

## 2017 RUDY BRUNER AWARD PROJECT DATA



Please answer questions in space provided. If possible, answers to all questions should be typed or written directly on the forms. If the forms are not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds, and the length of each answer should be limited to the area provided on the original form.

Project Name	La Kretz Innovation Campus (LKIC) + Arts District Park (ADP)	Locatio	n <b>Downtown Arts</b>	District City Los Angeles State	e CA
Owner	Los Angeles Department of Water and Power (	Ί ΔΝΜΡ)			
	Business Incubator (LA Cleantech Incubator (LACI)), LADWP Exhibition and Customer Service Facilities,				
Project Use(s)	LADWP Smart Home, Public Park 61,000 SF (Building) with 1 Acre + Parking	Lot		\$47.4 million (LKIC) + \$1.8 million (A	 ΔDΡ)
Project Size	+ 1/2 Acre (Park)	To	otal Development Co	st = \$49.2 million	
Annual Operat	ing Budget (if appropriate) \$2.4 million (LADWP	), \$3 million	(LACI), \$40,000 (	ADP) = \$5.44 million	
Date Initiated	Project design and development initiated in Fa	ıll 2010	Percent C	ompleted by December 1, 2016 100%	
Project Compl	etion Date (if appropriate) November 2016		Project W	ebsite (if appropriate) http://laincubator.org/	
Attach, if you v				ounded in 2011; LKIC broke ground in June	
	ADP was design		and broke ground in November 2016)	n January 2016; LKIC was dedicated 30 Sep	otember
Name A	Nice Kimm, FAIA	Title	Principal		
Organization .	John Friedman Alice Kimm Architects				
Address 8	321 Traction Avenue, Suite 107	City/St	ate/Zip Los Ange	es / CA / 90013	
Telephone (2:	13)253-4740 x700	E-mail	akimm@jfak.net		
Perspective					
	5.1100.53	N.I.		T	
Organization		Name		Telephone/e-mail	
Public Agencie	Los Angeles Mayor's Office Arts District Business Improvement District (BI	ח)	Steve Andrews	323.371.1410 / steve.andrews@lacity	.org
	h Office of Councilman Jose Huizar - CD 14)	(ט	Miguel Vargas	213.236.0907 / miguel@artsdistrictla	a.org
·	John Friedman Alice Kimm Architects		Alice Kimm	213.700.4740 / akimm@jfak.net	
Architect/Desi	gner City of LA, Bureau of Engineering, Arch.	Division	Rick Fisher	626.864.8306 / richard.fisher@lacity	.org
Developer	LADWP		Kelli Bernard	213.280.0880 / kellibernard@sbcglo	bal.net
Professional C	Community Redevelopment Agency or onsultant (CRA/LA), then professional consulta		Sharon Gi	213.373.4321 / ignorahs@gmail.com	1
	after CRA/LA was disbanded				
Community C	LACI (primary LKIC tenant, also member	r of the	Ben Stapleton	213.358.6542 / ben@laincubator.org	
Community Gr	community as well as development team)  Arts District Community Council LA		Laura Velkei	213.373.1038 / laura@adccla.org	
	Verdical Group		Drew Shula	213.282.7607 / drew.shula@verdicalgrou	ıp.com
Other	La Kretz Family Foundation	Morton	La Kretz	323.463.5611 / mort@crossroadspropert	ies.com
	Legendary Group of Companies	Dilip Bh		213.820.9596 / dilip@sunscopeusa.com	
	LADWP	Terry Br		213.367.0290 / Terry.Brungard@ladwp.o	com
Please indicate	how you learned of the Rudy Bruner Award for Urban	Excellence. (Che	eck all that apply).		
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Professional		Online Notice		Other (please specify)	
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## 2017 RUDY BRUNER AWARD PROJECT AT-A-GLANCE



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This sheet, the Project Data sheet, and the representative photo will be sent to the Committee in advance as the Project Overview.

Project Name La Kretz Innovation Campus (LKIC) + Arts District Park (ADP)

Address 525 S. Hewitt Street

City/State/ZIP Los Angeles/CA/90013

1. Give a brief overview of the project.

The La Kretz Innovation Campus (LKIC), located in Downtown Los Angeles' Arts District, is a Los Angeles Department of Water and Power (LADWP) project that fosters innovation and serves as a demonstration facility for a wide variety of clean technologies. It was created in response to former Mayor Antonio Villaraigosa's initiative to transform a former industrial area along the Los Angeles River in the Arts District into a "Cleantech Corridor," and has received the full support of current Mayor Eric Garcetti, who was a City Councilman prior to becoming LA's Mayor.

Envisioned as an industry "hub" where engineers, scientists, and policymakers interact to promote the development of clean technologies and LA's green economy, LKIC occupies an LADWP-owned 3-acre parcel of land in the center of the vibrant Downtown LA Arts District - home to artists and entrepreneurs. Its interior functions are located in a transformed 61,000 square-foot, one-story masonry warehouse structure. The fully seismically upgraded building features offices, conference rooms, wet/dry labs, a prototype manufacturing workshop, classrooms, and exhibition and event spaces. The LA Cleantech Incubator (LACI) is the anchor tenant, and is joined by the LADWP's Customer Service Demonstration Center and Energy Efficiency Innovation Center, which exhibits, among other things, smart appliances and new electric vehicles. In addition, a half-acre piece of the property has been transformed into the Arts District Park. It is the first public park in the neighborhood and is operated by the City's Recreation and Parks Department (RAP).

LKIC is a new and extraordinary kind of facility for the City of Los Angeles – and one of a very few of its type in existence globally. In its flexibility, its accommodation of different types of programs, its transformation of valuable but underutilized existing building stock, and its holistic vision of how such a facility should contribute to (and participate in) its community (physically - with the development of the public park component - as well as through its programming and transparency), it sets a new standard for urban revitalization while promoting innovation, education, community participation, and leadership across multiple disciplines. The interdisciplinary nature of this project, and the broad focus of LKIC on sustainability in all its guises, benefits the local community as well as global technology and related industries and the City of Los Angeles.

Finally, LKIC's unique public/private partnership, in which a business incubator and major municipal utility collaborate under one roof to generate, research, prototype, and test ideas; have local consumers react to them; and push them out to market; is a remarkable operating structure that has made this Campus a model worldwide, as far afield as Mexico City and Ethiopia.

2. Why does the project merit the *Rudy Bruner Award for Urban Excellence*? (You may wish to consider such factors as: effect on the urban environment; innovative or unique approaches to any aspect of project development; new and creative approaches to urban issues; design quality)

LKIC was originally envisioned as a means to define, and then respond to, the need and desire of the City of Los Angeles to reinforce growth in the area of technological innovation - and in doing so to address critical challenges posed by global warming, environmental decay, and urban sustainability. With the decision to place LKIC at the heart of the Arts District, the added opportunity arose to support the revitalization of an underutilized and formerly industrial sector of Downtown LA, and to make the most of the Arts District's already-existing spirit of entrepreneurship, strong community identity, and proactive resident pool by creating a new kind of community hub - one geared towards the promotion of a "culture of sustainability" that would be fueled by new collaborations and their resultant innovations.

LKIC, with its new Arts District Park, fulfills this promise and in so doing exemplifies the spirit of the Rudy Bruner Award for Urban Excellence program in the following ways:

- 1. The Campus is the result of a holistic examination of what constitutes a **community-oriented** innovation hub, evidenced by the hard-fought inclusion of the **Arts District Park** as well as the **community programming and transparency** of the facility itself.
- 2. The Campus contributes to the **livability** of its part of Los Angeles in myriad ways: a) through the direct/indirect creation of **over 1000 new jobs**, it has brought more people to the Arts District who work and also live there, resulting in a **safer**, more pedestrian-oriented, and more livable neighborhood; b) this has resulted in more **small businesses** to grow roots there, furthering the livability of the neighborhood; c) the presence of the new park has encouraged families with young children to locate to the Arts District, again contributing to overall livability; in addition, workers as well as residents now have an **open space** to enjoy.
- 3. The Campus, through its **preservation** of a beautiful old warehouse structure, has **renewed** something of value to the community the texture and warmth of the existing brick building that is part of the **neighborhood's history**. At the same time, it has **transformed** and updated it to merge the values of sustainability and community into a unique way of life one that synthesizes technology, innovation, and activism into a **vibrant new urban culture**.
- 4. As a result of its unique **private/public** structure, LKIC is able to **add value to the community** in several ways: a) by transforming its central corridor into a **community art gallery**; b) by opening its central event space to **public and/or community events**; c) by providing **educational tours** of the facility that open the public's minds and eyes to the possibilities of the cleantech innovations happening inside; d) by allowing community groups as well as sharing-economy companies (such as CicLAvia, USGBC, Lyft) to be housed as **tenants** at LACI; and e) by opening up its prototyping labs for **public membership**.

Now in operation, LKIC has exceeded all expectations. Something special has been born here, and it is vital and sustainable urbanism at its best.

# 2017 RUDY BRUNER AWARD PROJECT DESCRIPTION



#### PROJECT DESCRIPTION

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1. Describe the underlying values and goals of the project. What, if any, signifcant trade-offs were required to implement the project?

The underlying values and goals of La Kretz Innovation Campus (LKIC) can be summarized as follows:

#### PEOPLE, PLANET, and PROFIT

More specifically, this translates to:

- 1. Jobs Creation, Workforce Development, and Reinvestment in Downtown Los Angeles (this goal includes the retention of top talent graduating from Southern California engineering programs including those at Caltech, USC, and UCLA);
- 2. Advancement of Sustainability as a city-wide mandate, supported by the work of incubator companies;
- 3. Innovation in Clean Technologies and Related Sectors and simultaneous support of small businesses and entrepreneurs, who will then grow to become profitable ventures that contribute positive growth to the economy of Los Angeles;
- 4. Cultural and Urban Preservation of the Arts District and Downtown Los Angeles;
- 5. Urban revitalization of Arts District and Downtown Los Angeles with the goal of increased livability; and
- 6. Community Stakeholder Participation.

There were no significant tradeoffs required to implement the project. No existing buildings were demolished, no residents or workforce were displaced, no negative impact was foreseen or has come to pass as a result of the project being completed. In fact, as the 'Professional Consultant' perspective by Sharon Gi describes, LKIC at this point in time, bolstered by the completion of the Arts District Park and the unprecedented growth of the Los Angeles Cleantech Incubator (LACI), is a remarkable and positive addition to the Arts District and the City of Los Angeles. Time will tell (again, as Sharon Gi's Perspective points out), a) whether local residents of ALL socioeconomic backgrounds benefit from the presence of LKIC, and b) whether LADWP's and LACI's operations and interactions at LKIC lead to positive outcomes in sustainability and in slowing the advance of climate change. Right now, we see that the project has brought jobs, safety, pedestrianism, livability, and civic outdoor space to the Arts District, and that innovation, collaboration, and an interdisciplinary spirit are thriving in the formation of a new culture of urban sustainability.

2. Briefly describe the project's urban context. How has the project impacted the local community? Who does the project serve? How many people are served by the project?

LKIC is located in Downtown LA's industrial core, an area formally known as Central City East with a predominantly early 20th century industrial building stock. As of 2010 when LKIC was given the green light to be actively developed, decades of neglect and disinvestment had resulted in economic and physical blight, including high rates of poverty and homelessness, aging infrastructure, and functionally obsolete and/or dilapidated industrial properties. At this time, the Community Redevelopment Agency of Los Angeles (CRA/LA), in collaboration with City Planning, had completed studying the area as part of a larger initiative to preserve industrialzoned land in the City and the manufacturing jobs that accompany them. Hence, when CRA/LA set forth its strategy to redevelop Central City East as the "Cleantech Corridor", the goals of reinvestment, job creation and workforce development, sustainability, and innovation were at the fore. Specifically, LKIC's role was to be that of catalyst—to trigger the development and growth of a green industry cluster rooted in cleantech and sustainability.

We can see today that LKIC has positively impacted the local community - the so-called Arts District, home to approximately 2,000 people, many of whom are live-work artists, entrepreneurs, and small business owners, including an increasing number of young families - first by simply investing in this under-served area back when the development was commenced in 2010, as one of a handful of pioneering projects at the time. As the area enjoys a current boom, LKIC now provides a sympathetic, community-oriented counterbalance to the rampant residential developments and conversions proposed for the area. LKIC is also a demonstration of sustainability, from its adaptive reuse of a former industrial warehouse building to its green building practices, to the incubation and deployment of clean technologies by the start-up companies it houses. Lastly, since its launch in 2011, LKIC's primary tenant and beating heart, LA Cleantech Incubator (LACI), has taken in and advanced 54 portfolio companies, which in turn have raised \$70 million in private investment and created more than 1,000 direct and indirect jobs for an estimated 5-year regional impact of \$230 million.

As for the Arts District Park, it is the first park in the Arts District - and as such as brought joy, color, and play to an otherwise hardedged industrial neighborhood. It has helped to make the Arts District more livable, pedestrian, and a place of optimism. It allows LKIC to holistically serve the community, through the provision of desperately needed open space in which residents and workforce alike can take a break, relax, and enjoy each other's company as well as communal activities.

3. Describe the key elements of the development process, including community participation where appropriate.

LKIC's development began under former Mayor Antonio Villaraigosa's leadership. Again drawing from Professional Consultant Sharon Gi's perspective: Back in 2009, an informal cleantech working group was formed and staff at the City's various departments and agencies were engaged to formulate a sector-specific economic development strategy targeting clean technology (aka "cleantech") utilizing the City's assets and procurement power to achieve triple bottom line goals: people, planet, and profit. This group was later renamed "CleanTech Los Angeles" and expanded to include local research institutions (UCLA, USC, Caltech, JPL) and business organizations.

CRA/LA played a seminal role in implementing the City's cleantech strategy—first, by recasting a stretch of Downtown's long neglected industrial core as the "Cleantech Corridor" as a place-based economic development opportunity area; second, by partnering with the Los Angeles Department of Water and Power (LADWP) to establish a cleantech business incubator (now the Los Angeles Cleantech Incubator (LACI)); and third, by jointly developing the La Kretz Innovation Campus with LADWP, with LACI and LADWP's R&D and Customer Engagement units as its major tenants. In May 2010, LADWP purchased the project site and CRA/LA provided project management services and hired the architect, JFAK. In addition, CRA/LA, with LADWP, successfully raised financing for the project (see response to #4 below). During this time, a series of 5 community meetings were hosted by JFAK, specifically to gain community input in the design of the now-officially-projected Arts District Park.

At the point in 2012 when CRA/LA was officially disbanded by CA Governor Jerry Brown, LADWP officially took over management of the development process. Other than this special circumstance, the development, while complex, proceeded along relatively traditional lines, with parties from the City of LA (Mayor's Office), LADWP, LACI, and JFAK working to get the project under construction. The exception was that the ADP, because it did not receive CA state funding, was in limbo, but in 2013 Council District 14's Councilperson Jose Huizar generated the funds necessary to make the park a reality. The park, now under control of the City's Rec and Parks Department, went into design in 2014 and into construction in early 2016.

4. Describe the financing of the project. Please include all funding sources and square foot costs where applicable.

CRA/LA, along with LADWP, creatively generated financing for the project's development in the amount of \$47.4 million. This figure includes the following:

- 1. LADWP (\$19.7 million including \$8.125 million for property acquisition)
- 2. CRA/LA (\$1.25 million)
- 3. Morton La Kretz (\$3 million towards property acquisition)
- 4. New Markets Tax Credits (NMTC) (\$10 million)
- 5. Grant funding from the Economic Development Administration (EDA) (\$2.1 million)
- 6. Grant funding from the City's Community Development Block Grant (CDBG) allocation (\$3 million)
- 7. Grant funding from the Energy Efficiency and Conservation Community Block Grant (EECBG) (\$200,000)
- 8. Federal Qualified Conservation Bonds (QECB) (\$8 million)

In addition, CD14's Councilperson Jose Huizar raised Quimby funds (described in Miguel Vargas' Perspective) in the amount of \$1.8 million to pay for the development and construction of ADP. The park land was paid for as part of the \$47.4 million described above. The hard construction of the LKIC campus, not including the ADP, cost \$23.5 million, spread over 61,000 SF and a 1-acre parking lot that includes a photovoltaic shade structure. An additional \$1.5 million paid for the hard construction of the ADP.

In addition, funding has been provided by a unique grouping of public/private entities in order to pay for post-construction programming and operations of the facility. They include: City of Los Angeles, LADWP, US DOE, California Energy Commission, Small Business Administration, Metropolitan Water District of Southern California, SC AQMD, Southern California Gas Company, Wells Fargo, JP Morgan Chase Foundation, Southern California Edison, Autodesk, CRA/LA, CSUN, and The Broad Foundations.

5. Is the project unique and/or does it address significant urban issues? Is the model adaptable to other urban settings?

LKIC's unique public/private partnership, in which a business incubator and major municipal utility collaborate under one roof to generate, research, prototype, and test ideas; have local consumers react to them; and push them out to market; is a remarkable operating structure that has made this Campus a model for other cities and countries. Because it has also transformed underutilized existing building stock to accomplish its goals, and has been a positive tool in addressing significant urban issues such as jobs creation, urban revitalization, sustainabilty, open space, and resource investment, it is absolutely a strong adaptable model for other cities to learn from and emulate. In fact, it is important to note that representatives from cities and countries all around the globe (such as Mexico City and Ethiopia, already mentioned elsewhere), have come to LKIC to observe it in operation and to understand the urban and policy context within which it is operating so dynamically and successfully.

While it might be simplistic to say that one could go to any large city, pick a neighborhood that is a) in disrepair, b) in need of revitalization, and c) has some large warehouse stock ripe for conversion, and voila! it is the perfect place for a successful incubator to be developed in partnership with a public agency, there is much to be learned from the LKIC development.

## 2017 RUDY BRUNER AWARD

PROFESSIONAL CONSULTANT PERSPECTIVE



### PROFESSIONAL CONSULTANT PERSPECTIVE

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This sheet is to be filled out by a professional who worked as a consultant on the project, providing design, planning, legal, or other services. Copies may be given to other professionals if desired.

Name	Sharon Gi	Title Former Project Manager	
Community Redevelopment Agency of Los Angeles (CRA/LA), then Organization professional consultant to project after CRA/LA was disbanded Telephone (808) 799 8360			
Of garrization	professional consultant to project after GNA/LA was disbande	Ed Telephone (606) 799 6300	
Address	448 Hill St, Suite 1200	City/State/ZIP Los Angeles, CA 90013	
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Signature Date 8 December 2016

1. What role did you or your organization play in the development of this project?

My involvement with the La Kretz Innovation Campus (LKIC) began in 2008 when I was employed by the Community Redevelopment Agency of the City of Los Angeles (CRA/LA) as an assistant project manager. Before its dissolution, CRA/LA's mission was to revitalize blighted neighborhoods by making strategic investments to create economic opportunity and improve the quality of life for local residents. Under Mayor Antonio Villaraigosa's leadership, an informal cleantech working group was formed and staff at the City's various departments and agencies were engaged to formulate a sector-specific economic development strategy targeting clean technology (aka "cleantech") utilizing the City's assets and procurement power to achieve triple bottom line goals: people, planet, and profit. This group was later renamed "CleanTech Los Angeles" and expanded to include local research institutions (UCLA, USC, Caltech, JPL) and business organizations.

CRA/LA played a seminal role in implementing the City's cleantech strategy—first, by recasting a stretch of Downtown's long neglected industrial core as the "Cleantech Corridor" as a place-based economic development opportunity area; second, by partnering with the Los Angeles Department of Water and Power (LADWP) to establish a cleantech business incubator (now the Los Angeles Cleantech Incubator (LACI)); and third, by jointly developing the La Kretz Innovation Campus with LADWP, with LACI and LADWP's R&D units as its major tenants. In May 2010, LADWP purchased the project site and CRA/LA provided project management services and hired the architect, JFAK. In addition, CRA/LA successfully raised financing for the project, including New Markets Tax Credits, grant funding from the Economic Development Administration (EDA) as well as from the City's Community Development Block Grant (CDBG) allocation and Energy Efficiency and Conservation Block Grant (EECBG).

2. Describe the project's impact on its community. Please be as specific as possible.

LKIC is located in Downtown LA's industrial core, an area formally known as Central City East with a predominantly early 20th century industrial building stock. Decades of neglect and disinvestment had resulted in economic and physical blight, including high rates of poverty and homelessness, aging infrastructure, and functionally obsolete and/or dilapidated industrial properties. At the time of its involvement in cleantech initiatives, CRA/LA in collaboration with City Planning had completed studying the area as part of a larger initiative to preserve industrial-zoned land in the City and the manufacturing jobs that accompany them. Hence, when CRA/LA set forth its strategy to redevelop Central City East as the "Cleantech Corridor", the goals of reinvestment, job creation and workforce development, sustainability, and innovation were at the fore. Specifically, LKIC's role was that of catalyst—to trigger the development and growth of a green industry cluster rooted in cleantech and sustainability. (For more info, please refer to the ULI Advisory Panel report (http://uli.org/advisory-service-panels/advisory-panel-clean-tech-corridor-los-angeles-ca/)).

We can see today that LKIC has positively impacted the community—first by simply investing in this under-served area, as one of a handful of pioneering projects at the time. As the area booms, LKIC now provides counter balance to the rampant residential developments and conversions proposed for the area. LKIC is also a demonstration of sustainability, from its adaptive reuse of a former industrial warehouse building to its green building practices, to the incubation and deployment of clean technologies by the start-up companies it houses. Lastly, since its launch in 2011, LACI has served 54 portfolio companies, which in turn have raised \$70 million in private investment and created 1,000 direct and indirect jobs for an estimated 5-year regional impact of \$230 million.

## PROFESSIONAL CONSULTANT PERSPECTIVE (CONT'D)

3. How might this project be instructive to others in your profession?

The La Kretz Innovation Campus is an excellent example of a project that achieves triple bottom line goals. It could be instructive on how to navigate and balance sometimes divergent goals among multiple stakeholders. The project benefited immensely from the foundational work conducted by the City's informal cleantech working group to lay out individual department missions and goals within the City's cleantech strategy, which in turn led to the collaboration between CRA/LA and LADWP. The project could also serve as a case study on how local government can leverage its regulatory mandates, procurement power, and cross-sector partnerships to achieve a public purpose in the form of economic development goals, such as private reinvestment, job creation, and small business assistance. It would also serve as an interesting case study on creative financing for those interested in pursuing New Markets Tax Credits and Economic Development Administration (EDA) grant funding, among others.

4. What do you consider to be the most and least successful aspects of this project?

That it was built at all is the project's greatest success. As the current Los Angeles Mayor Eric Garcetti put it at LKIC's grand opening, it is a miracle that LKIC was built at all—despite the City's bureaucracy, layers of complexity brought on by multiple financing sources, and the dissolution of CRA/LA by the State of California in 2012. LKIC's success hinged on its compelling vision, leadership by Mayors Villaraigosa and Garcetti, and commitment by the various City departments and the project consultants to deliver the project as envisioned.

The least successful aspect of the project is hard to tell at this point in time. LKIC has already garnered design awards for JFAK Architects. With the opening of the adjacent Arts District Park, LKIC has been warmly welcomed by the community. LACI is thriving with its slate of portfolio companies and a burgeoning network of mentors, advisors, and partners. LADWP's R&D units are settling into their new home and LKIC's Advanced Prototyping Center is currently being launched. In my mind, the real tests of success will be whether a) local residents of all socioeconomic backgrounds benefit from this project, especially from job creation and workforce development initiatives, and b) whether LADWP's and LACI's operations and interactions at LKIC lead to positive outcomes in sustainability and slowing the advance of climate change.

# 2017 RUDY BRUNER AWARD PUBLIC AGENCY PERSPECTIVE



#### PUBLIC AGENCY PERSPECTIVE

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This sheet is to be filled out by staff representative(s) of public agency(ies) who were directly involved in the financing, design review, or public approvals that affected this project.

Name	Steven Andrews	Title Senior Policy Advisor
Organization	Mayor E. Garcetti's Office of Economic Development	Telephone ( 323 371-1410
Address	200 N. Spring Street	City/State/ZIP Los Angeles, CA 90012
E-mail	steve.andrews@lacity.org	Website www.lamayor.org/

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Signature Steve Indiewe

Date 8 December 2016

1. What role did your agency play in the development of this project? Describe any requirements made of this project by your agency (e.g., zoning, public participation, public benefits, impact statements)

As a member of the Mayor's Office of Economic Development under both former Mayor Villaraigosa and current Mayor Garcetti, I acted as the Mayor's Policy Lead in defining the critical need within the City of Los Angeles to have a business incubator, focused on clean technology, that would be geared towards reinforcing as much growth for the City as possible. Because of the strength of our local universities' engineering and related programs, it was recognized that this growth should be achieved in a way that would maximally leverage the considerable strengths of those programs' intellectual capital. USC, UCLA, Caltech, and Jet Propulsion Labs (JPL) would be invited to participate, and in so doing there would be active incentive for graduates of those institutions to stay in Los Angeles (and not head up north to Silicon Valley). Equally important was the goal of capturing a greater share of venture capital investment to support startup and early stage companies in Los Angeles.

My office, further along in the development process, coordinated the organizations providing acquisition and development funds, and set priorities for ongoing program operations to be put in place once the new facility was completed. We thus stressed the successful establishment and ongoing functionality of LACI, and provided active support towards all grant financing that would allow post-construction facility operations to be viable - including federal, state, foundation, private business, corporate, and local (City) funding. It is important to note that the complex and unique financing network that brought LKIC to life was comprised of a mixture of private and public funds - and it was the recognition of LKIC's potentially immense positive impact across so many sectors (both public and private) that brought so many disparate funding entities on board with the project. Our office also provided expedited support to provide for entitlement success. The only requirement that our office put on the project was that the Campus, once completed, remain true to its focus on the cleantech sector.

2. How was this project intended to benefit your city? What trade-offs and compromises were required to implement the project? How did your agency participate in making them?.

This question has been in part answered above. By creating a focused business incubator to foster the growth of startups, promote entrepreneurs, and advance innovation, we believed that we could promote the continuing evolution of Los Angeles into a sustainable urban center. Jobs creation, advancement of sustainability initiatives, and a concurrent revitalization of the Arts District as part of the greater rejuvenation of Downtown Los Angeles were the tools by which we felt we could be successful. Statistics speak for themselves: In looking at the growth of LACI since its establishment in 2011, it has launched 54 portfolio companies, which in turn have raised \$70 million in private investment and created over 1,000 direct and indirect jobs. The regional impact for this alone, over a 5-year period, is \$230 million.

Looking back, there were of course some tradeoffs and compromises. Budget constraints were considerable, given the complexity of the funding for the project. Some amenities that would have improved the quality of the new physical plant of LKIC had to be shelved. Timing was also an issue; as funding sources come with deadlines, certain aspects of the project had to be rushed, leading once more to some physical sacrifices at the new Campus. For instance, the furniture/fixtures/equipment package had to be compromised to some extent, with limitations on funding leading to non-fixed items such as audiovisual equipment (as one example) being sacrificed at the front end and having to be added after opening. Overall, however, the project was built as planned.

#### 3. Describe the project's impact on your city. Please be as specific as possible

Some of the impact on the City of Los Angeles has already been outlined: \$70 million in private investment for the City, over 1,000 direct and indirect jobs created, a regional 5-year impact of \$230 million.

Locally, the impact is palpable for anyone to see. There is a new public park being used every day by residents, visitors, and workers in the Arts District. There are more people on the street, there is more commercial activity, there is more life 24-7 in the Arts District. The neighborhood has not only become safer and more livable, but it has become a destination - it is a new business destination, a new cultural destination, a new arts destination, and a new tech destination.

While it is still too early to tell how much intellectual capital in the form of graduates of the engineering or related programs at USC, UCLA, and Caltech will be retained for Los Angeles due to the presence of LKIC and its portfolio companies, it is clear that an important first step toward this goal has been taken. In addition, LKIC has become a model for new incubators around the world. Government officials, urban planners, and technology entrepreneurs are coming from faraway places such as Mexico City, Ethiopia, Austria, and China to learn from the lessons of LKIC. The unique combination of public-private partnership, the housing under one roof of a private non-profit business incubator alongside the technology and innovation programs of a mammoth municipal utility, is providing a new model for urban business operations. The fact that this was accomplished through the adaptive reuse of an existing structure, allowing the project to sustainably contribute to urban revitalization, also provides a successful model for other urban centers to emulate.

4. Did this project result in new models of public/private partnerships? Are there aspects of this project that would be instructive to agencies like yours in other cities?

The unique public-private partnership between LACI and LADWP, as well as the unique funding structure provided by the multiple funding parties for this project, are absolutely worth studying by other Mayor's Offices in other cities. (In fact, as stated above, this is already happening.)

In order to net the capital required to create the new physical plant of LKIC, with its private as well as public uses, a complex combination of funding sources supported the project. They included (3) city entities (CRA/LA, City of LA, LADWP), (1) private developer/philanthropist (Mort La Kretz), and (5) federal programs. What all of these had in common was an interest in supporting the unprecedented integration under one roof of the public/private functions being proposed by the partnership between LACI and LADWP. In addition, a second group of public entities and private corporations, foundations, and utility companies have stepped up to financially support the innovation programs at LKIC once it was complete. This remarkable collection of funding sources includes the City of LA, LADWP, US Department of Energy, California Energy Commission, SBA, Metropolitan Water District of Southern California, South Coast Air Quality Management District, Southern California Gas Company, Wells Fargo Foundation, JP Morgan Chase Foundation, Southern California Edison, The Broad Foundations, Autodesk, CRA/LA, and Cal State University at Northridge. There are, in fact, more, but the entities listed here are the major funders.

Important to complete this picture is that the City also put in place a private management team to ensure that the LKIC would run smoothly, and that programming, funding, and operations would be handled efficiently and optimally. With this, it is hoped that LKIC will be the catalytic economic (as well as cultural) engine it was envisioned to be.

5. What do you consider to be the most and least successful aspects of this project?

The numerous successes have been outlined above. It is hard to pinpoint at this time a "least successful" aspect of the LKIC development project. One thing that I continue to be nervous about is that there was no contingency set aside within the complex pot of funding sources. It seems reasonable to expect that things that need to be fixed with the new physical plant will come to light within the first couple of years of operation, and that there will be unforeseen cost overruns with respect to programming and operations as well. Because there was, so to speak, no "fat" in any of the funds that were acquired for the project, any such needs will have to be covered by the annual operating budget of the LACI and LADWP.

Right now, however, LKIC's future looks rosy. The City's support will hopefully allow it to remain continually so.

# 2017 RUDY BRUNER AWARD DEVELOPER PERSPECTIVE



#### **DEVELOPER PERSPECTIVE**

Please answer questions in space provided. If possible, answers to all questions should be typed or written directly on the forms. If the forms are not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds, and the length of each answer should be limited to the area provided on the original form.

This sheet is to be filled out by the person who took primary responsibility for project financing or is a representative of the group which did.

Name	Kelli Bernard	Title Former Director of Economic Development
Organization	LADWP - Los Angeles Department of Water and Power	Telephone (213) 280-0880
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Signature Date 8 December 2016

1. What role did you or your company play in the development of this project? Describe the scope of involvement

The Los Angeles Department of Water and Power (LADWP) owns the La Kretz Innovation Campus (LKIC), occupies a portion of it, and is ultimately responsible for overall management and maintenance of the entire campus. Within LKIC, the LADWP is able to raise customer awareness of energy efficiency, emerging technologies, water conservation, and the LADWP's energy incentive programs. In addition, testing and reviewing new technologies are today helping to meet the LADWP and City's mandates and goals towards conservation, efficiency, economic development and more locally-sourced power. LKIC is essential to the LADWP's economic development efforts.

I joined the Los Angeles Department of Water and Power (LADWP) in 2011 as Director of Economic Development in support of the LADWP's mission, to serve the utility and economic development needs of residential, institutional, academic and commercial customers throughout Los Angeles. I worked to realign the department's economic development efforts to support the growing cleantech ecosystem as part of Mayor Villaraigosa's ambitious proposal for a Los Angeles Cleantech Corridor - a four-mile swath of land along the banks of the Los Angeles River dedicated to enterprises engaged in the pursuit, development, and manufacture of cleantech products and technologies, which included the La Kretz Innovation Campus. The Campus' development thus had Mayor Villaraigosa's strong support, and the LADWP worked closely with the former Community Redevelopment Agency of the City of Los Angeles (CRA/LA) and Cleantech LA (the organization of universities, business groups, and government agencies that launched the cleantech efforts to bring this project to fruition). When construction on LKIC began, LADWP, alongside the Los Angeles Bureau of Engineering and the Board of Public Works, oversaw the building's construction. I left the LADWP in 2013, and continued to follow the project in my new capacity as Deputy Major of Economic Development under Los Angeles Mayor Eric Garcetti.

2. What trade-offs or compromises were required during the development of the project?

The development of the La Kretz Innovation Campus was extremely challenging. It was very difficult to achieve stakeholder support from some ratepayer watchdogs, and even from some within LADWP who questioned if LKIC's mission would align with the LADWP's historic mission to deliver safe and reliable water and power.

In addition, LADWP at that time had a budget that was earmarked to support selected smaller non-profit groups. I advocated to direct these funds towards the development of this much larger initiative of LKIC instead. Some from within the LADWP were not in agreement with this strategy. However, I, and many other supporters of the project, felt very strongly that investing in the development of La Kretz Innovation Campus would be a far more strategic use of the funds. Not only was the Campus' development more aligned with the overarching strategic plan for the city and the cleantech industry as a whole, the Los Angeles Cleantech Incubator (LACI) and the Campus would help, directly or indirectly, many smaller groups and businesses once LKIC was up and running.

3. How was the project financed? What, if any, innovative means of financing were used?

Identifying and piecing together the complex financing plan was especially difficult. All throughout the project's development process, we at several times thought the project was dead - but we kept pushing.

LADWP, along with CRA/LA, creatively generated financing for the project's development in the amount of \$47.4 million. This figure includes the following:

- 1. LADWP (\$19.7 million including \$8.125 million for property acquisition)
- 2. CRA/LA (\$1.25 million)
- 3. Morton La Kretz (\$3 million towards property acquisition)
- 4. New Markets Tax Credits (NMTC) (\$10 million)
- 5. Grant funding from the Economic Development Administration (EDA) (\$2.1 million)
- 6. Grant funding from the City's Community Development Block Grant (CDBG) allocation (\$3 million)
- 7. Grant funding from the Energy Efficiency and Conservation Community Block Grant (EECBG) (\$200,000)
- 8. Federal Qualified Conservation Bonds (QECB) (\$8 million)

The creativity came from blending public and private financing sources in order to leverage the potential of the new Campus to become a new, unprecedented kind of innovation hub - one in which LADWP, as a large municipal utility company, could partner with a private nonprofit incubator, and in so doing forge creative collaborations that would ultimately benefit the public-at-large. As each funding source had its own set of rules and its own set of deadlines, meeting the demands of each became a huge puzzle unto itself - and the construction and programming of LKIC had to be bent and warped to fit the competing demands.

In addition, funding has been provided by a unique grouping of public/private entities in order to pay for post-construction programming and operations of the facility. They include: City of Los Angeles, additional funding from LADWP, US DOE, California Energy Commission, Small Business Administration, Metropolitan Water District of Southern California, SC AQMD, Southern California Gas Company, Wells Fargo, JP Morgan Chase Foundation, Southern California Edison, Autodesk, CRA/LA, CSUN, and The Broad Foundations. The recognition that ultimate success could only be achieved with successful programming and operations came from Mayor Garcetti's office, and that recognition has led to another unique and creative financing pool.

4. What do you consider to be the most and least successful aspects of the project?

As a whole, our Project team was dedicated to the overall mission of the project and committed to making sure the project was completed as envisioned. I am particularly grateful to John Friedman Alice Kimm Architects; they held the high watch and did not allow us to cut corners in that respect; their vision and understanding of how important the built environment was to what we were trying to accomplish was everything.

The campus is more than a building, it is home to a community of innovators, community leaders, entrepreneurs, non-profits, and more. It has become a space of creativity and invention. The physical space and building is essential to this. Its design encourages and allows for creative, collaborative thinking. This project has been an unequivocal success in my eyes - La Kretz Innovation Campus is without a doubt my most challenging yet gratifying professional accomplishment.

## 2017 RUDY BRUNER AWARD

COMMUNITY REPRESENTATIVE PERSPECTIVE



#### COMMUNITY REPRESENTATIVE PERSPECTIVE

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This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

Name	Ben Stapleton	Title VP of Facilities and Operations
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1. How did you, or the organization you represent, become involved in this project? What role did you play?

The Los Angeles Cleantech (LACI) was founded in 2011 as a cluster-driven economic development initiative supported by the City of Los Angeles (in particular the Office of the Mayor), LADWP, and the Community Redevelopment Agency of Los Angeles (CRA/LA). Our private non-profit organization helps to accelerate the commercialization of clean technologies by offering flexible office space, CEO coaching, mentoring, and access to a robust network of partnerships and capital - all housed within the La Kretz Innovation Campus (LKIC). What's interesting to note is that this network also includes many community-based entrepreneurial groups that do not fall under the typical umbrealla of "tech" company, but still advance our growing green economy. Examples are Lyft, US Green Building Council, RiverLA, and CicLAvia.

We were involved from day one as the primary anchor tenant of LKIC. Our focus has always been to provide incubation services for cleantech innovation, in order to bring new businesses and manufacturing back to the region, as well as to retain the intellectual capital that exists in Los Angeles. We worked hand-in-hand with JFAK Architects on how the facility would be used and how the different spaces in the project would interact with each other. This project took place over a period of four years from design to completion, so this was a long-term relationship, and we occupied a temporary space up the street to begin our work in anticipation of the project's completion. Our role has been to turn the amazing design and concept of this place into a living, breathing community that works together and with the Arts District to help create a more sustainable future for Los Angeles.

Today, LACI/LKIC is recognized as one of the most innovative business incubators in the world by UBI. LACI identifies local entrepreneurs across multiple cleantech business sectors and guides them to market, creating jobs that advance LA's green economy. In just five years, LACI has helped 64 companies raise \$81M in funding, created 1,200 jobs, and delivered more than \$270M in long term economic value for the City of Los Angeles. (The Supplementary Material portion of this submittal contains more detailed and helpful summary information on our programs, operations, initiatives, and results.)

2. From the community's point of view, what were the major issues concerning this project?

A big issue for us has been making sure that the community within the walls helps match the community outside the walls. We've worked hard to get some of the leading non-profits shaping the future of LA to relocate to the facility with us so we can mix them with the technology startups. Technology can't make an impact unless it gets to the people who can benefit from it the most. This facility was funded by a variety of government entities for the purpose of economic development so the pressure is really on us to help provide that impact and provide engagement opportunities for the local community. This has resulted in the partnerships with companies mentioned in the answer to Question 1 above: Lyft, RiverLA, USGBC, etc.

However, there is still much work to be done. The LADWP, for safety and maintenance reasons, along with our leadership group at LACI, agrees that the facility is not as physically transparent to the local community as it could potentially be. This is understandable given the amount of equipment, private property, intellectual property, and security issues that abound within our walls. However, there are many ways in which LKIC can open its doors to the community. We have already implemented several of them: Free tours of the facility, open paid memberships to our prototyping facility, and an event space that is open to be reserved and rented by any group out there that has a need and a relevant program are some of the options that allow us to welcome the community in.

We do have a dream of establishing a permanent community art gallery in our common main corridor, which can be separately secured from the LACI and LADWP spaces and connects our parking lot at the south end of the building with the Arts District Park at the north end. This is but one idea and the start of a larger conversation between LKIC and the community of which we are a strong anchoring member.

The community, on the whole, is highly satisfied with LKIC - given that we preserved a beautiful old masonry building, keeping the architecture sympathetic to that of the existing urban fabric, and that we are promoting a truly sustainable culture.

## COMMUNITY REPRESENTATIVE PERSPECTIVE (CONT'D)

3. Has this project made the community a better place to live or work? If so, how?

Yes, the open flow of the campus provides a place for entrepreneurs, engineers, scientists, environmentalists, community activists, and policymakers to collaborate, promote and support the development of clean technologies and LA's green economy.

The innovative space inspires innovative work for our tenants and is a model for sustainability featuring state-of-the-art green technology, a living wall of 2,100 plants maintained through a drip-system using recycled water, a 175-kilowatt photovoltaic solar canopy, bioswales and fast charger EV stations in the parking lot, and LA's first public greywater filtration and microgrid systems. The awe-inspiring design of the adjacent park also provides relaxing green space for our DTLA community.

The project, in doing all of the above, has made the entire Arts District more livable, workable, pedestrian, and safe.

4. Would you change anything about this project or the development process you went through?

There are probably some minor changes we would make to the paths of travel for the property and infrastructure, mainly electrical and air flow for the Prototyping Center, knowing what we know now. Also, having some better communication between subs for MEP, A/V, and other building systems at the end of the day would have resulted in avoiding some inefficiencies in the functioning of the space. That being said, the open flow and design of the building is overall extremely conducive to interaction between the members of the facility, and the space shows extremely well to visitors from all over the world. In fact, our LACI has become a model for new incubators being started in places as far-flung as Africa, as well as closer to home in Mexico City.

Again, more detail can be found in our Summer 2016 update, which is attached to this submittal as part of the 25-page Supplementary Material section.

## 2017 RUDY BRUNER AWARD

ARCHITECT OR DESIGNER PERSPECTIVE



### ARCHITECT OR DESIGNER PERSPECTIVE

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This sheet is to be filled out by a design professional who worked as a consultant on the project, providing design, planning, or other services. Copies may be given to other design professionals if desired.

Name	Alice Kimm	Title Principal
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Signature Date 8 December 2016

1. Describe the design concept of this project, including urban design considerations, choice of materials, scale, etc.

WHAT IT IS: This new campus serves the City of Los Angeles' burgeoning clean technology community. It is an interdisciplinary "innovation hub," or incubator, where entrepreneurs, engineers, scientists, community activists, and policymakers collaborate, promote, and support the development of Los Angeles' green economy. The campus comprises 3.2 acres and includes a fully seismically upgraded and renovated 61,000 SF former manufacturing building, located in the center of a neighborhood that is home to artists and entrepreneurs alike.

PROGRAM: The new campus features offices, conference rooms, research and development labs, prototyping and manufacturing workshops, and event space, in addition to customer engagement facilities and job training classrooms operated by a major public utilities company, who owns the entire property. The campus site plan includes surface parking covered by a 175 kilowatt photovoltaic solar canopy, greywater filtration, bioswale, and microgrid system.

PRESERVATION AND SUSTAINABILITY: Our sustainability objectives served one of the project team's fundamental goals - that of establishing a strong physical and social connection with the surrounding neighborhood. The campus is welcoming, flexible, and preserves the strong character of the existing masonry; the materiality of the existing brick is typical for the former industrial uses of many of the buildings in the neighborhood, and is an asset greatly valued by local residents. Preserving the carbon footprint of the existing building, and enhancing the beauty of its brick both outside and inside, was a major focus of this adaptive reuse project. As a result, a dynamic dialogue is created between the existing structure and brand new architectural and engineering elements. In fact, the insertion of new elements with exposed construction components (such as steel connections), visible technologies (such as solatubes), and educational display areas, shows off new high-performance technologies that have been incorporated into the design and construction of the facility.

2. Describe the most important social and programmatic functions of the design.

PLANNING: The design takes advantage of the warehouse structure of the existing building to create flexible workspaces that combine closed rooms (which can be used for work, office, conference, lounging, or even sleeping for those on deadlines) with open areas in which interaction and dialogue generate new ideas and collaborations. To foster social interaction, we created a 'village' concept, with a 'loop' that cuts through and connects the existing eight bowstring truss warehouse bays. Natural light penetrates deeply, and people can always see out and connect to the larger community. As people don't always want to work in open environments, we provided for a variety of open, semi-open, and closed workspaces. This flexibility was also part of the desired leasing strategy to accommodate differing needs. The central main event space accommodates up to 140 seated people. The constant buzz of activity and shared knowledge gives rise to a dynamic community of constant innovators, learners, and educators.

IDENTITY: The existing structure's simplicity is a backdrop for unexpected moments created by faceted walls, jewel-like skylight "funnels," and a "living wall" at the lobby. Solatubes bring natural light to landlocked spaces, and planting beds hold drought-resistant greenery. Sculptural geometries promote creative play and give distinct areas of the building individual identities.

IMPACT: This campus is a new kind of facility for the City of Los Angeles – and one of a very few of its type in existence globally. In its flexibility, its accommodation of different types of programs, and its transformation of valuable existing building stock, it sets a new standard for urban revitalization while promoting innovation, education, community participation, and leadership across multiple disciplines. The wide range of tenants to date includes Lyft, Arid Lands Institute, CicLAvia, River LA, and many groundbreaking clean technology startups. The interdisciplinary nature of this project, and the broad focus of the campus on sustainability in all its guises, benefits the global community-at-large.

## ARCHITECT OR DESIGNER PERSPECTIVE (CONT'D)

3. Describe the major challenges of designing this project and any design trade-offs or compromises required to complete the project.

It is a small miracle that this project was constructed at all. There were more than a few major challenges:

- a) CRA/LA was the initial project manager who put the project into play. When CRA/LA was disbanded, it threw all of the funding sources into temporary disarray. However, with the support of the Mayor's office (both mayors Villaraigosa and Garcetti), the continued hard work by people who had been with the CRA (such as Sharon Gi), and the proactive actions of the LADWP, the project stayed alive. Each of the many funding sources fell back into place. During this time, as the Architect, we performed a lot of extra voluntary work to keep all parties convinced of the worth of the project both with respect to financial viability and its ability to become a true community hub based on the strength of design to draw and keep people coming. With LKIC more than with most other work, JFAK was an integral member of the overall project team that kept the process alive. JFAK's role was more than "designer" we were a facilitator as much as any other member of the team.
- b) Programming was a challenge. There are few, if any, precedents for the kind of public-private partnership facility being proposed, or for the type of innovation-incubator = community-hub to study as role models. In addition, it was only when the LADWP took over from the dissolving CRA/LA that its leadership began to examine more closely what kind of programming should go into the LADWP-occupied portion of LKIC in order to most benefit the creative partnership with LACI. JFAK was therefore heavily involved in generating new and never-before-seen program elements and the program remained a moving target even into construction.
- c) Both a) and b) above tie into issues of ownership of the project. Navigating the needs and/or requests of LADWP, LACI, the City of LA, and former CRA/LA consultants was a challenge.
- d) Because this was a public low bid project, execution was very challenging. The General Contractor worked hard to build to the design intent, but the budget was tight, and there were times then field errors that impacted the design could not be changed due to scheduling and budget constraints. (See additional tradeoff below, at the bottom of Question 4.)
- 4. Describe the ways in which the design relates to its urban context.

The building relates to its urban context, first and foremost, through its preservation of the existing brick building which was beloved by the local Arts District Community. The texture of the brick is common to the urban context. On the interior of the building, an alternating rhythm of closed and open areas allows inhabitants to see across the entire building and connect to the outside community through perimeter windows placed in existing openings. (Given the structure of the building, it was very difficult to punch new openings into exterior walls, as well as through existing interior masonry partitions; we therefore carefully modulated view corridors to maximize views to the exterior as well as natural light.)

In addition, JFAK's desire to address the needs of the local Arts District and to ensure that the new facility would have a strong physical connection to its surroundings led to the design of a public park on a ½ acre portion of the site. Having a public park was, in fact, an idea that JFAK brought to the table as a suggestion during the architect selection process for LKIC, and JFAK suggested graphically where it might be placed and how a park could forge a strong link between the building and the neighborhood. This turned out to be perfectly in sync with the goals of the CRA/LA, who committed to applying for Proposition 84 state funding in late 2011. JFAK led several community meetings in mid-2011 to flesh out the final form the park might take. Ultimately, because the CRA/LA's demise coincided with the award period for the Prop 84 funds and therefore resulted in a failed application, the park proposal was put on hold. However, in 2013, Los Angeles Recreation and Parks (RAP) procured funding with the help of the local neighborhood Councilman Jose Huizar and committed to ownership and maintenance of the new park. The City of LA's Bureau of Engineering (BOE) was solicited by RAP to design the park. Members of the local community, however, asked that JFAK remain as participants in the final design process for the park in order to maintain some of the thinking that had come out of the 2011 community meetings. JFAK's major responsibility was to design a shade structure at the park's northwest corner, and to provide construction documentation assist to the BOE's team, led by the City's Chief Landscape Architect Rick Fisher. This led to a new park design which incorporates results of the 2011 community meetings as well as new ones held in 2014. The new park, now open, forms a vibrant cornerstone to LKIC, and has made the Arts District a more colorful and livable place. While the 8' tall fence that surrounds it, required by RAP, is something that both BOE and JFAK would rather was not present at ADP, it thankfully has not detracted from the ability of the Park to welcome residents, workers, and visitors from all over the City. (It has, sadly, prevented the direct connection between LKIC's interior and the exterior that it was designed to facilitate; this was one unfortunate tradeoff of the development.) Residents, though, appreciate the fence as it keeps out dogs after the park closes, keeps their toddlers safe, and allows for better maintenance of the park overall.

## 2017 RUDY BRUNER AWARD

ARCHITECT OR DESIGNER PERSPECTIVE



### ARCHITECT OR DESIGNER PERSPECTIVE

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This sheet is to be filled out by a design professional who worked as a consultant on the project, providing design, planning, or other services. Copies may be given to other design professionals if desired.

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1. Describe the design concept of this project, including urban design considerations, choice of materials, scale, etc.

When we began our collaborative design process, we were looking to create a multi-functional neighborhood pocket park, a sort of "green oasis" in a formerly industrial area. With lots of small- to medium-sized habitable shaded spaces, edges, nooks, ledges, eating areas and more, the park was designed to be a sort of neighborhood "outdoor living room." The paved area under the shade structure, which serves as an exhibition, performance, or gathering area serves as a neighborhood town square. Seat walls and decorative steel rails protect the planting areas from people and dogs. It was also very important for us pay homage to the Arts District neighborhood, and to that end, we proposed a revolving mural that would change yearly, featuring a new local artist each time, to be selected by the neighborhood's residents.

The smaller and mid-size spaces, destined for a variety of uses from intimate and personal meetings to larger community gatherings, are arrayed around the edges of the larger community gathering areas to serve larger function purposes. The gray steel fencing, concrete, charcoal-gray pavement, and the brick CMU wall reference the industrial vibe of the park's surroundings, and the colorful steel elements and play equipement contrast with the stark industrial materials.

With California in the midst of a historic drought, the sustainability goals, particularly water conservation, greatly influenced the park's design. 100% of the site's storm water is captured via infiltration using permeable pavers and underground sump pumps, and gray water is used to irrigate plaza trees (where the irrigation can be located below grade). Minimal use of turf was balanced with a welcoming and useful vibe (i.e. the "carpeting" of the "outdoor living room"), and trees were strategically placed to shade as much of the park's paved areas as possible.

2. Describe the most important social and programmatic functions of the design.

The park's design lies at the intersection of the desire for a green oasis, a neighborhood town square, and the "outdoor living room" mentioned above.

A primary goal was to spread park visitors out across the small site. In doing so successfully, the park begins to feel more usable and more expansive, despite its small size. We achieved this spreading effect by creating smaller-scale habitable edges around the perimeter, adjacent to the circulation paths, in addition to providing mid-sized seating pods along the circulation spine. A small playground adds additinal energy and a neighborhood family-friendly vibe to the space.

As the park's design came together, it was always with the end-user in mind, along with our desire to accommodate our varied user base. Local residents who bring their children to the park, weekend Arts District visitors, shoppers who might stroll through or have a snack under the sunshade, Urth Caffe diners wishing to eat across the street at the park, and people working at LKIC coming to the park during their lunch break: the park provides a focal point for the everyone in the neighborhood to gather, celebrate, converse, and more.

## ARCHITECT OR DESIGNER PERSPECTIVE (CONT'D)

3. Describe the major challenges of designing this project and any design trade-offs or compromises required to complete the project.

The park's 1/2-acre size was a challenge in and of itself - there really is a limit to what one can accomplish with a park of that size. Unfortunately, ideas such as a community vegetable garden or a dog park had to be rejected due to the small size of the area. The Department of Recreation and Parks also had their own set of requirements that we had to respect - including provision of an 8' high fence around the perimeter of the entire park, which was not something towards which our design team felt particularly sympathetic (see below). But, despite the constraints, our team was able to pack a LOT of programming AND flexibility into the space, without making it feel cramped or busy.

One major challenge was designing for on-leash dog use, which is required and allowed by City of LA law. For landscaping, we looked to tough, spiny, repelling plants that are dog-urine resistant, such as aloe and agaves, and we spread out the lawn areas to avoid concentrating dog uses to one limited area. We also utilized seat walls and decorative railings to protect the plants.

Finally, due to a requirement by the Department of Recreation and Parks and requests from the local neighbors, we had to fence off the park and install timed locks. This trade-off can make the space look less inviting in the daytime, but it was considered a necessity to prevent homeless use and squatting in the park at night, as well as allowing for easier maintenance of the park by the Department of Recreation and Parks given their limited funding to provide security and additional park rangers to patrol and help keep things clean and safe.

4. Describe the ways in which the design relates to its urban context.

The urban context influenced the choice of materials, as mentioned above - and the materials palette is in keeping with and embraces the unique industrial vibe of the Arts District through color and texture choices. The park took its programmatic cues from the adjacent users and their needs: condominiums and shops, the always-teeming-with-activity Urth Caffe and other snack spots, and La Kretz Innovation Campus itself, to which the park is really an exclamation point. The park signage on the fence is atypical and colorful, a nod to the guerilla art that springs up in the Arts District on empty walls. Furthering this theme is the guerilla mural, featuring a local graffiti artist and intended to be refreshed yearly. The park's views to the Downtown skyline on Bunker Hill are also preserved, maintaining a visual relationship between the park and its grander urban context.

# 2017 RUDY BRUNER AWARD PUBLIC AGENCY PERSPECTIVE



#### PUBLIC AGENCY PERSPECTIVE

Please answer questions in space provided. If possible, answers to all questions should be typed or written directly on the forms. If the forms are not used and answers are typed on a separate page, each answer must be preceded by the question to which it responds, and the length of each answer should be limited to the area provided on the original form.

This sheet is to be filled out by staff representative(s) of public agency(ies) who were directly involved in the financing, design review, or public approvals that affected this project.

Executive Director (Former Legislative Deputy for Title Los Angeles' 14th District City Councilman)

Organization Los Angeles Arts District Business Improvement District Telephone (213) 327-0979

Miguel Vargas

Name

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Signature Date 8 December 2016

1. What role did y var agency play var the development of this project? Describe any requirements made of this project by your agency (e.g., zoning, public participation, public benefits, impact statements)

During the period when the La Kretz Innovation Campus (LKIC) was designed and commencing construction, I was serving as the legislative deputy for the City of Los Angeles' 14th District City Councilman José Huizar, an enthusiastic supporter of then Mayor Villaraigosa's visionary proposal for a Los Angeles Cleantech Corridor, including LKIC. Once the LKIC project was underway, our office became a partner in the development of the Arts District Park – the element of the new campus most eagerly awaited and desperately needed by the local community. Originally envisioned as part of LKIC, the park's future was jeopardized in 2012, when California Governor Jerry Brown dissolved the Community Redevelopment Agency of Los Angeles (CRA/LA) – the government entity responsible for managing the LKIC project, and which had also applied for CA State Proposition 84 funding to construct the park. The CRA/LA had been a party to no less than 4 applications for park funding during this period; not one of these applications was successful because of the uncertainty surrounding the CRA/LA's future.

When it became clear that the Park would not obtain state funding, the community was naturally very upset. Community activists and residents had already participated in a series of community meetings about the Park, and they feared the worst. But Councilman Huizar's office stepped in for the community, working closely with the City of LA's Dept. of Recreation and Parks and Bureau of Engineering (BOE)'s Architectural Division to secure the funding for this much-needed green space for our district. Our office was able to earmark our district's "Quimby" Fees (fees paid by developers of LA's residential projects, which can be used to acquire new parkland or fund capital improvements at existing park facilities). Once the funds were secured, the management of the park itself was handed over to the Dept. of Recreation and Parks, and a fresh design process began. I personally organized our office's outreach efforts (the goal: to maximize community involvement in the park's design) and attended the initial design charrette with designers from the City's BOE and outside experts. Ultimately, our office helped to involve more community members in the park's design and implementation. The park itself was designed with sustainability in mind, placing emphasis on water conservation amid California's ongoing drought.

Our office did not have any specific requirements of the park, except that it serve the community and the public at large to the extent possible per Dept. of Recreation and Parks requirements.

2. How was this project intended to benefit your city? What trade-offs and compromises were required to implement the project? How did your agency participate in making them?.

Again, specifically with respect to the Arts District Park, the project brings desperately-needed green space to the Arts District, and allows the La Kretz Innovation Campus as a whole to function in a holistic way — bringing jobs, entrepreneurship, and community engagement to the neighborhood hand in hand with open recreational space that makes the entire neighborhood a better place in which to live and work.

It was clear all through the early stages of development of La Kretz Innovation campus that the Arts District Park would greatly benefit the Arts District. When the CRA/LA was dissolved and the state funds needed to realize the park were denied, this future of this portion of this project was threatened. Earmarking the Quimby fees was a result of this, and saved the project, but had the CRA remained intact, our office could have put those funds to good use elsewhere. This was certainly a trade-off we considered carefully, and in the end, Councilman Huizar listened to his Arts District constituency. The results are well worth it.

## PUBLIC AGENCY PERSPECTIVE (CONT'D)

3. Describe the project's impact on your city. Please be as specific as possible.

It is clear that, as a whole, the La Kretz Innovation Campus is an economic engine for the community. First, it took an underutilized, vacant set of warehouses and turned it into an economic generator - putting Los Angeles as well as the Arts District on the map as a hub for innovation and as a major player within the global cleantech community. It has created many new jobs (and continues to create more every day), and supports entrepreneurship and innovation in a community-friendly way that is inspiring to the entire neighborhood. Overall, the project has made the Arts District a regional destination, bringing more value, more business, and a vibrant commercial life with thousands of new users to our district.

Formerly a vacant lot, the Arts District park was, for Councilman Huizar's office and all others involved, a necessary amenity for the inhabitants of the Arts District, which is in the midst of an unprecedented residential burst. This green space brings brightness to the neighborhood; people can bring their kids to play there, and the community now has a vibrant outdoor place to gather. This project positively benefits residents by making the area more pedestrian and hence safer, and therefore more livable. The presence of the La Kretz Innovation Campus and the park both add significant value to its surrounding properties.

4. Did this project result in new models of public/private partnerships? Are there aspects of this project that would be instructive to agencies like yours in other cities?

Overall, this project is a very rare (possibly unprecedented) example of public – private – community partnership. At La Kretz Innovation Campus, private entrepreneurs under the umbrella of the major tenant organization Los Angeles Cleantech Incubator, shares resources, programs, and innovative thinking with a major municipal agency (our Los Angeles Department of Water and Power) as well as with the City's Department of Recreation and Parks. Specifically as far as the park is concerned, all of those involved in the design process – coming from both the private and public realms - expressed their satisfaction with their level of input.

Our community of private citizens and residents was given multiple opportunities to share their ideas and give feedback on the park's design and implementation. They also asked that the architects for the La Kretz Innovation Campus, JFAK Architects, remain involved in the design of the park — and therefore the design process for the park was also a public/private partnership — with JFAK providing design assist to the Bureau of Engineering's Architectural Division. This satisfied the community, who knew that an entity, JFAK, who was very aware of their needs and desires, would remain involved in the realization of Arts District Park.

5. What do you consider to be the most and least successful aspects of this project?

One of the fears of our community was that this development could displace local artists due to rising rents in the neighborhood. The unfortunate truth is that any development of the scale of La Kretz Innovation Campus (LKIC) does have such impact, and does create economic shifts of this nature. However, many members of the community are also looking to the future, and the benefits of having a new innovation campus – with its vibrant new culture geared towards promoting a sustainable urban lifestyle, new jobs, businesses, and green spaces in the neighborhood could outweigh the negative impact of displacement. Having said this, it is important for us to look at the ramifications of this type of displacement, and to put strategies in place to mitigate them (such as requiring a percentage of affordable housing units for artists in any new development).

Another challenge is that, as home to for-profit startups that need to protect their intellectual property (as well as equipment and other elements of their physical plant), LKIC needed to prioritize security, and this of course does limit the degree to which the campus is able to involve and welcome the community inside. Despite these relatively understandable limitations, however, it's clear that community involvement has remained a very important part of the project. In addition to the park, which is a key welcoming part of the physical plant and completely public, LKIC's central corridor is acting as a community art and display gallery and event space; its prototyping lab is open to community members who purchase a membership; and its main event space is open for very reasonable rental by any community group wanting to sponsor an event.

Most importantly, this project is an inspiring example of a vast number of people from both public and private sectors coming together to achieve a common goal. And it continues, with no end in sight – new jobs, new activities, new commercial vitality, new residents, new community engagement. Just a few weeks ago, at the opening of the Arts District Park, community members in attendance were able to vote on which mural would be the first to adorn one of the walls of the Park. It will be a rotating mural, changing yearly – a tribute to the area's creative spirits who give the Arts District its name.

## 2017 RUDY BRUNER AWARD OTHER PERSPECTIVE



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Signature /s/ Terry Brungard Date 8 December 2016

1. What role did you play in the development of this project?

I am the Project Manager for LADWP's Sustainable Living Lab at La Kretz Innovation Campus (LKIC). We occupy approximately 20,000 SF of LKIC.

2. Describe the impact that this project has had on the your community. Please be as specific as possible.

The La Kretz Innovation Campus is a key facility in transforming the Los Angeles Arts District from a neighborhood of warehouses, coffee shops, and galleries into a "Clean Green Tech Corridor". La Kretz is home to the largest municipal utility collaboration in the form of a partnership between LADWP's Efficiency Solutions Engineering (ESE) Group and the Los Angeles CleanTech Incubator (LACI). The synergy between these two groups promotes various emerging technologies, and we are uniquely positioned to not only research new ideas, but to prototype them, test them, and show them off to consumers (and receive feedback from them) all under the roof of our facility.

This has led to new ways of thinking about research and development - and to creativity in fostering new interdisciplinary partnerships. Because LKIC also home (at LACI) to many different types of community groups as well, LADWP also is in a new and unique position of gathering and acting upon new types of intelligence from invested community members and users that we are trying to serve.

I believe that this will result in an enhanced ability for LADWP to advance clean and emerging technologies in truly beneficial ways to the entire community-at-large: the City of Los Angeles. In doing so, we will set precedents for other municipalities and utility companies to learn from and follow.

3. What trade-offs and compromises were required during the development of the project? Did you participate in making them?/

The LADWP ESE Group incorporated several emerging technologies into the La Kretz Innovation Campus during the construction process. These included a MicroGrid (which interfaces with PV solar system to provide power to electric vehicle charging stations, and supplements on-grid power for the entire campus), Treated Gray Water System (the first commercial system installed in the City of Los Angeles under new NSF 350 standards), Water Conservation Lab, Lighting Lab, and Case Study Smart Home. Several other ETs were proposed such as an advanced Variable Refrigerant Flow HVAC system, but could not be incorporated due to time and budget constraints. If our group had been brought into the development earlier in the process, we could likely have achieved much more technology implementation early on. Instead, some of these technologies will have to be retrofitted into the Campus' infrastructure at a later date.

4. What do you consider to be the the most and least successful aspects of this project?

I think that the synergy developing between the LADWP Efficiency Solutions Engineering Group and LACI's portfolio companies will become the most successful aspect of the project. This partnership will lead to advances in energy efficiency and water conservation technologies which will unequivocally impact Los Angeles and the State of California. For the least successful aspect of the project, I'd say that in 20/20 hindsight, we should have incorporated a multi-floor parking structure into the project. The Arts District and La Kretz Innovation Campus both have major parking challenges.

## 2017 RUDY BRUNER AWARD OTHER PERSPECTIVE



#### OTHER PERSPECTIVE

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Name	Morton La Kretz	Title Owner
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#### Signature /s/ Morton La Kretz Date 8 December 2016

1. What role did you play in the development of this project?

My involvement as the philanthropist behind this project was to create a facility that furthers a focus on environmental issues and the development of green technologies, in a space that is both beautiful and functional, and that encourages collaboration.

My family's foundation donated \$3M towards the purchase of the property that is now home to the new Innovation Campus and Arts District Park.

2. Describe the impact that this project has had on the your community. Please be as specific as possible.

This project clearly has had immeasurable positive impact on the Arts District neighborhood in which it resides. It has revitalized this part of the Arts District, while providing a new kind of use and purpose to give it a new identity. It took a dilapidated old building and transformed it into something useful and beautiful. It is now a destination and brings people to the Arts District from afar - not just from within the City of Los Angeles, but from other cities, other states, and even other countries.

This kind of transformative work on existing structures, while fulfilling the values towards which I wanted to contribute, makes my philanthropy meaningful.

3. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

One tradeoff was that it cost a lot of money to restore the exterior masonry on the old building. In fact, some people believe that it might have cost less money to build a new 60,000 square-foot building rather than to restore the old building. Be that as it may, and I do not believe a new building could have been built for the per/square-foot cost of this one (which cost under \$400/square-foot), repurposing the existing old structure made for a much more beautiful facility with its historic overlay. This kind of overlay cannot be bought; it is part of the culture of the district and of the city, and its preservation made the project more sustainable and more meaningful - not just to me and my family, but to the residents of the neighborhood.

4. What do you consider to be the the most and least successful aspects of this project?

The most successful aspect of this project, to me, is the creation of a beautiful new facility that serves the needs of the community (not just the local community and the City of Los Angeles, but also the global community that is dedicated to working on environmental challenges). It is also successful in that it serves the needs of the LADWP to reach out to the community through its research into new smart home technologies and customer service engagement. And finally, it is a functional and energy-efficient facility which makes it a model for the mandate of sustainability that brought it into being in the first place.

At this point, there is no unsuccessful aspect of the project that I can see from my perspective. However, I do feel that the fence around the Arts District Park is restrictive for what is a small public open space. I would have preferred that the fence be left off, but I do understand that there were maintenance and safety issues that generated the requirement to have the fence.

## 2017 RUDY BRUNER AWARD

COMMUNITY REPRESENTATIVE PERSPECTIVE



#### COMMUNITY REPRESENTATIVE PERSPECTIVE

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This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

Name	Drew Shula	Title Founder & Principal
Organization	Verdical Group	Telephone (818)390-4943
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Signature /s/ Drew Shula Date 8 December 2016

1. How did you, or the organization you represent, become involved in this project? What role did you play?

My company, Verdical Group, is a green building consulting firm with services that include certification project management (LEED, Living Building Challenge, WELL, etc.), Commissioning, Energy Modeling, Program Management, and hosting the largest annual Net Zero Building Conference in the country. As a leading Los Angeles based green business, we were looking for office space in the city, and the Los Angeles Cleantech Incubator (LACI) was a perfect fit for us.

Verdical Group became a tenant at LACI in the old building, prior to the new project being completed. I attended the launch event a few years ago in the 1920's era existing building that had been gutted and remained vacant. The ownership team had the vision to build a hub for green business in LA and Verdical Group was lucky to be a part of the initial group of tenants in the space. It's been amazing to witness the transformational power of this project over the last few years during the design, construction, and first year of operation. Verdical Group signed a lease and has been a happy member of the LACI ecosystem ever since.

2. From the community's point of view, what were the major issues concerning this project?

Los Angeles was lacking a hub for green business in the city and wanted to build a vibrant and flourishing cleantech economy. This is the problem the LA Cleantech Incubator project was born to solve. Now complete with a full year track record to point to, LACI as created an essential hub and home for green business in LA that didn't previously exist. Event space in the facility is constantly activated for conferences and speaker sessions. Vice President Biden recently visiting the building for a roundtable on innovation and Los Angeles' Mayor Garcetti is a regular visitor to the space. LACI has had an extremely high profile since it opened just over a year ago.

There are approximately 30 tenant companies in the space, like Verdical Group (www.verdicalgroup.com), that create an ecosystem of like minded businesses that can collaborate and help one another grow. The building provides flexible work space and successfully adapted an existing building that preserves the historic quality of the Arts District neighborhood in Downtown Los Angeles that is our home.

#### COMMUNITY REPRESENTATIVE PERSPECTIVE (CONT'D)

3. Has this project made the community a better place to live or work? If so, how?

LACI has absolutely made the community a better place to live and work. LACI has brought a long list of tenant companies and visitors to the space that are participating in the rapidly growing green tech scene in LA. The project is a new highlight in the Arts District and was featured on a tour during the national 19,000 attendee Greenbuild Conference that was hosted in LA earlier this year. LACI is a tremendous resource for entrepreneurs and those working in the green economy in our community. Many start-ups and small businesses now call LACI home.

The building is a wonderful place to work with many green building features included in the project, such as ample daylighting, electric vehicle charging stations, zip car access, bike share, bike storage, a green wall, outdoor green space in the adjacent park that was part of the development, etc. The beautiful building design and thoughtful amenities provided by John Friedman and Alice Kimm (JFAK Architects) is well loved by those who work here every day.

4. Would you change anything about this project or the development process you went through?

The space is so great, we would have loved to speed up the construction schedule to get into the new building sooner! The space is so successful I think the model of a cleantech incubator could be replicated in other areas of the city or country. We have another office in nearby Pasadena and would welcome a second location opening up there soon!

# 2017 RUDY BRUNER AWARD OTHER PERSPECTIVE



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Signature Date 8 December 2016

1. What role did you play in the development of this project?

I am a private developer and I own several properties in the Arts District. I am also the Chairman of the Arts District Business Improvement District (BID), and also Arts District Los Angles (501C3 created to improve the District). In 2010, when the LKIC project was commencing, I leased a 3,000sf commercial building on Hewitt Street, just down the street from the LKIC property, to the newly-formed Los Angeles Cleantech Incubator (LACI). LACI had just been established as a result of all the work the City had done on the new Cleantech Corridor, and it was exciting to learn about their plans to move into the new Innovation Campus once it was completed.

While I was not an active participant in the development of the LKIC project, I feel that I was helpful in the development process by allowing LACI a physical plant in which to develop, grow, and establish itself.

The LACI occupied my building for 5+ years and then moved into their new facility, the official dedication of which I attended not long ago.

2. Describe the impact that this project has had on the your community. Please be as specific as possible.

The impact of the LKIC project on our Arts District community is undoubtedly enormously positive. I am currently in construction of a large mixed-use housing project close to LKIC, which will bring 472 residential units and 22,000sf of retail space to the neighborhood and in development of a 265,000sf eleven story creative office campus. The fact that there is now a public park (the new Arts District Park) within walking distance and in our neighborhood, new amenities brought in by all of the new activity at LKIC, and a thriving innovation hub, means that more people will be attracted to live in the neighborhood. LKIC is helping to bring so many jobs, pedestrianism, safety, commercial activity, intellectual activity, and new technologies to the community. It is also helping to promote sustainability as a way of life, and I project that the people who want to live in our new development will be as attracted by the idea of living in a sustainable community as by the physical luxuries and functions that our project offers. LKIC is helping our Arts District become more than an Arts District - it is becoming a district where arts flourish hand in hand with technology and innovation to create a new kind of creative culture. As a private developer in the area, I appreciate what this is doing to the identity of the neighborhood.

3. What trade-offs and compromises were required during the development of the project? Did you participate in making them?

As stated above, I was not actively involved in the development of the LKIC development, so I did not participate in making any tradeoffs and compromises.

However, as a seasoned developer and Arts District stakeholder for many years, I see that LKIC is bringing positive impact to the neighborhood. At the same time, as with all development, it is possible that overgentrification and overdevelopment will happen - as a developer of residential units, I am keeping a close eye on this. What I believe is positive about LKIC is that it acts as a counterpoint to this by providing NON-RESIDENTIAL value to the neighborhood.

I do not therefore see any real compromises or tradeoffs made by the LKIC development, which involved giving up something "good" in order to develop the project. That situation does not seem to have existed.

4. What do you consider to be the the most and least successful aspects of this project?

Most successful: I have already reviewed what I see as the most successful aspects of the LKIC project - it has brought new jobs to the neighborhood, increased livability by adding a public park, increased pedestrianism and therefore safety, increased property value, and redefined the District as a new type of cultural mecca in which technology, sustainability, and the arts can co-exist and thrive in collaboration with each other. LKIC has also opened its doors to the community, with a central hallway that is serving as a kind of community art gallery, free tours every week of the facility, membership open to the community to its prototyping facilities, and many events for which the public can sign up and attend. It is admirable what the Campus has managed to achieve in the short time that it has been operational.

The least successful aspects of the project might be that, even though LKIC has opened its doors as much as possible, it is still not fully transparent. There is a tall fence around the Campus, and there is also a tall fence around the Park. With respect to the building, it is understandable that security and privacy are important components of the Campus, but it is too bad that the transparency of the facility is compromised. With respect to the Park, while some residents like the fence because it allows their children to run around freely, keeps dogs out after the park closes, and allows for easier maintenance (which means the park can be kept cleaner), I personally wonder why one is needed at all. Again, this is my viewpoint as an objective outsider, and an experienced developer.

# 2017 RUDY BRUNER AWARD

COMMUNITY REPRESENTATIVE PERSPECTIVE



#### COMMUNITY REPRESENTATIVE PERSPECTIVE

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This sheet is to be filled out by someone who was involved, or represents an organization that was involved, in helping the project respond to neighborhood issues.

Name	Laura Velkei	Title Communications Director, Officer
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Signature Date 8 December 2016

1. How did you, or the organization you represent, become involved in this project? What role did you play?

The project began prior to the formation of ADCCLA. However, at the time the project began, I was working with LARABA and subsequently was appointed by the board to serve for 3 years. I became involved in the project because the community represented that they did not want the BID leadership involved in the planning or design of the park.

The project came at the tail end of the CRA's tenure in our community. I met with the LADWP executive to represent the community's desire to see a park put in. (The property is currently owned by LADWP), and worked with CRA staff to flesh out scheduling and funding. I took the lead in outreaching to the community, scheduling the planning meetings and pushing attendance and participation from the community. Given the complete lack of green space in the Arts District, I felt it critical to support the project and lobby our neighborhood to move the project forward and to ensure that the park was a true reflection of the neighborhood.

2. From the community's point of view, what were the major issues concerning this project?

The greatest concern was that the City bureaucracy and the since defunct Arts District BID's influence would turn the park into a patch of grass.

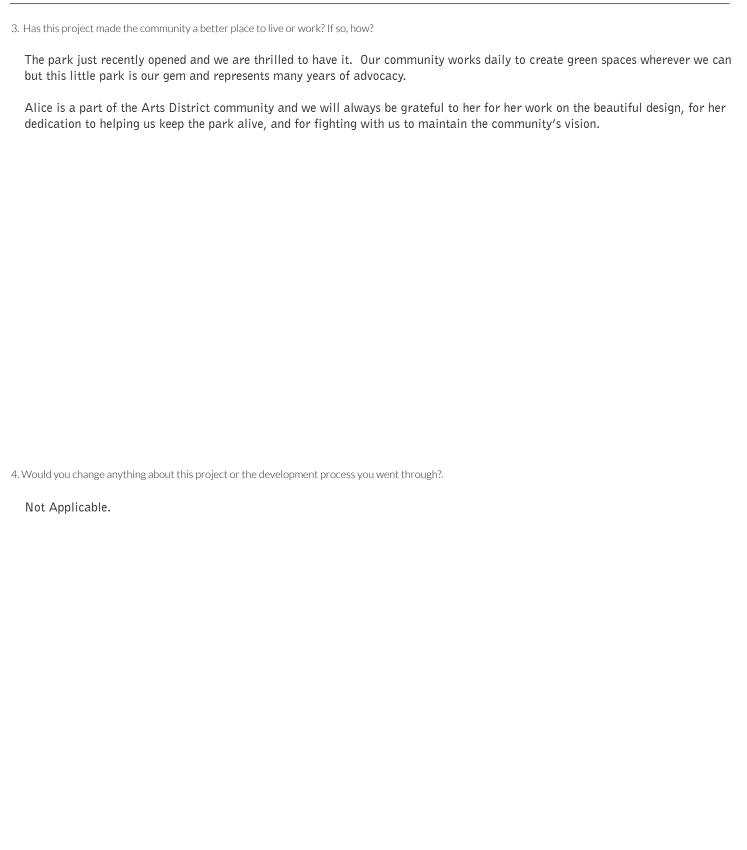
As the project proceeded, the community grew in its excitement. We had established a strong relationship with Alice Kimm and her team at JFAK and the community co-created a park that all fell in love with.

Then the rug was pulled out from under us and in 2012 the \$2 million in funding that had been committed to the park by CRA was cancelled in an instant. For several months it looked like the end of the park and I and some of my colleagues made it publicly clear that we would begin to seek private funding to finish the park. At this time, CD14 committed initially \$1.8 million in funding and then reduced that to (if memory serves) \$1.2 million.

This new funding now required a government agency to oversee the construction which manifested in Rec & Parks. This was disappointing to us as we did not believe Rec & Parks would fulfill the park created by Alice and the Community. We fought and argued to keep Alice and "our" design, but the community had to redo many of the meetings that we had already had to accommodate the "engineers".

Much of Alice's design prevailed with a lot of hard work. We were disappointed that the 11 people with children in the neighborhood took a section of the park but it was a concession that could be made.

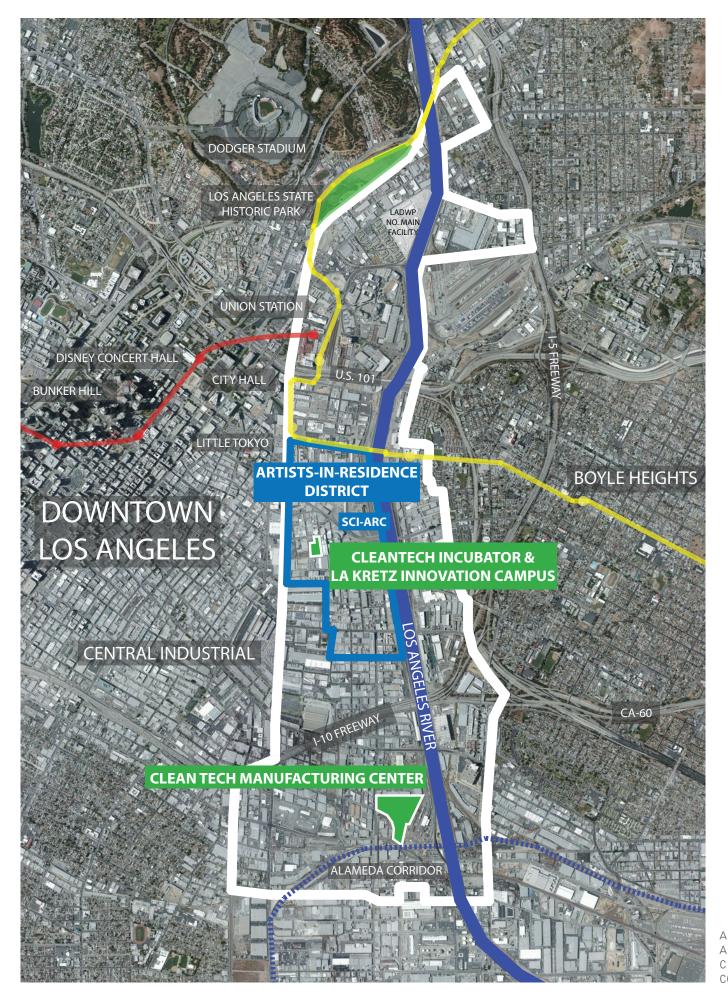
### COMMUNITY REPRESENTATIVE PERSPECTIVE (CONT'D)



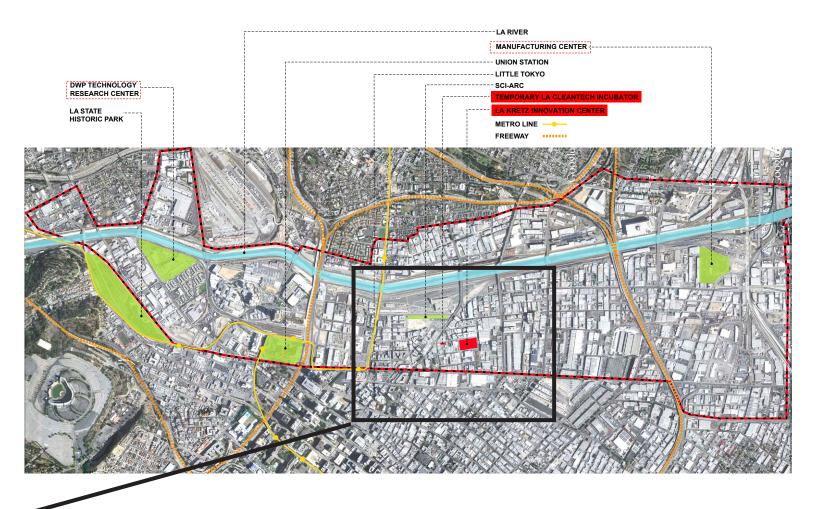
# 2017 RUDY BRUNER AWARD

VISUAL REPRESENTATION





AERIAL: LOS ANGELES CLEANTECH CORRIDOR





The La Kretz Innovation Campus is located in the city's Cleantech Corridor in downtown Los Angeles. Located along a four mile strip between the Los Angeles River and Alameda in the eastern part of downtown, the Cleanech Corridor is the cornerstone of the city's green economy strategy. The Corridor will be home to the cleantech ecosystem that LA is building to support the green economy.

At the center of the Cleantech Corridor is the Arts and Innovation District, a vibrant neighborhood undergoing a dramatic change from abandoned warehouses to a mix of creative entrepreneurs and out-of-the-ordinary living spaces. LKIC is located in the center of the Arts and Innovation District, within easy walking distance of SCI-Arc, restaurants, bars, galleries, Little Tokyo, and luxury lofts.

#### SITE AERIAL



#### **EXISTING CONDITIONS**

The project transformed the valuable but dilapidated existing building stock, 1920's warehouses emblematic of the formerly industrial area











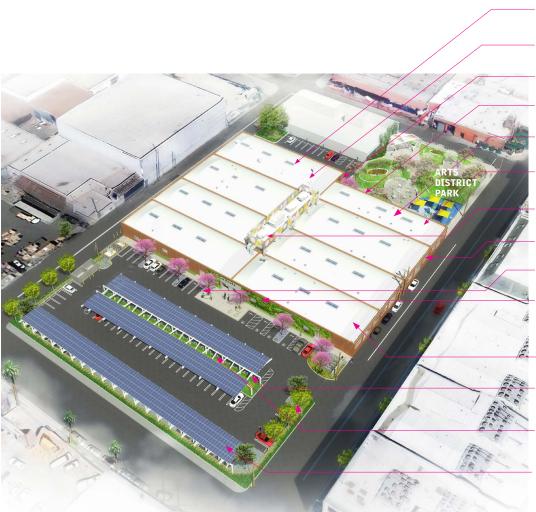


#### EXISTING CONDITIONS





#### SUSTAINABILITY SITE STRATEGIES



**ROOFTOP SKYLIGHTS:** 

Provide glare-free natural light

SINGLE-PLY COOL ROOF:

Minimizes heat gain

PRESERVE EXISTING BRICK WALLS & WOOD TRUSSES

STORMWATER:

Retention planter

SOLATUBES:

Re-direct light deep into building

RENEWABLE, HEALTHFUL MATERIALS:

All carpets, paints, sealers, and adhesives are low-VOC products

HIGH EFFICIENCY EQUIPMENT:

Reduces energy use

OPERABLE WINDOWS:

Provide natural ventilation and flush building

heat at night

ALTERNATIVE TRANSPORTATION:

Bike racks & bike storage room

GREEN PLANTING WALL:

Minimizes heat gain, consumes carbon dioxide,

and creates oxygen

WATER USE:

Low-flow plumbing fixtures reduce water use

LOW EMITTING, FUEL EFFICIENT VEHI-CLE PARKING & ELECTRIC VEHICLE

CHARGING STATIONS

BIOSWALE AND DROUGHT-TOLERANT

PLANTING:

Collect and naturally filter stormwater

PHOTOVOLTAIC ARRAY:

PV cells transform sunlight into electricity

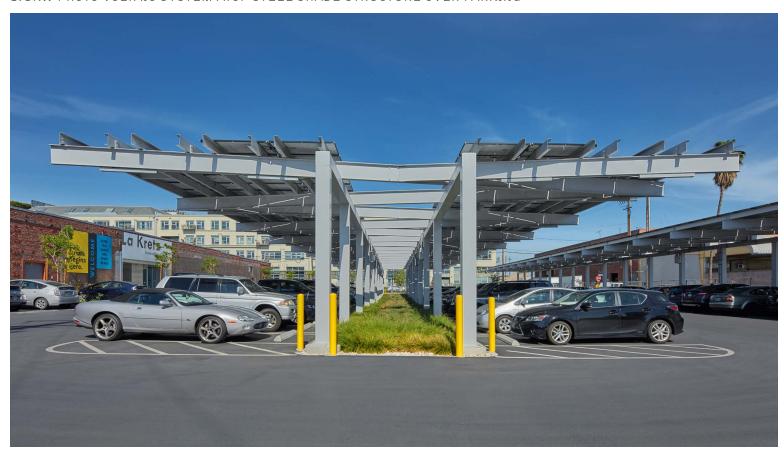
and shade parking



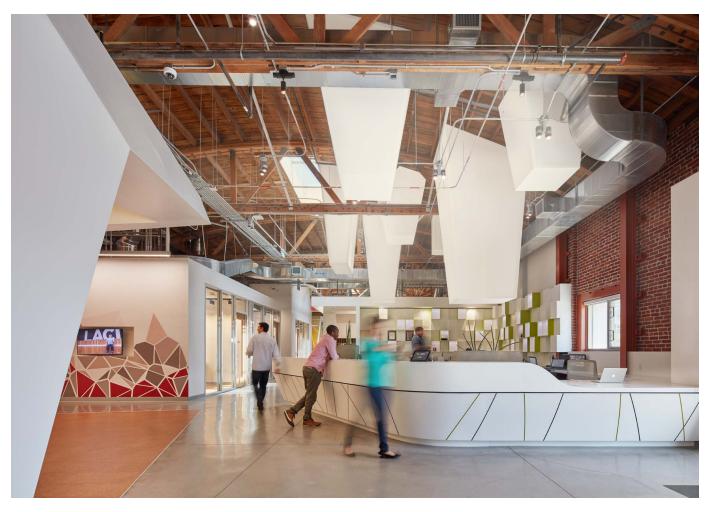


LKIC
GRAND
OPENING/
MAIN
ENTRANCE
TO LKIC
FROM
PARKING
LOT

175KW PHOTO VOLTAIC SYSTEM ATOP STEEL SHADE STRUCTURE OVER PARKING



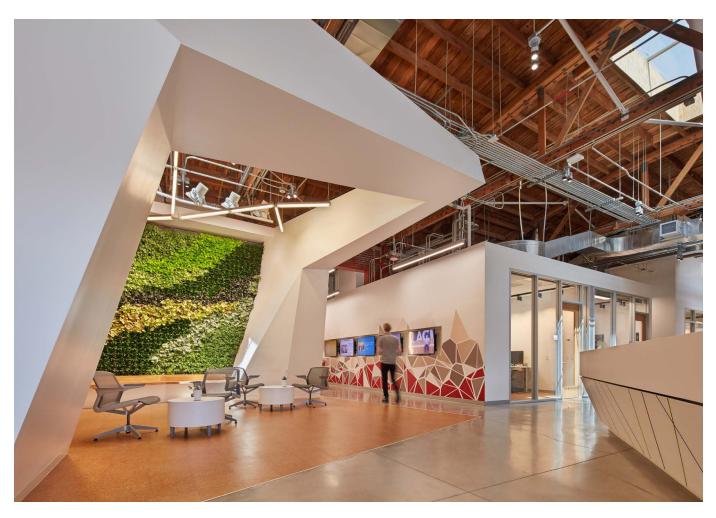




LOBBY AND RECEPTION



WAITING AREA WITH LIVING WALL



WAITING AREA WITH LIVING WALL

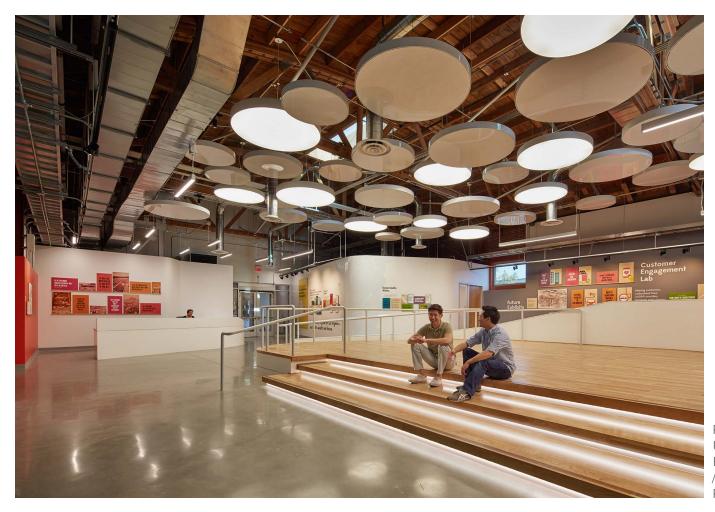


VIEW FROM WAITING AREA

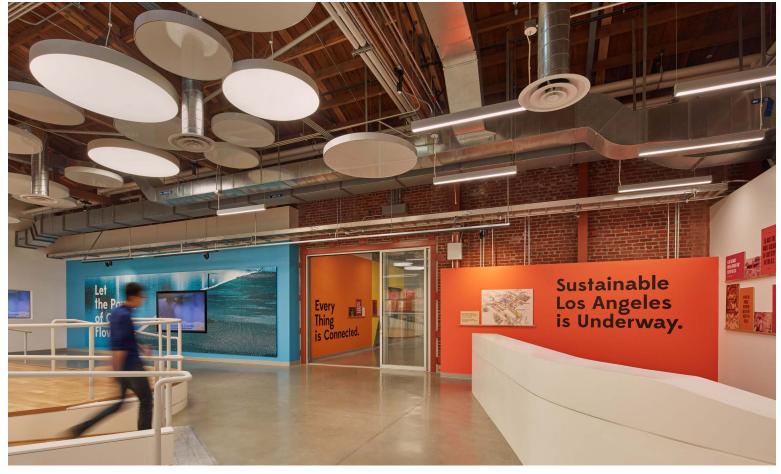




BREAK AREA



PUBLIC UTILITIES EDUCATION / DISPLAY PLATFORM

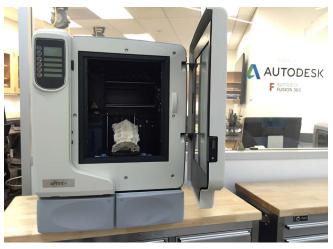






BOARDROOM

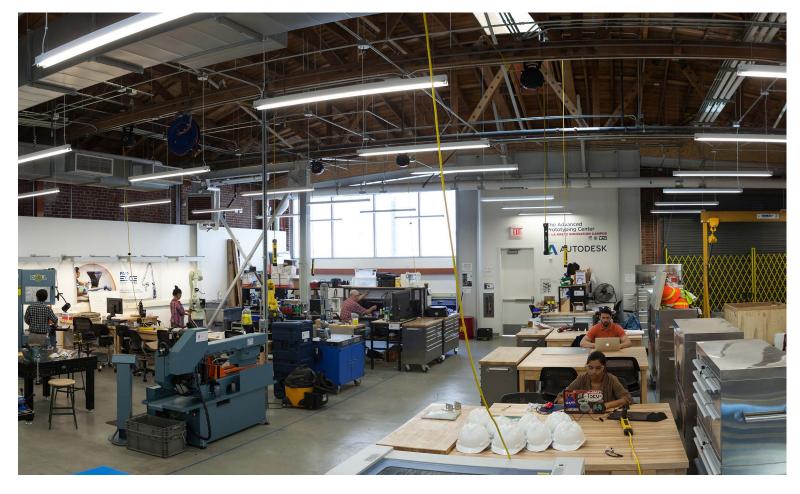




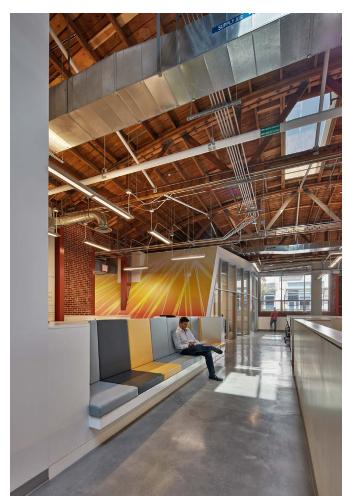




ADVANCED PROTYPING CENTER

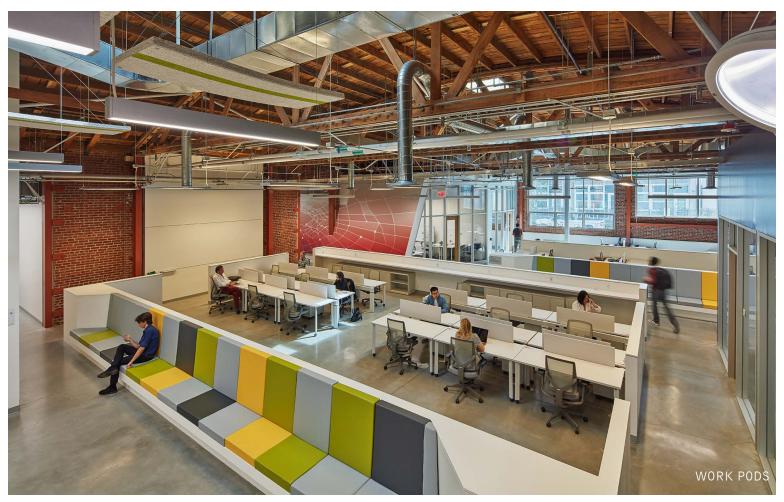






INTERACTIVE STREETS

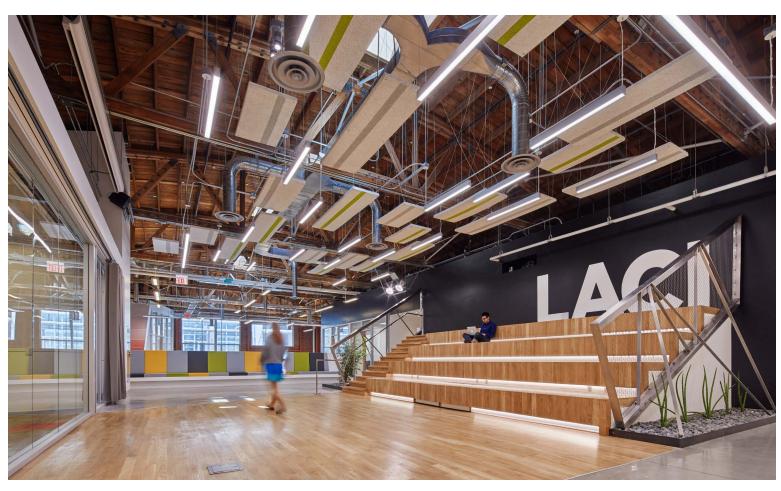




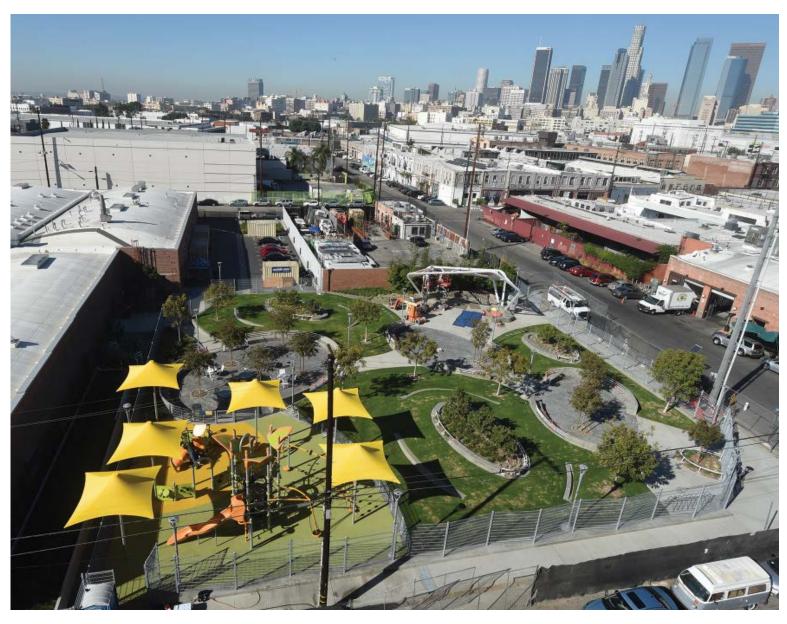




EVENT SPACE



ARTS DISTRICT PARK AND LA KRETZ INNOVATION CAMPUS WITH VIEW OF DOWNTOWN LOS ANGELES SKYLINE







ARTS
DISTRICT
PARK:
FRONT
GATES AND
RIBBON
CUTTING





ARTS DISTRICT PARK



ARTS
DISTRICT
PARK PLAY
STRUCTURE



# 2017 RUDY BRUNER AWARD SUPPLEMENTARY MATERIALS



#### SUSTAINABILITY OBJECTIVES | LA KRETZ INNOVATION CAMPUS (LKIC) + ARTS DISTRICT PARK (ADP)

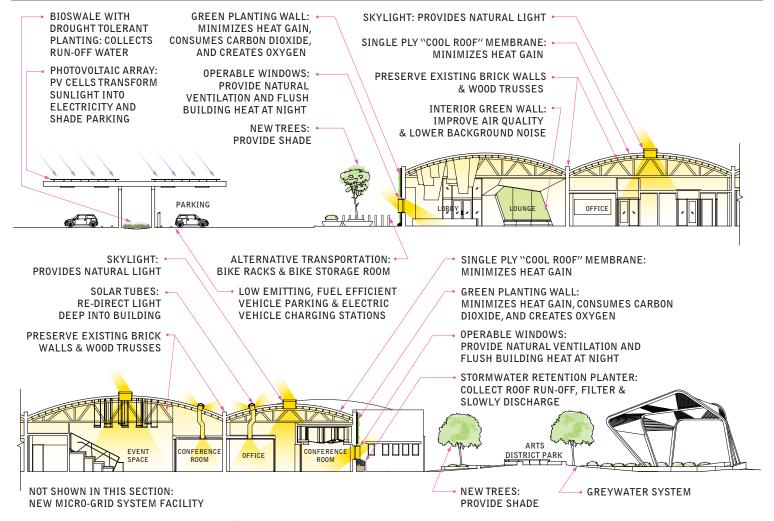
Our sustainability objectives began with the preservation of an existing but dilapidated masonry warehouse building. The aim was to generate an adaptive reuse project that would preserve the carbon footprint of the existing building as well as the brick's material beauty, thereby serving as a strong example of how to revitalize and transform the abundant former manufacturing building stock in Los Angeles, which has fallen into disrepair.

The building, pending LEED-Platinum, was designed with intelligent daylighting, HVAC, and electrical systems, coupled with the novel use of off-the-shelf components. Space, light, and dynamic forms are the central elements that play off and accentuate the natural beauty of the existing structure. In this way, something original and sustainable has been created while maintaining cost-effectiveness and achieving the project team's high-performance goals.

Many of the new insertions into the existing masonry structure are on full view, in order to educate users of the building as well as the public about the advanced technologies and components that have been incorporated into the new facility. In addition to the active sustainable resources and strategies listed above, state-of-the-art prototyping and manufacturing workshop spaces, training facilities for new technologies, and facade and roof truss restoration to conserve the original 1923 building are other examples of innovations in sustainability in both programming and construction. Overall, in its design, engineering, construction, and embedded / visible technologies, this project fully embodies the aspirations of its varied, multidisciplinary users.

The project incorporated the following active high-performance technologies and strategies:

- 175 kW PV Solar Canopy: adds renewable energy.
- Greywater filtration system: the first commercial system installed in the City of Los Angeles under new NSF 350 standards.
- Bioswale and bioinfiltration swales.
- New Microgrid system: interfaces with PV solar system to provide power to electric vehicle charging stations, and supplements on-grid power for the entire campus.
- Energy-efficient lighting and solatubes: provide daylighting to landlocked spaces.
- Low VOC finishes and materials throughout.
- Re-use of approximately 70% of existing bricks.
- Exemplary construction waste management: 95.5% diversion from landfill.
- Low-flow lavatory and kitchen fixtures as well as Energy-Star appliances.
- Cool roof.
- Storm water retention basin.
- Bike racks and bike storage.
- Electric car charging stations.
- Drought-tolerant landscaping with drip irrigation system.



### GRAND OPENING OF LA KRETZ INNOVATION CAMPUS CELEBRATES NEW CLEANTECH HUB FOR LOS ANGELES





LADWP and LACI Launch Full Day of Green Technology Activities with Ribbon-Cutting Ceremony Featuring Mayor Eric Garcetti and City Leaders

LOS ANGELES – (BUSINESS WIRE) – OCTOBER 7, 2016
The City of Los Angeles, Los Angeles Department of Water & Power (LADWP) and Los Angeles Cleantech Incubator (LACI) today announced the official Grand Opening of the La Kretz Innovation Campus. The fully renovated building located at 5th and Hewitt Streets in the dynamic Arts District of Downtown Los Angeles comprises 3.2 acres and is owned by the Los Angeles Department of Water and Power.

"The La Kretz Innovation Campus embodies the ambition and forward thinking that make Los Angeles a world center for green industry," said Mayor Garcetti. "This campus will foster innovation, create jobs, and set an example for cities everywhere. Clean technology is not only smart and responsible but also a terrific growth opportunity. For all those reasons, we should invest our time and resources into making it a huge success."

"By utilizing this space to showcase all of the latest green technologies, we hope to inspire customers, both residential and commercial, to adopt some of the systems for themselves," LADWP General Manager David Wright said. "The La Kretz Innovation Campus not only showcases the clean tech available to customers today, but it also allows the innovation and development necessary to create the products of tomorrow – boosting LA's economy along the way."

LACI helps manage the La Kretz Innovation Campus, recruiting entrepreneurs, organizations and community thought lead-

ers focused on the region's clean energy sector to rent space and develop businesses within the building. The shared-space design allows emerging cleantech portfolio companies and LADWP engineers to work side-by-side with leaders in innovation and environmental sustainability, receiving guidance and mentorship as they develop new technologies that both grow Los Angeles' economy and promote sustainability amongst Angelenos.

Fred Walti, CEO and President of LACI, stated, "The purpose of the La Kretz Innovation Campus is to provide solutions, both in terms of economic growth for the City of Los Angeles and through sustainability innovations and partnerships. We have already had the privilege of hosting Vice President Joe Biden at the campus, in addition to the Administrator of the U.S. Small Business Administration, Maria Contreras-Sweet, Chair of the LA County Board of Supervisors, Hilda Solis, and many of the world's top sustainability leaders, including members of the C40 Group."

LACI, founded in 2011, has already helped 61 companies raise \$78 million in funding, creating 1,150 jobs and delivering more than \$230 million in long term economic value for the City of Los Angeles. LACI is currently the #3 Ranked Global Incubator by UBI Global. Recognized as one of the most innovative business incubators in the world, LACI identifies local entrepreneurs across multiple cleantech business sectors and guides them to market, creating jobs that advance LA's green economy.

http://www.businesswire.com/news/home/20161007005539/en/ Grand-Opening-La-Kretz-Innovation-Campus-Celebrates

## LEADERS IN WATER SUSTAINABILITY GATHER AT LA KRETZ INNOVATION CAMPUS







Gubernatorial Candidates John Chiang and Antonio Villaraigosa Shared Their Vision for a More Sustainable California at the Innovate x Water 2016 Conference

LOS ANGELES, CA—NOVEMBER 18, 2016 — Water sustainability solutions and innovation were the hot topics this week with two significant events on California's on-going drought held at Downtown LA's La Kretz Innovation Campus. City and state leaders came out to address audiences at the Innovate x Water 2016 Conference, presented by CORO Southern California in partnership with the Los Angeles Cleantech Incubator (LACI) and Southern California Water Committee (SCWC). Later in the week, the Canadian Consulate General Los Angeles joined the Canadian Water Innovation Roadshow at the Campus, presenting fifteen Canadian water technology companies to Southern California.

Greg Good, Master of Ceremonies for Innovate x Water and Director of Infrastructure Services for the City of Los Angeles, introduced California Gubernatorial candidates John Chiang, California State Treasurer, and Antonio Villaraigosa, former Mayor of Los Angeles, who spoke on the water crisis and the need for innovative technologies.

"North versus South, farmers against environmentalists, dams versus tunnels — the warring territorial and economic interests of a state comprised of 39 million people has resulted in a decades-long water stalemate that harms our economy, public health, and way of life," said California State Treasurer John Chiang. "We need a reimagined approach to securing a future where each drop of water is valued and Californians have access to what they need. We get there by driving innovation and investments through better pricing policies, regulatory flexibility, and new funding mechanisms."

"There is enough water," said 41st Mayor of Los Angeles Antonio Villaraigosa. "There just isn't enough political will yet to get the water where it needs to be, to make sure less water is wasted and more water is recycled. But if we come together – we can get this done. We're a great state because we are not afraid to take on great tasks – like creating and saving hundreds of thousands of jobs by solving our water challenge."

Speaking about the Los Angeles Cleantech Incubator at the newly opened La Kretz Innovation Campus, a vision of Villaraigosa's when he was Mayor, he added "This is an example of what is possible." In addition to hosting ongoing events on building a sustainable future and green economy for Los Angeles, LACI is a cluster-driven organization with quarterly cluster meetings on Water, Energy Generation & Storage, Built Environment, Transportation, Waste & Sustainable Materials and Agriculture & Food Science.

LACI's Water Cluster helps support and grow the water technology industry in the LA region. The initial goal for the cluster work is to decrease fragmentation and increase collaboration between all stakeholders involved in water sustainability. LACI's vision is to be a platform for government organizations, non-profits, academic institutions and corporate companies to work together and forge innovative partnerships with an emphasis on the value that technology can bring to the water sector. The cluster meets quarterly, coupled with an ongoing stream of water events at the Campus. The next quarterly Water Cluster meeting is on January 18, 2017.

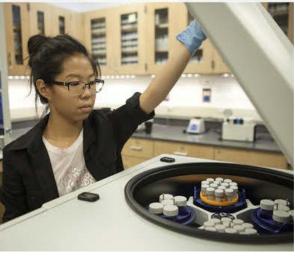
The role new water technologies and civic organizations play in addressing the drought were addressed in panel sessions at this week's event, followed by presentations by LACI's cleantech portfolio companies focused on water sustainability. LACI portfolio companies, Ayyeka, Divining Lab LLC, Envi, Rain Systems, Vena Water, and Water Canary were among the presenting companies.

http://laincubator.org/leaders-in-water-sustainability/

## LACI ANNOUNCES LAUNCH OF ADVANCED PROTOTYPING CENTER AT LA KRETZ INNOVATION CAMPUS







Applications are now open to access the West Coast's most advanced prototyping equipment and lab space available to the public.

LOS ANGELES, CA- NOVEMBER 2, 2016 – The Los Angeles Cleantech Incubator (LACI), a non-profit organization helping promising cleantech companies deliver market-ready solutions and further economic development for the City of Los Angeles, announces the launch of the Advanced Prototyping Center (APC) at the new La Kretz Innovation Campus in the DTLA Arts District. Significant discounts for memberships are being offered for the public to join a community of inventors, engineers, artists and entrepreneurs through the Advanced Prototyping Center's What Will You Make Today? Indiegogo campaign.

The Advanced Prototyping Center, currently being used by LACI's portfolio companies for product development, will open its doors to the public in January 2017. Applications are now being accepted for monthly memberships enabling innovators of all skill levels to bring their ideas to life. Use of the West Coast's highest caliber facility for prototyping offers members the ability design, build, test, certify and manufacture products all under one roof. The facility includes an electronics lab, chemistry lab, cell lab, CNC center, waterjet center, welding shop, 3D printing shop, textile shop, material working center, use of premium CAD software, laser cutters, woodworking, measurement science equipment, assembly space, training centers and more.

"The diverse breadth and depth of capabilities within the Advanced Prototyping Center's multiple labs and shops accommodate everyone from beginners wanting to learn about 3D printing to companies taking their product through prototyping and design to manufacturing," states Brandon Iglesias, LACI Director of Engineering.

Tours of the Advanced Prototyping Center and product demos will be offered at the upcoming "Smart Prototyping: Turning Your Idea into a Real Product" MAKE IT IN LA event, taking place December 1, 2016 from 3:30-6:30 p.m. at the La Kretz Innovation Campus. The Advanced Prototyping Center is a coalition member of MAKE IT IN LA, Los Angeles Mayor Eric Garcetti's region-wide initiative to connect and celebrate the nation's largest community of makers, and will host the event on campus as part of the MAKE IT IN LA event series.

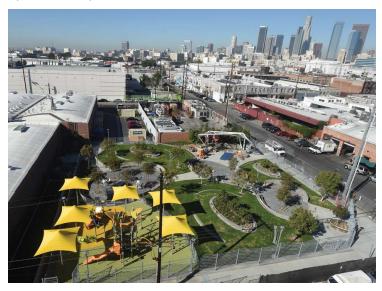
The La Kretz Innovation Campus is a place where entrepreneurs, engineers, scientists, and policymakers can collaborate, promote and support the development of clean technologies and LA's green economy. The Campus, which is home to LACI and sits on 3.2-acres owned by the Los Angeles Department of Water & Power (LADWP), is LEED Platinum Certified and houses an ecosystem of thought leaders shaping a sustainable future for Los Angeles.

The Advanced Prototyping Center is managed by LACI and was made possible through funding from the City of Los Angeles, Los Angeles Department of Water & Power, U.S. Economic Development Administration and founding sponsorships from Autodesk, Eppendorf, Hyperloop Tech, EMD Millipore, Faro, SafetySpot.com, ProSIM, Dassault Systemes, ANSYS, Aproe, Reactwell, Trinity, Purple Platypus, Insight Systems Exchange, National Instruments and Advanced Industrial Solutions.

http://laincubator.org/laci-announces-launch-of-advanced-prototyping-center-at-la-kretz-innovation-campus/

#### LONG-AWAITED ARTS DISTRICT PARK OPENS TOMORROW

by Nicholas Slayton, LA Downtown News



DTLA - NOVEMBER 4, 2016 - The Arts District is in the midst of an unprecedented residential burst. The 320-apartment Garey Building opened in July. At 950 E. Third St., a megadevelopment with 472 rental units is under construction. In September, plans were unveiled for a \$2 billion development highlighted by a pair of 58-story towers. The list goes on and on.

Those projects are bringing thousands of new inhabitants to the neighborhood. What they are not delivering is public green space for those people to gather. That is partly why a park that opens tomorrow is so eagerly awaited.

On Saturday at 1 p.m., a cadre of local and city officials will join with area leaders to cut the ribbon on the \$1.6 million Arts District Park. The half-acre space with a design from the Bureau of Engineering with John Friedman Alice Kimm Architects at

501 S. Hewitt St. includes a children's playground, a mural wall and a bandshell-style shade structure that covers what can serve as a performance area. There are also benches and tables.



"It's a fabulous win for the community," said 14th District City Councilman José Huizar, who worked to get funding for the project. "These public amenities go a long way. In an area like this, where the Arts District is transitioning to residential and you have thousands of more people visiting, it makes it more livable."

Reaching the ribbon cutting has not been easy. The park was originally envisioned as part of the La Kretz Innovation Campus, which opened this spring. It was to be funded by the Community Redevelopment Agency, but that source dried up in 2011 when Gov. Jerry Brown announced he would abolish CRAs across the state.

"It was written off, between the CRA and all of the other obstacles that came with the CRA dissolving," Huizar said. Huizar's office worked with the Department of Recreation and Parks to secure Quimby fees, which are paid by developers for site acquisition and park creation. Community design workshops were held, and a groundbreaking took place on Dec. 13, 2014. Progress was expected to be quick, with an anticipated opening the following summer.

An unexpected delay arrived a few months later, when contaminated soil was found on the site. Additionally, crews discovered roller skates, pieces of clothing and other items from the late 1800s. Among the finds were medicine bottles to treat gonorrhea, along with women's stockings, prompting speculation that the park site might once have housed a brothel.



http://www.ladowntownnews.com/news/long-awaited-arts-district-park-opens-tomorrow/

### LONG-AWAITED ARTS DISTRICT PARK OPENS TOMORROW (CONT'D)

by Nicholas Slayton, LA Downtown News



The soil was cleaned and work was able to resume. That led to the current project, which is laid out with an emphasis on circles — the paved areas make three arcs across the space, while grass and tree-covered portions are also set up in rings.

Arts District stakeholders are thrilled.

"It's terrific to get some green space in the community," said Jonathan Jerald, the secretary of the Los Angeles Downtown Arts District Space, a nonprofit focused on providing resources to local artists.

At the same time, he noted a bittersweet element, saying that many longtime artists have left the area due to rising rents. New projects have brought in residents who were not a part of the previous artistic community.

"Green space is important, but even more important to me is trying to hang onto those things that gave the Arts District its value to the city," he said.

Others are looking more toward the future. Anais Engle, who works at the nearby Los Angeles Cleantech Incubator on the La Kretz campus, and was strolling by the park site this week, said the new attraction offers a chance to bring the community together.

"It'll be nice to have an opportunity to eat outdoors and meet some of the neighbors," she said.

Chief Deputy City Engineer Deborah Weintraub said that although a half-acre might seem relatively small, it works well for a park. She added that the community meetings helped planners maximize the space for public uses, and that the playground will serve the growing number of families settling in the area.

Ramon Barajas, assistant general manager with the Department of Recreation and Parks, said the park will be open from sunrise to sunset, and that department staff will be on hand every day to oversee the attraction.

Dogs are allowed in the park, though they must be kept on leashes the entire time. They are also allowed on the grassy areas.

#### SUSTAINABLE FEATURES



The park was designed with sustainability in mind, with a particular emphasis on conserving water amid the ongoing drought. Weintraub said the paved portions of the atraction are relatively shallow and are designed to collect rainwater and allow it permeate the surface. Additionally, 10%-15% of the water needed for irrigation is captured from the La Kretz campus and is stored in a cistern.

Weintraub said the Bureau of Engineering also made sure that all the plants in the park are what she termed "California friendly," meaning they require relatively little water. That said, the park includes traditional Bermuda grass, which does require regular watering.

Last week, the only feature left to install was the mural; the local organization Art Share L.A. is organizing a vote among several designs. Eventually the winning selection will be mounted on the wall next to the shade structure. The art will remain for a year, and then a new work will be chosen.

The park sits amid an area that is becoming increasingly busy. Fifth and Hewitt holds popular spots such as Urth Caffé and the bar and music venue Resident. The park is close to the Barker Block. Other nearby residential projects include a planned 310-unit project from Bolour Associates at 527 S. Colyton St. and Maxxam Enterprises' proposed 172-unit live/work development at 676 S. Mateo St., both of which are awaiting approval from the city.

Huizar said the park is just the first step in adding more community space and pedestrian elements to the Arts District. With the area expanding, he said it is critical to find additional places for people to gather.

"We've got to find more parks and provide more public amenities, which means more pedestrian safety, more trees and more green space," he said.

Still, people are happy with the first step, even if it took a lot longer than expected.

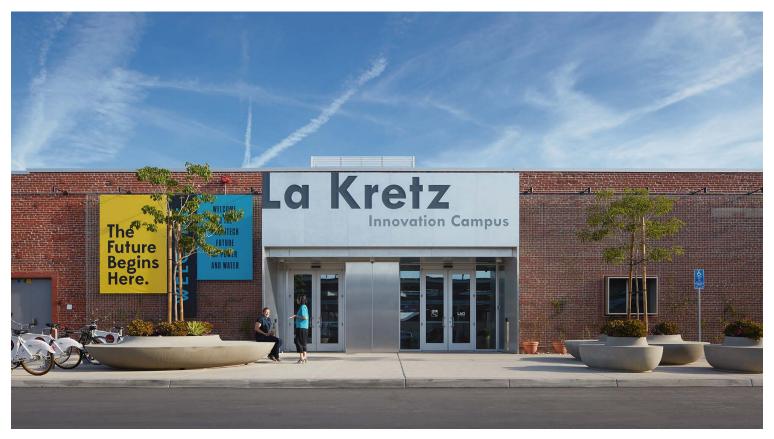


http://www.ladowntownnews.com/news/long-awaited-arts-district-park-opens-tomorrow/

# CREATIVE ENERGY: A FAMILY OF WAREHOUSES FORM LA'S LA KRETZ INNOVATION CAMPUS

Wallpaper\*

By Sam Lubell, Wallpaper\*



LOS ANGELES - AUGUST 31, 2016 - Back in 2011, California's legislature shut down Los Angeles's Community Redevelopment Agency (CRA/LA). The move seemingly ended the then-promising vision for the Los Angeles Cleantech Incubator (LACI), a CRA-managed start-up space for green businesses in the city's quickly emerging Arts District. But thanks to the LA Department of Water and Power, which stepped in to manage the project – and now has offices, labs and demonstration spaces here – the Incubator, now part of what's called the La Kretz Innovation Campus, is open for business. While most of its tenants have already moved in, its official grand opening is pegged for 7 October.

The 61,000 sq ft facility, built into eight merged brick warehouses that John Friedman Alice Kimm Architects revamped and stabilised, is the physical embodiment of the innovative energy that's pulsing through the neighborhood. While the area is generally known for art (hence the name), there's a steady flow of entrepreneurship here. Some are touting it as the East Side equivalent of what's been labeled 'Silicon Beach' on LA's West Side.

Inside are flexible, open areas designed to spur communication and collaboration. The concept, explain the architects, is that of an open, entrepreneurial village, connected by narrow streets – aka walkways – all under massive bow truss ceilings, lit by copious skylights and solar tubes. Amid that are a central meeting space, maker labs and a lot of sculptural moments, delineating varied spaces and reflecting a young, maker culture. A giant green wall in the entrance lobby, manufactured by GSky Plant Systems, consists of pockets containing myriad plants; while the lobby desk is a curved, heat-formed Corian structure.

More than 30 businesses and non-profits offer solutions for solar, water, wind, battery and other energy systems as well as planning and urban life challenges. And since the building is dedicated to clean energy, it's not surprising that it's aiming for a LEED Platinum rating, with strategies like adaptive reuse, copious natural light, high efficiency energy and water equipment, a photovoltaic parking lot array, green walls, and bioswales to collect stormwater. Outside, John Friedman Alice Kimm worked with LA Bureau of Engineering Landscape architect Rick Fisher to complete a new one-acre park – consisting of small plazas – which will give the Arts District some sorely needed green space.

'It's tech, sustainability, community, and culture all coming together,' says Alice Kimm. 'The place is just buzzing with interaction.'

http://www.wallpaper.com/architecture/john-friedman-alice-kimm-architects-unveil-new-creative-campus-in-los-angeles-la-kretz-innovation-campus#8z0QxYxoKq6yaBgE.99







Los Angeles is home to more cleantech startups than any other region in the nation, serves as home to the largest port complex in the nation, the world's fifth busiest airport, world-class research universities, an unparalleled workforce, the largest community of investors outside of Silicon Valley, and is part of the largest manufacturing region in the nation. Cleantech companies that start and locate here benefit from this emerging cleantech center of talent, capital and market potential.

### LKIC AND LACI FINANCIAL SUPPORTERS AND STAKEHOLDERS

#### **LKIC Construction**

- Department of Water and Power (LADWP)
- City of Los Angeles
- Community Redevelopment Agency (CRA/LA)
- Mr. Morton La Kretz
- U.S. Economic Development Administration (EDA)
- U.S. Treasury New Market Tax Credits (NMTC)
- U.S. Department of Energy Community Block Grant (DOE)
- U.S. Housing and Urban Development Block Grant (HUD)
- Federal Qualified Energy Conversation Bonds (QECB)

#### **LADWP Programs and Operations**

- Customer Engagement Laboratory
- Energy Efficiency and Emerging Technologies Laboratory

#### LACI Financial Stakeholders (selected\*\*)



City of Los Angeles



Los Angeles Department of Water and Power



U.S. Department of Energy (multiple)



California Energy Commission



U.S. Small Business Administration (multiple)



Metropolitan Water District of Southern California



South Coast Air Quality Management District

JPMORGAN CHASE & CO.

JPMorgan Chase Foundation (multiple)



Southern California Gas Company



Wells Fargo Foundation (multiple)





Community Redevelopment





California State University at Northridge

The Broad Foundations

Agency

<sup>\*\*</sup>among 48 organizations providing \$10,000 or more in financial support to LACI operations.

### LACI DESIGNATIONS AND AWARDS



CEC Los Angeles Regional Energy Innovation Cluster Awardee: The California Energy Commission notified LACI that it won a competitive solicitation to provide and coordinate key services, assistance, resources, and infrastructure needed by entrepreneurs and researchers in the Los Angeles region to successfully bring to market new energy innovations. The award is for up to \$5 million over a six-year period.



<u>UBI Global Designations</u>: In 2014 and 2015 the University Business Incubator Index research firm (UBI Global) reviewed 1,200 incubators from 64 countries and awarded LACI:

- 2015: LACI ranked #3 "Top University Associated Business Incubator in the World"
- **2015**: LACI selected as one of the two "High Impact Incubators in North America."
- 2014: LACI ranked as the #6 "University Associated Business Incubator in the World"



**DOE National Incubation Initiative in Clean Energy (NIICE) Program**: LACI was selected by the U.S. Department of Energy as one of just three incubators in the country for multi-year funding under the National Incubation Initiative in Clean Energy (NIICE) Program.



**DOE Efficient Buildings Technologies Grant**: Selected by the U.S. Department of Energy for multi-year funding to accelerate market adoption of efficient building technologies in partnership with the Los Angeles Better Buildings Challenge.

JPMORGAN CHASE & CO.

JP Morgan Chase Small Business Forward Program: LACI was chosen by JPMorgan Chase & Co. to be a charter partner in its Small Business Forward program, which is a five-year program to boost small business support networks that help growing enterprises in specific industries.



<u>State of California Innovation Hub (iHub):</u> LACI has been designated by the Governor's Office of Business and Economic Development as the Innovation Hub (iHub) for Los Angeles County. LACI is the largest of California's 16 iHubs.



**2014 Start-Up of the Year**: LACI was selected as 2014 Start-Up of the Year by the Los Angeles Sustainability Collaborative (LASC).

#### **LACI OVERVIEW 2011 - 2016**

- Launched in October 2011
- Non-profit, created by the City of Los Angeles
- 54 Portfolio Companies served since launch;
   34 currently active
- \$70M+ raised by Portfolio Companies
- 1000+ direct and indirect jobs created
- \$230M+ estimated 5-year overall economic impact on the LA region
- 100+ mentors and advisors
- 150+ partners, supporters and affiliates
- Launched international Network for Global Innovation program in 2014; currently 15 marquee partnerships
- \$3.5M annual operating budget
- 22 FTE employees plus interns
- LKIC is now 80% full

LACI Partners include the most important stakeholders from business, academia, utilities, non-profit and government institutions which are focused on developing a world-class cleantech cluster, including: City of Los Angeles Mayor's Office, Los Angeles Department of Water & Power, UCLA, USC, Caltech, JPL, Cal State Northridge (CSUN), Los Angeles County Economic Development Corporation (LAEDC), LA Chamber of Commerce, LA Business Council (LABC), Los Angeles County, Port of Los Angeles, Metropolitan Water District (MWD), SoCal Gas Company, Southern California Edison (SCE) and more.

#### Technologies and sectors currently represented at LACI through its Portfolio Companies:



Energy efficiency

Energy storage

Waste to energy

Advanced agriculture



Construction efficiency



Online solar marketplace



E-waste recycling



Goods movement



Sustainable consumer goods



Advanced transportation



Home energy management



Water leak detection



- Amperics
- Ayyeka
- BK Litek
- CAGIX
- · California Lithium Battery
- Chai Energy
- Citizens 100
- Current EV
- Ecoponex
- Entrade

- FreeWire
- GreenCommuter
- Green Way Labs
- GRID Logistics
- Hive Lighting
- Hollywood Electrics
- Isidore Electronics Recycling
- Juicer Electric Motorbicycles
- Local Roots
- · Nevados Engineering

- Perception Robotics
- Pick My Solar
- · Pre Framing Corp
- Repurpose
- ThinkFit
- Vena Water
- XeInt

### **Recent Portfolio Company Highlights:**

#### **New Portfolio Companies:**

- > Binishells (Home construction of poured concrete over reinforced pneumoforms)
- **Connect Homes** (Factory build home modules in shipping container form factor)
- Divining Lab (Groundwater and hydrological modeling for government planning)
- **ENVi** (on-demand waterless carwashes, employing a deaf workforce)
- ➤ Rain Systems (precision injection tech reduces turf irrigation requirements by 50%)



**BK Litec**: Korean LED lighting company launching expansion into United States via LACI, secured three pilots in southern California for their S3 LED lighting technology.



**Chai Energy**: Gaining significant market traction with consumer app installations, Chai won 20MW in IOU demand response auction mechanism (DRAM).



**Entrade**: Successful European manufacturer of waste-to-energy mobile generation units, Entrade launched their expansion of into the United States in Los Angeles via LACI. A demonstration unit is installed and working at the La Kretz Innovation Campus. Delivered 13 units since April with 100 more units in backlog.



**FreeWire**: Secured significant pilots of their innovative mobile electric vehicle charging units with LinkedIn, Facebook, and Hawaii Electric (via LACI partner The Energy Accelerator). Has expanded its business beyond the electric vehicle charging to include all off-the-grid temporary power applications.



<u>Green Commuter</u>: 100% electric vanpooling and car sharing service had their public inauguration ceremony at the LKIC in August, launched a crowdfunding campaign for pre-sales, and secured a fleet of Tesla Model X vehicles for their launch.



**Hive Lighting**: Introduced new 1000W light to market praise, winning 2016 NAB Award of Excellence. Founders awarded coveted International Press Academy's Tesla Award for 2015, joining past awardees James Cameron and George Lucas. Pilot deployed with Mayor's Office press team.



<u>Local Roots</u>: Deployed multi-farm commercial site in LA, secured project-level debt for 6 farms, expanded R&D and Engineering teams, launched customer programs out of 1<sup>st</sup> commercial site (customers include Mendocino Farms, Tender Greens, Space X).



<u>Perception Robotics</u>: Awarded \$1.5 million in grants from the National Science Foundation and NASA, expanded team, continued R&D and customer development of haptic robotics systems.



<u>Pick My Solar</u>: Named the SBA's Outstanding Small Business of the Year Award and recently won the Techweek LA Launch Competition followed by its LAUNCH Grand Championship. The company also won DOE's SunShot Catalyst Award for its innovative solar solutions. Successfully closed another round of investment.



**Nevados Engineering**: Successfully closed angel round of investment as matching funds for secured awards from the US Department of Energy. Received first investment from Pasadena Angels fund.



<u>Repurpose Compostables</u> Ranked the #1 brand in eco-tableware in the U.S. retail market. Currently in 4,000 stores nationwide with important pilot placements in Safeway and Target.

### **KEY LACI INITIATIVES**

<u>Portfolio Company Incubation</u>: LACI's core incubation program leverages a unique blend of best practices in order to increase the success rate at which clean technology startups effectively commercialize their technology. Through its formalized support system, deep bench of expert mentors, strong network of investment capital and market resources, and pragmatic education and training, LACI helps nascent cleantech companies to deftly navigate the difficult startup years. Applicants are subject to a robust initial vetting process that examines technology, team, tactics, investment trends, market drivers, competitive landscape, strategic alignment, and regional economic impact. Accepted companies are then subject to a deep techno-economic analysis during a 3-month probationary period before receiving full incubation services.



Overhead view of the La Kretz Innovation Campus

**LKIC Campus is Operational:** LKIC has rented 80% of its available desks to Portfolio Companies and Incubator Resource Companies in six short months. The overall Campus is fully operational including the state-of-the-art LADWP Customer Engagement Lab and the Campus's incubation support facilities. A formal Grand Opening Ceremony is tentatively scheduled for October 2016.

LKIC Prototype Manufacturing Lab and Training Center has Launched: The LKIC Campus includes both a Prototype Manufacturing Lab and a Training Center, to support LACI's cleantech business incubation program. These centers will allow LACI entrepreneurs to develop their technologies from ideation to market entry. The Prototype Manufacturing Lab is the Los Angeles region's first publicly available advanced prototyping and manufacturing space, and the only one of its kind in the nation. Combined with the adjacent Training Center, these assets represent an unprecedented toolset for the Los Angeles community to facilitate rapid and practical innovation, comprehensive training on advanced equipment and software, proficiency certifications, engagement with students and schools, and job opportunities with upward mobility. To date, access to affordable, convenient, and technically advanced prototyping labs and training space has been a major gap in the region.

LACI Cluster Initiative: LACI has begun to align business operations along industry clusters to better connect key cleantech stakeholders, technology startups, and industry leaders so we can learn from each other, and work together to solve cluster challenges with a coordinated approach. LACI will manage cluster activities and knowledge creation to drive Cleantech innovation and growth of the greater LA economy while developing subsector specific programming to better utilize local resources and connect with global markets. Collectively, the clusters will work to address high impact technology challenges. These cluster stakeholders convene quarterly and are currently in the process of drafting cluster specific impact statements and metrics to measure success. Currently these clusters include the Built Environment, Water, Transportation, Energy Generation & Storage, Waste & Sustainable Materials, and Agriculture & Food Science.



PortTech & LACI Consolidation: PortTech, a maritime industry oriented incubator located in San Pedro and affiliated with the Port of Los Angeles (POLA), and LACI announced their unification into one of California's largest and most potent clean technology incubation and commercialization centers. PortTech, as a division of LACI, will work with the POLA to apply LACI's Technology Integration and Pilot Program and its Market Technology Road-Mapping program to the unique characteristics of Ports, shippers and the balance of the maritime community. The focus will be on clean technology, finding and providing proven technology to the maritime community to help meet and exceed the various ongoing and anticipated emission and nuisance reduction demands placed on these entities.



Brand Building and Network Initiatives: LACI continues to build its brand through its networks and conferences/showcases. Its networks include a <u>robust Southern California network</u> that has been recently recognized by California Energy Commission as its designated Los Angeles Regional Cluster; <u>the California Cleantech Commercialization Coalition (4C)</u> that won a competitive multi-year grant from the U.S. Department of Energy; charter membership in the DOE's <u>Incubatenergy Network</u> of leading energy incubators in the U.S.; and the building out of its international network, the <u>Network for Global Innovation (NGIN)</u>, the <u>Cleantech Global Showcase (GloSho)</u> each Fall which in 2015 attracted 575+ leaders from around the world. These efforts, in total, drive LACI's applicant pipeline; funding and customers for its Portfolio Companies; revenue for LACI operations; and economic development for the City of Los Angeles.

**Cleantech Diversity and Inclusion:** LACI has launched a program to increase participation, awareness and inclusion of underrepresented and disadvantaged communities in the clean technology sector. LACI was recently awarded a \$50k grant from the SBA's Growth Accelerator Program to jumpstart this program.



<u>Satellite Programs</u>: LACI has launched satellite incubation programs that bring its proven methodologies and practices to additional partners and physical locations. Its charter satellite launched with partner California State University Northridge (LACI@CSUN) in 2014, and its second launched in the Silicon Valley (SVCI) in 2015. As an outgrowth of this experience, LACI is assisting other organizations/regions in building cleantech ecosystems both nationally and internationally.



**Network for Global Innovation (NGIN):** LACI recruited best-in-class organizations from around the globe to launch NGIN which connects premier cleantech innovation institutions in key markets, creating an interconnected network of organizations that support each other's development and success. NGIN members share best practices, mentors, advisors, investors and development opportunities through formal Memoranda of Understanding. Current NGIN partners include:

- MaRS (Toronto, Canada)
- Borderstep Institute (Berlin, Germany)
- Italian Trade Agency (Rome, Italy)
- Progetto Manifactura (Trento, Italy)
- Environment Park (Torino, Italy)
- Innospace (Shanghai, China)
- Azure International (Beijing, China)
- AmCham China (Beijing, China)
- Tsing Capital (Beijing, China)
- TIS Union (Beijing, China)
- TX Entrepreneur Partners TEP (Kashiwa, Japan)
- Green Momentum (Mexico City, Mexico)
- We Think Global (New Delhi, India)
- Center for Innovation and Incubation CIIE (Ahmedabad, India)
- Greentown Labs (Boston, United States)

#### **PRIMARY LACI GOALS FOR 2016**

- Increase number of quality Portfolio Companies and sectors represented
- Expand core business assistance services
- Increase number of LACI Incubation Resource Companies (IRCs)
- Attract more investment capital for LACI Portfolio Companies
- Increase level of support for LACI operations from state of California
- Increase number of international partners via NGIN and expand the reach of the LACI Cleantech Global Showcase (GloSho)



LACI President & CEO Fred H. Walti II, Vice President Joseph R. Biden Jr. and Los Angeles Mayor Eric Garcetti

#### **VICE PRESIDENT JOE BIDEN VISITS LACI**

The Vice President of the United States and the Mayor of Los Angeles took part in a Round Table discussion on the role of innovation and entrepreneurs in driving carbon reductions. We hosted and moderated this event which attracted 130 VIPs. Beyond the VP and Mayor, LACI Portfolio Company CEOs, LACI Board Members, the General Manager of the LADWP, and several Venture Capitalists and Private Equity principals took part in the discussion.

#### VISITORS TO LACI AND THE LA KRETZ INNOVATION CAMPUS (LKIC)

LKIC has become the hub of cleantech innovation and policy thought leadership in Southern California, receiving more than 300 visitors and hosting multiple events each week. An important outgrowth of convening the cleantech community convening at LKIC is the opportunity to showcase our Portfolio Companies before investors and customers and to inform the community about important market-impacting policies. Recent visitors to LACI and LKIC include:

- Vice President Joe Biden
- Premier of Ontario Kathleen Wynne
- Mayor Eric Garcetti
- Mayor Antonio Villariagosa
- SBA Administrator Maria Contreras Sweet
- Secretary of Labor Hilda Solis
- EPA Administrator Gina McCarthy
- EPA Administrator Lisa Jackson
- Deputy Secretary of Energy Elizabeth Sherwood-Randall
- Deputy Secretary of Energy Arun Majumdar
- EERE Deputy Asst Secretary David Friedman
- US Asst Secretary of Commerce for Economic Development Jay Williams
- Director of White House Office of Science and Technology Policy John Holdren
- Congressman Eric Stillwell
- · Secretary of State Alex Padilla

- Councilmember Jose Huizar
- Councilmember Tom Labonge
- Councilmember Paul Koretz
- Tom Steyer Philanthropist, hedge fund manager, activist
- CEC Chair Bob Weisenmiller
- · State Treasurer John Chiang
- CA State Senate pro Tempore Kevin DeLeon
- LA Trade Tech President Larry Frank
- Hyperloop CEO Brogan BamBrogan
- Lyft VP Emily Castor
- LA Dept of Transportation (LADoT) GM Seleta Reynolds
- MWD Chair Jeff Kightlinger
- CARB Chair Mary Nichols
- UCLA IoES Director Mark Gold



#### LOS ANGELES DEPARTMENT OF WATER AND POWER AT LKIC

The La Kretz Innovation Campus will contain two highly innovative programs to support the Department's economic development and customer engagement mission:



#### **Customer Engagement Laboratory**

The LADWP Customer Engagement Laboratory at La Kretz Innovation Campus represents a significant commitment by the City to improve customers' experience and satisfaction by direct interaction at the ground level. The site plan for the center includes elements that will foster collaboration, learning and feedback, including a classroom theater, interactive exhibits, meeting rooms and office space, and the flexibility to host groups of varying sizes, in a state-of-the-art facility conveniently located in Downtown Los Angeles' clean tech corridor. Once open, individual customers and community groups will be invited to the lab to engage in discussions, demonstrations and training on myriad water and power innovations and technologies. The shared experience is intended to raise customer awareness of valuable programs, services, technologies, and options in LADWP and enable customers to better manage their water and power usage both at home and in the workplace. The LKIC will provide an open forum to share successes in energy and water management and economic development. In addition, the Campus provides a venue and platforms to foster and encourage economic development and job creation through job training, utility/STEM workforce development, and the development of locally-sourced technology companies.



#### **Energy Efficiency and Emerging Technologies Laboratory**

The LADWP Energy Efficiency and Emerging Technologies Laboratory at La Kretz Innovation Campus represents a significant commitment by LADWP to demonstrate energy efficiency, emerging technologies and water conservation all in one state-of-the-art facility conveniently located in Downtown Los Angeles' clean tech corridor. The Energy Efficiency and Emerging Technologies Laboratory will display, demonstrate, and "show-case" the following EE & ET technologies: LED and other lighting and controls systems, a state of the art "Smart Home" with plug load monitoring and demand response capable "smart" appliances, HVAC and motor controls and a demonstration of how the buildings solar PV system provides energy to the building and the grid. In addition, several displays will describe the benefits of the existing LADWP energy efficiency incentive programs. Bay 7 will also include a lighting lab and a multi-purpose lab. The lighting lab will utilize photometric equipment to test and verify the performance of new emerging lighting technologies. The multipurpose lab will be utilized to test the performance of plumbing fixtures and irrigation components as well as HVAC equipment and other emerging technologies. The LADWP Energy Efficiency and Emerging Technologies Laboratory will be an energy efficiency, emerging technologies, and water conservation showcase as well as a working laboratory. Customers and community groups will be invited to the EE / ET lab to learn about these new green technologies. In addition, new "Green" startup companies will be able to submit products to the LADWP Energy Efficiency and Emerging Technologies Laboratory for product performance testing and verification. The LADWP Energy Efficiency and Emerging Technologies Laboratory is intended to raise customer awareness of energy efficiency, emerging technologies, water conservation, and the valuable LADWP energy efficiency incentive programs. In addition, testing and reviewing new technologies will help to meet the LADWP and City's mandates and goals towards conservation, efficiency, economic development and more locally sourced power and water.

Q&A

#### This facility has been open for over a year. What has been accomplished during that time?

The office space section of the Campus is the only part of the building that has been open for a year. The Customer Engagement Lab and Training Centers opened in the spring, with our Prototyping Workshop, lab space and Efficiency Solution sections officially opening now. Despite this, the campus has already accomplished much:

- The leased office space is currently at 85% occupancy with over 70 organizations.
- The Campus has currently 300 weekly visitors with more to come now that the campus is officially open.
- The Campus has over 10 innovative technology demonstrations under development of the purpose of educating the public on the latest green tech innovations
- Roundtable and Visit from Vice President Joe Biden
- Testing of the first public grey water system in a City of Los Angeles building

#### How much did this facility cost and who paid for it?

The La Kretz Campus is a collaborative endeavor with the City, Private Investors and other Government identities that provided funds. Through this partnership, **58% of the funding for acquiring the land and building the campus came from outside sources for an investment property the Department now owns**. We are able to provide what is now considered a standard utility service at 42% of cost (*DWP investment: \$18.3 Million*)

#### **Cost Breakdown**

#### Local, State, Federal, and Private Funding (58%)

\$3,000,000	La Kretz Donation
9,525,810	New Market Tax Credit Allocation (U.S. Treasury)
165,000	U.S. Dept. of Energy's Energy Efficiency Community Block Grant
2,124,000	U.S. Economic Development Administration (U.S. Dept. of Commerce)
3,000,000	U.S. Dept. of Housing and Urban Development (HUD) Block Grant
8,135,000	City of LA/LADWP Federal Qualified Energy Conversation Bonds (QECB)
1,250,000	City of L.A. Community Redevelopment Agency
511,517	NMTC Leverage Loan Interest Payment
\$27,712,233	Subtotal

#### **Direct LADWP Funding (42%)**

\$8,125,000	Land Acquisition
5,200,000	Customer Service Division
2,300,000	<b>Energy Efficiency Administration Center</b>
2,660,000	Energy Efficiency Technology Laboratory
1,416,000	U.S. EDA Matching Funds
\$19,701,000	Subtotal

#### 47,413,233 Grand Total

#### How much does LADWP pay to LACI each year?

LADWP does not provide any operating costs for LACI. Rather LADWP has chosen to have LACI be the facility manager (i.e. manage janitorial services, parking services, gardening, fixing and maintaining building system etc). Last Fiscal Year LADWP paid LACI \$760,220 to manage the Campus. Many of these costs include business

improvements that for LADWP operations such as Wi-Fi for the LADWP section of the buildings, additional equipment monitoring for the grey watering system and other general maintenance cost.

The campus will also generate revenue that will be used to maintain the facility. Fees collected from parking, the rental of training rooms, contributions/grants and use of the prototype labs. Since our soft opening these revenue is approximately \$195,000. This number will go up now that the Campus is officially open with the operation of our prototype labs and workshops.

#### Is LADWP testing any of the La Kretz products for use currently? If so, what?

LADWP is currently testing Ayyeka's water monitoring and we are in the middle of purchasing Freewire's charger to test in our facilities. We will be working with more companies in future as our testing labs on the campus come online. We just completed the setup for our water demonstration lab that will test water products and are working to set up our lighting demonstration area that will have the ability to test lighting fixtures developed on campus.

#### How many products incubated here are targeted toward electricity or water savings?

Approximately 65% of the LACI portfolio benefit or relate to LADWP operations. The products developed here not only help LADWP but promote the green economy for Los Angeles.

#### What are LADWP Ratepayers getting back for their investment in La Kretz?

The Campus is where customers learn about the many opportunities available to save money on their bills. In the case study home, we demonstrate a number of features and products that our residential customers can install to lower their electric and water bills. For our commercial customers, they can learn about the latest innovations on number of commercial grade equipment from HVAC systems, solar technologies, to greywater systems.

This center is also about investing into the green future of Los Angeles. Working with companies in areas such as renewable energy, energy efficiency and water technology has a triple benefit: it creates jobs in the City of LA, it increases LADWP's customer base, and it engages the private sector in helping provide solutions to LADWP's environmental and sustainability mandates. The La Kretz Innovation Campus – an industry hub where entrepreneurs, engineers, scientists and policymakers can interact to promote and support the development of clean technologies and Los Angeles' green economy.

#### What is LADWP's role in the facility?

LADWP is the owner of the campus. We maintain a customer engagement center, a case study home, and exhibits that allows for LADWP customers to learn about and test the latest clean technologies for home, commercial and manufacturing purposes. The entire center is dedicated to promoting and developing clean technologies and will showcase the latest cutting-edge equipment that promote energy efficiency and water conservation. LADWP leases out the office space portion to LACI for the development of their mission.

LADWP also has approximately 25 staff members on site that are dedicated to energy efficiency, water conservation and customer service. LACI is the facility manager of the building.

#### Why was LACI selected to manage the Facility?

Since this is a new facility that combines private and public organizations under one roof. This this is the first time we are doing this, it was determined that flexibility of operations is extremely important, to maintain efficient and

effective operations. LADWP has examined and analyzed multiple property management scenarios for the Campus including the following:

### 1. LADWP maintain and provide management services with in-house staff for the Campus.

This option provided the longest time to establish. Newly funded positions that include janitorial, maintenance and security services require that City of LA's Personnel Department approval and appropriate class and position analysis. Moreover, this option allows for the least amount of flexibility if duties need to be adjusted, added or removed.

#### 2. LADWP and LACI split and/or co-manage the Campus.

In this scenario, LADWP would be responsible for maintaining its areas at the Campus and LACI would mirror the responsibility for its leased areas. This option would leave out and/or require special arrangements for shared spaces (such as training and conference rooms and common areas) and could possibly result in duplicate services.

#### 3. LACI maintain and provide management services.

This option provided the most flexibility and cost effective for LADWP and LACI. It allows for LACI to adjust service needs and provide immediate property management assistance as LADWP and LACI move in during the summer. LADWP's Real Estate section has reviewed and approved this option.

After a thorough review of property management options, it was determined that it best benefited LADWP to have LACI be the day-to-day manager of the Campus.

LACI has agreed to act as the agent for LADWP in contracting for and managing a full suite of management, operation and maintenance services, on a reimbursable basis, for the entire Campus, including for the LADWP Customer Engagement Laboratory, the LADWP Energy Efficiency Technology Laboratory, the Training Center, and the Prototyping Workshop and Laboratory portions of the Campus, in addition to the LACI Leased Premises. Management services include:

- Janitorial services
- Operation, maintenance and repairs of building systems and equipment
- Parking facilities management
- Security
- Prototyping Workshop and Laboratory certification, scheduling and use management
- Training Center programming, scheduling and use management
- Interior and exterior landscape maintenance

LADWP has the right to terminate LACI's appointment as managing agent upon thirty days' written notice.

#### How often do LADWP and La Kretz companies communicate? How often does LADWP communicate with LACI?

We communicate every day. Part of the design of the campus is to allow our work crews to interact daily with the incubator companies. This interaction not only helps to inspire our workforce to be more innovative but also assists young companies understand the demands and needs for the utility industry for their products to be successful.

#### **Financial History of the Campus**

It is significant to note the history and collaborative funding efforts that allowed for the creation of this unique Campus. Both the City and LADWP have taken various actions necessary to establish a cleantech incubator in the City of Los Angeles since the execution of initial MOU in the spring of 2010. The MOU required CRA/LA to award contracts for a consultant to create a business plan for the incubator, and for an architectural firm to prepare the Campus Master Plan and Construction Documents, both with the participation and approval of LADWP.

In subsequent years the City Council and Mayor have taken additional actions to implement the Campus and LACI incubator, including allocating \$3 million in Community Development Block Grant funds; obtaining a \$3.5 million grant from the U.S. EDA; approving an allocation of U.S Treasury New Market Tax Credit (NMTC) funds from the City's Los Angeles Development Fund; and allocating City Qualified Energy Conservation Bonds. All these funds have been transferred to LADWP for the construction and development of the Campus.

LADWP, in turn, completed land acquisition for the Campus and budgeted over \$10.1 million in construction funds for core and shell retrofit and tenant improvements for the LADWP's Customer Engagement Center and Energy Efficiency Technology Laboratory; and obtained a City allocation of an additional New Market Tax Credit investments from five investment entities who provided a total of \$9.5 million in construction funds for the Campus.

On December 4, 2012, LADWP, in partnership with the Bureau of Engineering and the Bureau of Contract Administration, entered into a Memorandum of Understanding to construct the Campus. The acquisition, design and construction budget for LKIC consists of the following sources, all of which have been approved and are being used to complete construction, which is currently over 95% complete. The Campus acquisition and construction budget has been shared between direct LADWP sources (42%) and sources generated by City, state, and federal, programs approved by the City Council and Mayor, and a major private donation from Mr. Morton La Kretz (58%):

### Local, State, Federal, and Private Funding (58%)

\$3,000,000	La Kretz Donation
9,525,810	New Market Tax Credit Allocation (U.S. Treasury)
165,000	U.S. Dept. of Energy's Energy Efficiency Community Block Grant
2,124,000	U.S. Economic Development Administration (U.S. Dept. of Commerce)
3,000,000	U.S. Dept. of Housing and Urban Development (HUD) Block Grant
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1,250,000	City of L.A. Community Redevelopment Agency
511,517	NMTC Leverage Loan Interest Payment
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#### Direct LADWP Funding (42%)

<u> </u>	1 011101113 ( 1270)
\$8,125,000	Land Acquisition
5,200,000	Customer Service Division
2,300,000	Energy Efficiency Administration Center
2,660,000	Energy Efficiency Technology Laboratory
1,416,000	U.S. EDA Matching Funds
\$19,701,000	Subtotal

#### \$47,413,233 Grand Total

#### **Timeline for the La Kretz Campus**

The following timeline outlines LADWP economic development efforts in the areas of clean technology such as renewable power, energy efficiency and water conservation.<sup>1</sup>

## November 2008

Mayor Villaraigosa launches Solar LA committing LADWP to the development of 1.3 gigawatts of solar energy by 2020. Solar LA represented as a major opportunity to turn environmental solutions into economic opportunities for LA by investing in and stimulating the local economy.

LADWP estimates the Solar LA plan will create 200 to 400 jobs for every 10 megawatt (MW) of solar, which could mean anywhere from 25,000-50,000 jobs in fields such as research and development, manufacturing, installation, maintenance and repair.<sup>2</sup>

#### April 2009

LADWP General Manager and Mayor Villaraigosa sign the Cleantech LA Memorandum of Understanding (MOU), committing its support for "Joint research and development, deployment and commercialization of technologies that provide solutions to the City's and the world's environmental issues while creating jobs for Angelenos including, but not limited to collaboration on":6

- The Los Angeles Cleantech Corridor;
- The LADWP Clean Technology Research Center (currently referred to as the La Kretz Innovation Campus);
- Basic academic science and engineering research that drives innovation and contributes to economic competitiveness through knowledge creation, higher education, and technology transfer; and
- Applied water, energy and climate change research, testing and deployment.<sup>7</sup>

#### Dec 2009

Mayor Villaraigosa recommended reprioritization of LADWP resources and capabilities to encourage economic development through investment in clean technology. Existing and new programs would focus to target cleantech.

LADWP approved economic development strategies to allow:

- Low interest loan fund for small business expansions (expanding infrastructure loan program);
- Additional staff to facilitate attraction of businesses to LA to create green jobs for products the LADWP requires;
- Local preference for manufacture of solar panels and other cleantech products purchased by LADWP:
- Determination what research and development needs the LADWP has—use the utility's demonstrations, platform and purchasing power to attract businesses to LA to create jobs for the City; and
- Support of the Cleantech Corridor, specifically the LADWP Clean Technology Development Center (currently known as the La Kretz Innovation Campus).

(See Appendix – LADWP Board Letter, December 2009).

<sup>&</sup>lt;sup>1</sup> These consist only of the documents that we were able to find, not the totality of LADWP's efforts

<sup>&</sup>lt;sup>2</sup> "The Los Angeles Solar Energy Plan", Los Angeles Department of Water and Power, November, 2008.

March 2010 City Council authorized an allocation of the receipt up to \$4 million in Community Development Block Grant ("CDBG" funds to pay for public and tenant improvements at the site of the permanent CleanTech Incubator Facility at the La Kretz Innovation Campus). (See Appendix - CRA Memo - 1/20/201).

April 2010 LADWP Commission authorized the first step in the creation of the La Kretz Clean Technology Center (currently known as the La Kretz Clean Innovation Campus).<sup>3</sup>

Dec 2010 Community Redevelopment Agency (CRA) releases business plan for the LA Cleantech Incubator (See Appendix – 2010 December – Business Cluster Development, Jim Robbins – CRA – Business Plan Los Angeles Clean Tech Incubator).

Jan 2011 Christine Essel, CEO of CRA presented a memo to the CRA Board of Commissioners to have a conditional Grant Contract for \$1million to assist with the implementation of the Incubator Business Plan (See Appendix - 2011 January – CRA – Memo).

Oct 2011 Mayor Villaraigosa, LADWP General Manager Ronald Nichols, and Councilmember Huizar launch the LA Cleantech Incubator.

Oct 2011 BCD, an independent third party consulting firm, releases an Economic Impact Report (EIR) for the LA Cleantech Incubator and establishment of the La Kretz Innovation Campus. The EIR shows:

- LA Cleantech Incubator will generate 1,680 new jobs by its 5th year of operation. This includes approximately 600 direct jobs and 1080 indirect and induced jobs.
- By Year 5, LA Cleantech Incubator companies are projected to generate \$82.5 million in sales with significant contribution to the City's revenues via sales and business taxes.
- By Year 5, LA Cleantech Incubator companies are projected to provide \$45 million in salaries to local employees.

(See Appendix – 2011 December – Sean Arian – Accelerating Clean Energy Innovation in Los Angeles).

March 2012 CDBG approves \$850,000 to support the development of the La Kretz Innovation Campus.

Oct 2012 The LA Cleantech Incubator received a \$250,000 challenge grant from the Eli and Edythe Broad Foundation to help advance the City's leadership in creating up to 1,600 green jobs in the next five years, fostering economic development, and advancing environmental stewardship in the clean technology sector.

Dec 2012 The LADWP Board of Water and Power Commissioners authorized the following items to proceed with the La Kretz Innovation Campus and LACI project, which allowed the Department of Public Works -Bureau of Engineering (DPW-BOE) to issue the Construction Bid.

- A MOU between LADWP and DPW-BOE for construction related services;
- Authorization to accept various sources of project funding from Economic Development Agency (EDA), CRA, and Community Development Block Grant funding (CDBG);
- · Authorization to seek New Market Tax Credits; and

<sup>3</sup> LADWP- Greening Our Economy; <a href="https://www.ladwp.com/ladwp/faces/wcnav">https://www.ladwp.com/ladwp/faces/wcnav</a> externalld/a-ioc-grng-ourecnomy? adf.ctrl-state=14u3tmm9ex\_4&iframe=true&width=80%&height=80%&\_afrLoop=15567580836000&\_afrWindowMode=0&\_afrWindowId=null#%40%3F\_afrWindowId%3Dnull%26width%3D80%2525%26\_afrLoop%3D15567580836000%26height%3D80%2525%26\_afrLoop%3D17wooyw446\_4</a>
26iframe%3Dtrue%26\_afrWindowMode%3D0%26\_adf.ctrl-state%3D17wooyw446\_4

LKIC + ADP, LOS ANGELES | SUPPLEMENTARY MATERIALS

(See Appendix – 2012 December – LADWP Board Agenda Feb 2013 LA Cleantech Incubator and Cleantech LA combine efforts to streamline cleantech development in LA. March 2013 LADWP signs MOU with LA Area Chamber of Commerce to assist small businesses in technology and clean technology. LADWP approve the lease and execution of Leverage loans and associated documents to May 2013 enable access to New Market Tax Credits. Also determines the project serves public purposes and is in the best interests of the City of Los Angeles, requests the City Council to find the same and authorizes designated Officers to execute the motion. Construction is officially underway on the La Kretz Innovation Campus in downtown LA's Arts June 2013 District, with a groundbreaking ceremony that has over 700 attendees. LADWP approve and authorize the Lease of Real Property at 525 and 537 South Hewitt Aug 2013 Street, and 516 and 542 Colyton Street, Los Angeles, California by the LADWP to LA Kretz Innovation Campus, a nonprofit public benefit corporation; the Lease of such real property plus additional improvements to be made thereon back to LADWP; and authorizing the execution of Leverage Loans, Leverage Loan Documents and other Transaction Documents necessary to enable La Kretz Innovation Campus to access New Markets Tax Credit Program funding. June 2014 Approval of Amendment to the extend the John Friedman Alice Kimm contact to add time. Requested Change orders to the Bureau of Engineering to issue a change order with the Sept 2014 General Contractor, not to exceed \$2,555,443 to complete build out of the LADWP Energy Efficiency space and to amend the John Freidman Alice Kimm contact to add \$104,557 to complete architectural work related to the build out. Aug 2015 LADWP Board Approves the Lease and Management Agreement with LACI for the La Kretz Innovation Campus. The Lease is for twenty years with an option for LACI to extend the term

Architectural Service Contract with John Friedman Alice Kim Architects. Inc.

for up to 10 years. LADWP shall receive \$1 annually for rent and will receive 50% of any net rental revenue received by LACI after the total net rental revenue of \$1,500,000. LADWP has right to obtain a "First Look" at new incubator companies.

Nov 2015

LACI begins to Move in La Kretz Office portion of the Campus and LADWP begins finalizing its Customer Engagement Lab. prototype workshops and labs. Vice President Joe Biden

April 2016 LADWP opens its Customer Engagement Center.

Oct 2016 Official Grand Opening for the La Kretz Campus, with the opening of the training center, prototype work center and labs. The Arts District Park opens later in the month.

visits campus and leads a roundtable on cleantech development.