

Public Information

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CRA/LA, Port Partner on Industrial Development *Port provides \$25 million LOC*

Los Angeles—The Board of Commissioners for the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) voted on January 17th, to authorize its staff to use a \$25 million line of credit (LOC) provided by the Port of Los Angeles for industrial developments in the Los Angeles Harbor Redevelopment Project Area. The Board of Harbor Commissioners authorized this line of credit on September 20, 2007.

“The Port and the CRA/LA have a long history in partnering on efforts that support our mutual goals,” said Cecilia V. Estolano, CRA/LA’s Chief Executive Officer. “The availability of these funds makes it possible for us to support the Port’s maritime commerce by better utilizing waterfront properties while simultaneously helping us to jumpstart business activity in the Wilmington Industrial Park.”

“This line of credit between the Port and CRA/LA is another way to create new jobs and businesses in the harbor, especially in this location adjacent to our Wilmington Waterfront Project,” said Geraldine Knatz, Ph.D., Port of Los Angeles executive director. “We are excited to be broadening our relationship with the CRA/LA and look forward to a revitalizing and redeveloping the Wilmington Industrial Park area.”

The area being targeted for investment is the 232-acre Wilmington Industrial Park – a redevelopment project area of the CRA/LA. The LOC funds are flexible and not subject to the same State laws governing redevelopment tax increment funds. CRA/LA’s use of the LOC requires projects have a maritime commerce related purpose, and/or retain and create new jobs.

The Port and CRA/LA will jointly encourage qualified businesses to locate into the Wilmington Industrial Park including businesses needing locations on or near the sea, freight transportation companies, customs brokers, stevedoring companies, ship building and repair firms, importers/exporters, and other related businesses. The CRA/LA will embark on an aggressive business expansion and attraction effort investing the LOC funds to improve underutilized, or contaminated properties for development and use by job intensive businesses.

“The Mayor’s office has directed all its general managers with economic development responsibilities to work together to provide the greatest benefit to people who live and work in Los Angeles,” said Estolano. “This partnership gives us access to Port funds in a resource limited Project Area and use those dollars to leverage additional funds such as New Market Tax Credits, general revenue, federal grants and loans, land acquisition funds and Brownfield Economic Development Initiative Grants. With this approach, the City gets the best bang for its buck,” she added.

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The Los Angeles Harbor Redevelopment Project Area (also known as the Wilmington Industrial Park) is directly adjacent to the Port of Los Angeles. CRA/LA staff state that the LOC comes at an opportune time since industrial vacancy rates in the South Bay will continue to be among the lowest in the nation at 2.2% according to the October 2007 Los Angeles County Economic Development Corporation South Bay 2007-2008 Economic Overview & Forecast

The Project Area also has a strong local labor force with easy access to the regional and national transportation network. Furthermore, new environmental regulations such as Ports of Long Beach and Los Angeles Clean Air Action Plans have increased the private sector interest in Green Technology investment at and near both ports.

The \$25 million LOC will accrue at approximately 4.5% monthly, similar to the City of Los Angeles General Pool Rate, and will be due five years after withdrawal. The Port may allow two additional five-year options extending the term to a total of 15 years. The LOC will be secured with first deeds of trust on the sites purchased with LOC funds and by redevelopment project area tax increment.

CRA/LA and the Port have worked on numerous projects in the past including the Gaffey Street Welcome Park, Port Police Headquarters, Aesthetic Improvements projects, and the Port Charter High School. CRA/LA and the Port have also collaborated on prior loan agreements in 1988 and 2005.

About the Harbor Industrial Center Redevelopment Project Area:

This is the only exclusive industrial redevelopment project in the city. The CRA/LA has replaced junk yards, unimproved alleys and streets and oil extraction equipment with the infrastructure of a modern industrial park. More than 75 new businesses, 30 new developments and more than 1,100 new jobs have been created by \$8 million in public investment, with additional private investment totaling more than \$18 million. Businesses assisted by or in negotiation with CRA/LA in the Wilmington Industrial Park includes Juanita's Foods, Metropolitan Stevedore Pacific Maritime Association, E Street Cold, and Wayans Pacifica.

About CRA/LA:

CRA/LA (www.crala.org) is a public agency regulated by the State of California and operating within the City of Los Angeles. It attracts private investment into economically depressed communities to eliminate blight, revitalize older neighborhoods, build housing for all income levels and create and retain employment opportunities. CRA/LA manages 32 redevelopment projects areas and three revitalization areas in seven regions: East Valley, West Valley, Hollywood & Central, Downtown, Eastside, South Los Angeles, and the Harbor.

About the Port of Los Angeles:

The Port of Los Angeles is a department of the City of Los Angeles, The Port is operated and managed under a State Tidelands Trust that grants local municipalities jurisdiction over ports and stipulates that activities must be related to commerce, navigation and fisheries. As a proprietary and self-supporting department, the Port is not supported by taxes. Instead, revenue is derived from fees for shipping services such as dockage, wharfage, pilotage, storage, property rentals, royalties and other Port services. Considered a landlord port, the Port of Los Angeles leases its property to tenants who then, in turn, operate their own facilities.