



CALIFORNIA: Construction cranes are seen on two buildings that are under in San Francisco, California. —AFP

DOWNTOWN LA GETS A FACELIFT

FROM SHABBY TO CHIC

LOS ANGELES: Once a bleak neighborhood of deserted streets and half-empty office buildings, downtown Los Angeles is experiencing a stunning revival as restaurants, businesses and new residents pour into the city. From luxury lofts and hotels to trendy bars and cutting-edge art galleries, the area is getting a new lease on life and casting a shadow over posh Beverly Hills and Hollywood, which have traditionally drawn visitors to the sprawling city.

Dilapidated office buildings that sat empty for decades are now buzzing with activity while beautiful Art Deco structures and theatres are being refurbished to their historic splendor. "When I was growing up, the downtown area was pretty much a ghost town, really derelict and a place you would always drive past," said Brigham Yen, 35, a realtor who has chronicled the area's revitalization on his Downtown LA Rising blog.

"But over the last 10 years and especially since 2013, there has been a shift and the story here is we are creating a city—a city within a city. "We are doing this block by block and downtown Los Angeles is becoming a destination." Carol Schatz, the longtime head of the Central City Association and a Los Angeles native, said the defining date for the start of the city's renaissance was 1999, when local officials adopted an ordinance that made it easier for developers to convert historic buildings downtown into housing.

The stars aligned

Financial investors initially shied away from the area, and the 2008 economic crisis didn't help. But in recent years the stars seem to have finally aligned in favor of the city's rebirth. Construction cranes that crowd the downtown skyline

attest to the revival, as do the tall buildings that are gradually replacing parking lots that once dotted the area. "At the time we started this effort, the second largest city in America had about 18,000 people living downtown," Schatz said. "Fast forward and we now have about 69,000 people living there." She said since 2000, investors have poured \$30 billion dollars into the downtown area. She believes the money will continue to flow as the city buries its gritty past.

"I think this is unstoppable," Schatz said. "We are at the beginning ... and there is a recognition among the general population that our city finally has a vibrant center." Chinese investors are involved in some of the biggest projects, including Metropolis, comprising a hotel and three residential towers that will be the largest mixed-use complex on the West Coast once it is completed in 2018. Yen said as demand for housing has increased in recent years so have prices, which have more than doubled in some areas. "A studio rental in some buildings will cost at least \$2,300 a month when in 2013 it was probably \$1,700," he said.

Bigger businesses & developers

Nowhere is the downtown LA rejuvenation more apparent than in the Arts District, where international designers, trendy shops, art galleries and even media and tech companies are snapping up converted warehouses and industrial lots at a dizzying pace. Warner Music Group next year plans to move hundreds of employees from the Burbank suburbs to a former Ford Factory auto plant in the neighborhood. "I have been here three years and in the last 12 months I've seen a drastic change," said Victor Go, store manager

at Poketo, which sells housewares, jewelry and art products.

"More and more, we're seeing bigger businesses and developers come in." But while the district's transformation has been good for business, it has also put an end to the cheap housing and warehouse space that first attracted artists to the area, Go said. "The change is great for people with privilege ... but for those who inhabited the city it's been less so," he said. Gentrification has also put a spotlight on Skid Row, a 50-block sliver of downtown that is home to one of the largest concentrations of homeless people in America.

Yen said that while the homeless encampments are shocking and in stark contrast to the nearby recovery, the responsibility for all that misery lies squarely with local officials who for years ignored the issue. "Before people moved into downtown, no one cared about the homeless," he said. "If you didn't see them, they didn't exist." Schatz said some investors had been turned away by the infamous homeless neighborhood, but the vast majority recognized efforts being made by city officials to build affordable and temporary housing.

"I think it's extraordinarily important that we have achieved this measure of success in the second largest city in the country, that people have a newfound pride in their city," she said. Roya Moharrami, a resident of Culver City, located west of Los Angeles, said she rediscovered the downtown area in the last years and now keeps coming back for more. "I used to come downtown and there was nothing here," said the 47-year-old jewelry designer. "It's amazing how they have refurbished it. "I like the vibe. It's cool, it's artsy and young," she added. "It's becoming a city."—AFP

US SOUTH STANDS IN WAY OF RUST BELT JOBS REVIVAL

MOBILE: In the years since the 2008 financial crisis, this southern US port city has attracted a new Airbus factory, seen its steel industry retool, and gained thousands of jobs building the Navy's new combat vessel. Some 300 miles north in Huntsville, new businesses sprout in farm fields drawn by readily available land, low taxes, flexible labor rules and improving infrastructure. As President Trump faces pressure to deliver on his promise to revive manufacturing in the northern "rust belt" states that put him in the White House, his biggest challenge may not be Mexico or China, but the southern US states that form the other pillar of his political base.

States like Alabama have built a presence in the global supply chain in direct competition with the country's Midwestern industrial heartland, and even if Trump coaxes jobs back to the United States they may well head south rather than north. Whether the "rust belt's" expectations are met will be central to 2018 US mid-term elections and likely frame the presidential race in 2020.

The southern states are reliably Republican, but the party's ability to repeat its success in Midwestern swing states, such as Michigan, Ohio and Wisconsin, may hinge on whether the Trump administration delivers on its economic promises. For a decade now, nine southern states - North Carolina, South Carolina, Georgia, Tennessee, Kentucky, Alabama, Mississippi, Louisiana, and Texas - together have accounted for a larger share of the US economy than nine northern states that defined America as the 20th century's industrial superpower, according to a Reuters analysis of federal data.

The analysis compared gross domestic product, population and other factors among northern and Midwestern states that played a key role in Trump's victory or are typically considered part of the industrial heartland, with those in the south and along the Gulf Coast that have become an emerging destination for auto and other investment. Florida, a state whose population has boomed under an influx of retirees, many of them from the north, was excluded.

Free land and degrees

Economists and industrial site consultants say the reasons behind the trend have moved beyond lower wages and lower levels of unionization. Per capita income in the south has now almost caught up with that in the Midwest, and its skilled workforce continues to grow as college graduates move in. "Labor? Perceived advantages. Taxes? Some of these are fairly low (tax) states. Real estate? For big projects that are going to employ three, four, five thousand people, you can find free land - zero cost land," said Darin Buelow, an industrial site specialist with Deloitte Consulting.

In the south, business executives and development officials interviewed by Reuters were less likely to call for new tariffs and trade deals than to worry about how any new regime may disrupt a system they have learned to work with. David Fernandes, president of Toyota Motor Manufacturing Alabama, said that of the roughly 700,000 engines the factory made last year, half went to Mexico and Canada. The facility also makes engines for cars assembled at a Toyota plant in Georgetown, Kentucky. "Anything that hinders the opportunity to provide product to a customer is what is concerning," he said.

Plants in Kentucky and Indiana gave Toyota a US foothold in the 1980s and 1990s, but in this century the Japanese carmaker turned to Alabama, Texas and Mississippi for expansion. Located on former cotton fields, the company's Huntsville, Alabama, plant now employs more than 1,400 people and churns out about 3,000 engines a day. — Reuters



MIAMI: Job applications and information for the Gap Factory Store sit on a table during a job fair at Dolphin Mall in Miami. — AP