

L.A. Port's Blue Project: 'Ocean-Focused'

La Kretz backs push for R&D within 35-acre accelerator campus

A different sort of construction project got underway last month at the Port of Los Angeles, where a marine research and innovation incubator is rising.

It's smaller than a shipping terminal or bridge or other typically mammoth port project. The **La Kretz Blue Economy Incubator** will occupy 10,000-square-feet and operate as an innovation hub and incubator within the 35-acre Alta Sea campus on port property.

Alta Sea, a public-private partnership and business accelerator, formed in 2013 after the L.A. City Council unanimously voted to approve a 50-year lease to transform a 100-year-old pier – City Dock No. 1 – into a marine research and innovation center.

The incubator will focus on new technologies – or what Alta Sea Executive Director **Jenny Krusoe** calls “blue technology.”

“The La Kretz Blue Economy Incubator will find and support entrepreneurs developing aquaculture, undersea mapping and other businesses vital to understanding the largely unexplored frontier at our doorstep,” Krusoe said in a statement. “Blue Technology is part of the blue economy. It is robotics that will be built for researching and developing new ways to study the ocean, monitor energy, pipelines and exploration.”

Plans call for three to four such “ocean-focused businesses” to conduct research and development at any given time as residents of the incubator.

The La Kretz Blue Economy Incubator was largely funded by **Morton La Kretz**, real estate developer and founder of Hollywood-based **Crossroads Management**. La Kretz is a sup-



Marine Support: Blue Economy Incubator will host handful of companies.

porter of various business development projects, including the downtown-based La Kretz Innovation campus where the **Los Angeles Cleantech Incubator** is housed.

Caterpillar Unit in Port Dumping

A company that was illegally dumping railcar parts into the ocean at the Port of Long Beach to conceal unnecessary repairs was ordered by a federal court last month to pay \$25 million.

United Industries, part of Deerfield, Ill.-based **Caterpillar Inc.**'s Progress Rail Services unit, pleaded guilty to a federal water pollution charge. Its payment included a \$5 million criminal fine and \$20 million in restitution to three companies.

The dumping, as described in court documents filed with the U.S. District Court for the Central District of California, occurred in 2008 and 2009, when United Industries operated a repair facility at the port.

Employees told federal investigators, according to the court documents, that they were encouraged by some supervisors to make unneeded railcar repairs.

Port police received a tip about the improper dumping and conducted underwater dives that uncovered a “large debris field,” including railcar parts that did not show any signs of mechanical wear requiring replacement, a Department of Justice press release stated. The dumped parts included roof liners, brake shoes and railcar roller bearing adapters.

United Industries was ordered to pay restitution to three railcar operators that were charged bogus repair costs –Pacer International, a unit of Greenwich, Conn.-based **XPO Logistics Inc.**, Chicago-Ill.-based **TTX Co.**, and Lake Oswego, Ore.-based **Greenbrier Co.**, the court documents said.

The department added that United's illegal activities did not uncover any rail accidents