDCs, and business and property owners in the Plan Area.

Business Incubators/Internet Centers

Other business challenges facing the Alameda Corridor Plan Area include a lack of business assistance and telecommunication infrastructure. In addition, entrepreneurs often know how to do “the work”, but do not know how to run a business, and cannot

\(^{32}\) UCLA School of Public Policy and Social Research/Advanced Policy Institute Motion Pictures/Multimedia: Myths & Opportunities Pg 8-11 December 3, 1998
afford the time and expenses of education. Equally important, the start-up costs and fixed expenses of operation drain hard pressed capital.

To tackle these challenges, we recommend that the County form a network of incubators. A portion of each incubator will be reserved an internet center.

The incubators will be targeted at small light manufacturing and service firms and those developing new products or engaged in research or development within the Plan Area. The incubators may also include construction-related, sales and marketing, or wholesale and distribution firms, which have a dominant present in the Plan Area's economy.

The purpose of setting up these incubators and the network is to create jobs, vitalize neighborhoods and diversify local economies once built around single industries such as aerospace and heavy manufacturing.

In California, there are eight incubators registered as members of the National Business Incubator Association (NBIA). In the Los Angeles region, there are three: two of them are in Burbank, one in the City of Los Angeles. The one in Los Angeles is a project of the Annenberg School of Communication here at USC. It is called the Egg Company 2 (or EC²).

The success at EC² is known nationwide. Two weeks ago, the Wall Street Journal ran an article mentioning EC² as an important part of the “Digital Coast”; a leading driver in multimedia and interactive communication development.

EC² incubates new and growing businesses. It provides occupants access to professional and technical assistance. It also offers businesses affordable rents and shared community business contacts and services.

The incubator also aids occupants in identifying financing alternatives. It provides information regarding small business administration, debt financing, community development corporation loan programs, or private investors. The incubator also assists businesses in identifying technology resources.

Part of the initiatives that the County may want to take is to use EC² as an incubator model and apply it throughout the Plan Area. It can then link these incubators into a network. So that, as in the BID network, these incubators can learn and provide support for each other.

Admission to the incubator requires an applicant be a newly formed or expanding service industry, light manufacturer, or R&D firm. It must bring new revenue and create new employment opportunities around the site and/or in the Plan Area. Businesses whose operations produce or result in toxic waste cannot be considered.

Since fiber optics and access to the Internet are implemented once these incubators are constructed, the County can suggest to utilize a portion of each Incubator as an Internet Center. These Centers will help to improve the existing physical technology
infrastructures in the Plan Area and upgrade them to meet the needs of twenty-first century businesses.

The Centers will provide full Internet access to all businesses in the Plan Area at the most economical cost possible. It will maintain, retain and expand such services as the need arises to reflect rapidly changing technologies.

The Centers will also enable “free” service to be made available to community residents for the purpose of acquainting them with the value of Internet access and to provide access in those situations where personal home access is not realistic due to needs or economical considerations.

These Internet Centers will also increase training opportunities for unemployed and displaced workers. They will enable both consumers and suppliers to become more acquainted with products, services and events which are available locally, leading to increased sales in the Plan Area. Such activities, over time, also will result in increases in employment and investment.

The Centers will be treated as an economic vehicle for local businesses to market their products, research new product development, correspond with customers, collaborate on product needs, and other benefits.

The Center can contract with local Internet services firms to operate the system within the goals and objectives of the Center. In addition to low rates for all users, additional discounts can be made available to businesses and residents within the Plan Area.

A few number of sources the County may seek support for the initiatives include:
- USC, especially the Annenberg School of Communication, the School of Engineering and the School of Urban Planning and Development,
- LAEDC’s two business programs: RBAN and BAP
- Local and regional Internet services companies
- Business lending foundations
- Most importantly the communities, especially the incubator sites.

Street Maintenance & Safety

Challenges facing the Plan Area are numerous, but none of them is more urgent than safety and cleanliness. Businesses often complain that the Plan Area is unsafe, unclean, and unattractive. Business owners beware of issues such as urban blight, crime, homelessness, panhandling, graffiti, and debris.

Our recommending action for the County is to develop Street Maintenance & Safety Units. These Units will clean up the streets, maintain the street conditions, and keep the streets secured for businesses. They will handle the street landscaping, improving lighting, reducing urban blight, homelessness, and panhandling.
The Units will clean the streets from curb to curb and empty litter receptacles and assist property owners in fulfilling their legal obligation to keep their sidewalks free of litter and debris and provide assistance for storefront improvements.

To supplement the Plan Area Police Departments, these Units will deploy distinctively uniformed "Community Service Representatives" (CSRs) to patrol on foot. The CSRs serve as the "eyes and ears" of the street and provide security to the businesses in the Plan Area.

The County may seek support for the initiatives from Housing Authorities and social services, local police departments, and neighborhood associations.
Appendix II  EIP Information

Kalundborg Industrial Symbiosis

Asnaes Power Station—Commissioned in 1959, the coal fired-plant boasts a 1,500 Mwe capacity. The same company also operates a fish farm.

Statoil Refinery—One of Denmark’s largest refineries with a capacity of between 3-4 million tons/year.

Gyproc—Manufactures gypsum-based wallboard.

Novo Nordisk—Produces a significant amount of the world’s insulin supply and certain industrial enzymes.

City of Kalundborg—Provides district heating services to the town’s residents.

Local farmers—Many hundreds of farms producing a variety of crops are located within the area.
## Kalundborg Environmental Savings Per Year

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<th>Reduced Resource Consumption</th>
<th>Reduced Emissions</th>
<th>Reuse of Waste Products</th>
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<tr>
<td>Oil 19,000 tons</td>
<td>CO2 130,000 tons</td>
<td>Fly Ash 135 tons</td>
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<tr>
<td>Coal 30,000 tons</td>
<td>SO2 3,700 tons</td>
<td>Sulfur 2,800 tons</td>
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<tr>
<td>Water 600,000 cubic meters</td>
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<td>Gypsum 80,000 tons</td>
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<tr>
<td></td>
<td></td>
<td>Nitrogen in sludge</td>
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<tr>
<td></td>
<td></td>
<td>800,000 tons</td>
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</tbody>
</table>

Source: Eco-Industrial Development and Re-Industrialization in Oak Ridge
http://www.cfe.cornell.edu/wei/BR97_FIN.HTM
Eco-Industrial Development Sites in North America

Source: Eco-Industrial Development and Re-Industrialization in Oak Ridge
http://www.cfe.cornell.edu/wei/BR97_FIN.HTM

<table>
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<th>PCSD Demo Sites</th>
<th>Other EIPs</th>
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<td>Plattsburgh, New York</td>
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