

THIRD SECTOR REPORT

Boardmember Burnout: Overcoming An Industrial Hazard

By **JEFFREY WILCOX**
EXCLUSIVE TO THE BUSINESS JOURNAL

If the nonprofit sector had a unique industrial hazard as compared to other enterprises, board burnout would surely be at or near the top of the list of high risks. At a time when more people are juggling the demands of their jobs, commutes and making ends meet while caring for themselves and others, asking a small battalion of volunteers to continually come in to an organization to weigh in, buy in, pitch in and chip in creates a high risk for them eventually feeling “done in.”

It's often been said, with good-intentioned humor, that people who serve on boards will eventually term out, be phased out or, most likely, burn out.

Over the years, the term, “burned out,” has been the focus of numerous studies. The once cliché expression now has its own definition published in most medical dictionaries and industrial psychology glossaries: A chronic condition of emotional and physical exhaustion resulting from stresses brought on by internal pressures
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Port of Long Beach Chief Executive Jon Slangerup announced last week he has accepted a position as chairman and CEO of an aviation company. (Business Journal photograph by Larry Duncan)
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Governor Brown Signs ‘Aggressive’ New Greenhouse Gas Reduction Bill

State Industries Want Direction And Regulatory Oversight

By **SAMANTHA MEHLINGER**
Senior Writer

Gov. Jerry Brown signed two bills into law last week that his office touts as setting the “most ambitious greenhouse gas emission reduction targets in North America.”

Senate Bill (SB) 32 accelerates and extends the air emissions re-

ductions standards laid out in the 2006 Global Warming Solutions Act, also known as Assembly Bill (AB) 32, by requiring the reduction of greenhouse gas (GHG) emissions to at least 40% below 1990 levels by 2030. AB 32 required a reduction in greenhouse gas emissions to 1990 levels by 2020, a goal which the governor's office and environmental agencies indicate is on track to be achieved.

As with AB 32, the California Air Resources Board (CARB), a state agency under the executive branch, has the authority to create regulations and standards to meet those goals.

SB 32 would not have been able to pass if its companion bill, AB 197, had not also been approved by both houses of the state legis-

Sustainable Business
Long Beach Launches
Resources For
Local Businesses
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lature. AB 197 adds two members of the legislature to CARB as non-voting members and establishes a joint legislative committee on climate change policies that would “ascertain facts and make recommendations to the legislature . . . concerning the state's programs, policies and investments related to climate change, as specified.”

While AB 197 was presented as a means to create some oversight of CARB – which, as Chris Shimoda of the California Trucking Association put it in an interview

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Hanjin Shipping's Financial Crisis Puts Cargo In Limbo

By **SAMANTHA MEHLINGER**
Senior Writer

As was widely reported on Friday afternoon (September 9), a New Jersey judge has granted Hanjin Shipping with provisional protection from its creditors in the U.S. during its bankruptcy proceedings.

The South Korean shipping line financially collapsed weeks ago, and since then its ships have been stranded outside of the world's ports and at sea as they attempt to avoid seizure by creditors. The judge's provisional order allows Hanjin to unload ships in the U.S. without risk of seizure.

According to Port of Long Beach (POLB) Chief Commercial Officer Noel Hacegaba, there are three affected ships in local wa-

ters: the *Hanjin Montevideo*, which was seized by creditors before the ruling and is currently anchored within the breakwater; the *Hanjin Greece*, which is due at the Port of Long Beach; and the *Hanjin Boston*, which is due at the Port of Los Angeles. The *Montevideo* was already unloaded at POLB about two weeks ago, Hacegaba said.

To Hacegaba's knowledge, about eight Hanjin vessels around the world have been seized. There are 43 Hanjin ships en route to scheduled destinations, and another 39 vessels circling or anchored at ports. There may be as much as \$14 billion in goods on all those ships, he said.

Hanjin Shipping vessels have also been stranded because, due to
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Westside Boasts More Than 700 Businesses, From Specialty Shops To Commercial Outfits

Often Overlooked Impact Stretches Nationally, Worldwide

By **SAMANTHA MEHLINGER**
Senior Writer

The businesses located in Long Beach's Westside industrial area are some of the city's oldest and most diverse. Firms passed from apprentice to apprentice over the span of 100 years,

commercial production facilities with clients all over the world, small shops where specialty products are artfully crafted by hand, and metal working shops where sparks fly are just a handful of what you'll find in an area that has often been overlooked as to its significant economic impact.

Approximately 700 businesses employing thousands of workers butt up to both sides of the Long Beach Freeway. One is the Westside Industrial Project Area,

(Please Continue To Page 23)

Members Of Recently Formed Nonprofit At First Favored Rental Inspection Program, Then . . .

By **BRANDON RICHARDSON**
Staff Writer

Several members of what is now the Long Beach-based nonprofit organization Better Housing for Long Beach (BHFLB), initially approved of

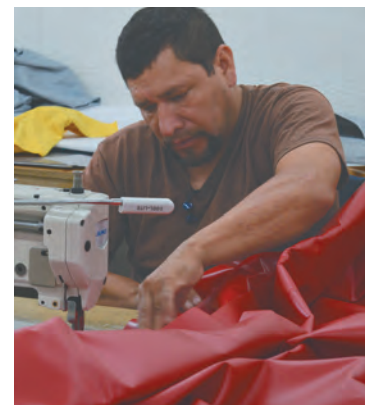
the city's Proactive Rental Housing Inspection Program (PRHIP). Now, with more understanding of the ordinance's impacts, they have become vocal opponents, continuing to fight it with new concerns following a recent city council meeting.

On June 2, 2015, during a Long Beach City Council meeting, several of the BHFLB organizers spoke on behalf of the Apartment Association, California Southern Cities (AACSC) in support of the proposed ordinance.

Paul Bonner, association presi-

dent at the time, said the program was balanced and that in the interest of the city the inspections should continue. Malcolm Bennett, a former association president who now opposes the program, said he welcomed the program and fully supported it. Even Elaine Hutchison, co-founder of BHFLB, said to the council, “We urge your support and passage of the proposed ordinance before you. We hope that the passage of this ordinance . . . opens the door to greater collaboration.”

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Harbor Custom Canvas employee Hipolito Alamilla sews canvas material for use on a boat. (Photograph by the Business Journal's Larry Duncan)

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City Council Votes To Go With State Minimum Wage; Tacks On \$700,000 For Its Own Wage Enforcement

■ By **SAMANTHA MEHLINGER**
Senior Writer

The Long Beach City Council voted on September 6 to adopt the state's minimum wage law in lieu of the city's own ordinance, which outlined a more aggressive rate of wage increases. Due to a friendly amendment suggested by 1st District Councilmember Lena Gonzalez, the council also had to debate whether or not to allocate \$475,000 for community out-

reach about wage theft and, on top of that, to fund two new wage enforcement investigation positions.

The \$475,000 had already been identified by city staff as necessary to enforce the city's own minimum wage ordinance, if the council chose to make that choice. Budget Manager Lea Eriksen estimated it would cost an additional \$220,000 to fund two wage enforcement investigators, bringing the total cost associated with Gonzalez's friendly amendment to

nearly \$700,000. This would be an annual expense.

The original motion to go with the state's law was made by 5th District Councilmember Stacy Mungo, who then took Gonzalez's friendly amendment – which she ultimately accepted and tagged on to her motion – under advisement from her colleagues on the council.

Third District Councilmember Suzie Price asked Assistant City Attorney Mike Mais if it was possible for the city to enforce a state

law. Mais replied that the city would only have that authority if it were specifically granted within the specified piece of state legislation. He did not know offhand if the state's minimum wage law delineated any wage enforcement authority to municipalities and said the matter would be looked into.

Price came prepared with a researched PowerPoint presentation about the state's own efforts to investigate wage theft. She pointed out that the state is funding "a whole new crop" of wage enforcement positions related specifically to wage theft, including within the Department of Industrial Relation's Long Beach office. Last year, that office filed 2,579 wage theft claims, according to her presentation.

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Minimum Wage

(Continued From Page 3)

A state labor commissioner told Price prior to the council meeting that, if the city were to have its own staff to enforce a state law, it would need in-house labor attorneys. “We would not be able to afford that with the \$700,000 that we’re planning to put in to outreach,” she said.

“I am not opposed to having some sort of an enforcement arm in the City of Long Beach. I actually think it’s a great idea,” Price said. “I just don’t want to duplicate what the state is already doing, and I also don’t want to take money that we could be using for other things. If we’re talking about a structural budget we could be talking about more police officers, which is what we need more than anything right now.”

Price made a friendly amendment to set aside Gonzalez’s requested funds until city staff could report back to the council about whether or not the city is even able to enforce a state law.

“Let’s just stop being divisive and saying that just because you don’t give me exactly what I want, you don’t care about it. What I’m saying is, can’t we educate ourselves a little bit more?” Price said.

Mayor Robert Garcia and several other councilmembers supported Gonzalez’s friendly amendment. 4th District Councilmember Daryl Supernaw drew a comparison to her proposal, noting that the traffic circle and Pacific Coast Highway

in his district are overseen by Caltrans, and that the city does not have jurisdiction over those roadways.

Price made a substitute motion to separate the votes so that councilmembers who didn’t agree with Gonzalez’s amendment but wanted to vote for the state minimum wage would be able to express that in two separate votes. She did not receive the second necessary for her substitute motion to pass.

Mungo accepted Gonzalez’s friendly amendment, and the city council voted unanimously, with 6th District Councilmember Dee Andrews absent, to go with the state minimum wage while creating and funding wage enforcement efforts within the city.

Business Journal Publisher George Economides said he would not have accepted the amendment, even though, he said, it was obvious a deal was cut before the meeting.

“Wage theft is of course a serious issue,” he said, “and any business cheating its employees should be held accountable. But it appears the state has a good handle on it and is even adding more staff. Councilmember Price was spot on with her presentation. Why in the heck should taxpayers spend \$700,000 to duplicate state efforts? It’s an absolute waste of money. I think the vast majority of residents would prefer that money be used to hire four or five police officers, especially since we are losing a lot of officers to other cities. Taxpayers deserve better financial oversight from the mayor and councilmembers.” ■

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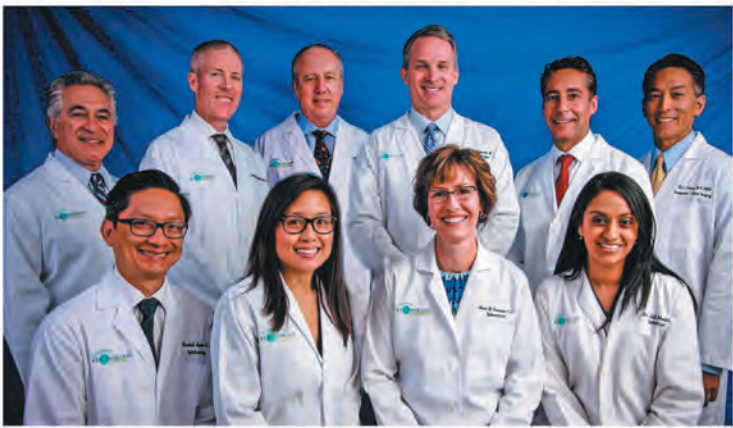


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Mayor Garcia Endorses Measure M The Day After Judge Rejects Petition Against It

■ By **BRANDON RICHARDSON**
Staff Writer

On September 6, opposition to the Metropolitan Transportation Authority's Measure M hit a roadblock when a Superior Court judge rejected a petition against the ballot measure. The following day, three big names were added in support of Measure M from the local, state and federal levels.

Filed by the cities of Carson, Commerce, Norwalk, Torrance, Santa Fe Springs, Rancho Palos Verdes and Signal Hill, the rejected petition claimed the ballot measure's wording was misleading and unclear to taxpayers and should not be voted on until voters could be better informed.

According to the petition, Measure M does not make it clear to voters that the proposed half-cent sales tax increase, which would begin in 2017, does not have a sunset date, meaning it could continue indefinitely. Also missing from the verbiage, according to opposition, is that the measure extends a previous half-cent increase through Measure R to 2039, at which point the Measure M increase would double to one cent to make up the loss.

However, Los Angeles Superior Court Judge Mary H. Strobel stated that there is no evidence showing the wording of Measure M is confusing to voters, nor is it an initiative that requires the ballot language specifics being called for by the action.

"All we are seeking is transparency," Carson Mayor Albert Robles said after hearing the decision. "The voters shouldn't

be misled or confused." Robles added that the group is considering an appeal.

The day after Strobel's decision, U.S. Rep. Alan Lowenthal, Assemblymember Patrick O'Donnell and Long Beach Mayor Robert Garcia endorsed the measure, agreeing it would be beneficial for every city affected.

"Measure M would make significant improvements to the Blue Line and connect riders to a world-class system across the region," Garcia said. "Measure M would help address the worst freeway bottlenecks affecting Long Beach and would help clean our air by easing congestion. I support the measure, which creates good paying local jobs and delivers important infrastructure projects for Long Beach and across the county."

The proposed measure would fund improvements to the 710, 605, 405, 110, 60, 57, 10 and 5 freeways, including auxiliary lanes, lane extensions, additional carpool and general purpose lanes, street widening, interchange improvements, and on- and off-ramp improvements.

Additionally, the funds would pay for L.A. County's portion of a new freeway and toll lanes to connect cities in the Antelope and Victorville Valleys, including Palmdale and Lancaster. The funds would also help with bus and rail operations, local street improvements, repairs and upkeep, bike and pedestrian paths, as well as programs to keep fares affordable for students, seniors and disabled people. All Measure M projects would be built over the next 40 years.

"Measure M will attract federal matching funds to accelerate projects in the Long

Beach region that would otherwise go elsewhere. I strongly endorse Measure M," Rep. Lowenthal said.

According to a July report by the non-profit Los Angeles County Economic Development Corporation, Measure M would create 465,900 new full-time and part-time jobs. It is also estimated that the measure would generate \$860 million per year to fund its numerous projects.

Assemblymember O'Donnell said, "Measure M strikes the right balance between countywide projects and local improvements to best improve our daily transportation needs, and it will make a tremendous difference in improving our air quality. We need Measure M, and we need it now."

Measure M is scheduled to appear on the November 8 general election ballot and requires two-thirds voter approval to pass. ■

ident for Long Beach City College (LBCC).

In mid-July, current Superintendent-President Eloy Ortiz Oakley was named chancellor of the entire California Community Colleges system. He begins his new duties on December 19.

The board's ad hoc committee consists of Board President and Area 5 Trustee Ginny Baxter and Board Vice President and Area 1 Trustee Jeff Kellogg. This month, they will review responses to a request for proposals they issued for a firm to conduct the search for Oakley's replacement, according to Kellogg. "Those responses will be in later this month, and we, the ad hoc committee, will review those and make a recommendation to the board at our September 22 meeting for consideration," he said.

The ad hoc committee and search firm will recommend the configuration of a group of city college stakeholders to provide input in the search and selection of a new superintendent-president. "It's a very broad section of our community that is part of the process in selecting our next CEO," Kellogg said.

The LBCC superintendent-president is the only employee the board is responsible for hiring, Kellogg noted.

Personally, Kellogg is hoping to find another leader for the college who will stay on long term. Its last two presidents, including Oakley, each stayed about 10 years, he pointed out.


Search For New LBCC Superintendent-President To Commence

■ By **SAMANTHA MEHLINGER**
Senior Writer

The Long Beach Community College District Board of Trustees has formed a two-member ad hoc committee to oversee the search for a new superintendent-pres-

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In a Business Journal photograph from 2014, Long Beach City College President-Superintendent Eloy Ortiz Oakley is pictured with past presidents of the college district. He was recently named chancellor of the California Community College System. He starts his new post in December.

City College Search

(Continued From Page 9)

Kellogg hopes the search process will be able to start in January or sooner. “We’ll get down to the finalists, and we’ll be able to have final interviews and selection to where the new superintendent-president will be hired by May or June of 2017,” he said.

The search firm will solicit specific candidates it identifies and will also advertise for the position, Kellogg said.

After Oakley departs in December, the board will have the option of hiring an interim superintendent-president or identify-

ing an acting leader from within LBCC’s existing staff, Kellogg said.

The next superintendent-president will have to contend with funding issues related to the state budget, taking the Long Beach College Promise to the “next level,” and managing a recently passed \$850 million construction bond, Kellogg said. Additionally, he or she will have to stay keyed in to student needs. “What students need today may not be what they need in the future, and that’s part of your leadership,” he said.

Kellogg said the next leader of Long Beach City College should not only be a manager but a visionary, as Oakley has been. ■

Port Of Long Beach CEO Jon Slingerup Resigns To Lead Aviation Company

■ By **SAMANTHA MEHLINGER**
Senior Writer

Last week, the Port of Long Beach announced that its CEO, Jon Slingerup, is resigning effective October 28. The former FedEx Canada executive is leaving his position as head of the city’s harbor department to accept a job as chairman and CEO at an unidentified “leading aviation firm,” according to a port statement.

During his tenure, which began in June of 2014, Slingerup led the port through a historic congestion crisis and worked in tandem with the Port of Los Angeles and industry stakeholders to identify ways to improve supply chain efficiencies. The port has broken several records for cargo growth under his leadership. Several key management positions were created and filled since he took the reins, as were many other port staff positions.

“I wish to thank the Board of Harbor Commissioners for the opportunity I’ve had to lead the Port of Long Beach and our exceptional team of managers and professionals,” Slingerup stated. “The experience of helping guide the port through our industry’s swiftly changing and often-uncharted waters has been both an exciting challenge and a great honor. I am exceedingly proud of the work we’ve accomplished together over the past two years in driving forward our vision for the Green Port of the Future.

I leave my post content in the knowledge that the port’s greatest years lie ahead.”

Mayor Robert Garcia penned a letter, which he e-mailed out on Friday, September 9, thanking Slingerup for his leadership and addressing next steps. “Under Jon’s leadership, the port has grown into one of the most efficient and most environmentally sustainable operations in the world, and improved its relationship with the city and the community tremendously,” Garcia wrote. “Jon, and the incredibly talented employees and managers at the port, have put our harbor department in a strong position for the future.”

Garcia pointed out that the port is facing challenges in its future, including Hanjin Shipping’s current financial crisis, which is impacting cargo throughput at the Port of Long Beach and ports around the world. The impending bankruptcy is just one of several changes occurring within the shipping industry, including the use of large cargo vessels, which the port is dealing with, he noted.

Noel Hacegaba, the port’s chief commercial officer, told the Business Journal that the Long Beach Board of Harbor Commissioners has “ample time” to determine how to address the port’s transition in leadership and whether to select an interim CEO. “We have come to admire his leadership, his vision and we will greatly miss him,” Hacegaba said of Slingerup. “But we wish him all the best. And we know that where he is going – he is going to be a huge asset for that organization.” ■

Hanjin

(Continued From Page 1)

the company’s financial crisis, terminal operators have refused to accept them without payment, Hacegaba said. “Many of our terminals in Los Angeles and Long Beach are requiring cash up front in order to work these vessels, and in some cases they are also requesting that Hanjin Shipping pay any outstanding debt on top of the cost to handle these ships,” he said.

There are about 283 Hanjin containers on POLB docks at the moment, Hacegaba said. Another 16,000 twenty-foot-equivalent units of cargo – which Hacegaba said amounts to about 8,000 containers – are on board the *Greece* and the *Boston*. Once unloaded, those containers may be stuck, thanks to a decision by BNSF Railway Co. and Union Pacific not to transport any Hanjin containers, Hacegaba said.

“Those containers that were destined to go into the interior of the United States via rail are at the terminal,” Hacegaba said. “Companies that own the cargo are looking at alternative ways to remove the containers from the terminals.” There are three terminals at POLB that handle Hanjin ships, including Total Terminals International (TTI), in which Hanjin Shipping owns a 54% stake, he noted.

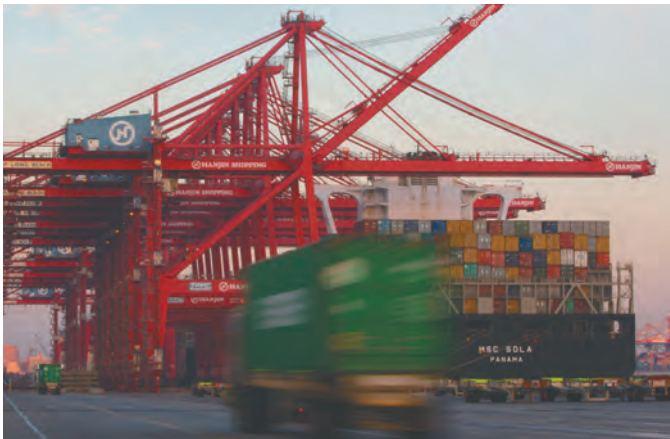
TTI is “financially sound,” Hacegaba said. Mediterranean Shipping Company, the world’s second largest ocean carrier line, owns the minority stakeholder in TTI, he noted. “It’s a very desirable terminal operation which is why we’re very confident that, notwithstanding what is happening with Hanjin Shipping, TTI will continue to be a world class terminal operation,” he said.

There are also about 6,000 empty Hanjin containers already on POLB docks, Hacegaba pointed out. “Any time you have empty containers in the terminal, it takes up space. And it could potentially impact the space that is necessary to unload vessels that are making their way to berth,” he explained. He added that he expects those containers to be shipped back to Asia on the vessels that plan to unload at the San Pedro Bay ports.

“This is a time when cargo owners ramp up their imports and get them to the store shelves in time for the holiday shopping season,” Hacegaba said. “There is never a good time for something like this to happen, but when this occurs during peak season it makes things even more complicated.”

Some of the commodities onboard Hanjin vessels in local waters include big screen TVs, apparel, shoes and furniture, Hacegaba added. Owners of that cargo include Samsung, LG, Ashley Furniture and others. “The impact of having these containers on these ships unable to come to dock is felt across the economy. There is no question about that,” he said.

In an update on the situation, the National Retail Federation’s vice president of supply chain and customs policy, Jonathan Gold, wrote: “The situation is still very much in flux as retailers continue to work with their transportation providers and other partners to get their cargo. There are a lot of questions about ensuring the vessels will be worked and who will pay for those services. . . . Hanjin continues to get some influx of financing to help to pay for some of these services. Retailers are working as best they can to try to avoid having empty shelves during the holiday season.”



Hacegaba is aware of reports that Hanjin’s parent company will supply \$90 million to get its ships unloaded. “What we don’t know at the moment is when the money is going to be in place and how it is

going to be allocated,” he said. “But we have not received any official announcement from Hanjin Shipping as to when those funds will be available and what those funds will be used for.”

Hanjin’s impending bankruptcy is one of many shakeups in the shipping industry in recent years.

“The way I would characterize it is this is the latest in a series of major events that have shocked the shipping line industry towards realignment,” Hacegaba said. “In less than two years, we have seen two

major consolidations. We have seen a major acquisition, and now with Hanjin Shipping we’re seeing an ocean carrier filing for bankruptcy,” he explained. “In less than two years, we went from 20 ocean carriers to 16.”

Also in the past two years, alliances of major shipping companies have been realigned.

“The current alliance structure has four major alliances. Starting in the spring of next year, that number will be reduced to three,” Hacegaba said. “What we’re seeing is a significant realignment where the industry collectively is attempting to balance supply and demand. And so this situation involving Hanjin Shipping appears to be the latest in a series of major events that reflect this realignment.” ■

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Rental Inspection

(Continued From Page 1)

In the 16 months since that meeting, PRHIP has divided the community and brought conflict rather than collaboration. Other community organizations, such as the nonprofit tenant advocacy group Housing Long Beach, support the program and even feel the city should do more to protect tenants and help eradicate slumlords.

When asked about her change of heart regarding the program, Hutchison said, "I think the reason I was initially so much in favor of it is because I felt that the whole purpose, the main purpose and the focus, was going after slumlords, which give us all a bad name. We were in favor of that be-

cause we felt like we too had met with some slumlords and didn't think that they were representative of who we are. So we were fine with that."

However, Hutchison and Nancy Ahlswede, former executive director of the AACSC, reiterated the group's recent complaint that the program spends too much time and manpower inspecting good landlords' buildings when it should focus on the slumlords. BHFLB also thinks the program oversteps its bounds when inspectors cite owners for issues unrelated to habitability and ask tenants for personal information.

The Business Journal reached out to Johanna Cunningham, the current executive director of the AACSC, to ask if the association has also changed its position on the

Long Beach ordinance. Cunningham's initial response over the phone was that "the jury is still out on that." However, in a follow-up e-mail she wrote:

"The Apartment Association, California Southern Cities has always supported groups that are working toward the goal of protecting property rights for our owners, landlords and property managers as well as tenant organizations to ensure quality housing. Working with this group is no different. When AACSC became aware of the creation of Better Housing for Long Beach, a number of our members attended their initial meetings. Joanie Weir, the president of the group, is an owner and a member of AACSC and has been directly impacted by the PRHIP ordinance and is passionate about exposing those issues that appear to be beyond the scope of the ordinance's purpose. There have been a number of our owners who have experienced inspections that went beyond the normal inspection standards. With the program just barely hitting the one-year mark, it is disheartening to hear these stories. So AACSC is approaching this issue from both sides, from working more closely with our city council representatives to inform them of the feedback we are getting from our owners and working with city staff to make suggestions for

Correction

The August 30 edition of the LBBJ included a story about the Long Beach Proactive Rental Housing Inspection Program. The story misstated inspection fees charged to property owners. The fee tiers are \$230 for properties with 4 to 10 units, \$260 for 11 to 20 units and \$290 for 21 or more units.

changes in fees and how best to implement a "Good Landlord" program. AACSC is working hard to stay informed, and we believe that it is important to work with other groups who share our passion for protecting those who are providing housing for our residents. AACSC continues to support the city's effort to ensure habitability standards for all residents of the City of Long Beach. However, we are opposed to inspections that are surpassing habitability issues and inspectors that are intimidating tenants in an effort to inspect units against the tenant's desire."

Hutchison confirmed that her group is currently working with the AACSC to "have a joint view." She said the organization is also working with the Apartment Owners Association, the Apartment Association of Greater Los Angeles, numerous realtor associations, as well as veterans and members of the local Cambodian, Hispanic and African American communities.

The group admits it will never support



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BID OPPORTUNITIES

TITLE	BID NUMBER	DUE DATE
California Ave Widening from Willow to Spring St	R-6838	9/14/2016
Project Portfolio Management Application	RFP PW16-177	9/15/2016
Communication Equipment Upfitting	ITB FS16-174	9/15/2016
Purchase of Used Vehicles	ITB FS16-175	9/15/2016
Long Beach Hotel Incentive Analysis	RFP FM 16-185	9/15/2016
Purch. of 20 Multi-Purpose Ford Intrcpt. Utl. Veh.	ITB FS16-184	9/19/2016
Purch. of 44 Pursuit-Rated Ford Intrcpt. Utl. Veh.	ITB FS16-183	9/19/2016
Comm. Rehab Program-Scattered Sites North LB	ITB DV16-161	9/21/2016
Comm. Rehab Program-Anaheim St. & Cherry Ave	ITB DV16-162	9/21/2016
Roof Repair Station 34 Marine Maintenance Facility	ITB PR16-180	9/22/2016
MRV Priority Plus Support	ITB TI16-191	9/22/2016
Xplore Motion Tablets	ITB TI 16-189	9/22/2016
MultiPurps Work Vessel 15' Fiberglass w/Outbrd Eng	ITB FS16-176	9/22/2016
Purchase & Dev Opp. at 1900-1940 Long Beach Bl	RFP DV16-143	9/23/2016
Annual Contract for Plastic Pipeline Construction	ITB GO16-168	9/28/2016
Fire Light Air Apparatus	ITB FS16-173	9/28/2016
Multi-Year Vehicle Purchase	ITB FS16-126	9/29/2016
State Legislative Representation Services	RFP CM16-165	9/30/2016
Purchase of (13) Rear Loading Refuse Trucks	ITB FS16-141	10/04/2016
Bayshore Lifeguard Station	R-6981	10/06/2016
Request for Solution for Outdoor Office Challenge	RFS CM16-187	10/06/2016

Some of the listed projects have scheduled mandatory pre-bid meetings which may have already occurred due to publication lead times

Bidder Registration

To receive notifications of bid opportunities, register with the City of Long Beach at www.longbeach.gov/finance/business-info/purchasing-division/purchasing-division/. Additional details on upcoming bids and how to register can be found on the website.

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the inspection of every property in the city, but its members acknowledge that “the law is the law” and hope to eventually make a presentation to the city to propose amendments to the ordinance to clear up what they consider gray areas.

Better Housing for Long Beach’s latest concern regarding the inspection program came up at the August 23 council meeting when Amy Bodek, director of Long Beach Developmental Services, spoke during the fiscal year 2017 budget hearing regarding her department. During her presentation, Bodek discussed a proposed inspection fee increase.

“We currently charge \$230 to inspect four units through 10 units. Our fee increase that we’re looking for to achieve full cost recovery would go to \$254,” Bodek said. “So we’re talking a \$24 increase for a property owner that may own a four-unit building or a 10-unit building. So we’re talking very minimal fee increases.”

According to BHFLB, property owners already have fire inspection fees, a business license fee and, in some cases, a business improvement district fee. Even though Bodek claimed the increase was to match the already existing cost, BHFLB thinks the nearly 10.5% increase could be for the program to hire more staff and conduct more inspections.

In an August 30 interview with the Business Journal, Hutchison said she spoke during public comments after Bodek’s presentation, asking if the increase would be used to hire more personnel, and she did not get a clear response. However, in the video record-

Apartment Building At 360 Lime Ave. Sold For \$7.45 Million

A 42-unit apartment building at 360 Lime Ave. in downtown’s East Village area has sold for \$7.45 million, according to the CBRE Group, Inc. The buyer was Waterford Residential, an Orange County-based multifamily investor, which plans to rehab the interior and exterior of the project. It marks the fourth Long Beach multifamily property transaction in the past nine months that CBRE has represented Waterford. “Long Beach has become more and more interesting



to investors that may have gotten priced out of other beach cities within Orange County or L.A. County,” said CBRE Vice President Matthew Kipp, who represented Waterford in the transaction. Waterford Residential is a partnership between The Waterford Group and Stillwater Investment Group. (Photograph by the Business Journal’s Larry Duncan)

ing of the meeting, in response to Hutchison’s question Bodek said, “Vice mayor and members of the council, the answer to that is no.”

The BHFLB group is currently in the planning stages to counter Housing Long Beach’s participation in National Renters Day of Action for Dignity & Respect on September 22 with a renters appreciation month. BHFLB described National

Renters Day as “very negative and very anti” and said their event would be more positive. Other cities with groups participating in the renter protest include Atlanta, Boston, Chicago, Seattle, Portland, Oakland, New York and Nashville.

For more information about National Renters Day, contact Housing Long Beach at 562/754-6645. For more information about Better Housing for Long Beach,

visit betterhousingforlongbeach.com or attend one of the group’s meetings every Sunday at noon at 2338 E. Anaheim St., Suite 201A.

(Editor’s note: property owners and tenants who wishes to share their experiences with the city’s inspection program may e-mail the Staff Writer Brandon Richardson at brandon_richardson@lbbj.com, or call him at 562/988-1222.) ■

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From Home To Scrap Heap: The City's Program For Recycling Large Appliances

■ By BRANDON RICHARDSON
Staff Writer

California takes a hard stance when it comes to strict environmental laws, and Long Beach is no exception, oftentimes implementing additional regulations and incentives to encourage residents and businesses to be as eco-friendly as possible.

For residents, curbside recycling is easy enough – recyclables go in the large purple bins provided by the city and get picked up once a week. No more sorting cans, bottles, paper and cardboard. However, when it comes to large appliances, or white goods, residents and business owners alike may not realize they are recyclable or reusable through the city.

"Recycling isn't just cans and bottles," Leigh Behrens, a recycling specialist with the Long Beach Environmental Services Bureau, said. "When it comes to city operations, like with our contract with Corridor [Recycling], all of the appliances that are collected on the curb from residences or are illegally dumped and picked up by city crews, those are also being recycled."

The City of Long Beach has a special collections program where residents can schedule a pickup for large appliances such as air conditioners, clothes washers



Long Beach has several programs that encourage residents and businesses to recycle and reuse. One program allows for large appliances, furniture, electronics, tires and other items that do not fit in trash receptacles for normal pickup or require special disposal to be picked up by the city free of charge. These special collections can be scheduled at longbeach-recycles.org or by calling 562/570-2876. Pictured at Corridor Recycling from left to right: Elisa Calderon, a recycling specialist with Long Beach's Environmental Services Bureau [ESB]; Gilbert Dodson, owner of Corridor Recycling; and Leigh Behrens, a recycling specialist with ESB. (Photograph by the Business Journal's Larry Duncan)

and dryers, ovens, stoves, refrigerators, freezers and water heaters. Behrens explained that the city began this program because these types of appliances are in a special category and need to be handled a certain way.

"They can't go in the normal trash. They can't go in the normal recycling with the cans and bottles because they may contain hazardous materials that are potential health hazards and environmental hazards," Behrens said. "That really is the importance – to be able to ensure that everything we're handling as a city is being dealt with in a way that is environ-

mentally sound. And that's where our connection with Corridor is."

Long Beach holds a metal contract with Corridor Recycling, which has been operating for 21 years in the city. All large appliances picked up by the city are then brought to Corridor to be broken down and recycled properly. Some of Corridor's other clients include the Aquarium of the Pacific, Kaiser Medical Centers and Macy's Department Store.

"Recycling is a green business and we take pride in that, but we're in it for profit," Corridor owner Gil Dodson said. "We have to be very careful because there are some

things that just don't work. But the metals do work if you handle them the right way, such as the hard-to-handle stuff like white goods."

Each Long Beach residential account is provided with two free special collections per year, however a regulatory fee may be charged for items that require special handling. Special collections are not limited to white goods but also include large furniture, computers and monitors, TVs, tires and yard debris such as tree branches, as well as other odd items that do not fit in with traditional recyclable goods or trash. Tires must have the rims removed before pickup, and appliances such as refrigerators and freezers must have their doors removed for safety reasons.

"These are in everyone's home. This stuff gets accumulated," Behrens said. "When it comes to the environmental situation, which of course we care about a lot, with refrigerators and freezers there are a lot of people who, when they buy a new refrigerator, shove the old one into the garage and make it their beer fridge. First of all, those old refrigerators are huge energy vampires, so really that's impacting our energy use within the community. And they're just sitting there and they don't need to be there."

Behrens pointed out that the special collections program is not equipped to handle household hazardous waste, which includes

LB RECYCLES



Mandatory Commercial Recycling

State law (AB 341) makes recycling mandatory for any commercial property or multi-family residential property (with five or more units) that generates four or more cubic yards of waste per week. Contact your waste hauler about recycling options.



Commercial Organics Recycling

Starting January 1, 2017 State law (AB 1826) will require businesses that generate 4 cubic yards of organic waste to arrange for organic waste recycling services. Organics include food, yard trimmings, nonhazardous wood, and food soiled paper.



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Visit www.longbeach-recycles.org to learn more about commercial recycling options.



Corridor Recycling has a metals contract with the City of Long Beach, which includes the disposal of all large household appliances such as refrigerators, freezers, air conditioners, clothes washers and dryers and water heaters. Illegally dumped items picked up by the city, as well as items that were scheduled for pick up by residents and businesses, are taken to Corridor to be recycled properly. (Photograph by the Business Journal's Larry Duncan)

paint, cleaners and other chemicals residents and businesses might have. In fact, Long Beach does not have a program to dispose of these products itself but has partnered with EDCO Recycling in Signal Hill to offer free drop-off for these types of hazardous materials on the second Saturday of every month.

Speaking about the amount of white goods the city has been turning into Corridor, Dodson said, “[The city’s] white goods have all of a sudden increased like no one’s business. All I know is last month [the city] had a two-page list of of recyclable loads of white goods.”

Behrens said the surge really speaks to the message the city has been able to get out to residents and the pride the community takes in the city. She said the environ-

mental services bureau promotes to residents through its website and at events. In the bureau’s recent annual presentation to the state about its recycling initiatives for 2015, it stated that almost 20,000 people were reached through community events.

“We also were a little flummoxed when in, I’d say, early 2015 we just got slammed with seeing a lot more illegally dumped appliances, for one thing, and more special collections,” Behrens said. “In the past six months, we have had twice as many tons of white goods [sent to Corridor] than in all of 2015. People that live in Long Beach, they have pride in their community, so they don’t want to see the environment being fouled up with chemicals or have things cluttering the streets.”

The city has a new initiative called the Clean Team that the mayor wants to focus on to improve response times for the removal of illegally dumped items and debris. In addition, the city’s GO Long Beach app, which can be used to report graffiti, potholes and sign damage, can be used to report illegally dumped items.

In a recent 8th District newsletter, Councilmember Al Austin released numbers for reports made through the app in his district from July 2 to August 2. Illegally dumped items had the most reports at 120, all of which were completed. (The city actually had 124 pickups, meaning four were spotted by city employees and not reported by residents.)

For businesses, Dodson explained that Corridor will pick up bulk amounts of re-

cyclable materials, including white goods. He also pointed out that residents and businesses could bring their recyclable goods to Corridor.

While the bureau is proud of its recycling success, Behrens explained that one of its latest programs hopes to promote reuse for businesses instead. LB-exchange.org is a site where businesses that are closing or upgrading their facilities can post large appliances and furniture in good, working condition for nonprofits, schools or other businesses to purchase.

“A zero waste stream – reducing waste or reusing – is a top priority,” Behrens said. “[The exchange] acts as a connector for businesses that are in need of getting rid of things and are in need of something that someone else has. Kind of a trash into treasure situation.

“Recycling isn’t just a green thing or an environment thing or, as some people who are more critical of it would say, a tree-hugger thing. Recycling isn’t just about that, it is a business,” Behrens continued. “That’s really the broader aspect of why we are here today, to show that Long Beach is a green community that does recycle and makes sure things are handled appropriately, but also that there is business behind this, a commercial entity.”

For more information about city recycling programs, residents may visit long-beach-recycles.org. Special collections can be scheduled on the website or by calling the special collections hotline at 562/570-2876. Businesses can schedule a bulk pickup with Corridor at 310/835-9109 or on corridorrecycling.com. ■

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Visit www.litterfreeLB.org to learn more about litter abatement efforts in Long Beach.



Greenhouse Gas Reduction Legislation

(Continued From Page 1)

with the Business Journal, has “blank check authority to write whatever sort of regulation they want to get to the [GHG reduction] goals” – some state legislators and industry associations believe the bill simply maintains the status quo.

Richard Lyon, senior vice president of the California Building Industry Association, called AB 197 “a toothless tiger.” Upon hearing that, Long Beach’s Assemblymember Patrick O’Donnell laughed and said it was more like “a toothless ghost.” While O’Donnell supported SB 32, he did not support AB 197 because he viewed it as “feel-good legislation” that simply restated authority the legislature already has. He abstained from that vote.

“AB 197 doesn’t do much and should have more teeth to protect the environment and the business community in this region,” O’Donnell said. “The idea through AB 197 was to provide some oversight mechanism over the efforts to address climate change – mainly the California Air Resources Board, of which there has been much concern,” he explained.

“[CARB] came before the legislature earlier this year and they couldn’t account for the dollars they spend on each of their efforts, nor the metrics associated with each of their efforts. So CARB needs some basic accounting,” O’Donnell said. “If you have a governmental body come before you and say, ‘These are the programs we have

and we can’t tell you how much money we’re spending on each program, nor the metrics associated with each program,’ there’s an issue there.”

In response to these comments, CARB’s director of communications, Stanley Young, wrote in an e-mail to the Business Journal: “CARB has responded quickly and directly to requests from the legislature with detailed information on every single project (and there are thousands of them) indicating where the money went, the estimated greenhouse gas reductions, and the specific cost-effectiveness of each project.”

Young attached a lengthy spreadsheet outlining programs aimed to reduce or mitigate greenhouse gas emissions, how much was spent on them, and associated emissions reductions. Projects and programs included developing transit-oriented housing, planting trees, upgrading landfill facilities, encouraging public transit use, replacing outdated utility infrastructure, incentives for cleaner vehicles and more.

O’Donnell expressed concern that some of CARB’s programs may be “feel-good” rather than effective. “We have a lot of emerging technologies in the port that are going to reduce emissions on ships and other port-related vehicles. . . . And CARB needs to help those technologies emerge, develop and get implemented,” he said.

In passing AB 32 in 2006, the state legislature “handed off a significant amount of authority to the California Air Resources Board,” O’Donnell noted. “Understand, that’s under the executive branch, so they don’t answer to the legislature other than through legislation and the budget.”

He said the legislature shouldn’t “pass a law and then walk away,” but should “review on a regular basis how that law is being implemented and the success or failure of that program.”

O’Donnell also takes issue with CARB’s program to provide incentives to those who purchase clean-operating vehicles. “If someone is making \$1 million a year, there’s no reason they should be getting a subsidy to buy a Tesla, OK?” he said. “A super majority of the residents in my district cannot afford to buy a Tesla. The number of people who can afford to buy a Tesla is infinitesimal. We should not be subsidizing the purchase of Teslas for rich people.” To be clear, the program is not specific to Teslas, although they do qualify.

In 2014, total dollars implemented for the Clean Vehicle Rebate Project amounted to \$20 million. In 2015, it was more than \$109 million. So far this year, more than \$6 million has been spent on the program, according to documents supplied by CARB. The program website,

cleanvehiclerebate.org, has a notice on the homepage that reads: “Funding is currently exhausted. All applications submitted after June 10, 2016 will be placed on a rebate waitlist.”

After delineating several places online where information about CARB’s spending is publicly available, Young concluded: “As for the type of projects the GGRF [Greenhouse Gas Reduction Fund] funds, we feel that promoting cleaner vehicles and providing cleaner low-carbon transit in low-income areas to both fight climate change and clean the air are precisely the kinds of investments that California needs – and that the Legislature itself directed us to do with laws such as SB 535 that directs that at least 25% of funds from the cap and trade auctions go into disadvantaged communities.”

State’s Industries Seek Clear Instruction On Compliance

Associations representing some of California’s impacted industries in-

Sustainable Business Long Beach Launches Resources For Local Businesses

Kickoff Breakfast Scheduled October 28

By Wade Martin and Tom Bowman



Wade Martin

As the name suggests, Sustainable Business Long Beach (SBLB) is an organization of local business leaders who are working to help other companies and our community flourish. Formerly known as the Long Beach Green Business Council, one of the Long Beach Area Chamber of Commerce business councils, SBLB announces its new name to coincide with the launch of a new communitywide initiative that goes far beyond the typical green business niche.



Tom Bowman

Many business owners see sustainability as a business category that includes green-tech, organic products and renewable energy. This misperception leaves thousands of companies that drive our diverse economy on the sidelines. In reality, every business in every industry can reduce costs, improve morale and inspire stronger customer loyalty by taking simple and low-cost steps toward sustainability. Like their peers across California, SBLB members have demonstrated that walking the talk on sustainability is much easier and more cost-effective than many people imagine. A relatively small investment of time can be a positive experience that pays multiple dividends.

With this in mind, Sustainable Business Long Beach is launching a two-year project to help other Long Beach area firms enjoy similar benefits by focusing on resilience. The theme is timely, given Mayor Robert Garcia’s recent signing of the Compact of Mayors. Joining more than 500 other cities around the world, Mayor Garcia is making a commitment that Long Beach will become a model climate resilient city. This can’t be accomplished without direct participation by businesses.

The city is currently reviewing proposals to develop a citywide Climate Action Plan that will inventory carbon pollution and recommend actions to reduce emissions. Along with the Port of Long Beach, Aquarium of the Pacific, Long Beach Airport, and California State University, Long Beach, the city is taking bold steps to improve public health and keep the city vibrant in a warmer, drier, more crowded and potentially smoggier future.

Long Beach is home to business leaders who have been recognized for their pioneering, voluntary actions as well. SBLB’s resilience project brings these leaders’ expertise and practical experience to the wider business and residential community through a series of quarterly events that will be held in different venues throughout the city. Practical experience and personal perspectives are the currency of business practice. Each event will address key sustainability issues with an emphasis on what works to improve business performance.

Business leaders and residents are invited to the kickoff breakfast event, “Unexpected Benefits of Creating Sustainable Businesses” on October 28. The location and details will be announced soon. For more information, contact Judy Nelson at the Long Beach Area Chamber of Commerce: 562/432-8128 or jnelson@lbchamber.com.

(Wade Martin is president of Sustainable Business Long Beach, professor, and director of the CSULB Office of Economic Research. Tom Bowman is president-elect of SBLB, founder of Bowman Design Group, winner of the Cool California Small Business of the Year Award, and president of Bowman Change, Inc.)

Join the Aquarium of the Pacific for its twelfth annual Native American festival, **Moompetam: A Gathering of the Salt Water People**, a celebration of Southern California maritime cultures, including Tongva, Ajachemen, Chumash, Costanoan, Luiseno, and Kumeyaay. Come enjoy traditional music, storytelling, dance, craft demonstrations, and educational programs. “Moompetam” means “of the Ocean” in Tongvan – it’s a perfect way to describe this one-of-a-kind intertribal maritime cultural event.

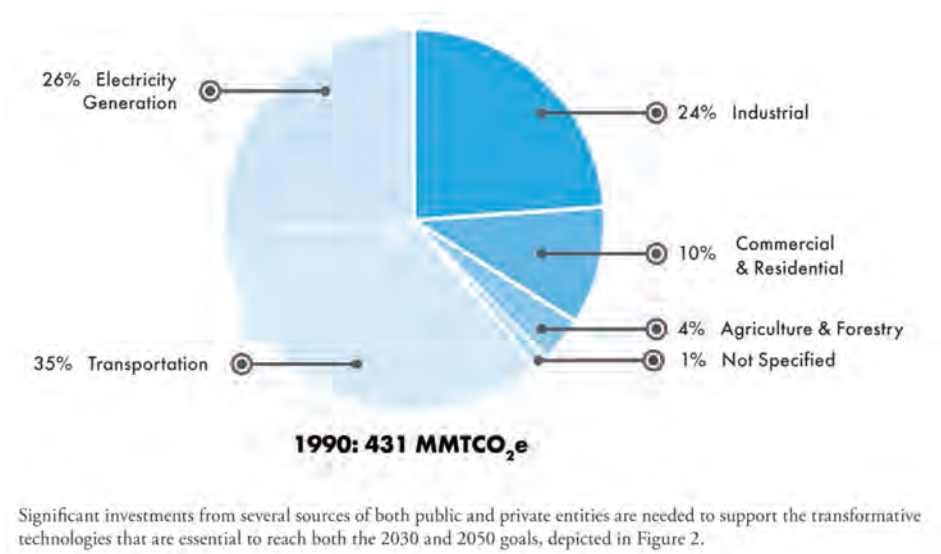
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This chart from the state’s annual report on cap and trade auction proceeds illustrates the levels and sources of greenhouse gas (GHG) air emissions in 1990. State Assembly Bill 32, which was passed in 2006, requires state industries to reduce their GHG emissions to 1990 levels by 2020. MMTCO₂e stands for million metric tons of carbon dioxide, a greenhouse gas. (Chart from the California Climate Investments’ 2016 Annual Report)

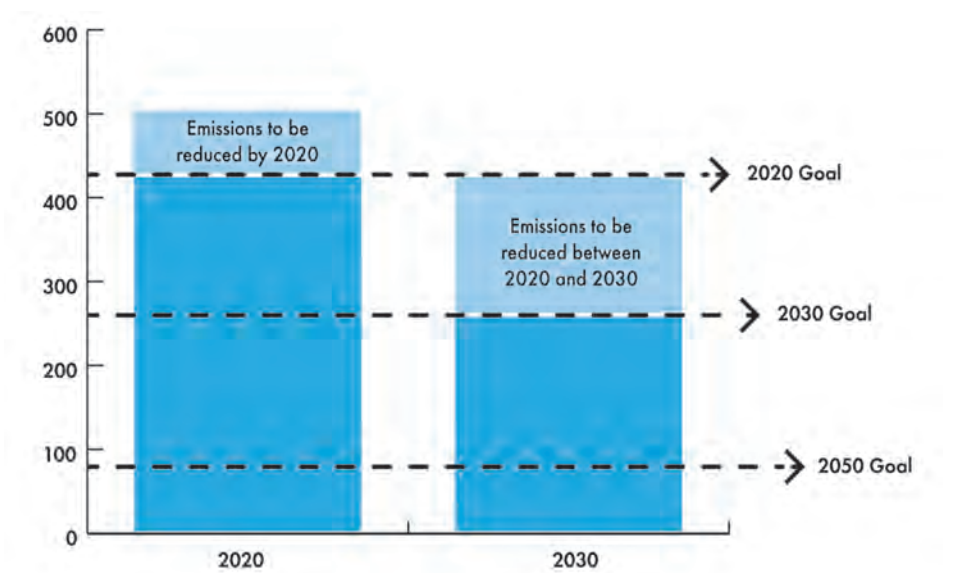
licated that while they opposed SB 32, it was not because they had a problem with reducing greenhouse gas emissions by adjusting their operations. Rather, they wanted legislators to provide more direction within the bill text as to how those emissions reductions should be reached instead of passing the baton to CARB.

After restating the goals and intent of AB 32, the text of SB 32 is quite short. It adds a section to the state’s health and safety code that reads in full: “In adopting rules and regulations to achieve the maximum technologically feasible and cost-effective greenhouse gas emissions reductions authorized by this division, the

state board shall ensure that statewide greenhouse gas emissions are reduced to at least 40 percent below the statewide greenhouse gas emissions limit no later than December 31, 2030.”

A second, briefer section states SB 32 will only go into effect if AB 197 is passed, which it was. Both bills become effective on January 1, 2017.

For the state’s home builders, not having specific direction for reducing air emissions from their operations is risky, according to Lyon of the California Building Industry Association. He pointed out that the timeline for reducing air emissions as described in SB 32 is also outlined in a 2015 executive



This chart illustrates the greenhouse gas air emissions reductions goals outlined in Assembly Bill 32 (the 2020 goal), Senate Bill 32 (the 2030 goal), and a 2015 executive order by Gov. Jerry Brown (the 2050 goal). The figures on the left are measurements of carbon dioxide in million metric tons. (Chart from the California Climate Investments’ 2016 Annual Report)

order by Governor Brown. That same order sets a goal to reduce air emissions to below 80% of 1990 levels by 2050.

“What we hear from some is that the goals are set decades ahead to give research and development and technology and innovation time to develop, and eventually show us the way,” Lyon said. “There may be some truth to that if we’re talking about things like fuel efficiency or clean car technology. But here we’re talking about residential development. We’re talking about homes and apartments and condominiums. We’re talking about retail and commercial offices, development activities, water systems, roads,” he continued.

“These are all construction activities that have to undergo CEQA review.”

The California Environmental Quality Act (CEQA) requires all development projects to undergo an environmental impact analysis before commencing. It also requires the identification of a “significance threshold” for GHG emissions that must not be exceeded. AB 32 and SB 32 do not outline what such a threshold would be in order to meet their GHG reductions goals. Therefore, the CEQA process requires developers to meet a standard without identifying what that standard is – they’re left to guess, as Lyon explained it.

(Please Continue To Page 18)

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Greenhouse Gas Reduction Legislation

(Continued From Page 17)

“CEQA says that projects that are built today and that are reviewed under the California Environmental Quality Act are required to be consistent today with the future emissions goals,” Lyon explained. “What we have said is, we don’t know what the appropriate emission levels from our projects are. So, legislature, governor, let’s sit down and let’s determine up front what the appropriate emissions levels from our projects are and what the appropriate mitigation for those are. Just tell us the rules of the game, and we’ll do our best to do it.”

Lyon said his industry is “stranded” as developers undergoing the CEQA process are now struggling to guess at the acceptable levels of emissions for their projects under SB 32. If it later turns out that those developers’ estimates were incorrect, “They’ll be sued,” he said. “This bill is signed in to law, and the next development project out the door – and this is not at all an overstatement – could very well be sued [because] it hasn’t designed the home or designed the transportation network or whatever it may be to meet that 2030 standard.”

The California Building Industry Association took no issue with developing a post-2020, post-AB 32 timeline for air emissions reductions, Lyon noted. But SB 32 did not provide clarity on emissions thresholds for development activity, so the association opposed the bill.

Similarly, the California Trucking Association would not have opposed SB 32 if certain amendments had been made, according to Chris Shimoda, the organization’s policy director. His association was seeking clarity about future regulations related to the use of clean technology for trucks.

“The amendments would have set an amount of time where if you bought today’s technology – the cleanest available certified by either the Air Resources Board or EPA – that there would be a certain amount of time that you would be allowed to operate that equipment before being asked to either retrofit or retire it,” Shimoda said.

The request for such an amendment stemmed from a concern that the trucking industry would be required to invest in cleaner technology and then mandated to upgrade its equipment immediately as soon as something cleaner is available. “That has been our experience over the recent past,” Shimoda said.

For the trucking industry in particular, developing technologies to meet SB 32’s GHG emissions goals is going to prove difficult, according to Shimoda. “With the state of where things are with technology and fuels, to get to the 40% below 1990 level goal we would have to stop moving trucks beginning in August and just stop running things through the end of the year,” he said. “We need some mix of fuel efficiency and advance technology to make that gap up if we’re going to be able to meet the 40% reduction goal.”

Simon Mui, director of the California Vehicles and Fuels, Energy & Transportation Program for the Natural Resources Defense Council, said that whether or not SB 32’s timeline is too aggressive “de-



The California Trucking Association had advocated for an amendment to the recently passed Senate Bill 32 which would have allowed truckers who purchased the cleanest available technologies to use them for a certain period of time without being required to upgrade as soon as something new is available. Those amendments were not included in the final adopted legislation. (Photograph by the Business Journal’s Larry Duncan).

pends on the sector,” and that he believes state agencies and the legislature have the ability to “make adjustments.”

“Some may be saying it’s too quick. Others may be saying it’s not quick enough,” he said. The council backed both SB 32 and AB 197.

“There is no question that these are aggressive goals,” Mui said. “But I think to the extent that we know how to get there and we’re already doing a lot of it, it’s not like rocket science. We’re not creating something to go to the moon here. We can use existing technologies to get there.”

Asked specifically how he would respond to members of the trucking industry who say they don’t yet have the means to meet SB 32’s requirements because of a lack of advanced technology, Mui said there has been “tremendous progress” in technological development.

“To the extent that things like electric truck technologies or hybrids weren’t really in the conversation only five or 10 years ago, they are. There are companies now in California manufacturing those trucks,” Mui said.

“Just five or six years ago, people said, ‘hey, there’s nothing that could be low-carbon for the freight sector,’” Mui said. “And lo and behold, companies developed renewable diesel which is . . . not only much lower carbon but it also runs cleaner in terms of other emissions and doesn’t suffer from some of the components that are also contributing criteria in toxic pollution.”

The California Manufacturers & Technology Association (CMTA) opposed SB 32 because no due diligence was involved in ensuring that there is a cost-effective method in place for achieving the bill’s goals, according to Gino DiCaro, the association’s vice president of communications.

“For a long time, CMTA has effectively argued that a well-designed cap and trade program is the most cost effective way to get to California’s climate change goals,” DiCaro said. But there is no mention of a cap and trade program in SB 32.

Debate Over Cap And Trade Program

CARB created a cap and trade program in which manufacturers and other industry sectors are mandated against producing more GHG emissions than an allowed amount, or cap. Affected parties can purchase permits to allow their GHG-producing operations up to the cap, and they can trade permits they do not need.

While the state’s business community at large supported the premise of cap and trade – for example, the California Chamber of Commerce (CalChamber) supported it – the state’s program is now in litigation because of the way it’s structured.

CARB allocates up to half of the permits to itself and then auctions them. CalChamber is litigating this auction process, arguing it isn’t necessary for a successful cap and trade program and that it is a tax. The argument is that the auctions are illegal because AB 32 wasn’t passed with the two-thirds legislative majority required to pass a tax.

With the cap and trade program’s future in question, SB 32 should not have been passed, DiCaro argued. He also noted that under AB 32 the cost of fuel has increased by about 11 cents per gallon, and that California manufacturers in 2015 paid about 79% more in electricity costs than manufacturers throughout the country.

“The most important point is in 2015 we got 1.5% of the country’s manufacturing investment,” DiCaro said. “If you look at that at a per capita level against the rest of the states, basically any given year we are dead last, or second or third to last.”

An official statement from the Western States Petroleum Association took issue with the “rushed” manner in which AB 197 and SB 32 were passed. “The rushed vote was deliberately schemed in order to cover up today’s terrible cap and trade auction result,” the statement by WSPA President Catherine Reheis-Boyd read.

Only about one-third of available permits, also known as credits, were sold in the latest August 23 cap and trade auction.

Reheis-Boyd’s statement continued on to criticize the legislation. “Although SB 32 was rushed ahead of the results of the auction, the fact is that the passage of this measure does nothing to put the market on the right track,” she wrote. “The reality remains that SB 32 fails to address fixes to cap and trade, which sends the wrong signals to the market. Today’s miserable auction result reflects the market’s lack of certainty.”

Mui at the NRDC had another take on the results of recent auctions. “People basically aren’t needing to buy permits, these allowances, which suggests that they actually are doing fine on their own in terms of making reductions,” he said. “Some have looked at it as a glass half empty. We also look at it as a glass half full.”

Assemblyman O’Donnell said California needs cap and trade, despite the program’s recent troubles. “I think cap and trade in and of itself is a pretty hefty conversation, because I have some real concerns where the money from that program is being spent,” he noted. But he said the program is necessary, as long as the resulting funds are spent on projects that are effective.

“There has to be a partnership going forward. So if we have cap and trade dollars – if we’re charging the business community money associated with their emissions – then we need to use those to reduce emissions,” O’Donnell said.

The assemblymember indicated he wants to revisit oversight of CARB. “AB 197 was the first swing, but you know, we’re going to be back to the plate on this one,” he said. “Because it really doesn’t do much other than to say that the legislature can do what it already does. It should ensure greater oversight of the effort and funding associated with emissions reductions.”

On the subject of SB 32, which he supported, O’Donnell had this to say: “SB 32 is a positive step to further put California at the forefront of addressing climate change. We’re an example to the world. And to deny that something is happening to our climate is to deny reality.” ■



Westside Long Beach business Tell Steel stocks more than 17 million pounds of steel, aluminum and alloy products. The metal company serves clients in Los Angeles, Orange and Riverside counties. (Photograph by the Business Journal's Larry Duncan)

Despite Increased Regulations, Westside Owners Say Business Climate Is 'Strong'

■ By **BRANDON RICHARDSON**
Staff Writer

As the national economy's growth slows and fails to meet expectations – with gross domestic product only growing 1.2% during the second quarter of this year (less than half of the projected 2.5%) and private fixed investment down 3.2% (the most in seven years), according to Bloomberg.com – Westside Long Beach business remains strong.

"If you drive through the Westside now, there are forklifts and trucks being loaded and unloaded, and there's just a lot of activity on these streets, which are really small streets," Stan Janocha, owner of Superior Electrical Advertising Inc., said. "You just see that there is more going on than what was a few years back."

For his business, Janocha said he has seen a tremendous increase over the last year and has been able to hire 10 new employees in that time. The company specializes in signage for retail and fast-food businesses, including McDonald's, Starbucks, Denny's and CVS, but also does work for Disney and Universal Studios and is currently working on a large job for Viacom, which Janocha says will be visible to anyone peering up at the Hollywood sign.

"We have a staff of about 130 right now, and about a third of those are Long Beach residents," Janocha said. "We're always proud that we look for the Long Beach residents before we look for anybody else."

Ed Spotsky, owner of Spot Lighting Supplies, said his company is also up from last year. He explained that the brick-and-mortar sales are down around 5% but Internet sales are up about 20%. Spot Lighting re-

cently added a new full-time employee, bringing its staff up to 16.

Spotsky attributes his company's success to LED lighting, which is changing the lighting industry as a whole. He explained that after 35 years of doing business, recent industry changes have kept the job fun. For his business specifically, he said a key factor for success is its proximity to the freeway, saying he was glad he did not instead buy a property near Orange Avenue and Anaheim Street.

"People just love that we're right off the freeway because we do have a lot of people coming here all day long," Spotsky said. "We have four or five trucks here almost all day, and they just love that we are tucked right up against the freeway with such easy access in an industrial area and not trying to back into some little center or something like that."

Aside from the proximity to freeways, the Westside is beneficial to businesses that import and export through the Port of Long Beach. Being minutes from the port means Westside businesses save on moving products to and from the piers.

One of the companies benefitting greatly from its proximity to the port is SnugTop, which designs and manufactures camper shells and commercial truck toppers. President and CEO Hartmut Schroeder explained that low gas prices directly correlate to increased sales for his business. SnugTop recently began the production of commercial truck toppers, which has increased business and the company's use of the port for exporting its products.

"I believe that it is good for us to be in an industrial-zoned area," Schroeder said. "There are no residential buildings here. We're close to the port. We're also

an exporter, so for us the proximity to the port has always been a big plus. We load containers here at our facility, and hauling the containers from us to the port is less than a mile. It's very convenient. The company has been here on the Westside for 57 years now, and I don't see us moving anytime soon."

The Long Beach Travel Center, a truck stop located on Pacific Coast Highway, services many of the trucks traveling to and from the port. The truck stop contains several semi-sized Shell gasoline pumping islands, a convenience store and a Carl's Jr.

Owner Gil Ficke said his business is up between 5% and 8% from last year after a strong summer, but things are slowing down now. Ficke said some of the challenges his company has faced are mostly at the federal and state levels. Between the Affordable Care Act, paid time leave and forthcoming minimum wage increases, he said it's hard to balance due to no new revenue sources being available. He also noted that the city's proposed minimum wage timeline might have one benefit but is ultimately harmful to Long Beach businesses.

"[We are] competing for employees with neighboring cities. If we are paying a higher wage, we can attract employees from there," Ficke said. "But we also are competing against those businesses that have a lower minimum wage, and there is no offset for that. We're concerned when the city gets involved in federal and state level issues. It puts us on an uneven playing field."

One business that has seen a slight decline is Santa Fe Importers, an Italian deli, which has been located at 1401 Santa Fe Ave. since 1947. Company President Vincent Passanisi said his business has dropped about 5%, but the slowdown

is industry-wide and they have been less affected than others.

Aside from the deli, Santa Fe Importers operates Marisa Foods LLC, a division of the company that manufactures meatballs, sausage, tea, tamales and chili for sale in California grocery stores and for companies all over the country.

Like Ficke, Passanisi cited several local and state regulations making it harder for him to compete. He said higher wages, increasing sales tax and other regulations are forcing him to raise his prices to keep the business profitable. This raise in prices also leads to a decrease in sales as he competes with other companies around the country that are not dealing with similar regulations, he explained.

"I think the whole exercise of debating the minimum wage in Long Beach was just premature," Passanisi said. "They knew that California was working on something, and they should have waited to see what the state was going to decide. And I even said so at one of the city council meetings. Instead they pushed this thing through. There are a lot of egos involved, and it was a waste of time."

Despite these setbacks, Passanisi said the company enjoys operating in Long Beach more than its other locations in Irwindale and Seal Beach, noting that nothing compares to the area.

"The Westside is a unique area, and I still get very excited about it because there is just so much going on down here. I mean, you can find anything over here. What I love about it is if something breaks down, you can always find somebody who can help you fix it. It's a really neat and kind of cool area. I think it's a hidden secret of Long Beach." ■

Proposed Closing Of The 9th Street Bridge Among Concerns Of Westside Business Owners

■ By **BRANDON RICHARDSON**
Staff Writer

While business on the Westside of Long Beach is strong and demand for real estate remains high, some business owners think the city could do more to better serve the area.

“We’ve been here since 1974, so we’ve seen it all,” Mike Zupanovich, co-owner of Harbor Diesel & Equipment Inc., said. “It seems to be regressing rather than progressing.”

Zupanovich is also a member of the board for the Magnolia Industrial Group (MIG), a business improvement district that spans 24 blocks between Magnolia Avenue and the 710 Freeway, starting from Pacific Coast Highway (PCH) and heading south. When asked if the city invests enough into the area, he said, “Absolutely not. The city’s focus seems to be on social issues and not helping businesses by keeping the blight out of our neighborhoods and enhancing [the area] to attract new businesses and also to keep the area safe and secure for people who work here. It’s a mess.”

There has been an influx of homeless in the MIG area, according to Zupanovich, due to its close proximity to the Los Angeles River, which, along with excessive illegal dumping in the area, has contributed to growing blight in the area. Though he did admit that anytime he has reported an illegally dumped item the



The Port of Long Beach has proposed the closure of the 9th Street bridge, which connects the Westside of Long Beach to the downtown area. Tony Rivera, pictured near the bridge, said if it is closed, the Westside would be cut off from downtown and that would create more traffic in other neighborhoods as people would have to use alternate routes to cross the Los Angeles River. (Photograph by the Business Journal’s Larry Duncan)

city promptly removed it, he would just like the city to be more proactive rather than reactive.

“It comes to policing, which I know is a big sticking point for the city as a whole,” Zupanovich said. “The excuse always is ‘we don’t have enough officers,’ but with the problems we have, it needs to be policed.”

Bill Townsend, president of the MIG and president of INCO Commercial Realty Inc., agreed, saying one of the areas biggest issues has always been security. He explained that if the area is safe, businesses will want to be located there and employees will feel more comfortable at work.

“That’s really a key, and that’s been the success of the Magnolia area. We’re keeping it very safe. It’s one of the safer areas,” Townsend said “People do their business there and it’s very active. It’s a constant effort, and police have done a great job doing what they can.”

The business licensing process is another problem facing businesses wanting to enter the area, as well as already established businesses that want to expand, according to Daryl Phillips, president of Phillips Steel Company. Phillips recalled his company’s most recent expansion in the area, saying the process took 24 months due to a long permit process. He also said he had to pay \$15,000 in fees for the \$350,000 project.

“I would really like to see some improvement in the building permit process, either new or expansion,” Phillips said. “It’s just an incredibly cumbersome and expensive process. I think the city has their best interest at heart rather than the interest of the business owners.”

Another concern of owners located west of the 710 Freeway is the Port of Long Beach’s proposal to close the 9th Street bridge, which is the main access point for Westside businesses to enter the downtown area.

“From the Westside, to go to the bank downtown it takes five minutes,” Tony Rivera, owner of Easy Roll Off Services, said. “Now they want to shut [the 9th Street bridge] down, and if they do, we’ll have to go to Anaheim or other streets, which would put a lot of traffic in the other neighborhoods. We want that bridge to keep connected to the whole city.”

Rivera added that officials should be working on unifying the city as a whole, not dividing it with bridge closures and freeway changes that would cut off the Westside from downtown and make the city less cohesive.

Other business owners from the area have voiced their concerns about the bridge closure, including Paul Collins, owner of the architecture firm PAC Design and chair of the Westside Project Area Council (PAC). According to Collins, currently he

can get from his office to city hall in eight minutes. But if the 9th Street bridge is closed, he explained that time would at least triple, maybe even quadruple depending on the time of day.

“There’s definitely a majority of people here who do not want to see that close, and so far the proposals they have shown us are not going to help us out,” Collins said. “They might benefit certain groups, but they’re definitely not going to benefit the industrial Westside businesses.”

First District Councilmember Lena Gonzalez said she shares owners’ concerns regarding the possible bridge closure. She explained that the port has not presented details regarding the proposal to her, though she has made several requests. However, she expects to be hearing news soon.

Gonzalez said that the bridge closure, as well as changes to the 710 Freeway, will make it more difficult to travel between the Westside and downtown and that “any access points that we could keep open, in my opinion, would be the best option.” She added that she is not aware of the motives behind the proposed closing of the bridge.

Other projects that Gonzalez said her office is working on with regards to the Westside include a master plan for the Santa Fe corridor. The plan would also include parts of PCH and would improve the streetscape of the corridor with medians and other elements, as well as a possible traffic study on how the city can help alleviate some of the trucking issues in the area. Another project that will be moving forward soon is a rebranding of the Westside area.

“I’m going to be launching a neighborhood branding program that will be starting in the Westside,” Gonzalez said. “A lot of the businesses have talked about some sort of different type of branding – they want to see some identity to the Westside.”

She explained that Commune Communications, a local design firm, will go into different pockets of her district, beginning with the Westside, and conduct a full-fledged branding program. Gonzalez said she will make the official announcement for the program at this month’s Westside PAC meeting.

“We just have to continually be in communication with our constituents out there – I have most of the business owners and Councilmember [Roberto] Uranga has most of the residents. He and I need to be



Though his business, Santa Fe Importers, has seen a slight decline in sales, Vincent Passanisi said he prefers his Long Beach location to his other two stores in Irwindale and Seal Beach. Santa Fe Importers has been located at 1401 Santa Fe Ave. since 1947 and Passanisi said the area is unique and a hidden secret of the city. Aside from serving up hot and cold sandwiches, pizza, pasta and salads, Santa Fe Importers also sells groceries for those who want to make their own Italian meals with authentic ingredients imported from Italy. (Photographs by the Business Journal’s Larry Duncan)

more present out there,” Gonzalez said. “I think together we’re certainly more powerful, and I definitely want to get out there a lot more with him and ensure that Westside residents and businesses know that they have a voice at city hall.”

Two other projects Collins thinks the city should focus on include the partially completed floodwater project and restoring the area’s alleys, both of which Gonzalez said are top priorities for her office, especially with the passing of Measure A. She explained her office should be getting reports on the cost of the floodwater project and can then determine how to fund its completion. Gonzalez said she would speak at a Westside PAC meeting soon to discuss the first Measure A projects that will take place in the area.

The MIG will also be seeing several street improvements thanks to Measure A, including Esther Street, which Gonzalez said has been the area’s biggest concern. This is welcome news to Townsend, who said there are many streets that need investment and that the city can’t “repave it and walk away for 20 years” because of the high trucking traffic that causes streets to deteriorate more rapidly.

Even with the challenges facing business owners and acknowledging that the city could better serve their community on the Westside, Collins said he thinks the city and the Westside PAC have a good relationship and he hopes it will continue.

Despite the area’s problems, Daryl Phillips said, “It’s really important to understand that we still operate successful

businesses on this side of town, and it’s a good working environment. The location – access to the freeways and the port – couldn’t be better. I own a 100-year-old business, and we’re here not because of the problems that we have, we’re here because of the success that we have.” ■

Westside Real Estate Vacancy Remains Low

■ By **BRANDON RICHARDSON**
Staff Writer

Much like the rest of the city, Westside Long Beach commercial real estate continues to experience vacancy rates that are next to nothing.

“From what we’re seeing from the second quarter numbers, it’s still below 1%,” Brandon Carrillo, a principal at Lee & Associates Commercial Real Estate Services, said. “It’s anemic right now with little product to chase after, especially on the industrial side.”

Carrillo explained that for new businesses wanting to move into the Westside area, and even established businesses looking to expand, it is tough to find space due

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With the Downtown Long Beach skyline in the background, the Westside industrial area encompasses the Westside Industrial Project Area in the foreground and the Magnolia Industrial Group at upper left, east of the L.A. River and Long Beach Freeway. (Business Journal photograph)

Westside Real Estate

(Continued From Page 21)

to a strong demand and a lack of product on the market. For his clients, Carrillo said his only course of action is to have a list of their requirements for a property and then to wait until something opens up. But he warns them that when it does, they will be facing a lot of competition for the space.

When asked why the demand for the area was so high, Bill Townsend, president of INCO Commercial Realty Inc. and president of the Magnolia Industrial Group, said, “The port. These businesses need to be close to the port, so there’s always that strong market. There are trucking companies looking for places to park and places to buy, so trucking and port related businesses want to be close.”

In the wake of the former Long Beach Redevelopment Agency, Lee & Associates was chosen to represent the city on the Westside in the bidding process for parcels at 1545 Santa Fe Ave., 2136 16th St. and

2021 Gaylord St, all of which are now in escrow, according to Carrillo.

Lee & Associates was in charge of mass exposing these properties to the marketplace, showing the properties to potential buyers and collecting all offers to be given to the oversight committee that made the final decision on which offer to propose to councilmembers.

“It’s not your traditional way of doing it, but the city needs to be transparent so if there are any questions, or anyone questions the city’s motives, the city can then show it’s all been public,” Carrillo said.

The Cal State University Long Beach Technology Park – former site of the now-defunct Corinthian Colleges and WyoTech, which filed for bankruptcy in May – left Lee & Associates with two buildings for lease: 2131 and 2161 Technology Place, which are 49,723 and 42,712 square feet, respectively. After dealing with the bankruptcy process in court, the company began marketing the buildings.

“We have one lease that we’re pretty

much wrapped up on with one of the buildings, and we have interested parties for our other building, 2131 Technology, which is available,” Carrillo explained.

A major issue that is making property sales more difficult in the area, according to Carrillo, is that the city is cracking down and cutting back on general industrial (IG) zones, making it more difficult to move in. Carrillo explained that this has a major impact on trucking companies that want to be located adjacent to the port, who now have to go through a conditional use permit process to get site approval which was not required in the past.

Some of these zones being located near residential areas could be a reason the city is being so restrictive, according to Carrillo. However, he points out that residents who purchase homes near these industrial areas should realize what they are getting themselves into.

“You’re in an IG zone area and you’re able to get a house at a great price, but these are the challenges you deal with,”

Carrillo said. “I understand the city is trying to walk that fine line and make everyone happy, but at some point there’s a discussion of common sense that needs to be had with some of these residents.

“Trying to balance that housing, because that’s really what’s helped exacerbate the vacancy rate being lower – a lot of industrial product has been downzoned to try to accommodate more housing in the area,” Carrillo continued. “As we take much-needed industrial properties off the market and put residential there, these are the types of problems we create.”

Another challenge affecting the Westside, according to Carrillo, is the ever-changing environmental laws that do not grandfather properties that had already been given clean phase ones, meaning it had been determined that they meet environmental standards in regards to contamination and environmental impact.

Carrillo explained that some people buy properties with their retirement fund and can face serious financial problems if they believe they are buying a clean property but get derailed when a law changes and they are stuck with the bill to clean up the land.

“As the consumer, the line keeps being moved,” Carrillo said. “Being green and everything else is a good thing, but . . . you could be buying a property and, even though you think it’s clean today, you might be buying a contaminated property without even knowing it. Especially in Westside Long Beach, you see a lot of these heavy industrial users, and I think it’s something very concerning for people’s investments, especially when they’re putting their retirement into these properties, not knowing if the rules of the game are going to be changed on them in the future.”

Despite these challenges, Carrillo and Townsend remain confident that the Westside commercial real estate market will continue to thrive with high demand keeping vacancy rates low and prices high.

“I think we have a healthy real estate market. Business seems to be improving in the city, and we’re getting investment from outside the Long Beach area,” Townsend said. “I think people are coming from out of the area to invest in Long Beach and finding value here. Maybe we have opportunities here that you may not find elsewhere.” ■



Commercial real estate on the Westside of Long Beach cannot keep up with demand while vacancy rates sit below 1%, according to Brandon Carrillo, right, of Lee & Associates Commercial Real Estate Services. Garrett Massaro and Carrillo, principals at Lee & Associates, are pictured at the company’s 49,723-square-foot listing at 2131 Technology Pl. in the Cal State Long Beach Technology Park. Carrillo said the building has several interested parties, but is still available. (Photograph by the Business Journal’s Larry Duncan)



Five months after breaking ground, construction is underway on the fifth story of Anchor Place located at 2000 River Ave. on the Westside of Long Beach. The project is the fifth phase of the Century Villages at Cabrillo, which offers support housing for homeless families and veterans. When completed, Anchor Place will contain 75 units reserved for homeless veterans and 45 units for extremely low-income residents. The complex will have one-, two-, and three-bedroom units, extensive open space and courtyard recreational areas. Residents will also have access to support services such as case management, physical and mental health services, employment services, life skills training and counseling. Brian D’Andrea, president of Century Villages at Cabrillo, said, “Century is pleased to partner with the city to deliver permanent supportive homes for our veterans and other families in need and to continue the public partnership that is the Villages at Cabrillo.” The three-acre project is expected to open in late fall 2017. (Photograph by the Business Journal’s Larry Duncan)

Westside Businesses

(Continued From Page 1)

stretching from roughly Anaheim Street to the south, past Pacific Coast Highway to the north, and from the freeway to the City of Los Angeles border to the west.

The other is the Magnolia Industrial Group, running from the freeway east to Magnolia Avenue, from Anaheim Street to Pacific Coast Highway.

Businesses in both areas benefit from their proximity to the ports of Long Beach and Los Angeles, and their easy access to rail and freeway systems.

Many of these businesses have national and international ties, dealing with some of the top corporations in the world. Here are four examples.

Tell Steel

In 1959, steelworker Tell Tuffli and his children, son Don and daughter Dale, opened Tell Steel in the Westside Long Beach industrial area. The steel supply business operated out of one 5,000-square-foot bay with one truck and a single power hacksaw. Tell Steel still sits on the same plot of land at 2345 W. 17th St., but it looks much different today, with multiple bays encompassing 100,000 square feet and stocking nearly 17 million pounds of steel and aluminum materials.

The company, which started out with just a handful of employees, now employs 50 workers from Long Beach and the surrounding areas, Kevin McClister, vice president of Tell Steel, told the Business Journal.

Tell Tuffli set up Tell Steel in the West-



Kevin McClister, vice president of Tell Steel, has worked for the firm for 26 years. The business, which now occupies more than 100,000 square feet, has been located in the Westside Long Beach industrial area since 1959. It is located at 2345 W. 17th St. (Photograph by the Business Journal's Larry Duncan)

side area because he had been working for U.S. Steel and saw a need for a steel distributor in the harbor area, according to McClister. In this way, the company's location was the reason it was founded, he explained. "The harbor area has always been very supportive of Tell Steel and [has been] our real strength as far as our customer base," he said. Being located by the ports with access to freeways, rail and other transit has made it easy to obtain materials and transport them to customers, he added.

Don Tuffli is still a majority owner in the business, but about 10 years ago he decided to retire. Instead of selling off the company, he decided to keep it in the family, so to speak. "For loyalty – because we have had so many employees who have stuck around for such a long time – he gave the employees the chance to buy the company and to

continue to run the company," McClister explained. Employees now own about 46% of Tell Steel, he noted.

Tell Steel carries carbon steel, stainless steel, aluminum and some alloy metals, with products ranging from sheet metal to tubing to piping and more. "We basically carry the full gamut of products in the carbon and stainless [steel] and aluminum product range," McClister said.

The firm is able to cut its products to custom shapes and sizes based on the needs of its customers, thanks to its array of machinery on-site. "We have nine saw cutting machines, two sand cutting machines, one plasma machine, and two water jet cutting machines for cutting plate [metal]," in addition to other equipment, he said. Tell Steel is equipped with CAD/CAM – computer-aided design and

manufacturing software that allows them to input a client's specifications on how they would like something cut. Those designs are then relayed to the machinery, which is able to replicate them.

"We have a wide range of customers. We have everything from small machine shops up to the refineries, power companies, utilities, [and] some of the aerospace [firms]," McClister said. The company also contracts with government agencies like the L.A. Department of Water and Power, he noted.

Tell Steel services the Southern California area as far north as the Santa Clarita Valley and as far south as San Juan Capistrano, McClister said. The company services clients as far east as Temecula.

Dealing with the oil industry – which is reliant upon what is considered a volatile commodity – can present challenges. "When the price of oil drops, it makes things difficult because they get slow and they don't have the business to order, so it makes us go out and look for other business," McClister said.

This year, the company is doing well despite still-slow oil prices thanks to its diversified customer base, according to McClister.

Competition in the steel industry is tough, McClister said. "The service aspect of it is how we try to differentiate ourselves, because as far as the products themselves, there isn't a whole lot of difference," he said, noting that the company motto is "First In Service." He explained, "We just try to differentiate ourselves by being able to offer the best service available and just really do whatever it takes for our customers."

(Please Continue To Page 24)

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Harbor Custom Canvas

Harbor Custom Canvas has been servicing boat owners in the San Pedro harbor area for 100 years. Founded in 1916 as a ship’s chandlery and sailmaking operation, the business has been passed on from master to apprentice four times over the decades. The business moved to the Westside Long Beach industrial area in 1983 and in 2005 relocated to the Magnolia Industrial Group area.

Current owner Daniel Loggans apprenticed under his former employer, who was once the apprentice of owners who got into the business in the 1930s. That’s about where the paper trail ends, as far as Loggans can tell, but word has been passed along through the years that makes him confident this year is the business’s 100th anniversary.

“I purchased the company in 2005 after working there for 24 or 25 years,” Loggans said. “And we have just been increasing our business ever since.”

Loggans got his start in the marine canvas industry when he worked for a small canvas shop in Newport Beach after high school. He then went to work for his father’s company but ended up at Harbor Custom Canvas when he realized the canvas business was what he truly enjoyed. “I am very happy that I did,” he said.

Loggans hopes to keep with tradition and pass the business on to one of his employees some day, he noted.

Harbor Custom Canvas’s clients are individual boat owners, corporations and government agencies, Loggans said. “That includes BP, MSRC, various other oil service companies, the Department of Fish and Wildlife, the Port of Long Beach, L.A. County Sheriffs and several City of Long Beach departments,” he said. The largest share of his business is from individual boat owners, he noted.

The company fabricates custom, handmade canvas items for boats and yachts, including covers, enclosures, dodgers and other materials. It employs 12 people.

“Every single item that we make is a one of a kind, handmade item,” Loggans said. “Every boat owner wants it done a little different way, so there are no patterns that you keep or anything. What it requires is the ability to talk to the customer and interpret what he is requesting, and integrate that with knowledge of the industry and of boating, then recommend to him what he should do and how it should be done,” he explained.

“What we do is we go to the boat and generally make patterns on the boat, bring it back to the shop and draw it out, sew it up and then do all the fabrication here in-house,” Loggans said. “And then once it’s all done, we’ll bring it back to the boat and install it.”

There are many other canvas product suppliers for the boating industry in Southern California, but only a handful have more than five employees, Loggans said. “There is competition out there, but it is not competition that is really anything we need to worry about,” he said. “There is plenty of work for everybody. And we stay busy all year long.”

As for many other businesses, the Great Recession was a difficult time for Harbor Custom Canvas, Loggans noted. “But we stuck it out and we survived when a lot of other small companies didn’t. I like to think it’s because of our reputation, and we’re happy we made it,” he said. Loggans is a graduate of the Goldman Sachs 10,000 Small Businesses Program at Long Beach



Daniel Loggans acquired Harbor Custom Canvas from the previous owner in 2005 after working there for nearly 25 years. He said he hopes to one day pass the business on to one of his own employees. (Photograph by the Business Journal’s Larry Duncan)

City College, which helped him develop a strategic outlook for his business, he noted.

The Magnolia Industrial Group business district, which abuts the Los Angeles River, is a good location for Harbor Custom Canvas because of its proximity to the San Pedro Bay ports and freeway access to marinas in beach cities to the north and south, Loggans said.

A resident of Naples, Loggans said he loves Long Beach. He reflected, “I’ve lived in Orange County and other places, but I think I’ll probably live here forever.”

Ken Mason Tile

While many of the business facades in Westside Long Beach are so unassuming that you would never be able to guess at the work taking place inside, the facade of Ken Mason Tile boasts of its inner workings, with intricately patterned tile and brickwork which Ken Mason himself installed after he and his brother, Glenn Paul, moved the business to West 15th Street in 1991.

The two brothers started out designing handmade tiles in a studio as a hobby when they were working as tile installers. “One of the owners of one of the tile places saw some of our work and asked if they could put it in the shop,” Paul recalled. “And they did. And voila! It just blew up,” he said. “Before we knew it, our little studio that was just for us became a business.”

Since Ken Mason Tile was founded in 1971 across the 710 Freeway in the Westside industrial area, the brothers have grown

their business into what is now a 32,000-square-foot operation in the nearby Magnolia Industrial Group area. While their tile is primarily found in residences – including in the home of former President Richard Nixon – they also have commercial clients. One of their latest projects was creating and supplying tiles for the new Disneyland theme park in Shanghai, Paul noted.

Ken Mason Tile creates handmade tile products, many of which are painted. The only machinery used is equipment that removes air bubbles from mixed clay before it is fired in a kiln. If the air bubbles aren’t removed, the clay could explode in the firing process, Paul explained.

Every other part of the process – from trimming tile edges to painting and glazing – is done by hand. Mason, who has a chemistry degree, assesses the raw materials. Paul, who has a master of fine arts degree, creates most of the designs. If a member of the art staff comes up with a new design, they receive a commission on the product, Paul said. “The only problem we run into is designs have to be salable. We have to temper the artistic merit of the piece with the commercial viability,” he explained.

“We want unevenness, and we want variation,” Paul said of handmade tile. “When it’s handmade, it’s uneven but it’s beautiful.”

The company has a network of 250 dealers with brick-and-mortar stores across the country. Most of their business is on the coasts and in the South, Paul said. Ken Mason Tile sells all kinds of handmade tile – glass, clay, porcelain and more – and has an immense selection of patterns to choose

from. They also do custom work on request.

“For handmade material, we’re pretty much alone in this niche,” Paul said. There are only three other businesses on the West Coast that he knows of that specialize in handmade tile. “On the East Coast, some of the companies are starting to produce their own material,” he noted. “Most of the tile that is sold in this country is machine-made. Handmade tile makes up a very small section of that business.”

Ken Mason Tile is opening a retail showroom, called Tile District, at its Westside location in about a month. It will be the first time the business is selling retail directly, Paul said. They’re targeting designers and architects with the new side of the business, but the showroom will be open to anyone, he noted.

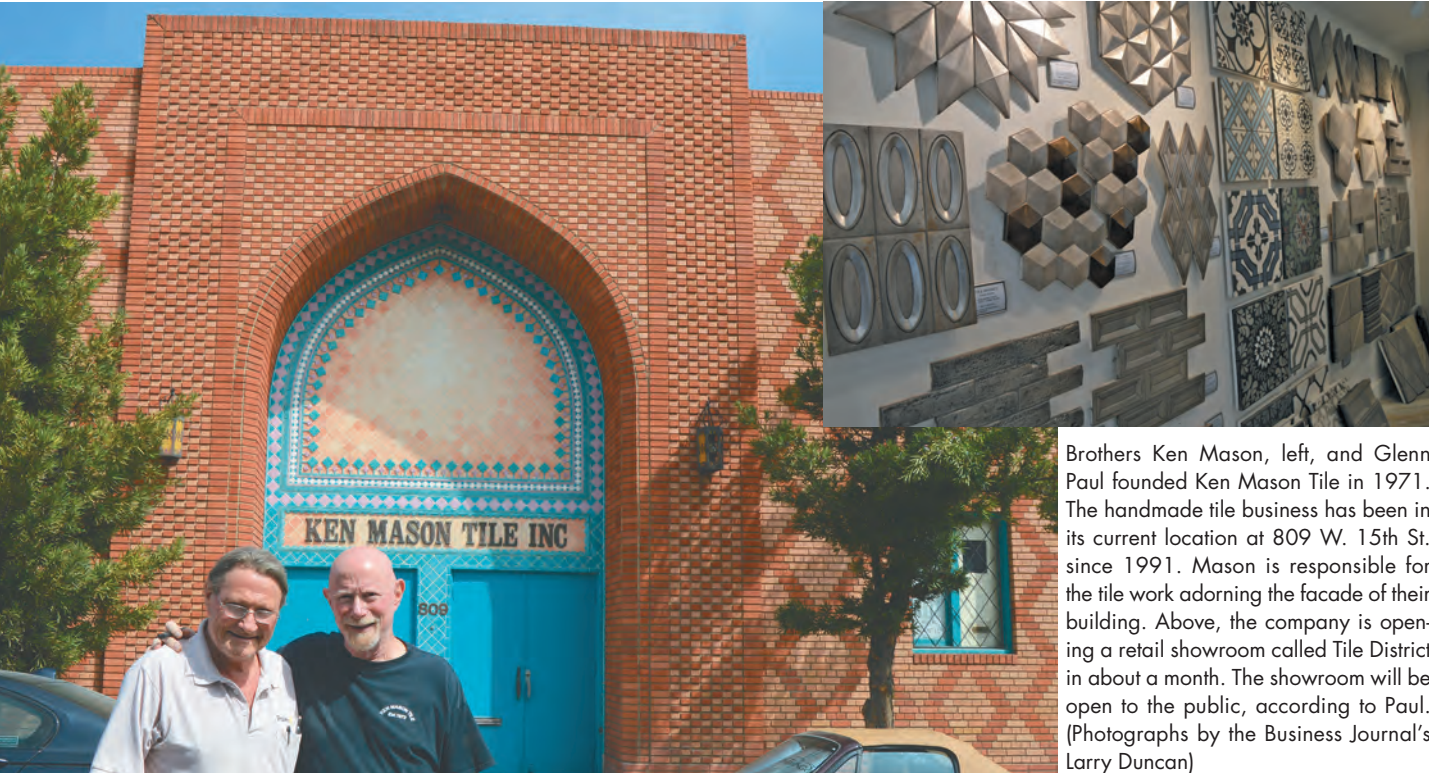
The company’s location in the MIG is beneficial not only because it’s close to home – Paul and Mason and many of their 35 or so employees live in Long Beach – but also because the MIG business district provides security, Paul said. “We’ve been here a long time, and we’re really happy to be in Long Beach,” he reflected.

Mambo Sound & Recording

In a nondescript building in Westside Long Beach’s industrial area, there’s a business that boasts former President Bill Clinton, Faith Hill, the U.S. Navy, former British Prime Minister Tony Blair and many other politicians, musicians and institutions as clients. But with no sign on the exterior, you wouldn’t even know Mambo Sound & Recording is there.

That’s fine with owner Steve McNeil, who first went into business in the early 1980s. “We don’t deal with the public directly, and for us it’s a great place where it’s noisy around us so we can make noise,” he said. And it does get noisy. McNeil is in the business of sound – Mambo specializes in recording, mixing, and live sound and event production, as well as stage elements, props, equipment rentals and maintenance, remote broadcasting, lighting and other services.

McNeil got his start in sound when he was studying business at California State University, Long Beach (CSULB) in the early 1980s. “I worked at Whittaker Music in Long Beach back when it was the big



Brothers Ken Mason, left, and Glenn Paul founded Ken Mason Tile in 1971. The handmade tile business has been in its current location at 809 W. 15th St. since 1991. Mason is responsible for the tile work adorning the facade of their building. Above, the company is opening a retail showroom called Tile District in about a month. The showroom will be open to the public, according to Paul. (Photographs by the Business Journal’s Larry Duncan)



Steve McNeil, founder of Mambo Sound & Recording, left, and Ruben Santa Cruz, an audio engineer, are pictured at the company's 8,000 square-foot facility in the Westside Long Beach industrial area. (Photograph by the Business Journal's Larry Duncan)

music store in town," he recalled. "They wouldn't do rentals, so I started doing rentals out of their store."

To grow his expertise, McNeil mentored at studios in Los Angeles and took courses in acoustics and music production at CSULB. "I also worked as a manufacturers' representative, and the manufacturers provide a lot of training," he noted. While in school, he began servicing CSULB alumni association events, a gig he still maintains to this day.

Opening a recording studio "happened organically," McNeil said. "One became available to purchase, and so I bought one in Stanton and then moved it to Belmont Shore," he said. In the late '80s, McNeil opened a recording studio in the back of a

duplex off of The Toledo. Sublime and No Doubt – big-name acts with ties to Long Beach – both recorded there.

McNeil's recording business took off. He moved it to Cambodia Town as it grew and eight years ago moved Mambo again to its current location, an 8,000-square-foot building in Long Beach's Westside.

Nowadays, Mambo's main focus is event production, which involves sound, lighting and video. McNeil has grown his list of music and corporate clients by referral. For example, "We did a lot of work for CBS working in conjunction with Red Bull for their Sound Space," McNeil said, referring to an intimate venue for radio station KROQ where performances are livestreamed. "Those are web broadcast and live broadcast

events where we provide sound and the broadcast material," McNeil explained.


Working at the Sound Space and other music venues has enabled McNeil to connect with artists and their managers. "Each show, as it becomes a production, basically becomes your business card for the next show because they can see the level of your work," he explained. "It's really a referral style business."

In addition to its work in the music world, Mambo also does a lot of work for nonprofits and government agencies, including the Clinton Global Initiative and the U.S. Navy. One of McNeil's favorite gigs is providing sound services for events on Navy vessels. "I have done probably 30 events on working aircraft carriers," he said. "Throwing a show


for the troops that have been out at sea for eight months – that's pretty cool."

One of Mambo's latest projects was consulting with director J.J. Abrams for a series on Showtime called "Roadies." "We're able to supply that because they work out of Manhattan Beach as their base but they do location shooting," McNeil said.

Being located in Long Beach creates a "distinct advantage" for Mambo because of its central location to Los Angeles and Orange counties, McNeil said. "The industrial area suits us great for what we do. It allows us to do our maintenance and our testing," McNeil said. "I love the attitude over here. It's a workingman's environment and [there's] a lot of talent. Plus being right at the end of the 710 Freeway works out really well." ■



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Meals On Wheels Of Long Beach Marks 45 Years Of Delivering Food To The Community’s Elderly And Physically Challenged; Fundraiser October 10

Meals on Wheels of Long Beach is celebrating its 45th anniversary at a fundraiser and celebration on October 10. The organization was founded in 1971 by Soroptomist International of Long Beach, a volunteer organization of professional women. Meals on Wheels of Long Beach, which delivers in-home meals to the elderly and disabled individuals who are homebound, was incorporated in 1973 as a nonprofit, according to Executive Director Bill Cruikshank. “In 2015 we served upwards of 143,000 meals – hot dinners and cold lunches,” he said. The organization’s oldest client is 107 years old, Cruikshank noted. On average, volunteers bring meals to 330 people in Long Beach, Signal Hill and Leisure World daily. They also chat and visit with the organization’s clients. The fee for service is \$7.50 per day. Sponsorships are available through private foundation grants and individual donors, Cruikshank said. Meals on Wheels currently has about 350 volunteers. The anniversary celebration takes place from 6-9 p.m. at the Red Leprechaun, 4000 E. Anaheim St. Tickets are \$40 per person. Proceeds go towards the efforts of Meals on Wheels of Long Beach. For reservations, call 562/438-6215 or visit www.mowlb.org. Pictured, volunteers gather outside of the Belmont Heights Methodist Church, one of the locations Meals on Wheels of Long Beach operates from. At right, a volunteer packs his car with meals for his downtown route. (Photographs by the Business Journal’s Larry Duncan)



Westerly School Celebrates Completion Of New Facilities And Marks Start Of School Year

Students, teachers, parents and local officials gathered last week to celebrate the completion of new, state-of-the-art facilities at Westerly School, a private kindergarten through eighth grade school in East Long Beach. The school held a ribbon cutting for its new buildings, which encompass a total of 18,075 square feet. Facilities include administrative offices, a parent community meeting room, a middle school lounge area, a faculty lounge, and learning studios for all grades. The total cost of the project was \$7 million, of which \$3.8 million was fund-raised, according to a school representative. The school plans to raise \$1.5 million more and will finance the remaining cost. Above, Assemblymember Patrick O’Donnell, left, presents a certificate of recognition to Westerly School Principal Patrick Brown. At right, Sixth graders at Westerly School escort kindergartners to their classroom on the first day of school. (Photographs by the Business Journal’s Larry Duncan)



Now Open In North Long Beach: Michelle Obama Library

Vice Mayor and 9th District Councilmember Rex Richardson is pictured at the new Long Beach Public Library, Michelle Obama Branch the day before the library’s grand opening event, held Saturday, September 10. The new library at 5870 Atlantic Ave., which replaced the North Library on Orange Avenue, encompasses 24,500 square feet of space, including three meeting rooms, which can accommodate up to 256 people. The rooms operate independently of the library so they can remain open outside of regular library hours for community meetings. The facility has Wi-Fi enabled throughout the building and offers self-checkout and check-in kiosks, 43 publicly accessible computers and 3-D printers in the Learning Studio. The Learning Center and Learning Studio have additional computers, tablets and printers. Prior to the ribbon cutting ceremony, the Long Beach Public Library Foundation announced its campaign to raise money for the library has exceeded \$1 million. Donors include the entire board of the foundation, as well as a number of Long Beach residents. The funds will be used to “enhance the library by supporting programs like the Family Learning Center and the new maker-space Studio,” according to JP Shotwell, president of the board or directors for the foundation. Donations are still being accepted and can be made online at lbplfoundation.org or by calling the Long Beach Public Library Foundation at 562/628-2441. To inquire about hours of operation or renting space for a function at the Michelle Obama Branch, call 562/570-1047. (Photographs by the Business Journal’s Larry Duncan)



More In The News On The Next Page

The Long Beach Business Journal presents:
Focus On The Arts In Long Beach



EDITORIAL TO INCLUDE:

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Official Program Guide



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Niki Tennant New President Of The Historical Society Of Long Beach

Niki Tennant was recently elected president of the Historical Society of Long Beach. Located at 4260 Atlantic Ave. in Bixby Knolls, the Historical Society was founded in 1962. Its current exhibit is “Black Gold In Long Beach,” which addresses the history of the oil industry in the city. The nonprofit organization’s mission is “to connect people to the past and to the place they live by collecting, preserving, and exhibiting the material history of Long Beach.” For more information, visit www.hslb.org. Tennant oversees outreach and recruitment for Goldman Sachs’ 10,000 Small Businesses program in Southern California. Prior to that she served for more than six years as district director for the office of then-Assemblymember Bonnie Lowenthal. (Photograph by the Business Journal’s Larry Duncan)


Drake/Chavez Soccer Field And Greenbelt Project Underway

Construction began in June on the new Drake/Chavez Soccer Field and Greenbelt Project. The 8.75-acre project was awarded to Pomona-based C.S. Legacy Construction Inc. earlier this year for \$2.49 million. The new park is to the west of Loma Vista Drive and extends from De Forest Avenue in a northeast direction to the corner of Anaheim Street and Daisy Avenue. The park will contain an artificial turf soccer field, large grass multi-use areas, landscaped open space, a pedestrian walking trail and on-site parking. The project is funded by a Proposition 84 grant for statewide park development. Completion is scheduled for February 2017. (Photograph by the Business Journal’s Larry Duncan)




People In The News

Art Levine Named To Urban Water Institute Board Of Directors

 Long Beach Water Commissioner Art Levine has been named to the 34-member board of the Lake Forest-based Urban Water Institute. According to its website, the institute was formed as a nonprofit public education organization in California in 1993, with the mission to “provide non-partisan information of timely and pertinent interest to the water resource industry, including public agencies and private firms, with particular emphasis on water economics, management and resource policies as they affect consumers and the general economy.” Levine was appointed to the water commission in April 2014. He is host of Straight Talk, a cable TV talk show in its 25th year.

Intellectual Virtues Academy 2nd Annual Gala To Recognize Local Consultant Diane Jacobus

 Diane Jacobus, former senior advisor to the mayor during Beverly O’Neill’s 12 years as the city’s top elected official, will be recognized for her “tremendous impact on youth, families and education” during the 2nd Annual Gala presented October 8 by the Intellectual Virtues Academy (IVA) in Bixby Knolls. Jacobus served with O’Neill from 1994 through 2006, then as protocol officer for the Port of Long Beach from 2006 to 2010. She is currently a domestic and international protocol consultant. The charter middle school is celebrating its fourth year in operation. IVA Board Chair Eric Churchill said, “Our students are not only thinkers who engage the world with curiosity, they are learning to live well and we hope that will positively impact the greater Long Beach community.” Tickets to the Great Gatsby-themed event are \$100 per person. For more information, visit: www.ivalongbeach.org and click on “Gala Information.”

Jordan Wallens New Regional Director For Halbert Hargrove

 Jordan Wallens has been appointed the new regional director for Long Beach-based Halbert Hargrove, a fiduciary investment management and wealth advisory firm founded in 1933. Wallens most recently served as senior business development officer of Boston Private Wealth LLC, financial advisor at Morgan Stanley Wealth Management and vice president at Goldman Sachs, among others. In his new role, Wallens serves as an investment adviser to affluent individuals and institutions, and provides wealth advisory, fiduciary investment services and planning processes to the firm’s clients.

Florent Groberg Named To Lead Boeing’s Veterans Outreach

Congressional Medal of Honor recipient Florent (Flo) Groberg has been named director of veterans outreach for The Boeing Company. He is responsible for “developing and implementing a company-wide giving and engagement strategy for Boeing’s support of military veterans and their families.” He earned the country’s highest military honor during combat operations in Afghanistan in 2012. He was promoted to the rank of Army captain in July 2012. Groberg earned a bachelors degree in criminology and criminal justice from the University of Maryland College Park.

James Minor Named Senior Strategist For CSU System

James T. Minor, Ph.D., has assumed the role of senior strategist for academic success and inclusive excellence for California State University (CSU). He was selected to lead CSU’s efforts to meet its Graduation Initiative 2025 targets to increase the completion rates of college freshmen, as well as transfer, low-income and underserved students. Minor comes from the U.S. Department of Education, where he

was serving as deputy assistant secretary in the Office of Postsecondary Education. In that role, he led government programs aimed at expanding access to higher education, promoting innovation in that field and growing institutional capacity. Minor holds a bachelors degree in sociology from Jackson University, a masters in sociology from the University of Nebraska-Lincoln and a doctorate in educational policy analysis and leadership from the University of Wisconsin-Madison.

Dora Jacildo New Exec Director For Comprehensive Child Development

Dora Jacildo has been named the new executive director of Comprehensive Child Development, a nonprofit providing early childhood care and education to 8,000 children in Long Beach, San Pedro and Wilmington on a daily basis. Jacildo has 24 years of experience in this field, beginning with teaching preschool. She previously served as executive director of Children Today and SAHARA, as well as manager of the resource and referral department for Connections For Children. She also aided in the development of educational programming for child care providers for television station KCET and participated in drafting quality standards for the Los Angeles Universal Preschool, for which she serves on the board of directors as secretary. Jacildo holds a masters degree in human development and social change from Pacific Oaks College.

Coburn Named President Of State Association of Health Underwriters

Richard P. Coburn was recently appointed board president of the California Association of Health Underwriters, which represents health insurance agents and brokers. Coburn brings more than 40 years of experience in group benefits to the position. He has been with San Jose-based Word & Brown General Agency for the past 18 years, currently serving as a regional sales manager. He previously served on the curriculum committee of the licensing bureau within the California Department of Insurance.

Several Promotions, New Hires At c/a Architects In Long Beach

c/a Architects, a Long Beach-based health care architecture firm, recently announced multiple staff appointments and promotions, including the promotion of Brent Oswald to principal and vice president of business strategy and operations. Oswald has been with the firm for five years and recently oversaw its adoption of its Lean Process, a multi-step sustainability process aimed at maximizing value while reducing waste. Brent is a graduate of the University of California, Irvine and holds a masters in business administration from Biola University. Nate Chiappa, AIA, joined the firm as director of production, overseeing project delivery and quality control and enhancing technological advancement. Most recently, he has specialized in health care architecture, but he has also worked on “architecturally significant” private homes and higher education institutions. He holds a masters in architecture from University of California, Los Angeles. AJ Omar, AIA, LEED, was appointed senior associate. Raised in Jordan, Omar earned a degree in architecture in the U.S. after graduating from the University of Miskolc with a degree in engineering design. He earned a LEED certification in 2006 and received his license in architecture in 2007. He has experience in health care architecture and is focused on sustainability. Guy Jimenez, AIA, LEED BD+C, was promoted to senior associate. In his time at c/a, Jimenez has worked on “dozens of large-scale, technologically complex projects.” He is leading the expansion of UCLA Health’s imaging and oncology center, as well as an expansion at Redlands Community Hospital. He was also involved in developing the company’s Lean Process. John Goulding, AIA, NCARB, recently became part of the c/a team. He has more than 25 years of professional architecture experience, beginning as an associate and studio director with a local health care design firm. He most recently served as an independent consulting architect for a new nursing and science building at Victor Valley Community College. ■

Inside City Hall

Performance Measures Part Deux



In my last column, I wrote about the startling absence of performance measures in the city’s annual budget and the fact that if “you can’t measure it, you can’t manage it.”

This column focuses upon what other cities are doing concerning performance measures and why, once again, the City of Long Beach needs to move in that direction.

My favorite example of the use of performance measures is the City of Austin, Texas. The city has provided measures, data, services delivered and terminology since 2011 in a readable online format. When you log onto the website (<http://www.ci.austin.tx.us/budget/eperf/index.cfm?fuseaction=home.MAIN>), you find organizational dashboards that provide a summarized snapshot of performance for “the most important services that a city provides, so that these measures can easily and frequently be reviewed by city staff, Council and citizens.”

By GERRIE SCHIPSKE

Austin selected the measures in a collaborative process that included the community and staff; and arrived at 21 of the most critical indicators for what constitutes a successful city. Overall, the indicators allow citizens, city council and city staff to quickly assess how well the city is performing in five key areas: Public safety, community services, infrastructure services, utilities/major business enterprises and economic and financial health.

Austin City Council and staff recognize that, without performance measures, it is impossible to accurately allocate resources and make key decisions for sustaining, improving or eliminating services.

Austin set as its goals to be “the best managed and most livable city in the country.” With a population just shy of a million residents (and growing), Austin is an excellent example of how a large city can be open, transparent and accountable.

According to the National League of Cities, many other cities are utilizing performance management in order “to make informed program and process improvements, to spend scarce budget resources more wisely and to ensure that the community’s needs are being prioritized.”

To make performance management successful, the National League of Cities recommends the following:

- Lead by example: Performance management starts at the top with a commitment to measurable priorities.
- Connect performance management to community vision: Survey the community to find out their priorities and then connect them to city programs.
- Commit political and financial capital: Elected officials must put skin in the game by indicating their commitment to the process and by budgeting resources to conduct a performance management program.
- Make the budget process transparent: Make performance management metrics part of the budgeting process with a public review of measures and objectives tied to a specific budget code.

Recently, the Long Beach City Council approved setting aside about \$700,000 to be used to enforce the state minimum wage. This action was unnecessary (and redundant) since the state has jurisdiction over wage issues.

Since we now know the city has \$700,000 to spend, perhaps a much better use would be establishing a performance management program so, like Austin and other cities, citizens can really know how well the city is performing on those issues that really matter.

Next column: Aren’t You Dying to Know Who Is Buried in the City Cemetery?

(Gerrie Schipske was elected to both the Long Beach Community College Board of Trustees and the Long Beach City Council. She is the author of several books on Long Beach history. Her blog is www.longbeachinside.blogspot.com.)

Third Sector Report

Boardmember Burnout: Overcoming An Industrial Hazard

(Continued From Page 1)



By JEFFREY WILCOX

and environmental conditions that become overwhelming to the point of uncharacteristic aggression or withdrawal and physical illness.

The culture of a board and the demands placed on each boardmember, combined with the respect given to the external stresses each faces in their own lives, is an equation that can’t be ignored in the science of nonprofit leadership.

The first sign of burnout is a boardmember’s eroding enthusiasm to participate. A worsening sign is during discussions, the burned-out boardmember increasingly becomes more confrontational in discussions, displays a loss of objectivity, and offers unwarranted criticisms of people and processes.

Preventing boardmember burnout isn’t a simple matter. It’s not about making sure someone gets a birthday card. It’s also not about putting yet another event on their calendar called “The Board Social.” These gestures of group respect and appreciation are essential, but acts of kindness alone don’t reverse the malignant nature of burnout.

The starting place is having an appreciation for what generally causes boardmembers to evolve to burn out in the first place. Virtually all studies have concluded that the number one culprit is a lack of a common purpose compounded by unmanaged and unproductive meetings. The second cause is an apathy toward innovation and distrust of new ideas in favor of the way things have always been done. Other reasons are too few are responsible for too much, not enough celebration, and no clear guidelines about expectations and consequences.

The first step to preventing or overcoming burnout in the Third Sector is to deeply root people in *why* the organization and its people are so important. Every nonprofit leader should have a copy of Simon Sinek’s book, “Start with Why: How Great Leaders Inspire Everyone to Take Action,” within arms reach.

Board meetings that start out inspirational have a chance of breeding inspired people. “A Mission Moment” should be a standing agenda item that reminds people why they and the work of the organization are so important. People need a chance to share with others moments when the purpose of the organization and their personal association with it was made real.

A second factor in burnout prevention is respecting *why* each person wants to be on the board, and understanding what he or she is looking for in return for their investments of time, talent and loyalty. A Board Development or Governance Committee is an essential part of a thriving board’s infrastructure. This designated group of boardmembers is responsible for the care and feeding of their fellow directors through personal relationship-building, assuring productive and managed meetings, conducting board evaluations, and discussing ways to give people what they are looking for.

The third element is a culture focusing on goals, outcomes and roles rather than processes, up-dates and information overload. An agenda that states an outcome is more likely to get a group of people focused on working with one another to bring that outcome about. Stating each boardmember’s role in any matter up for discussion is also more likely to keep people focused on assuming their role.

Boardmember burnout is a very real industrial hazard that can cause great harm to the progress of great organizations. Preventing and managing burnout begins by acknowledging that simple fact.

(Jeffrey R. Wilcox, CFRE, is president and CEO of The Third Sector Company, Inc. Join in on the conversation about this article at the Long Beach Business Journal website www.lbbizjournal.com)

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Technology And Innovation

Pioneers Of Space



By **FOROUZAN GOLSHANI**

Many questions have surfaced after last week’s explosion of a SpaceX Falcon 9 rocket on the launchpad. While the cause is still under investigation, some critiques have begun the blame game and finger pointing. However, the most important question concerns this incident’s implications for future space flight.

Let’s hope that the short history of space will not repeat itself. Do you remember the Challenger disaster in 1986? The Space Shuttle exploded just 73 seconds after takeoff, killing all seven passengers aboard. The disaster resulted in a three-year halt of the shuttle program. In fact, it took more than two decades for NASA to really recover. Unfortunately, when the most advanced agency on the planet regrouped in the mid-2000s, many of its essential technologies were near obsolescence.

Several outspoken individuals passionately criticized the lack of funding and progress at NASA. Some, such as legendary aircraft designer Burt Rutan, called for entrepreneurs to pick up where the government-funded space program left off. In a 2004 TED Talk, Rutan outlined how private investment in space programs would inspire a competition just as the Sputnik program inspired a race between the U.S. and Russia in the 1960s. Back then, U.S. national prestige was at stake. Forty-five years later, Rutan suggested that privatized space flight industry would stimulate funding for NASA’s starving space program. A dozen years later, we see that Rutan was right. Privatized space industry took off and with that, the U.S. got back into revitalizing its badly aging space technology.

Back to the loss of Falcon 9 and its implications. Clearly SpaceX must learn all it can from the unfortunate incident. But, that’s it. It should not undermine the space industry’s determination to move forward. It was a setback, but that is part of the learning process in any engineering endeavor. A child would never learn to walk if she stopped trying after one or two falls. This is certainly true for flight technology, which has now evolved to be one of the safest modes of transportation.

This wasn’t the case in the early days. Within a few years after the initial major flight by the Wright brothers in Paris, nearly 40 countries had begun experimenting with different designs for airplanes. Did they all succeed? No. There were many pioneers who lost everything, including their lives, before we learned how to build better planes and eventually reach the current level of safety for air travel. Indeed, Rutan joked that, with so many losses, flying was mastered not by design but by natural selection!

We are at the infancy of the space age and there is much to be discovered and many new concepts to be engineered. As with any other field, setbacks are inevitable, and successful scientists have always had the courage to learn from errors and perfect the design. The role that pioneers such as Virgin Galactic and SpaceX play is vital to opening new avenues not just for leisure but medicine, communication, weather prediction, remote sensing and much more.

(Forouzan Golshani is the dean of the College of Engineering at California State University, Long Beach.)

Effective Leadership

4 Ways Good Companies Play To Young Workers’ Innovation



By **MICK UKLEJA**

How things have changed! What use to be derogatory – “having your head in the clouds” – has become the best connected way of life. It amazes me how cloud computing has integrated all my apparatuses and made my computing a little more seamless. As long as my wireless is working I have instant access to just about everything.

How has this impacted leadership? The style has shifted from the necessity of leaders as the storehouse of information, to the employees having access to that information from other sources than the leader. Those who have not made the shift have become extinct (even the ones still on the job).

In our research we discovered that one of the nine orientations of Millennials is that they are highly imaginative. The intrinsic value that drives that behavior is self-expression. They have both a desire and a need to make their mark on the world. And they are! Technology has boosted this orientation. They embrace change and thrive on brainstorming.

Experience is helpful when it allows us to use shortcuts in getting a job done. But it can bind our imaginations into certain patterns of thinking that squelch creativity. “The hard part is letting go of what worked for you two years ago, but will soon be out of date.”

Alert!!! Today’s workers are capable of having as much information as their managers, and in many cases, have specialized skills that are more advanced than their bosses. Rather than being threatened by that, the smart boss leverages those skills. Rosabeth Moss Kanter said, “After years of telling corporate citizens to ‘trust the system,’ many companies must relearn instead to trust their people – and encourage their people to use neglected creative capacities in order to tap the most potent economic stimulus of all: idea power.” The good news is you don’t have to convince young employees to use their drive for self-expression and creativity.

Today’s young employees have some allergies that need to be recognized.

- They are allergic to environments that require them to seek permission before making a contribution.
- They are hardwired that way.
- Self-expression is a part of their software. It was put in at an early age and is constantly being updated.
- The cloud is just one more download. YouTube, Twitter, Instagram, Pinterest, Facebook, etc. has not only allowed, but also encouraged them to express themselves.

So what is a company to do? Look at what good companies ARE doing.

Small Business Dollars & Sense

Five Tips For Hispanic Business Owners To Start Their Business



By **BEN ALVARADO**

As we celebrate Hispanic Heritage month, it’s a good time to recognize the many contributions of Hispanic small business owners. Did you know there are 3.3 million Hispanic-owned businesses in the U.S.?

Starting a business involves planning, thoughtful financial decisions and a strong commitment. From our experience working with successful Hispanic business owners, here are five tips for starting a business:

Develop a business plan – Developing a business plan is a key step that can help you prioritize how to spend your time and money, and set measurable goals. It also can help you identify strategies to anticipate and avoid risks. A business plan also may help you obtain business financing. For example, for an SBA loan and some larger business loans and lines of credit, lenders may require a formal written business plan before extending credit.

Set up your finances – Financing is the fuel that can help your business run. That’s why it’s good for businesses to start building a strong credit history, which is essential for future borrowing. To begin, a business owner should establish dedicated business accounts separate from personal accounts.

Get Credit-Ready – One of the most important things you can do before pursuing financing for your business is to get credit ready. It’s important to work with a bank that offers tools and resources that make financing easier to understand, and a banker who shows you what your business needs to get approved for a loan. Before applying for a small business loan or line of credit, your bank will want to see that your business generates steady cash flow, has low levels of debt, and is in a strong financial position in order to manage debt payments. The more you know about what bankers want to see in a credit application, the more prepared you will be to pursue credit for your business.

Seek support from experts – Seek guidance from experienced peers and professionals as you start your business, such as a certified public accountant, an attorney and a marketing expert. Your accountant can advise you about tax requirements or exemptions that you could qualify for, as well as how to keep detailed financial records that can help you streamline the bookkeeping process. An attorney can help you determine the legal protections you may need, and help you decide what legal entity is best for your business. A marketing expert can provide support on how to create a tailored marketing plan that fits your business goals, as well as help you build your business brand online with your social media presence. You also may want to consider working with a business banker for support in getting your business up and running.

Take advantage of networking and free resources – There are numerous free resources for assistance. SBA.gov, also in Spanish is a great place to start. Additionally, Minority Business Development Centers connect Hispanic business owners with training courses, one-on-one assistance and other services for success. The U.S. Hispanic Chamber of Commerce has resources designed to support ambitious Hispanic business owners.

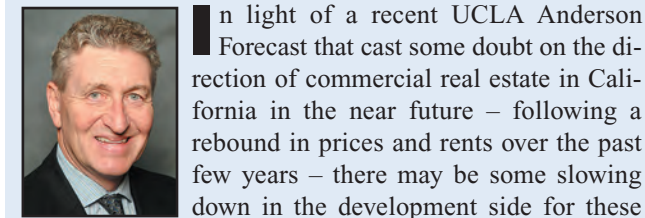
With the right tools and guidance, more Hispanic-owned businesses can achieve success.
(Ben Alvarado, a 25-year veteran of Wells Fargo, is the president of the bank’s So. Calif. Region, which stretches from Long Beach to Orange, Imperial and San Diego counties.)

1. Acknowledge the shift in the style of leadership. Looking at the landscape and embracing the shift(s) will serve an organization well.
2. Have a vision that is clear and compelling. If it’s not meaningful it will not be compelling. Rather than barking out orders, create meaningful work. The young employee gravitates to this. Come to think of it, so does the older employee. It’s just that younger ones will leave quicker.
3. Make sure the organization’s values are aligned with behavior. Rather than making every decision for your young employees, values help drive their decision-making. The world is moving at an accelerated speed. It’s impossible to have a rule for every nuance. A better strategy is for the leaders to model the core values. The value-driven organization equips their people to make on-the-run decisions when a rule might not be readily available. Values enable decision-making to be pushed down the line.
4. Take an interest in your people. Even though young employees are LinkedIn, they can feel Left-Out. It’s in the relationship that your experience and core values will be contagiously caught.

Innovation is the implementation of ideas. It’s in everyone’s DNA. How is it encouraged in your organization?
(Mick Ukleja is an author, speaker and generational strategist. He keynotes across the country on leadership, generational diversity and personal productivity. He is co-author of the best seller, “Managing The Millennials, 2nd Edition.” Check his weekly blog at www.LeadershipTraQ.com.)

Realty Views

Is There A Commercial Development Slowdown Coming?



By **TERRY ROSS**

In light of a recent UCLA Anderson Forecast that cast some doubt on the direction of commercial real estate in California in the near future – following a rebound in prices and rents over the past few years – there may be some slowing down in the development side for these types of properties for a variety of reasons. First of all, as prices and rents picked up over the past few years, supply has started to catch up with demand in the multifamily, industrial, office and retail sectors. But now that prices and rents are once again closer to making economic sense in many locations, developers are looking at new projects differently, according to the Anderson forecast.

Although developers are admittedly still planning projects in California – and are even bullish in many regions – the forecast cited areas of caution for a variety of reasons, including social economic changes as a result of how younger consumers live and shop. New development in this day and age is not cheap. With ever higher government fees, increased costs of construction and taxes being what they are, it is many times more economical to find existing properties and improve or modify them than to buy raw land and build from the ground up.

Trade And Transportation

Disruptive Forces



By **TOM O'BRIEN**

(Editor's note: This perspective was prepared September 7.)

It's been two weeks since Hanjin, the South Korean shipping company and one of the world's largest ocean carriers, filed for bankruptcy protection. We're still seeing the short-term ripple effects, and the long-term impacts are uncertain; but, whether small and manageable or large and sustained, they will be disruptive. If you needed a reminder of the interconnectedness brought about by global trade, consider what Hanjin's actions set in motion. Not only did the company seek legal protection in its home country, it did so in 42 other countries as well, including in the U.S. The purpose was to prevent Hanjin's assets from being seized; but it didn't prevent oceangoing vessels from being stranded offshore, ships being refused permission to offload cargo, or companies in the business of moving goods demanding up-front cash payments to handle Hanjin cargo.

That's the short-term impact. Over the longer term, long-shore workers, truckers and terminal employees with a direct relationship to Hanjin or its terminal partners will have to readjust. Of course, there may be an uptick in work for risk managers and legal teams who will have to sort this all out, but I don't think that's what a group of elected officials and union leaders had in mind when they called for federal assistance to minimize the impact on our local workforce.

The Hanjin bankruptcy is also a reminder of how dynamic and rapidly changing the industry can be and how it's not uncommon for the players to be asked to shift their focus at a moment's notice. That's not to say that the company's actions were entirely unpredictable. Overcapacity in ocean carriage has been a concern for the past few years. Increasing capacity on larger vessels (and at a time of economic uncertainty) has resulted in both reduced rates and in new alliances among the major carriers as a way of minimizing risk.

And in an economy that is probably not as strong as many believe, finding tenants of the business or residential nature that will support building costs that can exceed \$400 a square foot is no easy task.

Anderson based its forecast on developer sentiment. In the Los Angeles area, for instance, the only category where builders felt more optimistic than in the prior survey was in the multifamily market, while office, industrial and retail showed more concern than in the past. In all categories, more than 50% of the developers still had a positive outlook on the markets.

In fact, builders were more optimistic about the apartment markets in most all of Southern California, while less so in the other categories. In the San Francisco and Silicon Valley areas, every category showed less optimism and only 33% of those polled in San Francisco were optimistic about the office market there.

In addition to the usual zoning restrictions restricting property use, a change in generational habits is also making a difference in how commercial real estate is used. The younger Generation Y has a tendency to migrate toward city centers and away from suburbs. And the rise of e-commerce is lessening the need for retail space but helping the industrial market that needs more large warehouse distribution centers for companies like Amazon. Also, proximity to the ports of Long Beach and Los Angeles makes the market for these types of industrial buildings even more desirable.

According to Anderson, multifamily and industrial projects are the commercial growth areas that developers will gravitate towards. Mixed-use residential construction that attracts young workers who want to walk to shops will also be the favored locations for those looking to invest in retail, as opposed to large malls.

Even with a decline in office and retail demand, multifamily developers will find low vacancy rates in San Diego,

It's also resulted in industry consolidation as carriers play their own version of survival of the fittest. In a prescient observation made in the 2016 State of Logistics Report, released by the Council of Supply Chain Management Professionals (CSCMP) in June, the authors suggested that a merger of Hanjin and its Korean rival Hyundai Merchant Marine could create some supply chain disruption. Hyundai may in fact play a role in Hanjin's future, but largely by acquiring its assets.

The CSCMP report called the water and ports sector a "sector in flux" which sounds about right just now. It acknowledges that overcapacity helped to create a favorable rate environment for cargo owners; but, in the wake of Hanjin's exit from the market, there is already some indication that, at least in the short term, those rates will increase.

The State of Logistics Report pointed out other disruptive forces that should be on our radar screen. Some on the operational side are not surprising and tend to appear in the report on an annual basis. These include an uncertain regulatory environment, driver shortages in the trucking industry and infrastructure bottlenecks. The impacts of others, like 3D printing, increased use of robotics and big data are more difficult to predict. 3D printing, for example, could at the same time reinvigorate local manufacturing and place developing economies at risk.

That's the challenge of predicting change. A year ago at this time, the goods movement industry here in Southern California was rightly congratulating itself on surviving a period of labor unrest, equipment shortages, and congestion on the docks. Stakeholders, led by the ports, had embraced new cooperative measures like the Supply Chain Optimization (SCO) group as a way to anticipate problems before they occur and engage a wide range of stakeholders in responding to them. In the process, the hope is to rebuild some trust between and among key players.

The Hanjin bankruptcy will test these relatively new structures. It's likely that this disruption will hit some segments of the industry harder than others; but mitigating the broader supply chain impacts is in everyone's best interests. Because, while addressing this particular challenge won't solve all of the structural problems of global trade, it will better prepare us for the next one that is sure to come.

(Dr. Thomas O'Brien is the executive director of the Center for International Trade and Transportation at CSULB and an associate director for the METRANS Transportation Center, a partnership of USC and CSULB.)

Silicon Valley and San Francisco – which will make these attractive development locations. California is predicted to continue to have rapid household formation and increased job growth that will keep the apartment development side moving at a rapid clip. So despite less demand for office and retail development, look for multifamily and industrial building to take up the slack. (Terry Ross, the broker-owner of TR Properties, will answer any questions about today's real estate market. E-mail questions to Realty Views at terryross1@cs.com or call 949/457-4922.)

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