

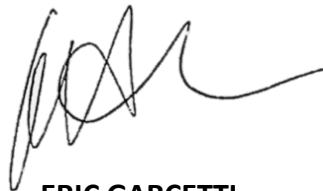
TRANSMITTAL

To: **THE COUNCIL**

Date: **03/03/22**

From: **THE MAYOR**

TRANSMITTED FOR YOUR CONSIDERATION. PLEASE SEE ATTACHED.

A handwritten signature in black ink, appearing to be 'Eric Garcetti', written in a cursive, flowing style.

(Andre Herndon) for

ERIC GARCETTI
Mayor

CITY OF LOS ANGELES

CALIFORNIA

**ECONOMIC AND WORKFORCE
DEVELOPMENT DEPARTMENT**

1200 W. 7TH STREET
LOS ANGELES, CA 90017

CAROLYN M. HULL
GENERAL MANAGER



ERIC GARCETTI
MAYOR

February 16, 2022

Council File: 13-0934-S2 and
20-0345

Council District: 15

Contact Persons & Phone Numbers:

Vanessa Willis (213) 744-9321

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The Honorable Eric Garcetti
Mayor, City of Los Angeles
Room 303, City Hall

Attention: Heleen Ramirez, Legislative Coordinator

**TRANSMITTAL: RECOMMENDATION TO ESTABLISH THE WILMINGTON AVENUE
CORRIDOR IN WATTS AND THE AVALON BOULEVARD CORRIDOR IN
WILMINGTON AS JOBS AND ECONOMIC DEVELOPMENT INCENTIVE (JEDI) ZONES
IN COUNCIL DISTRICT 15.**

The General Manager of the Economic and Workforce Development Department (EWDD) respectfully requests that your Office review and approve this transmittal and forward to the City Council for further consideration.

SUMMARY

The approval of this action will establish two City JEDI Zones in the neighborhoods of Watts and Wilmington. The establishment of the Watts site, on Wilmington Avenue between 103rd Street on the north and 114th Street on the south, and the Wilmington site, on Avalon Boulevard between C Street and Opp Street, is consistent with the approved Jobs and Economic Development Incentive Zones (JEDI Zones) Establishment Policy and Incentive Plan, ("JEDI Establishment Policy"), as adopted on March 6, 2020, and revised on November 3, 2021 (C.F. 13-0934-S2).

JEDI Zones are defined areas where local economic incentives will be used to enhance existing businesses and attract new businesses and industries that will result in increased economic development and growth in the City of Los Angeles, particularly in communities that have been historically underinvested.

EWDD is responding to a Council Motion (C.F. 20-0345) that directed the department to evaluate three potential JEDI Zones located in Council District 15 (CD15). EWDD conducted a baseline evaluation of the proposed JEDI Zones in order to provide a description and analysis of the proposed JEDI Zone, assessment of area's economic distress level, and recommendations for the establishment of the JEDI Zone and provision of business incentives to enhance economic development in the corridor through a Business Incentive Plan. EWDD conducted a baseline evaluation of the proposed JEDI Zones, hereinafter named;

- Wilmington Site, on Avalon from C Street to Opp Street;
- Watts Site, on Wilmington Avenue from 103rd Street to 114th Street; and
- San Pedro Site, on 6th Street from Harbor Boulevard to Pacific Avenue

RECOMMENDATIONS

The General Manager of the Economic and Workforce Development Department (EWDD) or designee, respectfully requests that the City Council, subject to the approval of the Mayor as required:

1. DESIGNATE the Watts site on Wilmington Avenue between 103rd Street to 114th Street in Council District 15 as a City of Los Angeles JEDI Zone, ("Watts Site on Wilmington Ave. JEDI Zone"), for a period of five years;
2. DESIGNATE the Wilmington site on Avalon Boulevard between C Street and Opp Street in Council District 15 as a City of Los Angeles JEDI Zone, ("Wilmington Site on Avalon Blvd. JEDI Zone"), for a period of five years;
3. AUTHORIZE EWDD to implement a Business Incentive Plan for Wilmington site, as set forth herein, consistent with the adopted JEDI Zone Establishment Policy, including providing permit subsidies of up to \$10,000 for up to fifteen (15) businesses within the Wilmington site on Avalon Blvd JEDI Zone, with a total allocation of up to \$150,000 from previously appropriated JEDI Program funds.
4. AUTHORIZE EWDD to implement a Business Incentive Plan for Watts site, as set forth herein, consistent with the adopted JEDI Zone Establishment Policy, including providing permit subsidies of up to \$10,000 for up to fifteen (15) businesses within the Watts site on Wilmington Avenue JEDI Zone, with a total allocation of up to \$150,000 from previously appropriated JEDI Program funds.

FISCAL IMPACT STATEMENT

There is no impact to the General Fund. During the establishment of the JEDI Zone program, the City Council and Mayor authorized the use of \$1,000,000 of former Urban Development Action Grant (UDAG) funds to provide permit fee reductions for businesses located in designated JEDI Zones (C.F. 13-0934-S2).

DISCUSSION

The JEDI Program provides incentives, services, and resources to businesses located within designated JEDI Zones, to promote economic development in generally underinvested areas under economic stress.

Economic Status

According to the most recent economic data available, CD15's median household income is \$59,608. For context, the median household income in the City of Los Angeles is \$62,142. The percent of the population living below the poverty level within CD15 is twenty-one percent (21%). While eighteen percent (18%) of the population is below the poverty level within the City of Los Angeles. Table 1 displays the breakdown of the economic statuses within the census block groups of each proposed JEDI Zone site.

**TABLE 1 –
Economic Status**

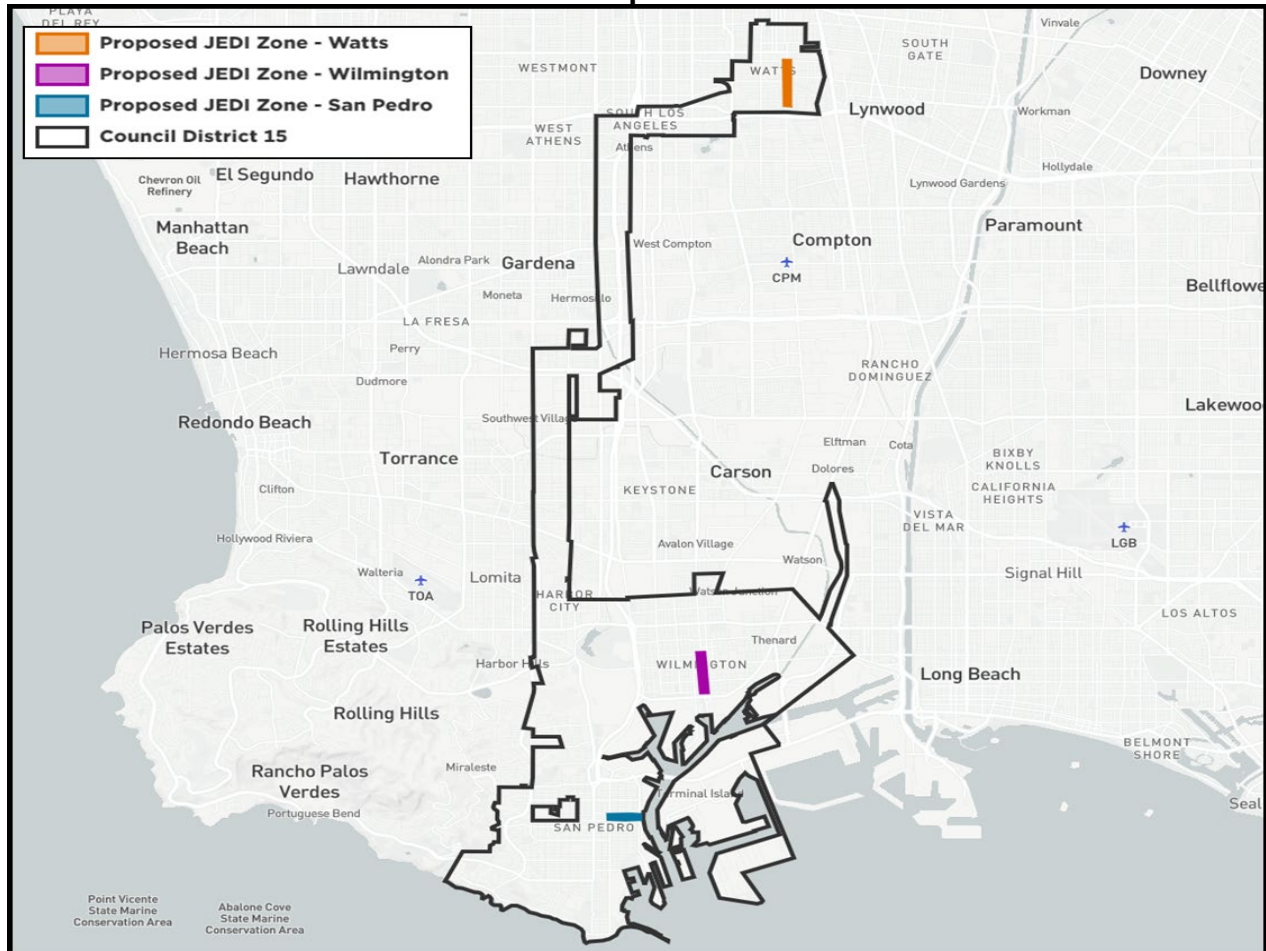
Location	Total Population (2015-2019)	Percentage of Population Below Poverty Level	Median Household Income (2015-2019)
Los Angeles, CA	3,966,936	17.67%	\$62,142.00
Council District 15, Los Angeles, CA	57,075	21%	\$59,608.00
Wilmington Site Avalon Bl. from C St. to Opp St.	299	26.23%	\$37,882.46
Watts Site – Wilmington Av from 103 St. to 114 St.	309	21.89%	\$39,875.00
San Pedro Site – 6th St from Harbor Bl. to Pacific Av.	553	24.64%	\$51,422.00

Proposed Locations

Council (C.F. 20-0345) requested EWDD to conduct a baseline evaluation of three proposed JEDI Zones in Council District 15 in the neighborhoods of Wilmington, Watts, and San Pedro. MAP 1 identifies the locations of the proposed JEDI Zones in relation to the boundaries of CD15.

The proposed CD15 JEDI Zones are in three very distinct and separate neighborhoods. As displayed in Map 1, there is vast physical distancing between the corridors.

MAP 1 – JEDI Zones Proposed Locations

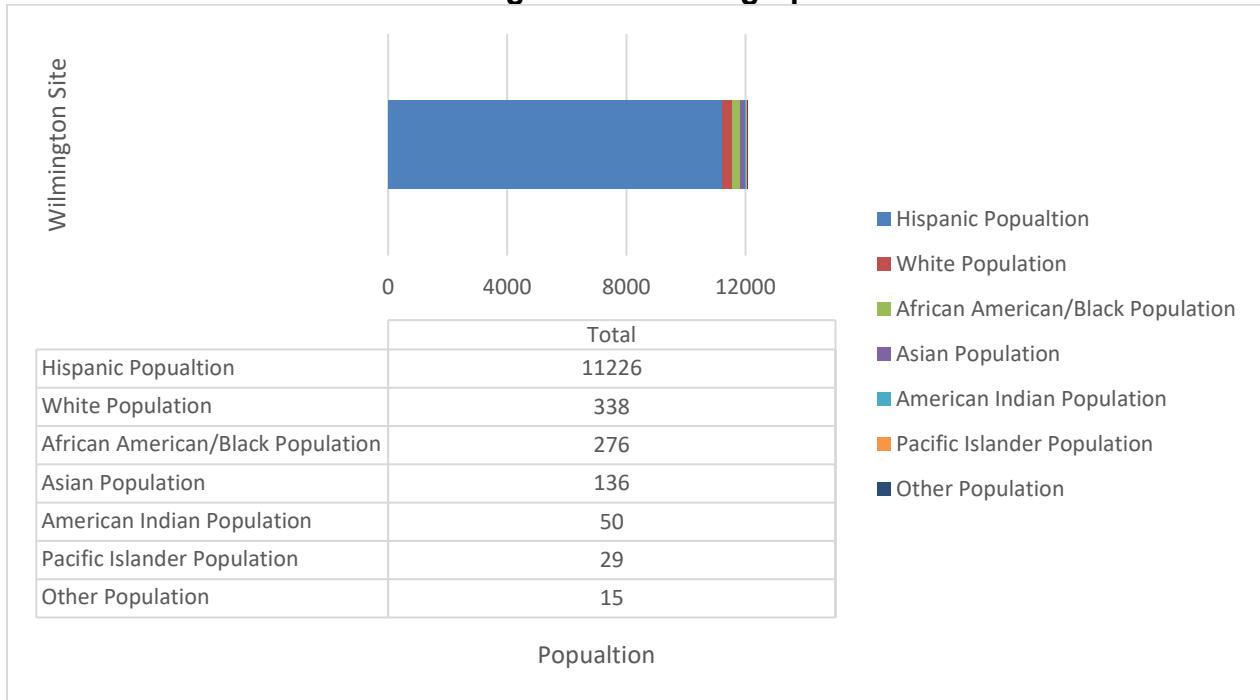


Demographics

The total population of CD15 is 275,486. The region is highly diverse. According to Hedderson Demographic Services, it is 63.77% Latino, 16.34% White, and 12.72% Black.

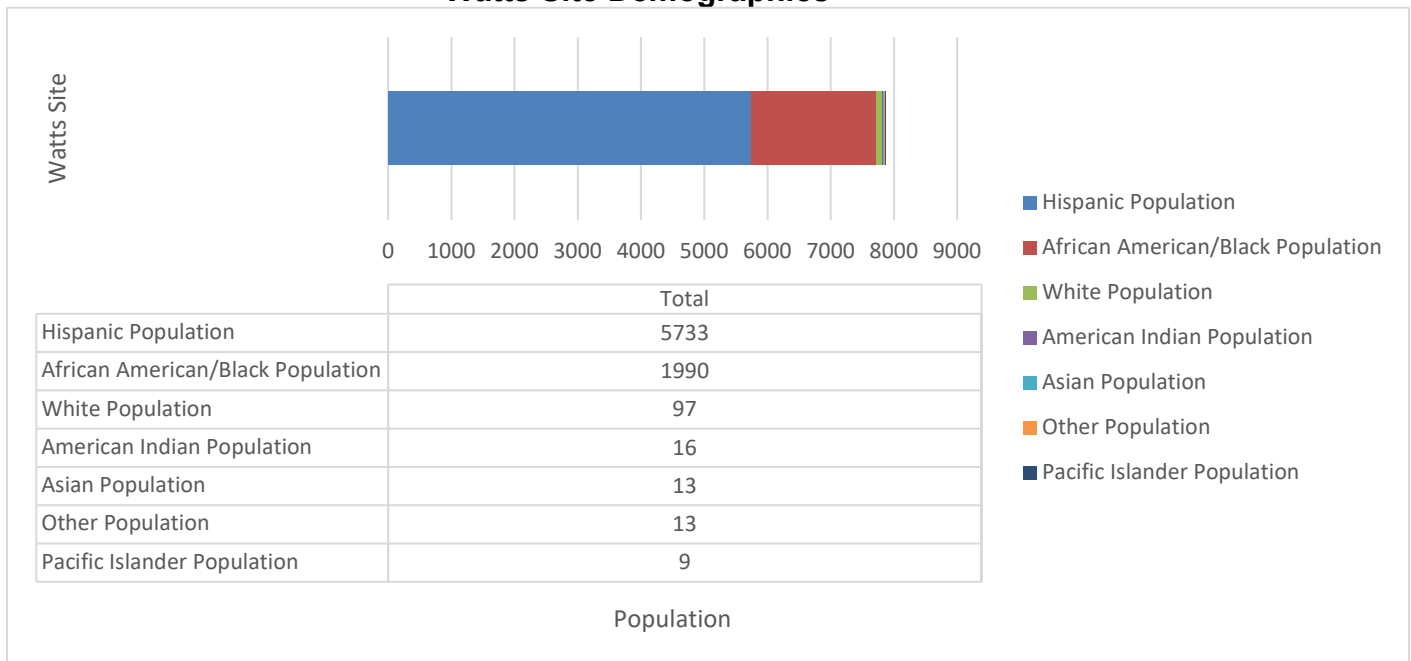
Graphs 1, 2, and 3 display the demographic data of each site.

**GRAPH 1 –
Wilmington Site Demographics**



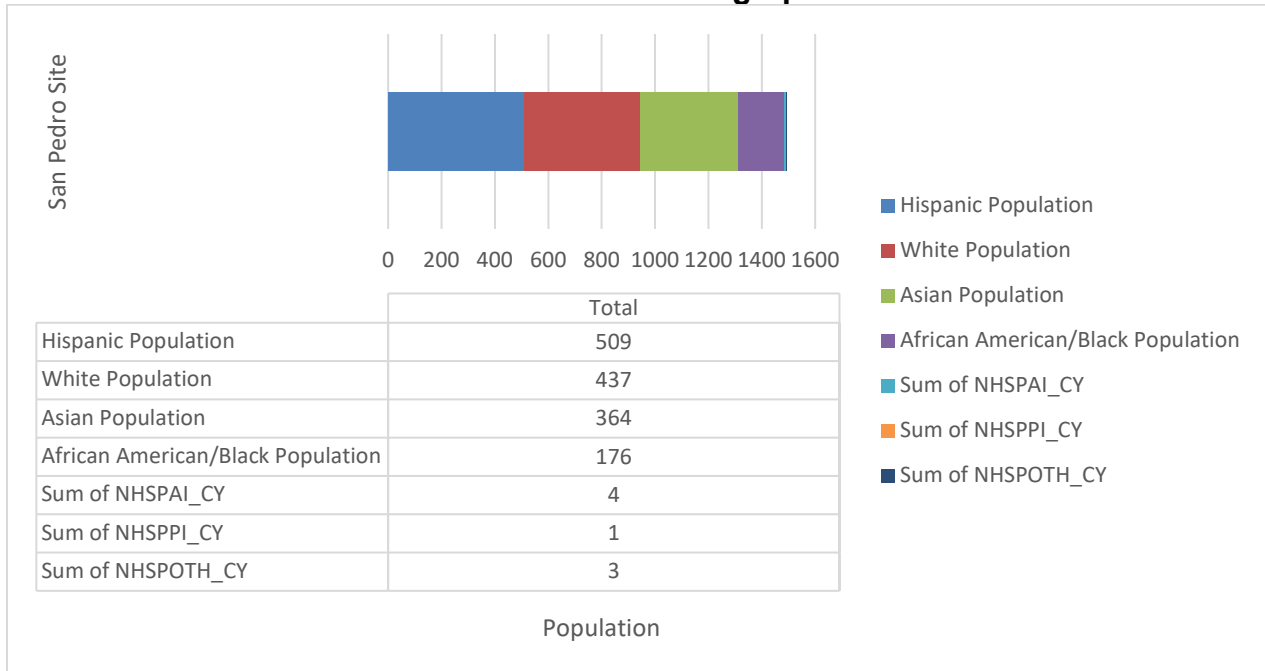
Source: 2018 ESRI data

**GRAPH 2–
Watts Site Demographics**



Source: 2018 ESRI data

**GRAPH 3 –
San Pedro Site Demographics**



Source: 2018 ESRI data

Business Environment

The count of active businesses that have a City of Los Angeles – Business Tax Registration Certificate in each of the proposed zones is detailed below in Table 2. These active businesses were registered with the Office of Finance as of February 16, 2021. Refer to Attachment 1 of this report for the complete list of businesses and industries actively registered within each of the prospective zones.

**TABLE 2 –
ACTIVELY REGISTERED BUSINESSES**

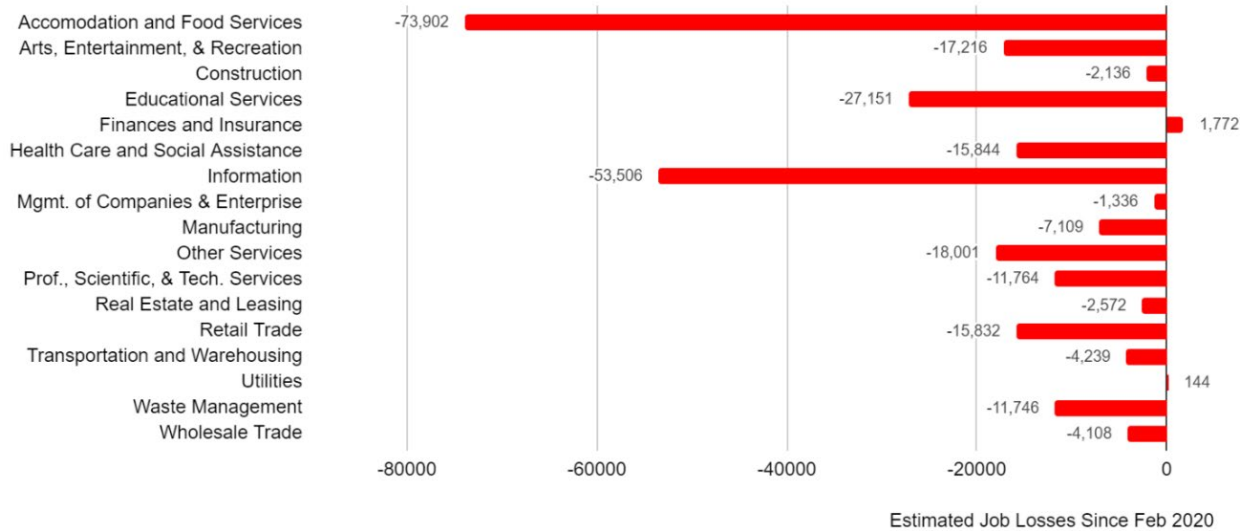
Location	Active Businesses
Wilmington Site	116
Watts Site	70
San Pedro Site	158

COVID-19 PANDEMIC IMPACT

As a result of the Coronavirus 2019 (COVID-19) health pandemic, local businesses have been facing declining sales, operational challenges, and financial uncertainty. Certain industries such as the low-wage service industries, lessors of real estate, and miscellaneous store retailers that comprise many of the industries and business within the proposed JEDI Zones were more severely impacted than others due to their dependence on in-person customers and their inability to transition to remote work like the technology or professional services industries. According to the LAEDC Pathways for Economic Resiliency Report, it is a trying time for Los Angeles County businesses due to strict closure guidelines and the slow recovery which has limited revenue for an extended period of time. From March 1, 2020 to August 31, 2020, Yelp reported more temporary and permanent business closures in Los Angeles than any other metro in the country with approximately 15,000 total business closures of which approximately 7,500 businesses

are permanently closed.

**GRAPH 4-
Controller's Office Job Losses by Industry
By Industry**



Implementation of the JEDI Zone program can assist area businesses negatively impacted by the COVID-19 pandemic and prevent the permanent closures of small and minority-owned businesses.

JEDI Zone Eligibility Analysis

The JEDI Zone Establishment Policy as amended and adopted by Council and Mayor (C.F. 13-0934-S2) outlines that a proposed JEDI Zone must meet one of the following six Primary Eligible Criteria:

1. City-established Enhanced Infrastructure Financing District (EIFD); or
2. City-established Community Revitalization and Investment Authorities (CRIA); or
3. Within a designated Opportunity Zone; or
4. Focus Area designated by Citywide Economic Development Strategy; or
5. Promise Zone Community; or
6. Economic assessment in which five criteria within the secondary needs assessment are met.

The JEDI Establishment Policy states that priority will be given to those proposed JEDI Zone areas with the greatest need by evaluating for factors indicating distress in the following Secondary Needs Assessment categories:

1. Qualifies as low and moderate-income (LMI) area as defined by the U.S. Department of Housing and Urban Development (HUD). The area must have at least fifty-one percent (51%) of the residents be LMI persons.
2. An average unemployment rate that is at least three percent (3%) higher than the Citywide rate
3. Deteriorated commercial structures, based on the physical deterioration of buildings/improvements; abandonment of properties; chronic high occupancy

- turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or known or suspected environmental contamination.
4. More than fifty percent (50%) of the buildings in the area are zoned for commercial, retail, or industrial uses.
 5. Contains at least one City priority project, defined at the time the JEDI Zone is created.
 6. Within the project area boundary of the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) that was active at the time of the dissolution of the Community Redevelopment Agency.

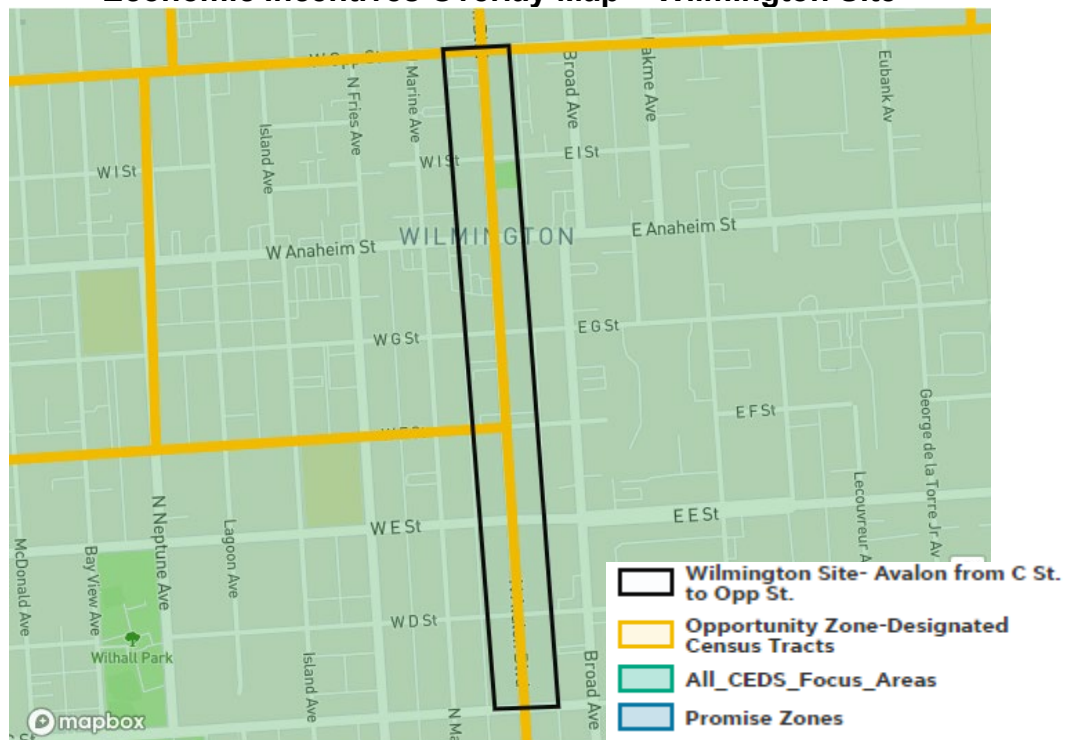
Primary Qualifying Criteria For The Wilmington, Watts, And San Pedro Sites

The JEDI Zone Establishment Policy requires for proposed areas to satisfy one of six (6) primary eligibility criteria to qualify for a baseline evaluation to be designated as a JEDI Zone. The following economic incentives overlay maps display each of the proposed sites, in Wilmington, Watts, and San Pedro, and whether each fulfils the primary qualifying criterion for the area's nomination as a JEDI Zone. Refer to Maps 2, 3, and 4 - Economic Incentives Overlay Maps, below.

Wilmington Site Primary Qualifying Criteria:

EWDD staff verified that the proposed JEDI Zone in the Wilmington Site met at least one primary qualifying criteria. EWDD's assessment verified that the Wilmington Corridor qualifies as both an Opportunity Zone and a CEDS's Focus Area therefore is eligible for further evaluation. Map 2 displays an economic incentive overlay map of the Wilmington Corridor.

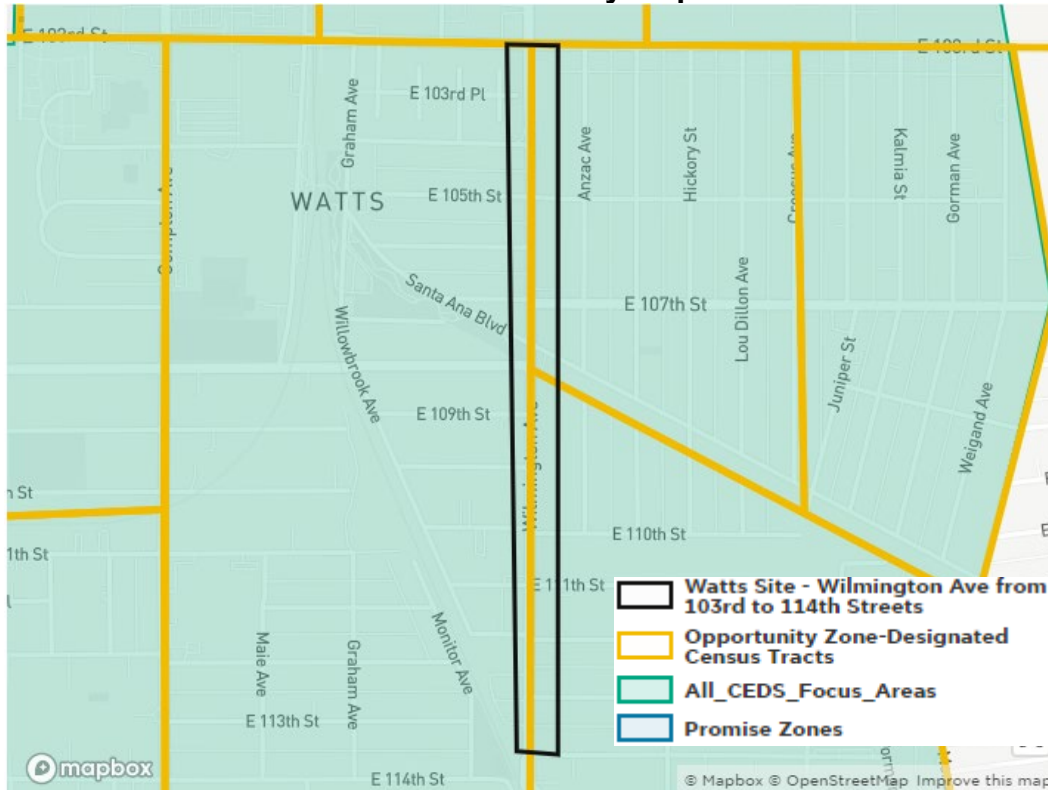
**MAP 2 –
Economic Incentives Overlay Map – Wilmington Site**



Watts Corridor Primary Qualifying Criteria:

EWDD staff verified that the proposed JEDI Zone in the CD 15 Watts Corridor met at least one primary qualifying criteria. EWDD's assessment verified that the Watts Corridor qualifies as both an Opportunity Zone and was identified as a CEDS's Focus Area and is eligible for further evaluation. Map 3 displays an economic incentive overlay map of the Watts Corridor.

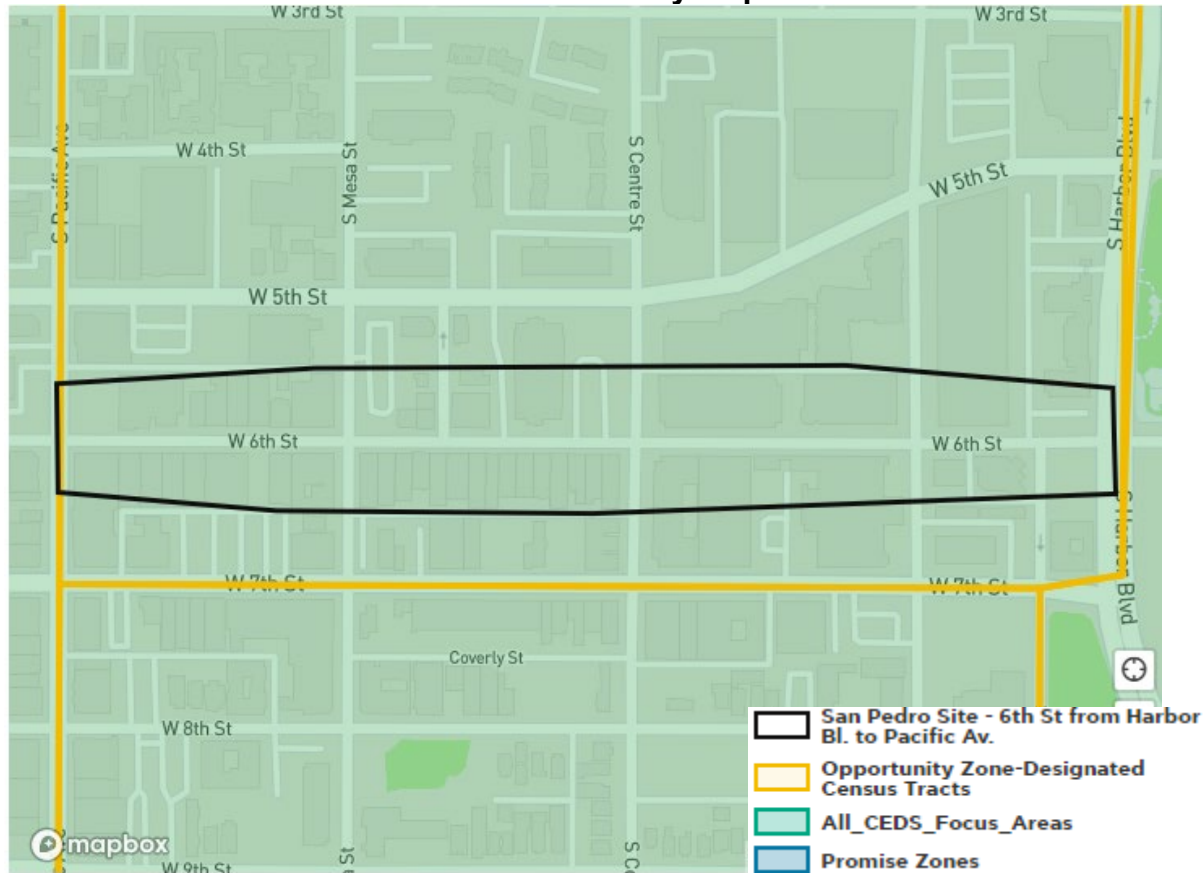
**MAP 3 –
Economic Incentives Overlay Map – Watts Site**



San Pedro Corridor Primary Qualifying Criteria:

EWDD staff verified that the proposed JEDI Zone in the CD 15 San Pedro Corridor met at least one primary qualifying criteria. EWDD's assessment verified that the San Pedro Corridor qualifies as both an Opportunity Zone and was identified as a CEDS's Focus Area and is eligible for further evaluation. Map 4 displays an economic incentive overlay map of the San Pedro Corridor.

MAP 4
Economic Incentives Overlay Map – San Pedro Site



As indicated in Table 3, the primary qualifying criteria has been met to qualify the Wilmington, Watts, and San Pedro sites for evaluation as JEDI Zones. The proposed areas were further evaluated for factors indicating distress (Secondary Needs Assessment).

TABLE 3
Summary of Primary Qualifying Criteria

Primary Qualifying Criteria	Qualification Status		
	Wilmington	Watts	San Pedro
City-established EIFD District	Not Applicable	Not Applicable	Not Applicable
City-established CRIA District	Not Applicable	Not Applicable	Not Applicable
Within a designated Opportunity Zone	Meets Criteria	Meets Criteria	Meets Criteria
Focus Area designated by Citywide Economic Development Strategy	Meets Criteria	Meets Criteria	Meets Criteria
Promise Zone Community	Does Not Meet Criteria	Does Not Meet Criteria	Does Not Meet Criteria
Economic assessment establishing five criteria in the secondary needs	Not Applicable	Not Applicable	Not Applicable

assessment.			
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Secondary Needs Assessment

The Secondary Needs Assessment is an analysis of additional measures that indicate an economically distressed area and assigns priority to a proposed JEDI Zone. To deliver targeted, place-based services and small business support to proposed JEDI Zone areas demonstrating the greatest need, the following Secondary Needs Assessment criteria are evaluated to determine highest priority within the determined eligible JEDI Zone.

1. Unemployment
2. Low- and Moderate-Income Area
3. Blight
4. Commercial Industrial and Retail Usage
5. Within an Identified City Priority Project
6. Within a Former Community Redevelopment Agency Project Area

Unemployment:

A proposed JEDI Zone must demonstrate that the area has an average unemployment rate that is 3% higher than the average Citywide unemployment rate. EWDD obtained access unemployment figures that can be averaged over period of time providing a methodology to measure unemployment over a historical time period. This methodology allows for a sustained and persistent basis for a designation of need.

For the Citywide average rate, California State Employment Development Department (EDD) 2019 annual average was applied.

The source of the unemployment rate for council district and smaller granularity is the U.S. Census American Community Survey 5-year report currently ending in 2019. This data is updated annually each December. This unemployment rate source can be apportioned to the City, Council District, and smaller granularity, providing for a comparison within the census tracts and census block groups comprising the eligible area. Table 4 displays the average unemployment rate in the City, Wilmington site, Watts site, and San Pedro site.

**TABLE 4 –
Average Unemployment Rates 2015-2019**

	Unemployment Rate
	4.5% Unemployment Rate City of Los Angeles, CA
	7.6% Unemployment Rate Council District 15
	11% Unemployment Rate Wilmington Site
	8.1% Unemployment Rate Watts Site
	No data available Unemployment Rate San Pedro Site

Sources: EDD 2019 Average Unemployment Rate; US Census ACS 5-year, ending 2019

As Table 4 displays, the Wilmington and Watts Sites **meet** the criteria of an average unemployment rate that is at least 3% higher than the City-wide average. The unemployment rate of the residents in the census tract comprising the San Pedro Site is unavailable. This may be due to the low residential population in the census tract.

Unemployment in Los Angeles City was at 10.6% as of December 2020. There is no recent data available for the Council District or smaller granularity. EWDD will continue to work to secure more current unemployment rates that can be apportioned to census tracts and block groups.

Low- and Moderate-Income Area:

As specified in the JEDI Zone establishment policy, proposed areas where 51% or more of the residents are Low and Moderate Income (LMI) persons, as defined by the U.S. Department of Housing and Urban Development (HUD), qualify as an economically distressed area and meet the secondary needs assessment benchmark. HUD defines Low- and Moderate-Income categories as:

- Low Income: 50% or less of Area Median Income
- Moderate Income: Between 50% to 80% of Area Median Income

HUD designates an area as low to moderate income when at least fifty-one (51%) of the area households are low to moderate income.

Wilmington Site LMI Residents

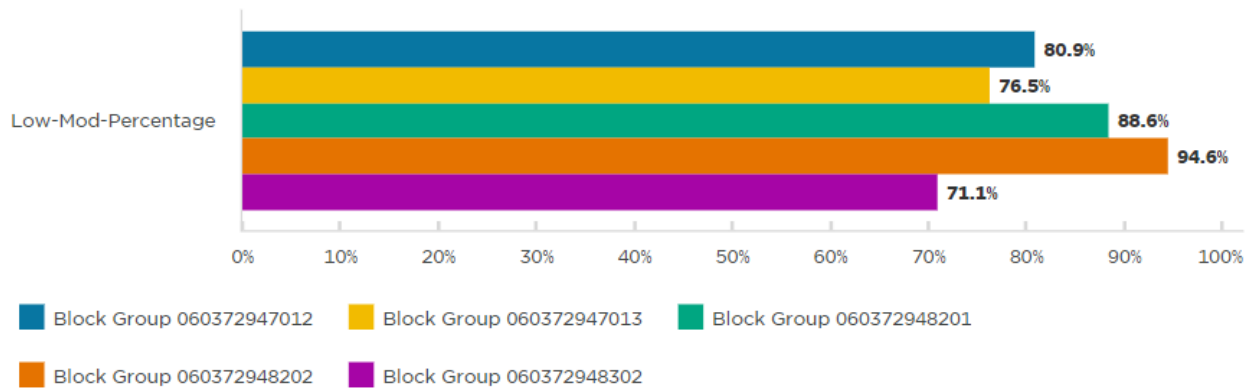
There are approximately 82.34% of residents within the five-block groups comprising the proposed Wilmington Site on Avalon Blvd. that qualify as Low to Moderate Income (LMI).

**MAP 5 –
Wilmington Site Annotated with Census Block Groups**



EWDD compared LMI rates within the five block groups comprising the eligible area to determine priority within the eligible zone.

**GRAPH 5 –
Wilmington Site Low Moderate Households by Census Block Group**



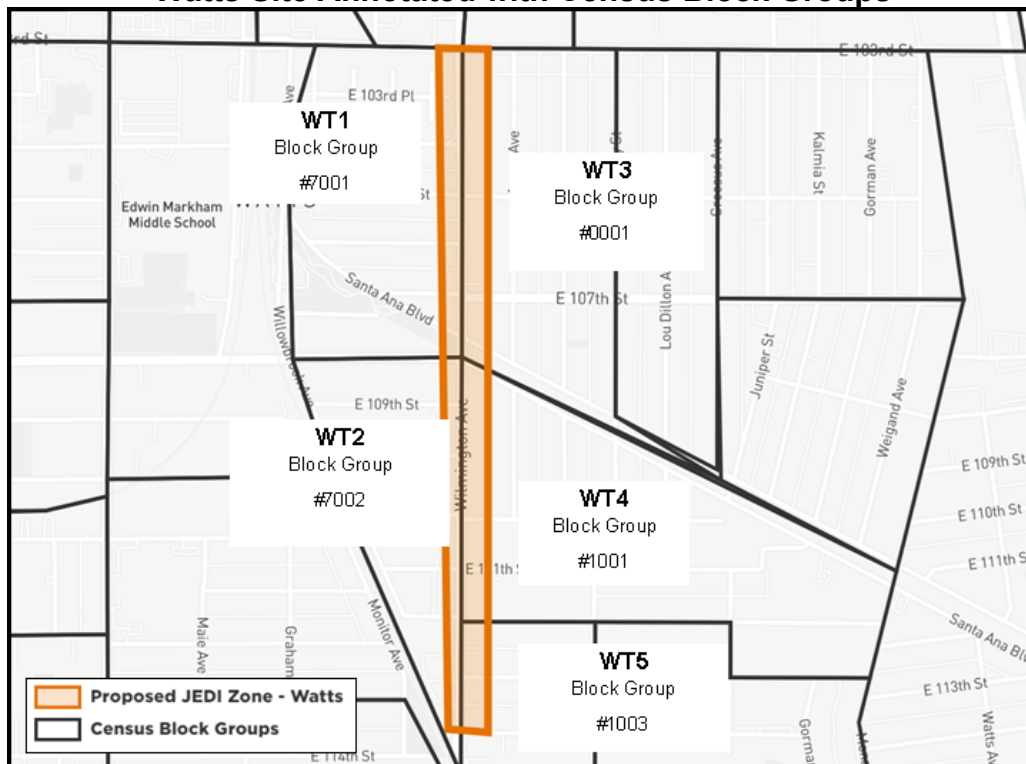
Source: 2020 HUD Income Limits

Each block group comprising the Wilmington Site's eligible area **meets** the distress benchmark of 50% or more residents are LMI persons.

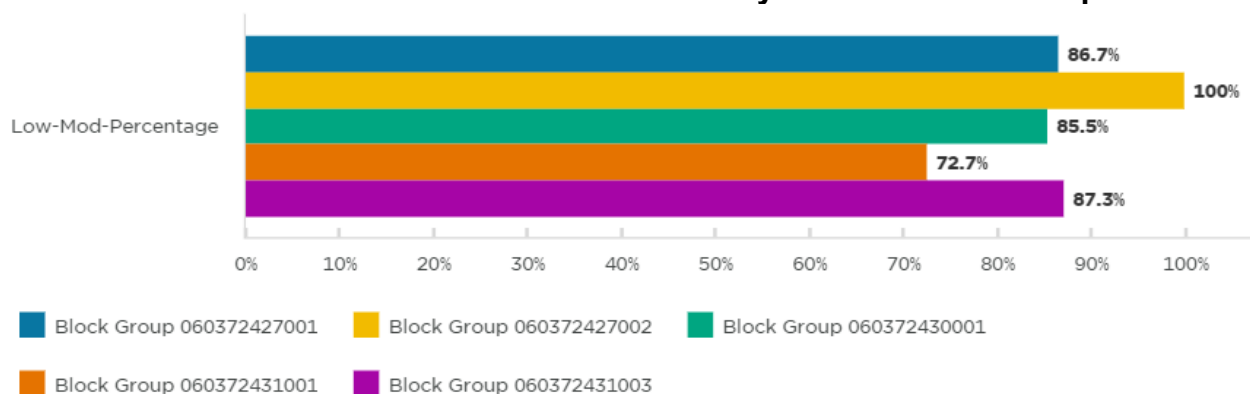
Watts Site LMI Residents

There are approximately 86.44% of residents within the five-block groups comprising the proposed Watts Site on Wilmington Ave that qualify as Low to Moderate Income (LMI).

**MAP 6 –
Watts Site Annotated with Census Block Groups**



**GRAPH 6 –
Watts Site Low Moderate Households by Census Block Group**

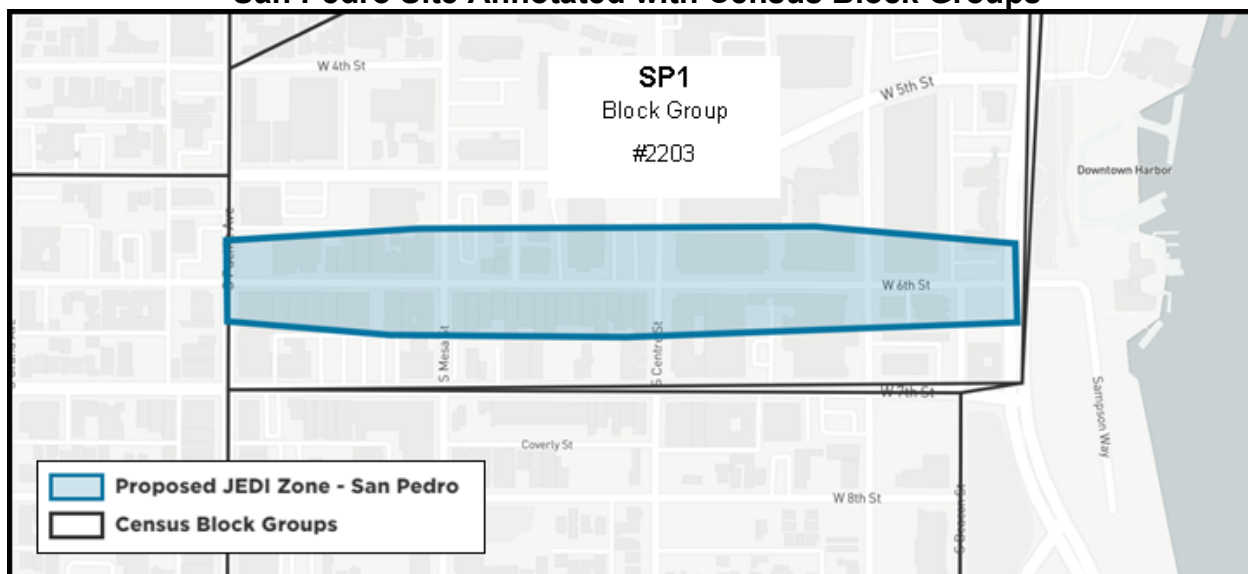


Each block group comprising the Watts site's eligible area **meets** the distress benchmark of 51% or more residents are LMI persons.

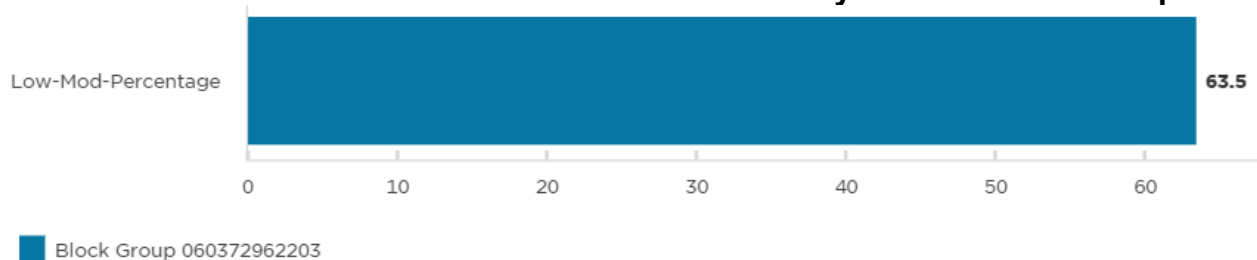
San Pedro Site LMI Residents

There are approximately 63.5% of residents within the block group the proposed San Pedro Site on 6th Street between Harbor Blvd. and Pacific Ave. occupies that qualify as Low to Moderate Income (LMI).

**MAP 7 –
San Pedro Site Annotated with Census Block Groups**



**GRAPH 6 –
San Pedro Corridor Low Moderate Households by Census Block Group**



The block group comprising the San Pedro site's eligible area **meets** the distress benchmark of 50% or more residents are LMI persons.

Blight:

Blight is a secondary needs assessment criteria and is the visible and physical decline of a property or neighborhood as evidenced by the presence of deteriorated commercial structures and buildings/improvements; abandonment of properties; chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or, known or suspected environmental contamination.

A site visit to the area was conducted by EWDD staff. Refer to Attachment 2 – Site Visit Photos.

Blight at Wilmington Site

The physical structures in the Wilmington Site, on Avalon Blvd. from C Street to Opp Street, were found to contain buildings that have deferred maintenance and significant deterioration. The abandoned properties make the area less visually appealing and therefore less marketable. Façade improvement is highly recommended for the Wilmington Site. The Wilmington Site **meets** the blight distress criterion.

Blight at Watts Site

The Watts Site, on Wilmington Avenue from 103rd Street to 114th Street, was found to meet the blight distress criterion. The site contains buildings that have deferred maintenance and moderate deterioration. The structures, businesses, and public signage would benefit from updates. It is EWDD's finding that the Watts Site **meets** the blight criterion.

Blight at San Pedro Site

The structures within the San Pedro site are in good condition. The area is pedestrian friendly, and has undergone street and sidewalk improvements. The streets and sidewalks are welcoming and safe for people to walk, bike, and roll. The San Pedro Site does **not** meet the blight criterion.

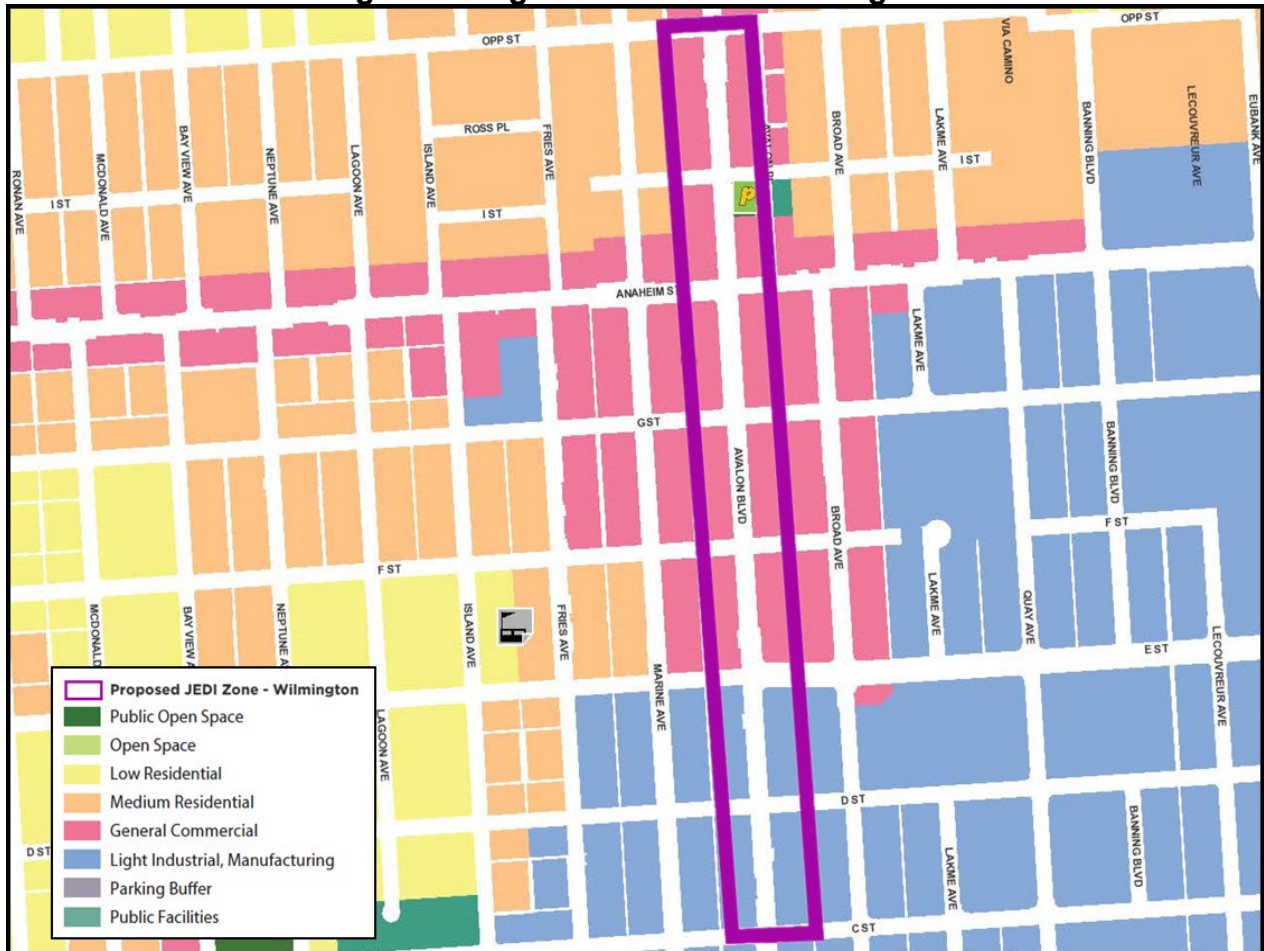
Commercial Industrial and Retail Usage:

The JEDI Zone program is a place-based economic development program designed to assist businesses, boost job creation and encourage investment in distressed commercial, industrial and retail areas. For an area to be designated as a JEDI Zone, a secondary needs assessment to determine if the proposed Zone contains 50% or more commercial, industrial and retail uses must be supported.

Wilmington Site Commercial Usage

Map 8 below shows the zoning and usage for the buildings in the proposed JEDI Zone for Wilmington Site on Avalon Blvd. The map below is annotated to reflect the commercial corridor of the proposed Wilmington site JEDI Zone. There are no residential-use buildings in the prospective area. The proposed JEDI Zone **meets** the criteria of 50% or more commercial, retail, or industrial uses.

MAP 8 – Zoning and Usage of Structures Wilmington Site

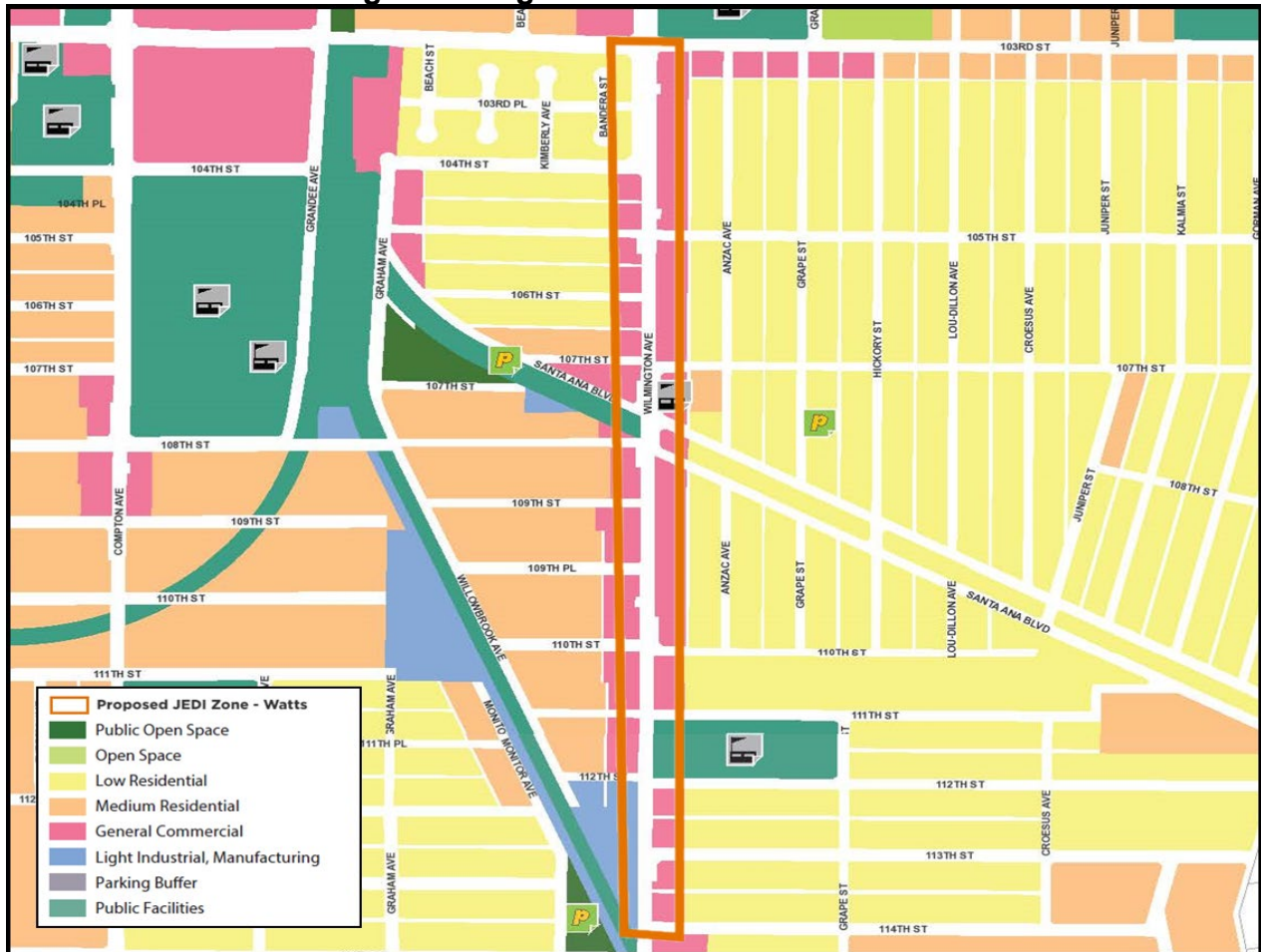


Source: Zone Information and Map Access System (ZIMAS)

Watts Site Commercial Usage

Map 9 below shows the zoning codes for the buildings in the proposed JEDI Zone for Watts site on Wilmington Avenue corridor between 103rd and 114th Streets. The map below is annotated to reflect the commercial corridor of the proposed Watts site prospective JEDI Zone. There are no residential-use buildings in the prospective area. The proposed Watts Site JEDI Zone **meets** the criteria of 51% or more commercial, retail, or industrial uses.

**MAP 9-
Zoning and Usage of Structures Watts Corridor**

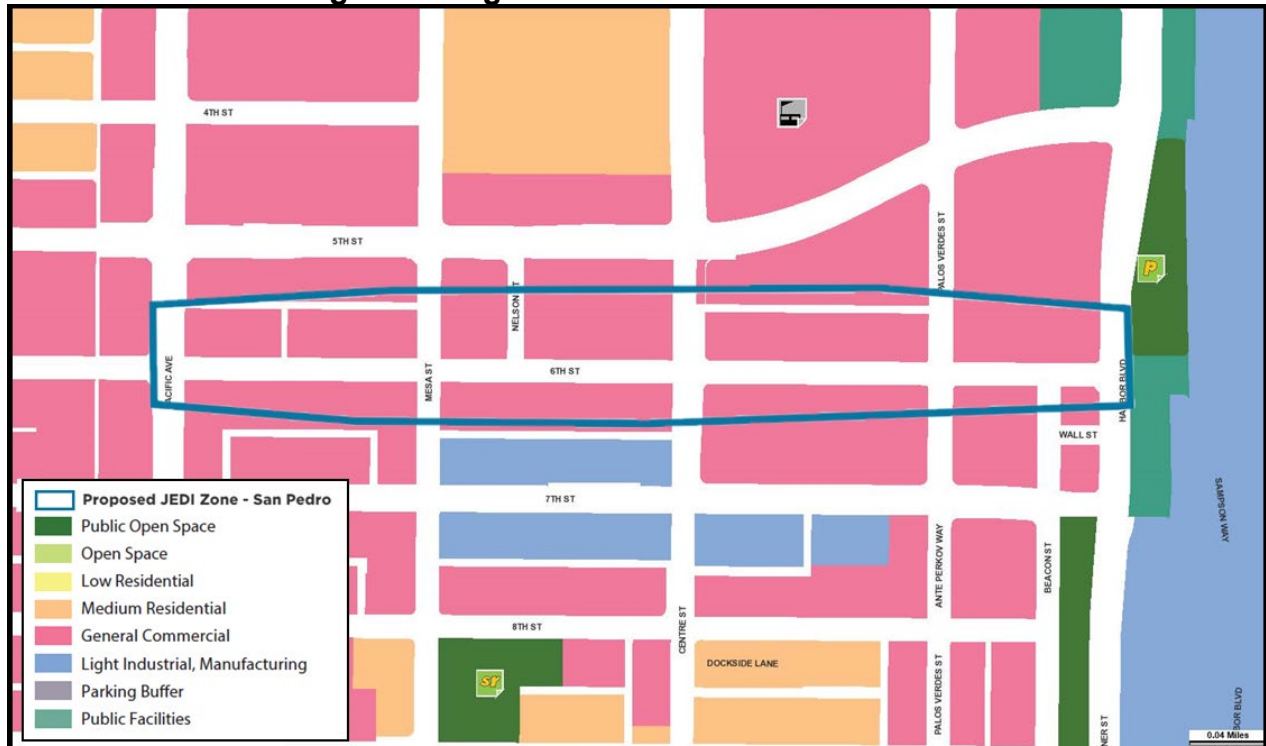


Source: Zone Information and Map Access System (ZIMAS)

San Pedro Site Commercial Usage

Map 10 below shows the zoning codes for the buildings in the proposed JEDI Zone for San Pedro Site on the 6th Street corridor from Pacific Ave to Harbor Blvd. The map below is annotated to reflect the commercial corridor of the proposed San Pedro site proposed JEDI Zone. There are no residential-use buildings in the prospective area. The proposed San Pedro JEDI Zone **meets** the criteria of 51% or more commercial, retail, or industrial uses.

MAP 10- Zoning and Usage of Structures San Pedro Corridor



Source: Zone Information and Map Access System (ZIMAS)

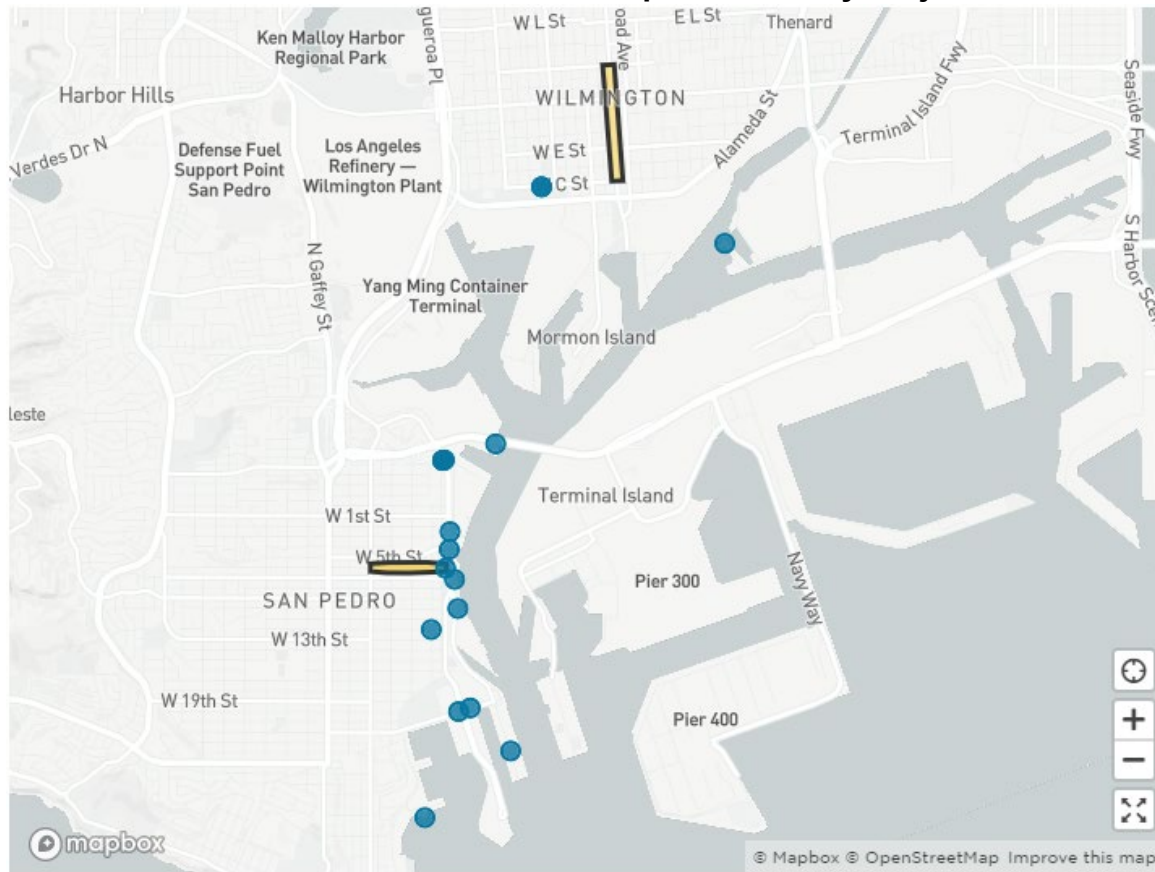
Identified City Priority Project:

A proposed JEDI Zone must contain at least one City priority project to meet the secondary needs assessment criteria identified in the JEDI Zone Establishment policy. The proposed zone contains the following priority projects:

1. Jordan Downs – 9800 Grape Street, Los Angeles CA 90002 located in Watts, outside of the boundaries of the proposed Watts Corridor JEDI Zone.
2. LA Waterfront Redevelopment (CF 14-1330) The LA Waterfront encompasses a broad area to help induce market conditions supportive of additional new development and investment in San Pedro and Wilmington.

Map 11 displays plot points of the LA Waterfront Redevelopment projects, and determines that the San Pedro corridor houses the Town Square at Sixth and Harbor Blvd. The Wilmington and Watts corridors do not contain any identified priority projects.

MAP 11- LA Waterfront Redevelopment Priority Projects



- CD 15 Waterfront Redevelopment Points
- Proposed JEDI Zone CD 15 - Watts - Wilmington Av from 103 St. to 114 St.
- Proposed JEDI Zone CD 15 San Pedro - 6th St from Harbor Bl. to Pacific Av.
- Proposed JEDI Zone CD15 - Wilmington - Avalon from C St. to Opp St.

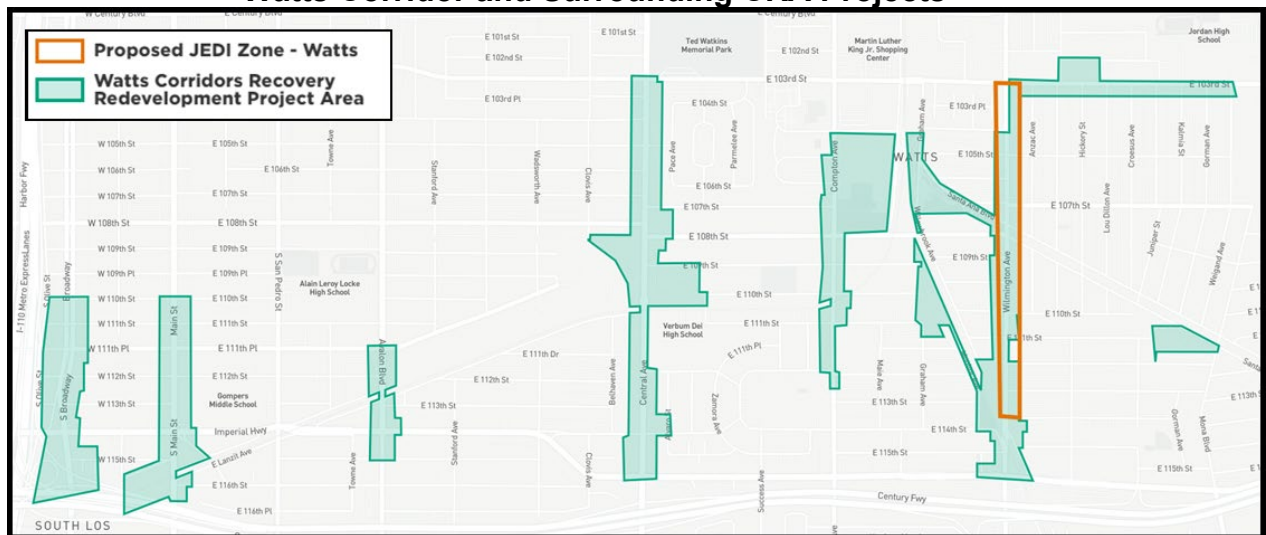
Former Community Redevelopment Area:

A proposed JEDI Zone must also be within the boundaries of a former Community Redevelopment Project Area that was active at the time of the dissolution of the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) to meet the criteria under the JEDI Zone Establishment Policy.

Wilmington Corridor Former Community Redevelopment Area

The Harbor Wilmington Industrial project area does not overlay the proposed JEDI Zone corridor, as displayed in Map 12. Therefore, the Wilmington Site does not meet this specific eligibility criteria.

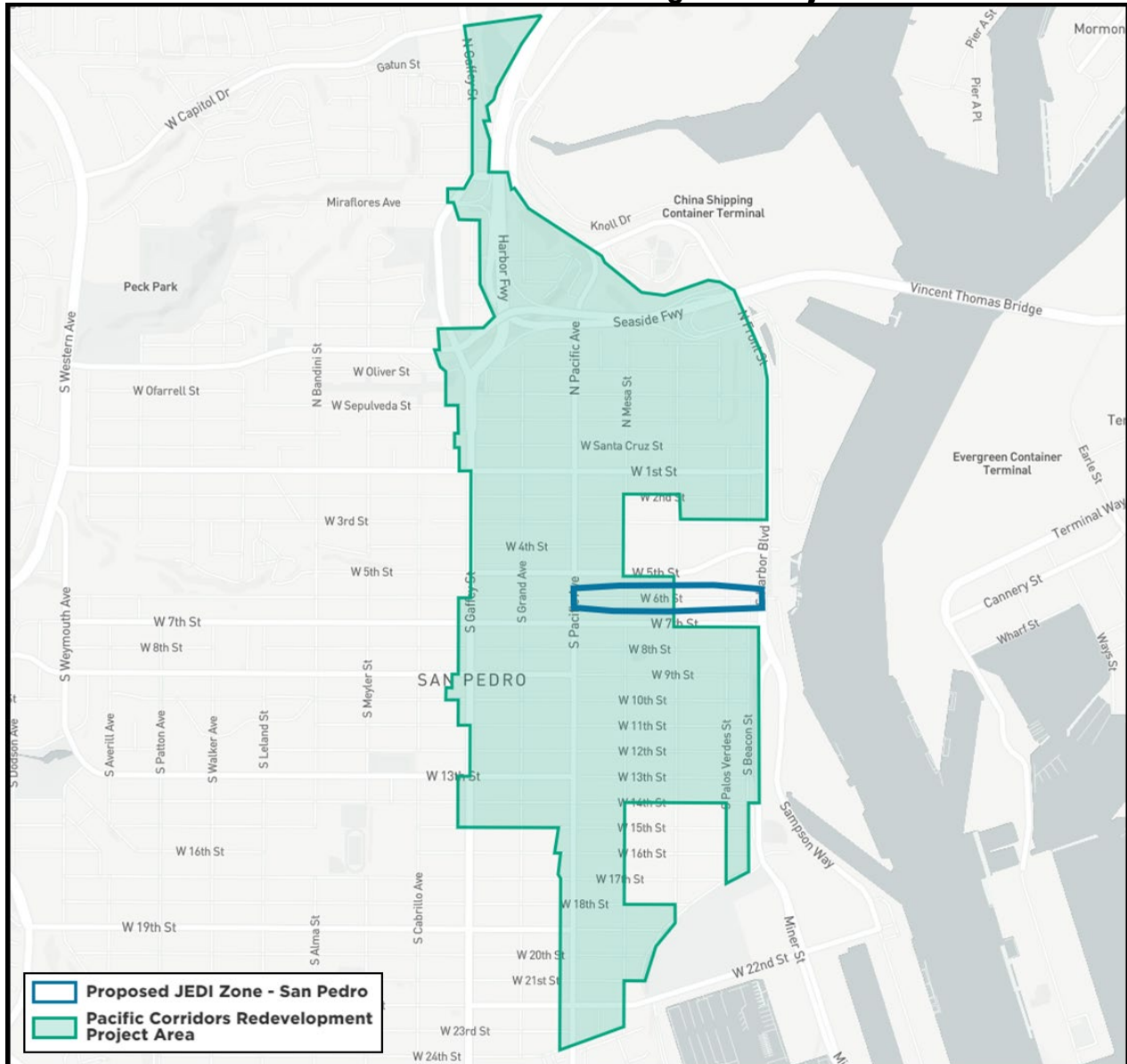
**MAP 13-
Watts Corridor and Surrounding CRA Projects**



San Pedro Corridor Former Community Redevelopment Area
As illustrated in Map 14, the San Pedro Corridor resides within the boundaries of the Pacific Corridor Redevelopment project area, which expires in May 2033. A portion

of the proposed area **meets** the criteria of being active at the time of dissolution of the CRA February 1, 2012.

**MAP 14-
San Pedro Corridor and Surrounding CRA Projects**



**TABLE 5-
Summary of Secondary Needs Assessment**

Secondary Needs Criteria	Wilmington	Watts	San Pedro
Unemployment <i>Non-seasonal unemployment rate that is at least 3% higher than the Citywide rate</i>	Meets Criteria	Meets Criteria	Unavailable
Low and Moderate Income <i>Qualifies as low and moderate-income (LMI) area as defined by the U.S.</i>	Meets Criteria	Meets Criteria	Meets Criteria

<i>Department of Housing and Urban Development. An area where at least 51 percent of the residents are LMI persons.</i>			
Blight <i>Deteriorated commercial or residential structures, based on the physical deterioration of buildings/improvements; abandonment of properties; chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings; significant declines in property values or abnormally low property values relative to other areas in the community; or known or suspected environmental contamination, as evaluated by EWDD</i>	Meets Criteria	Meets Criteria	Does <u>not</u> meet criteria
Commercial Industrial and Retail Usage	Meets Criteria	Meets Criteria	Meets Criteria
Contains an Identified City Priority Project.	Does <u>not</u> meet criteria	Does <u>not</u> meet criteria	Meets Criteria
Former Community Redevelopment Area <i>Within the boundary of a Community Development Plan Area that was active at the time of the dissolution of the Community Redevelopment Agency</i>	Does <u>not</u> meet criteria	Meets Criteria	Partial Area Meets Criteria

Recommended JEDI Zones Boundaries

EWDD's assessment of the Watts, Wilmington, and San Pedro sites determined that each of the proposed JEDI Zones met the criteria of underserved community in one or more areas. The JEDI Zone policies' intent is to identify priority within a qualified area by greatest need. The areas scoring highest in the benchmarks indicating distress are: 1) the Wilmington site, on Avalon Blvd. between C Street and Opp Street and 2) the Watts site, on Wilmington Ave between 103rd and 114th Streets. Therefore, EWDD is recommending both sites be designated as JEDI Zones.

Business Incentive Plan

The Wilmington and Watts sites have met the baseline and secondary needs assessment criteria outlined in the JEDI Zones Establishment Policy. As such, EWDD is recommending approval of both areas. If the JEDI Zones are adopted, EWDD will provide the JEDI Zone area businesses with an overview of the available benefits, conduct a business assessment, and organize the information and services to determine those most valuable to each stakeholder. EWDD will determine the most effective methods to implement the incentives and enhanced services, including publications and interactive communication technologies. Based on the area economic distress analysis, individual business assessments, and the demonstrated needs, the following, but not limited to, incentives and enhanced services will be offered within the Wilmington and Watts JEDI Zone areas:

1. **Priority Support Program** – one-on-one business consultation, promote and assist with access to City Programs for businesses, and provide a customized package of incentives and services to help businesses reach their goals.
2. **Business Development Support** – case management and coordination between businesses and City departments during all phases of development, including entitlement, permitting, and construction, if applicable.
3. **Fee Reductions for Development Permits** – provide up to \$10,000.00 in expediting and/or permitting fees incurred through the development permitting process for eligible projects. Subsidy can be used for either City Planning Department or Department of Building and Safety fees not to exceed \$10,000.00 per project.
4. **Façade Improvement Program** – provide funds to improve the exterior appearance of eligible businesses to make them more inviting to walk and shop and assist with business retention for eligible improvements under CDBG funding regulations.
5. **Employer's Connection** – Provide compensation to employer during staff training, if eligible.
6. **Compliance Assistance** – Facilitate resources to help businesses maintain compliance with land use and building and safety codes and regulations.
7. **Access to Capital** – Connect businesses with lenders that are actively seeking to invest and bring funding opportunities to the City and JEDI Zone area.
8. **Loan Program Fee and Interest Reduction** – Reduce interest rate and fees of Microloan program products, extend payment schedule, and offer loan restructuring to assist with business operations and retention, if permitted under CDBG regulations.

Next Steps

Upon approval of the JEDI Zone designation by City Council and Mayor, a coordinated and branded campaign to promote the package of targeted incentives to stakeholders in the JEDI Zone will be launched by EWDD. The JEDI Zone branded campaign will include publications, visualizations, and presentations where appropriate. EWDD will conduct outreach in the JEDI Zones to assess businesses needs and will also conduct biennial performance reports to review the activities and benefits resulting from the JEDI Zone Program.

Biennial Performance Reports

EWDD will report to City Council and Mayor on the JEDI Zone's progress and performance. The report will include a summary of activity in a designated area and a determination of whether adjustments to the JEDI Zone Program are needed.

Five Year Impact Report

After the five-year designation, EWDD will conduct an assessment of the JEDI Zone

detailing the impact on the area, including the following:

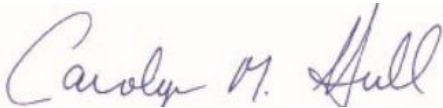
- The number of new and relocating businesses in the JEDI Zone.
- The number of pre-existing businesses participating in JEDI Incentives.
- The overall percent of businesses helped within JEDI Zone.
- The number of new jobs created as a result of JEDI incentives.
- Number of businesses retained
- Number of businesses that received capital
- The amount of new investment and capital placed in the JEDI Zone

At the conclusion of the five-year designation of the Goodyear Tract JEDI Zone, EWDD in consultation with the Council Office will have the option to submit to the City Council and Mayor a recommendation for the renewal of the JEDI Zone designation for an additional 5 years. The maximum duration of a JEDI Zone designation will be 10 years.

CONCLUSION

City Council District 15 connects southern Los Angeles neighborhoods with communities surrounding the Port of Los Angeles, an important source of employment and economic growth for the region. The district is home to 4,037 actively registered businesses as of February 16, 2021.

The socioeconomic factors of high poverty, unemployment rates and low-income status present the Wilmington and Watts sites as investment opportunities that the JEDI Zone program can support. An effective economic recovery strategy for local businesses should analyze and factor areas identified as having the greatest need. EWDD's economic distress and needs assessment has ranked Wilmington and Watts corridors among the communities most disproportionately impacted by poverty, unemployment, and underdevelopment. Based on these findings, these areas should receive priority access to the resources available under the JEDI Zones program. The designation of these areas as JEDI Zones can improve job growth, and positively affect business attraction, retention, and expansion.



CAROLYN M. HULL
General Manager

CH:FJ:DH:JDR:vw

Attachments

NAICS	SAN PEDRO PROPOSED JEDI ZONE ACTIVE BUSINESSES	Count of NAICS
531100	Lessors of real estate (including mini warehouses & self-storage units)	16
722110	Full-service restaurants	10
453220	Gift, novelty, & souvenir stores	6
722211	Limited-service eating places	6
611000	Educational services (including schools, colleges, & universities)	5
541100	Legal services	4
424990	Other miscellaneous nondurable goods	3
541990	All other professional, scientific, & technical services	3
441229	All other motor vehicle dealers	3
812990	All other personal services	3
453310	Used merchandise stores	3
541600	Management, scientific, & technical consulting services	3
561500	Travel arrangement & reservation services	3
441120	Used car dealers	3
561300	Employment services	3
621330	Offices of mental health practitioners (except physicians)	3
315000	Apparel mfg.	2
448110	Men's clothing stores	2
541219	Other accounting services	2
445100	Grocery stores (including supermarkets & convenience stores without gas)	2
451140	Musical instrument & supplies stores	2
233210	Single Family Housing Construction (1997 NAICS)	2
235110	Plumbing, Heating, and Air-Conditioning Contractors (1997 NAICS)	2
453920	Art dealers	2
621111	Offices of physicians (except mental health specialists)	2
311900	Other food mfg. (including coffee, tea, flavoring, & seasonings)	2
488000	Support activities for transportation (including motor vehicle towing)	2
453990	All other miscellaneous store retailers (including tobacco, candle, & trophy shops)	2
812930	Parking lots & garages	2
454390	Other direct selling establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	2
531310	Real estate property managers	2
811190	Other automotive repair & maintenance (including oil change & lubrication shops & car washes)	1
624100	Individual & family services	1
484110	General freight trucking, local	1
423700	Hardware, & plumbing & heating equipment & supplies	1
721100	Traveler accommodation (including hotels, motels, & bed & breakfast inns)	1
423800	Machinery, equipment, & supplies	1
812190	Other personal care services (including diet & weight reducing centers)	1
448210	Shoe stores	1
621399	Offices of all other miscellaneous health practitioners	1
532220	Formal wear & costume rental	1
711510	Independent artists, writers, & performers	1
423940	Jewelry, watch, precious stone, & precious metals	1
512100	Motion picture & video industries (except video rental)	1
541213	Tax preparation services	1
812112	Beauty salons	1
451211	Book stores	1
518210	Data processing, hosting, & related services	1
541340	Drafting services	1
621340	Offices of physical, occupational & speech therapists, & audiologists	1
541510	Computer systems design & related services	1
621400	Outpatient care centers	1
452000	General merchandise stores	1

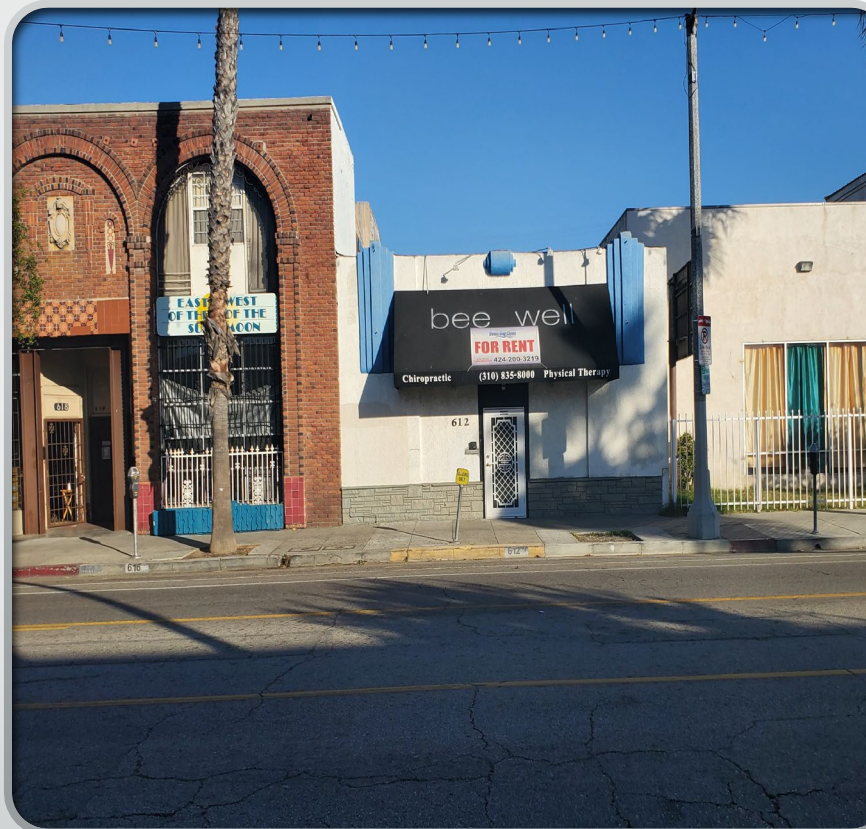
NAICS	SAN PEDRO PROPOSED JEDI ZONE ACTIVE BUSINESSES	Count of NAICS
711100	Performing arts companies	1
541920	Photographic services	1
713900	Other amusement & recreation services (including golf courses, skiing facilities, marinas, fitness centers, bowling centers, skating rinks, miniature golf courses)	1
541930	Translation & interpretation services	1
442200	Home furnishings stores	1
424400	Grocery & related products	1
722410	Drinking places (alcoholic beverages)	1
561110	Office administrative services	1
811210	Electronic & precision equipment repair & maintenance	1
334000	Computer & electronic product mfg.	1
812113	Nail salons	1
425120	Wholesale trade agents & brokers	1
512200	Sound recording industries	1
339900	Other miscellaneous mfg.	1
423200	Furniture & home furnishing	1
532100	Automotive equipment rental & leasing	1
0	(blank)	13
SAN PEDRO GRAND TOTAL		158
NAICS	WATTS PROPOSED JEDI ZONE ACTIVE BUSINESSES	Count of NAICS
531100	Lessors of real estate (including mini warehouses & self-storage units)	14
445100	Grocery stores (including supermarkets & convenience stores without gas)	5
722300	Special food services (including food service contractors & caterers)	4
624410	Child day care services	3
561720	Janitorial services	3
531310	Real estate property managers	2
493100	Warehousing & storage (except leases of mini warehouses & self-storage units)	2
624100	Individual & family services	2
721100	Traveler accommodation (including hotels, motels, & bed & breakfast inns)	2
812310	Coin-operated laundries & drycleaners	2
445310	Beer, wine & liquor stores	2
523900	Other financial investment activities (including investment advice)	2
452000	General merchandise stores	2
722110	Full-service restaurants	1
561730	Landscaping services	1
541990	All other professional, scientific, & technical services	1
811110	Automotive mechanical & electrical repair & maintenance	1
446120	Cosmetics, beauty supplies, & perfume stores	1
811120	Automotive body, paint, interior, & glass repair	1
451110	Sporting goods stores	1
337000	Furniture & related product mfg.	1
315000	Apparel mfg.	1
424100	Paper & paper products	1
332000	Fabricated metal product mfg.	1
424300	Apparel, piece goods, & notions	1
446190	Other health & personal care stores	1
424940	Tobacco & tobacco products	1
448140	Family clothing stores	1
424990	Other miscellaneous nondurable goods	1
532290	Other consumer goods rental	1
812111	Barber shops	1
453910	Pet & pet supplies stores	1
311900	Other food mfg. (including coffee, tea, flavoring, & seasonings)	1
453990	All other miscellaneous store retailers (including tobacco, candle, & trophy shops)	1
0	(blank)	4
WATTS GRAND TOTAL		70

NAICS	SAN PEDRO PROPOSED JEDI ZONE ACTIVE BUSINESSES	Count of NAICS
NAICS	WILMINGTON PROPOSED JEDI ZONE ACTIVE BUSINESSES	Count of NAICS
531100	Lessors of real estate (including mini warehouses & self-storage units)	9
453990	All other miscellaneous store retailers (including tobacco, candle, & trophy shops)	6
722110	Full-service restaurants	5
621310	Offices of chiropractors	4
448140	Family clothing stores	4
711100	Performing arts companies	4
541100	Legal services	3
443112	Radio, television, & other electronics stores	3
448120	Women's clothing stores	3
811110	Automotive mechanical & electrical repair & maintenance	3
812111	Barber shops	3
448110	Men's clothing stores	2
811490	Other personal & household goods repair & maintenance	2
722211	Limited-service eating places	2
451220	Prerecorded tape, compact disc, & record stores	2
621399	Offices of all other miscellaneous health practitioners	2
452000	General merchandise stores	2
448310	Jewelry stores	2
541400	Specialized design services (including interior, industrial, graphic, & fashion design)	2
722410	Drinking places (alcoholic beverages)	2
621111	Offices of physicians (except mental health specialists)	2
453220	Gift, novelty, & souvenir stores	2
812990	All other personal services	2
812310	Coin-operated laundries & drycleaners	2
454390	Other direct selling establishments (including door-to-door retailing, frozen food plan providers, party plan merchandisers, & coffee-break service providers)	1
423600	Electrical & electronic goods	1
451110	Sporting goods stores	1
488000	Support activities for transportation (including motor vehicle towing)	1
811190	Other automotive repair & maintenance (including oil change & lubrication shops & car washes)	1
518111	Internet service providers	1
621320	Offices of optometrists	1
423990	Other miscellaneous durable goods	1
721100	Traveler accommodation (including hotels, motels, & bed & breakfast inns)	1
235110	Plumbing, Heating, and Air-Conditioning Contractors (1997 NAICS)	1
423920	Toy & hobby goods & supplies	1
445290	Home furnishings stores	1
811420	Reupholstery & furniture repair	1
446110	Pharmacies & drug stores	1
326000	Plastics & rubber products mfg.	1
541219	Other accounting services	1
335000	Electrical equipment, appliance, & component mfg.	1
315000	Apparel mfg.	1
712100	Museums, historical sites, & similar institutions	1
541600	Management, scientific, & technical consulting services	1
337000	Furniture & related product mfg.	1
561110	Office administrative services	1
722300	Special food services (including food service contractors & caterers)	1
561300	Employment services	1
453310	Used merchandise stores	1
561500	Travel arrangement & reservation services	1
811210	Electronic & precision equipment repair & maintenance	1
562000	Waste management & remediation services	1
423930	Recyclable materials	1
611000	Educational services (including schools, colleges, & universities)	1
323100	Printing & related support activities	1
522300	Activities related to credit intermediation (including loan brokers)	1
233210	Single Family Housing Construction (1997 NAICS)	1
524210	Insurance agencies & brokerages	1
0	(blank)	9
WILMINGTON GRAND TOTAL		116

Proposed Jedi Zone Council District 15- Wilmington Visual Evaluation

Façade Improvement

There are multiple vacant storefronts in the Wilmington site. Façade improvement could increase business attraction to the area.





Deteriorating Structures

Structures in the proposed Jedi Zone have deteriorating structures that with repair will improve curb appeal for consumers.



Vacancies

Vacant store fronts are prevalent along Avalon Blvd. within the Wilmington site. An increase in business representation would increase foot traffic along Avalon Blvd. which is already equipped with large sidewalk areas that are ideal for large amounts of foot traffic.





Proposed Jedi Zone Council District 15 Watts Visual Evaluation

Façade Improvement and Vacancies

Multiple vacancies could be attractive by improving the curb appeal of the current store fronts.



Façade Improvement and Vacancies

By unifying the store fronts you'll provide a welcoming aesthetic and comradery amongst the block group. Which in turn will encourage more foot traffic for the businesses in the area.





Proposed Jedi Zone Council District 15 San Pedro Visual Evaluation

Vacancies

The area is visually appealing for customers to walk and shop. There are several vacancies and opportunities for business attraction.





San Pedro Site

