

THIRD SECTOR REPORT

The State Of Nonprofit Leadership: A Painful Reality For Important Causes

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

Whether it's about matters of neighborhood safety, assuring the basic necessities of life, offering artistic contributions, or tackling the complexities of poverty or economic development, most would agree that each of these vital community pursuits requires good leadership.

What exactly constitutes good, great or even strategic nonprofit leadership is where the conversation can get a little dicey. One size fits all is a very dangerous proposition to apply to all nonprofit organizations.

Nevertheless, over 1,000 diverse nonprofit leaders recently participated in a study that indicates there may be a lot more similarities rather than differences when it comes to leadership. "The Nonprofit Sector Leadership Report 2016," published by Concord Leadership Group and its noteworthy list of research partners, issues a wake-up call to the painful realities of how leadership is manifesting itself throughout the sector today.

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SPECIAL REPORT: FOCUS ON THE SAN PEDRO BAY PORTS

Government Officials, Business Interests Call For Early Contract Negotiations For West Coast Longshore Workers

By **SAMANTHA MEHLINGER**
Senior Writer

Virtually every stakeholder group in the supply chain would like nothing more than to never again experience a West Coast port congestion crisis like the one that occurred from summer 2014 to the following February. So when the presidents of the longshore workers union and the organization representing its members' employers, groups that

"Early negotiations and an extension of the current agreement would be a godsend, because what everybody's looking for is stability and predictability. And in this game, that has been sorely lacking."

Jon Slangerup, Chief Executive Officer, Port of Long Beach

had been at the center of that congestion crisis, recently stated at a public forum that they would consider beginning contract negotiations ahead of the 2019 ex-

piration and perhaps even extending the current contract, everyone from business groups to legislators began pushing them to follow through.

A first step has been taken. Just as he promised at the Journal of

Commerce's annual Trans-Pacific Maritime (TPM) Conference held in Long Beach in March, James McKenna, president of the Pacific Maritime Association (PMA), has sent a letter to the president of the International Longshore and Warehouse Union (ILWU), Robert McEllrath. As has been widely reported, at the forum McKenna told McEllrath to look for a letter requesting the consideration of early negotiations and a contract extension. PMA spokesperson Wade Gates would

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Hatem Abdelhadi, DDS, and his wife Cheryl recently launched a dentistry business in Los Alamitos with help from the Wells Fargo branch in Seal Beach, and the free online small business resources available at WellsFargoWorks.com. Pictured at the business, from left, are: Herbert Medrano, the Abdelhadi's personal Wells Fargo banker; Ben Alvarado, president of Wells Fargo's Southern California Region; Hatem and Cheryl Abdelhadi; and Francisco Galvez, a Wells Fargo payroll specialist working with the couple. (Photograph by the Business Journal's Larry Duncan)

NATIONAL SMALL BUSINESS WEEK MAY 1-7

Wells Fargo Works For Small Business

The Bank's Free Online Resource Helped At Least 10,000 Small Business Owners Last Year

By **SAMANTHA MEHLINGER**
Senior Writer

Since Wells Fargo launched the Business Plan Center, an online tool on its free Wells Fargo Works for Small Business website, in 2015, 10,000 small businesses across the country have accessed the tool to create plans for their enterprises. The tool is one of many free resources on the website, which the bank created because of its commitment to small business, according to Ben Alvarado,

president of Wells Fargo's Southern California Region.

"Our research has shown us that small businesses that have an actual business plan tend to be more successful and more confident in their business," Alvarado said. A 2015 small business index survey by Wells Fargo

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By **SEAN BELK**
Staff Writer

Now that the ports of Long Beach and Los Angeles have achieved goals for reducing port-related air pollution nine years ahead of schedule, the ports are looking to update their Clean Air Action Plan (CAAP) for a third iteration to create new strategies for reducing toxic-air emissions even further.

Adopted by both ports in 2006 and then updated in 2010, the environmental plan, considered a "living document," has resulted in unprecedented emissions reductions due to innovative programs that have incentivized and encouraged shipping companies, rail lines, trucking firms and terminal operators to become more environmentally friendly in their operations.

Since the CAAP was launched 10 years ago, the San Pedro Bay ports have reduced emissions of

San Pedro Bay Ports Emission Reductions Since 2005

85% Diesel Particulate Matter
50% Nitrogen Oxides
97% Sulfur Oxides

Source: Ports of Long Beach and Los Angeles

diesel particulate matter (DPM) by 85 percent, nitrogen oxides (NOx) by 50 percent and sulfur oxides (SOx) by 97 percent, according to port officials. During the same time, greenhouse gas emissions have been reduced by 18 percent at the local ports.

Under the CAAP's goals, which are based on clean air target dates set by state and federal regulatory agencies, such emissions reductions weren't scheduled to be achieved until 2023.

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Bank Economist Vitner Says Minimum Wage Hikes Will Hurt Small Business And Entry-Level Workers

By **SEAN BELK**
Staff Writer

As California and New York have passed legislation to gradually increase the minimum wage to \$15 an hour while other states across the nation are considering the same, such measures will mostly hurt small businesses, many of which are struggling with thin margins, and entry-level workers, said Mark Vitner, Wells

Fargo's managing director and senior economist.

In a phone interview with the Business Journal, Vitner, who is based in Charlotte, North Carolina, said he doesn't expect higher minimum wages to have much of an immediate impact on the overall economy, particularly since the wage hikes will be phased in over time. In the case of California, for instance, the minimum wage won't reach \$15 an hour until 2022.

While California's law gives small businesses with 25 or fewer employees an extra year to comply, the higher labor costs will eventually negatively impact small businesses the most, since larger companies have greater access to credit and financial means, he said.

"It may not be as large of an impact for the economy as a whole, but it's likely to hit a

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Minimum Wage Hikes Will Hurt Small Business

(Continued From Page 1)
number of small businesses very hard,” Vitner stated.

Ultimately, a higher minimum wage will force small businesses to become more productive, which may mean that there will be fewer unskilled entry-level workers hired and fewer job opportunities for young people, he said. However, he continued, this could have dire consequences for business productivity in the future by resulting in fewer job applicants with skills down the road.

“[Raising the minimum wage] may force a little more productivity on to the system, because businesses will find ways to further reduce the number of workers they need, but that’s not producing the outcome we’re going after,” he said. “I would argue that it hurts productivity in the long run because, if fewer young people, fewer teenagers are able to land a job, then they’re going to be less skilled when they enter the workforce in their 20s. That’s my concern.”

A higher minimum wage will bring some “short-term relief” in productivity for business and higher wages for workers, but it won’t bring lasting change, Vitner said, adding that the best way to increase wages in the long term is to increase productivity through improving the nation’s education system.

“If we really want to increase wages, we have to increase productivity, and, unfortunately, there’s no quick fixes,” Vitner

said. “To fix productivity, we have to fix education, which is primarily our public education system. We have to better educate our children. And you can’t turn that around in one presidential term or two sets of presidential terms.”

On a national scale, the ability of small businesses to pay higher wages is more limited than people might think, he said, noting that, a recent index report from the National Federation of Independent Businesses (NFIB) indicates that small business confidence in the United States has been declining over the past 15 months and is worse than it was during any previous economic recovery.

Vitner said small business optimism is at levels more typically seen in the depth of a recession, adding that the main reason for the slide is that the purchasing power of small businesses has diminished compared to larger companies with better access to loans.

“[Raising the minimum wage] is certainly a negative for small businesses,” he said. “Small business owners for the most part have seen their profit margins squeezed the last few years because they’ve been at a real competitive disadvantage to larger companies, which have greater access to credit.”

In the current economic climate, large companies are able to issue debt at historically low interest rates while small businesses are mostly only able to borrow against the value of a home or structure of their business, Vitner said.

“[Small businesses] are borrowing at lower [interest] rates than they’re used to,

but they’re not getting these incredibly low rates that larger businesses are, and, as a result, they’ve had very little pricing power,” he said.

While other states may move to raise the minimum wage at the state level, Vitner said he doesn’t see Congress taking any action on raising the federal minimum wage, especially during the U.S. presidential election season.

The impact of a minimum wage hike in California, where the economy is thriving, mostly at coastal hotspots, such as the Bay Area, Los Angeles and San Diego, will likely be “minimal” at first, he said.

The greatest immediate impact statewide will be in small rural cities and

in the state’s interior, where wages have remained flat and unemployment is still high, Vitner said.

“In many ways it’s high tide in California right now,” he said. “The economy is booming along the coast, and we see very strong job growth. The unemployment rate has come down rapidly . . . Where the impact would be greater is in parts of the economy where wages haven’t risen that much.”

Vitner added, however, that it’s unclear how the state’s move to a \$15-an-hour minimum wage will impact the manufacturing sector and assembly jobs. He said companies in the apparel industry in Los Angeles County, for instance, might start

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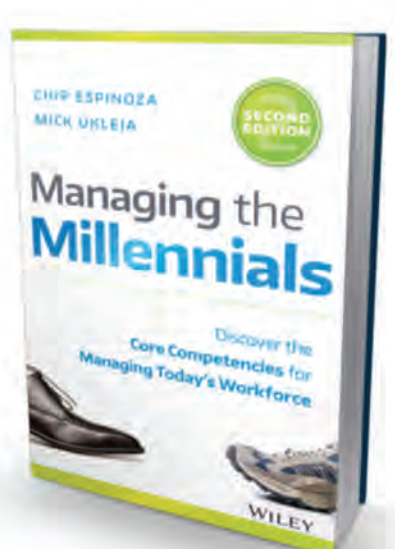
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*Community Reinvestment Act government data, 2002 - 2014.
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Finding the best credit option for your business

About one in three business owners use their own funds or personal credit for their business, according to a recent Wells Fargo/Gallup Small Business Index survey. Yet as a business seeks to grow, obtaining business credit is essential and can help finance purchases, build a credit history, supplement cash flow, and preserve savings.

About one in three business owners use their own funds or personal credit for their business.

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Need a way to pay for everyday business expenses?

When looking for a convenient way to pay for everyday business expenses and a smart alternative to cash, checks, and personal credit cards, business credit cards can be a good option. With a business credit card, you can separate your business from personal expenses and immediately pay for day to day business expenses.

Need to make large seasonal purchases or cover payroll?

Nearly every small business will face a time when it needs more cash than it has on hand. A business line of credit can provide fast, easy access to cash (which can bridge gaps in cash flow) and help supplement cash flow for business expansion, taxes, insurance, or other expenses.

Want to expand your business or make a large equipment or vehicle purchase? For a specific business need, business term or equipment loans should be considered. Loans give businesses immediate access to funds and are ideal for business owners who want a flexible way to get a lump sum at a fixed or variable interest rate for a fixed period of time. There are many types of loans, including unsecured loans, secured equipment loans, real estate loans, and vehicle loans, and rates and terms vary.

When evaluating lending options, you should also consider an SBA loan. Through government-guaranteed SBA loans, financial institutions are able to extend financing to a segment of creditworthy small business owners who may not be able to obtain a conventional loan or loan terms that meet their business needs.

Business owners who are looking to buy real estate, acquire a new business, or purchase equipment may find that an SBA loan offers more flexible terms than a conventional loan. SBA products include the SBA Express line of credit, and SBA 7(a), and SBA 504 loans.

As business owners consider their credit options, they should consult with a banker to help determine the best option to meet the specific needs of their business.

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Minimum Wage Hikes Will Hurt Small Business

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moving to other states and countries with less expensive labor.
“There are an awful lot of manufacturing jobs, particularly in the apparel industry, that pay relatively low wages,” he said. “I don’t know that the industry can afford the immediate increases that are going to be thrust upon it, and we may see jobs shifted to other parts of the country or other countries.”

Vitner pointed out that, while the higher minimum wage will have little impact on the technology sector since most employees in the industry are highly compensated, it’s important to ensure the success of all industries, including those that provide low wages.

He applauded, however, California’s legislation that includes measures allowing the state to hold off on wage hikes if an economic downturn arises.

Nationally, some large metropolitan cities in the nation are able to handle a higher minimum wage better than others, Vitner said, adding that Seattle, Portland, Boston and New York City, for instance, continue to see strong high-wage job growth, while Chicago and St. Louis have had weak economic recoveries.

While Long Beach and Los Angeles have approved moving forward with their own minimum wage policies that are more aggressive than the state’s new minimum wage law, Vitner said such a move will only make it harder for small busi-



“A small business owner is now a compliance officer, the head of sales and the head of credit . . . It’s just overwhelming . . .”

Mark Vitner, Senior Economist, Wells Fargo

nesses to compete with businesses their own size and larger.

“I think businesses would like to have a more uniform minimum wage and set of codes to operate on as much as possible,” he said.

Furthermore, small business startup activity on a national scale has remained low, Vitner said, adding that local, state and federal regulatory hurdles have also played a major part in disadvantaging small businesses over larger companies.

“Larger companies can spread that around a little bit, but with smaller businesses you run out of time,” he said. “A small business owner is now a compliance officer, the head of sales and the head of credit . . . It’s just overwhelming, and [small business owners] can’t afford to hire people to do all these things.” ■

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(Continued From Page 1)
and Gallup revealed that only one in three business owners have a business plan. "Those who had a formal written plan reported greater optimism for the year ahead, and the business owners with plans also planned to increase hiring, capital spending and revenue in the next 12 months," he noted.

The Business Plan Center features a pre-built portal for entrepreneurs to lay out business strategies. "It takes time to sit down and write a plan, and then coming up with a structure and a template is also something that can be a little cumbersome," Alvarado said. "So to have something all built for you and you kind of plug in your information and make it specific to your business, it's very user friendly. It really encourages people to do it."

Two such people are Hatem and Cheryl Abdelhadi, a Los Alamitos couple with Long Beach roots who opened a dentistry business near their home on April 11.

"We've looked into purchasing a dental office for over a year," Cheryl said. She took on the role as partner in the business,

where her husband is a dentist, in addition to her career as a teacher at Long Beach's John Muir Academy.

"It's difficult to know who to talk to. We had tons of consultants that offered help. It's very difficult for a small business to hire all of them," she said, referring to consultants who were offering business planning, human resources, payroll and other services. As new business owners, Cheryl and Hatem weren't able to afford so many consultants.

"Wells Fargo offered a lot to us under one roof," Cheryl said.

"I have been with Wells Fargo since 1998, and Cheryl's been with it just as long," Hatem said. As he was investigating various consultants, Cheryl suggested seeing what Wells Fargo had to offer. "Wells Fargo was like, we've got a credit card machine, [and] we've got payroll and Wells Fargo Works. And all under one roof," Hatem recalled. "We went there that same day to the branch and . . . we took care of all those three things in one day. It was pretty impressive."

The Wells Fargo representatives at their local Seal Beach branch directed the Abdelhadis to WellsFargoWorks.com, where they took advantage of the Business Plan

U.S. Small Business Administration lending

The numbers behind the SBA's two major loan programs: The 7(a) General Business Loan Program and the Certified Development Company (504) Loan Program.*

The 7(a) General Business Loan Program¹

Loans through this program can be used for an array of business purposes: Purchase or improvement of commercial real estate, acquisition of an existing small business, buying equipment or machinery, working capital, and startup needs.

Startup businesses

Existing businesses

Number of loans

Total dollar amount

16,072

35,233

\$5.7 billion

\$13.1 billion

2014 marked the second straight year the number of 7(a) loans and total dollar amount increased.²

Number of loans

Total dollar amount

Year	2009	2010	2011	2012	2013	2014
Number of loans	41,289	47,000	53,710	44,376	46,395	52,044

Year	2009	2010	2011	2012	2013	2014
Total dollar amount (Billions)	\$9.2	\$12.4	\$19.6	\$15.2	\$17.9	\$19.2

The Certified Development Company (504) Loan Program¹

Loans through this program provide financing for fixed assets such as equipment, real estate, and building improvements.

Startup businesses

Existing businesses

Number of loans

Total dollar amount

898

4,895

\$742.6 million

\$3.4 billion

504 lending results over the last six years

Number of loans

Total dollar amount

Year	2009	2010	2011	2012	2013	2014
Number of loans	6,608	7,833	7,983	9,471	7,708	5,885

Year	2009	2010	2011	2012	2013	2014
Total dollar amount (Billions)	\$3.8	\$4.4	\$4.8	\$6.7	\$5.2	\$4.2

*Fiscal year information for 2014. Sources: (1) "SBA Lending Statistics for Major Programs" and "SBA Hits Another Lending Record in FY 2014." U.S. Small Business Administration.

WellsFargoWorks.com is free for any small business owner to use, whether they bank with Wells Fargo or not. The website currently garners about 6,000 visits per day.

Center. “To be honest, I don’t think we would have done it properly [otherwise],” Cheryl said. “The portal took us through multiple screens where you have to think about different aspects of the business,” she said, explaining that it asked them to address the goal of the business, and helped them to examine their financial liabilities and assets.

“There are links for getting macro loans for working capital and things. That’s also a big help too, just in case as we start to grow we want to do renovations or we need some extra working capital,” Hatem said.

WellsFargoWorks.com is free for any small business owner to use, whether they bank with Wells Fargo or not. The website currently garners about 6,000 visits per day.

“We know that we are only as strong as the community we serve. So, by having a really strong small business community, we know that it’s going to really benefit everybody,” Alvarado said of Wells Fargo’s decision to make the online resource free for all.

“We wanted to create a portal where we could put all the resources we have for small businesses right in their hands so that they could access tools, videos, busi-

ness planning programs and make it really easy,” Alvarado said.

In addition to the Business Plan Center, WellsFargoWorks.com features tips and resources from business experts in the forms of videos and articles. The site includes a variety of tools, including the Competitive Intelligence Tool, an interactive portal where users can map out where their competitors are, and compare their businesses.

Wells Fargo benefits from providing this free resource because it helps deepen its relationship with existing small business customers and opens the door to gaining new customers, according to Alvarado.

“It was designed with a small business owner in mind, and what they’ve told us that they need,” Alvarado said of the website. “The most common things that we hear they need are they need help in starting a business or growing their business,” he said, adding that growing their business means both access to capital and gaining more customers. The website provides a platform for users to research different channels for accessing capital, whether it be bank funding or SBA loans, he noted.

“We’re constantly updating the website with new stories and new articles and new tools,” Alvarado said. “One of the great things about Wells Fargo is we love feedback. So a lot of what we do and how we design things comes from customer feedback,” he noted. “So you’ll see continuous upgrades and additions to the website to make it easier and to have fresh data on there for our customers.” Wells Fargo plans to launch a new tool for the website this year. ■

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Proposed Long Beach City College Bond Measure Would Make Up For Lack Of State Funds, Increasing Costs

■ By **SAMANTHA MEHLINGER**
Senior Writer

The \$850 million bond measure placed on the upcoming June ballot by the Long Beach City College (LBCC) Board of Trustees is the largest the college has ever tried to pass and, if you ask Superintendent-President Eloy Ortiz Oakley, it’s with good reason. He’s ready with answers for voters who might wonder why the college needs to pass another bond measure, considering that they passed one in 2008.

When voters passed the 2008 Measure E bond program, the \$440 million price tag was determined “based on an understanding that the State of California was going to fund several additional projects themselves,” Oakley said. For those projects, the college would have only had to provide matching funds, rather than footing the whole bill.

“Subsequently, the state never funded construction projects for community colleges and K-12’s, and still hasn’t, and has no plans to,” Oakley said. “We lost upwards of \$100 million just from the lack of state spending on community college facilities.”

As a result, several projects originally supposed to be funded under Measure E would be integrated into the new bond

program, according to Oakley. These projects, which would improve areas the public accesses on a daily basis like the school’s auditorium, were never started because of a lack of state funding, he noted.

Oakley cited two other major factors necessitating another bond measure, both related to increasing compliance costs. “The accessibility requirements for disabled students have changed significantly since 2008,” he said. “We have many old buildings still from the ’40s and ’50s that don’t meet the accessibility requirements, and we have a sizable disabled student population. So that has driven up the cost of all new construction, and for good reason.”

There are other costs of compliance related to equal access to technology for the disabled student population. “Every technology that we use, every video that we produce, every YouTube production that we have has to be accessible to the disabled. So that’s a cost,” Oakley explained.

Another major cause of increased costs for the college is “the ever-increasing environmental regulations.” Oakley said the college supports such regulations, but that “considerable costs” are associated with them. “They have considerable costs on the college to do

things like get off the grid as much as possible, to become as sustainable as possible, to capture as much rainwater as possible, [and] to reduce the [school’s] carbon footprint,” he said.

The new bond measure would fund projects related to adhering to these regulations, such as upgrading the college’s utilities infrastructure. “We would be building significantly more solar projects, improving parking to provide for more access to charging stations for electric vehicles, improving our heating, ventilation and air conditioning – in general, getting both campuses to be as sustainable as possible,” Oakley explained.

The college also needs funding to build more facilities in preparation for a growing student body. “We have a sizable cohort of veterans coming back,” Oakley said. “We need to continue to build more classrooms and more facilities that support the kind of career training that they need, [and] many of the students coming from our local community need to get into jobs more quickly.”

If the new bond measure is passed, it would help to pay for parking improvements and two new buildings with classrooms and lecture halls to accommodate the growing student body at the Pacific Coast Campus, Oakley said.

The Liberal Arts Campus would also be a beneficiary of the new bond program. The campus’s M Building, which houses technology and office programs, as well as some social science courses, is “literally falling apart,” Oakley said. “That is one of our largest classroom buildings at the liberal arts campus. We really need to modernize it, and that is certainly a project that is at the top of the list.”

The cost of the bond measure on the

Long Beach City College Projects Completed That Had Funds Associated With Measure E 2008 Bond Funds

LAC = Liberal Arts Campus on Carson Street
PCC = Pacific Coast Campus on Pacific Coast Hwy

- LAC Building A Student Services Retrofit Electronic Signage
- LAC Infrastructure Utility Connections/Upgrades
- LAC Parking Structure
- LAC Energy Projects – lighting retrofits, HVAC system upgrades, server virtualization, parking lot light replacements
- LAC Payoff of Existing Debt for Central Plants and HVAC systems
- LAC Purchase of Buildings O-1 and O-2
- LAC Building I - Bookstore
- LAC Campus Landscaping
- LAC Nursing Building C
- LAC Building V - Math/Culinary Arts
- LAC Campus Improvements
- LAC Surface Parking Improvement
- LAC Circulation Access
- PCC Buildings AA, BB, DD, and EE
- PCC Energy Projects – lighting retrofits, HVAC system upgrades, and parking lot light replacements
- PCC Infrastructure Utility Connections/Upgrades
- PCC Building CC - Fitness Center
- PCC Building GG - Student Services Center
- PCC Circulation Access
- PCC Sheet Metal Move
- PCC Surface Parking Improvement
- PCC Electronic Signage
- PCC Campus Improvements
- PCC Purchase of land on SE corner of district property, converted to parking lot #6
- PCC Campus Landscaping
- PCC Building JJ

Projects remaining on the Measure E 2008 Bond

- PCC QQ/RR Electrical & Lifetime Learning
- LAC Science Building D
- LAC Auditorium Building J
- LAC Language Arts Building P
- LAC Classroom Lockdown Project
- LAC Camera Security System (Project not fully funded with Measure E Funds)
- LAC Secondary Gym Building Q (Project not funded for full renovation)
- LAC Art Building K (Project not funded for full renovation)
- LAC College Center Building E (Project not funded for full renovation)
- LAC Outdoor Phys Ed Labs (Project not funded for full renovation)
- LAC College Center Building F (Project not funded for full renovation)
- LAC Performing Arts - Building G (Project not funded for full renovation)
- LAC Liberal Arts Building (M/N) (Project not funded for full renovation)
- LAC Performing Arts - Building H (Project not funded for full renovation)
- PCC Campus Landscaping (Project not funded for full renovation)
- PCC Construction Trades Building MM (Project not funded for full renovation)
- PCC Campus Improvements (Project not funded for full renovation)

Source: Long Beach City College

Long Beach Voter Registration By City Council District				
(Current as of April 19, 2016)				
City Council District	Registered Voters	Democrats	Republicans	Independents*
1st District	21,283	12,377	2,004	6,902
2nd District	28,499	15,539	3,495	9,465
3rd District	35,722	14,764	10,829	10,129
4th District	26,060	12,677	5,044	8,339
5th District	34,454	14,201	11,521	8,732
6th District	21,350	11,974	2,368	7,008
7th District	29,835	15,918	5,091	8,826
8th District	27,087	14,712	4,289	8,086
9th District	25,039	14,433	3,085	7,521
	249,329	126,595	47,726	75,008
		50.8%	19.1%	30.1%
Percentage of citywide registered voters by council district				
3rd District: 14.32% • 5th District: 13.82%; 7th District: 11.97% • 2nd District: 11.43%				
8th District: 10.86% • 4th District: 10.45% • 9th District: 10.04% • 6th District: 8.56% • 1st District: 8.54%				
City council districts with highest percentage of registered voters who are Democrats:				
1st District: 58.2%; 9th District: 57.7%; 6th District: 56.1%				
City council districts with highest percentage of registered voters who are Republicans:				
5th District: 33.4%; 3rd District: 30.3%; 4th District: 19.4%				
City council districts with highest percentage of registered voters who are Independents*:				
2nd District: 33.2%; 6th District: 32.8%; 1st District: 32.4%				
Source: Political Data, Inc. City Council District percentages determined by Business Jornal.				
*Includes other parties such as Libertarian, Green, Peace & Freedom, etc.				

June ballot takes into account that the school likely won't receive any state funding, according to Oakley. "We have learned our lesson. We are not counting on state support any time in the near future," he said. "We feel we have designed a program that would satisfy the needs of this college for the next 50 years at least, without worrying about the state."

If passed, the new LBCC bond measure would last for 25 years. Property owners would pay \$25 per \$100,000 assessed value of their property annually to fund the bond measure. Until the Measure E program is paid off, property owners would be paying for both bond programs concurrently. College leadership has not yet decided whether or not to issue the last series of Measure E bonds this year, according to a college spokesperson. If the new measure doesn't pass, the last payment for Measure E would be 25 years from now.

Also on the June ballot is a proposal to raise the city's sales tax by 1 percentage point (from 9 to 10 percent) for six years, then declining to half a percent (9.5 percent) for four years. When asked if this concurrent proposal to raise costs for residents might dissuade more people from passing the bond measure, Oakley replied that there is always competition on any ballot.

"Although we understand the needs of the city and certainly support what they're doing, we're going to focus on the needs of our students and try to communicate the value of an investment in higher education locally to the taxpayers of the greater Long Beach area," Oakley said. "And I think that they'll respond as they have in the past."

Oakley added that he would like to thank the community, and that he "can tell them very confidently that their tax dollars are going to be put to use to ensure that the future of Long Beach continues to be very bright and that their investment in our students, their students, will pay off many fold going forward in the future."

(Note: The Business Journal is on record supporting the college's bond measure.) ■

Long Beach City College Is Hosting An Information Workshop For The Community On May 4th

Long Beach City College (LBCC) is hosting its annual Discover LBCC day for the community on May 4. The event, which takes place from 6:30-8 p.m., is an informative workshop about the college's programs, services and class offerings. LBCC staff will be at the ready to answer questions related to financial aid, enrollment, degrees, transfer programs, employment opportunities and many other topics. Superintendent-President Eloy Ortiz Oakley is set to give a presentation, and Sunny Zia, a member of the LBCC District Board of Trustees, is also attending. The event takes place at the Main Long Beach Library's auditorium lobby, 101 Pacific Ave. Free parking is available in the city's parking structure off of Broadway. For more information, call 562/938-4353. ■

— Samantha Mehlinger, Senior Writer

Belmont Pool Project Draft EIR Released, Public Comments Accepted Through June 16

■ By **SEAN BELK**
Staff Writer

A draft environmental impact report (EIR) for the proposed Belmont Pool Revitalization Project has been released for public review. Public comments on the EIR and the project will be accepted through June 16, according to city staff.

The \$103 million project involves building a replacement to the Belmont Plaza Olympic Pool, which was demolished last year due to substandard seismic and structural conditions that posed safety risks to the public.

The new Belmont Pool facility at 4000 E. Olympic Plaza is being designed to be a "landmark structure that would showcase a state-of-the-art facility intended to reflect the community's commitment to recreational and competitive aquatics," according to the draft EIR.

Elevations show that the new pool structure includes a "bubble," a translucent cover, over the main arena that houses the indoor pools and permanent indoor bleachers.

The 71-foot-high bubble structure would be "an elliptical shaped dome, comprised

of a web of structural steel, in-filled with ethylene tetrafluoroethylene (ETFE) plastic, creating a continuous shell over the competition pool," according to the draft EIR. Although the ETFE material is "self-cleaning," the city plans to engage the manufacturer for periodic inspections and cleaning through an extended warranty and maintenance program.

The new Belmont Pool facility would also include a mezzanine, a 1,500 square-foot outdoor café, public restrooms and an outdoor recreational pool.

In October 2014, the city council allocated the \$103.1 million for the project, which will be funded through the city's Tidelands Fund.

A closer look at the project will be included in the May 10 edition of the Business Journal. ■

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Urban Commons Takes Over As New Queen Mary Leaseholder; Plans Include Retail, Dining And Entertainment

■ By **SEAN BELK**
Staff Writer

Los Angeles-based real estate investment and development firm Urban Commons has officially taken over as the Queen Mary’s new master leaseholder under a 66-year lease agreement finalized on April 19, according to an announcement from the ship’s new operator.

Urban Commons plans to create a “bustling retail, dining and entertainment district surrounding the Queen Mary for locals and tourists alike, while infusing

contemporary influences on board the ship to return the Queen to her glory days,” Urban Commons officials wrote in a prepared statement.

Based on preliminary conceptual plans, development of 45 acres surrounding the Queen Mary is expected to cost more than \$250 million, funding that Urban Commons plans to come up with on its own through the project’s completion, Erica Feher, a spokesperson for Urban Commons, confirmed with the Business Journal in an e-mail.

In addition, Urban Commons plans to

invest approximately \$10 million to \$15 million in renovations to the ship that are anticipated to be debuted in mid-2017.

While plans are still preliminary, the operator is considering adding a Ferris wheel among other new attractions, such as a new entertainment venue. Previous plans have included adding a boutique hotel and a new marina.

Feher noted that, although the Long Beach City Council approved Urban Commons’ takeover of the ship late last year, the lease transfer was officially finalized on April 19.

On the same day the lease was transferred, the city council at its meeting approved appropriating about \$1.7 million the city received under the ship’s previous lease agreement through a percentage rent in Fiscal Year 2014 to be used for capital and historic preservation of the attraction.

The funding is expected to go toward critical repairs of the ship, including deficiencies at the forward expansion joint that have resulted in the closure of the Promenade Café. Repairs to the expansion joint alone are estimated to cost \$625,000.

City staff states that relying on pass-through rent from a sublease is “insufficient” for funding larger structural and historic preservation projects or unforeseen emergency repairs. City staff previously stated that Carnival Cruise Lines has agreed to provide about \$2.5 million a year in passenger fees as a new revenue stream to pay for historic preservation of the Queen Mary in return for full access to the Spruce Goose dome.

According to the announcement, Urban Commons plans to implement a phased approach to an “all-encompassing renovation” over the next several years, with upgrades within the ship expected to begin immediately, according to Urban Commons officials.

Urban Commons is expected to infuse “modern details with a nod to the past” throughout the interior of the ship, from guestrooms to restaurant spaces, creating a “new aura of regal elegance” while maintaining the ship’s “cherished historic elements,” Urban Commons states.

“The debut of the new Queen Mary will bring to life an energetic destination that draws visitors in from near and far, rivaling major attractions in premier cities around the globe,” Taylor Woods, principal of Urban Commons, stated in a press release. “We see this as a once in a lifetime opportunity to help shape the future of a storied landmark, and Urban Commons is honored to have a hand in this transformation.”

Urban Commons plans to work with the City of Long Beach, the Queen Mary Land Development Task Force and the community on the review and approval process for the buildout of the 45 acres surrounding the ship and intends to continue the ship’s annual events, including Dark Harbor and CHILL, while working closely with Carnival Cruise Line to enhance its existing terminal. ■

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Correction:

In the April 12-25 edition of the Business Journal, the article “Aerial Tram Concept Proposed To Connect Downtown Long Beach To Queen Mary,” incorrectly reported that \$4 million in seed capital has been raised for the project. It should have stated that no funding has been secured nor sought for the project.

2nd Street And Pacific Coast Highway Project Being Revised As City Develops New Specific Plan For Southeast Area

■ By **SEAN BELK**
Staff Writer

A long sought-after proposal to transform prime waterfront property at 2nd Street and Pacific Coast Highway (PCH) is being revised while the city and community members are working to establish new land use guidelines to reframe future development in Southeast Long Beach.

Over the past several years, attempts by property owner Raymond Lin of Taki-Sun to redevelop the 11-acre SeaPort Marina Hotel property have failed to move forward because of concerns raised by residents and environmental groups about plans for residential high-rise buildings and potential impacts the development would have on traffic and the nearby Los Cerritos Wetlands.

A newly revised project, however, is in the works, Alex Cherin, spokesperson for the project, told the Business Journal. More details about the revised project and its new environmental impact report (EIR) will be made available next month, he said in an e-mail.

“The project development team is still working on various options for the site,” Cherin said. “We also continue to work with city staff on finalizing the EIR for any potential development.”



He added that the new project would be consistent with the city’s existing zoning under the Southeast Area Development and Improvement Plan (SEADIP), zoning guidelines established nearly 40 years ago that allow only commercial use.

After ditching plans that once called for a 12-story condominium complex, the property owner submitted a proposal nearly two years ago for an all-commercial development to be called The

Shoppes at 2nd + PCH, with one- and two-story buildings for retail and restaurant space.

At the same time, as a way to strike a balance between the needs of economic development and environmental preservation, the city launched a comprehensive effort to update zoning of the area by collaborating with local stakeholders, including residents, environmental groups, property owners and developers,

Last month, the city took a step forward in that effort, releasing a draft-specific plan to update SEADIP, which was originally written in 1977. Nearly 130 people attended an open house at the Best Western Golden Sails Hotel where community members provided input on the new land-use plan called the Southeast Area Specific Plan (SEASP).

Advance Planning Officer Christopher
(Please Continue To Page 14)

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SeaPort Marina

(Continued From Page 13)

Koontz said in a phone interview that a major change from the old plan is that the new guidelines will allow for a mix of land uses, allowing for residential, commercial and hotel development.

The new plan also increases the maximum height for buildings from 35 feet to five stories, he said, adding that the new allowable building height will provide the “right balance” for economic development and environmental preservation to thrive.

“The fact is you can’t really get a good mix of uses without a little bit more height,” Koontz said. “At five stories, you’re not talking about blocking views or

any other detrimental impacts, and we think that’s the right balance for the site.”

Seven-story buildings will also be allowed in some areas but only for new structures with public amenities and that don’t take up more than 25 percent of a project site, he said.

The main goal of creating the specific plan is to improve the aesthetics and economic vitality of the southeast area, including the Golden Sails Hotel site, the Marina Pacifica Mall, 2nd Street and PCH, and the Marketplace Long Beach shopping center, where development has stagnated for decades.

Koontz said the plan calls for development that would create a more “walkable” area for the public, with bike paths, land-

scaping and wetlands conservation opportunities. While buildings will be taller, new structures are required to be oriented in a way that takes advantage of the waterfront with views of the marina, unlike existing commercial structures, he said.

“What we heard from the community and leaders here in the city is that they wanted something more walkable and wanted something that created new investment to try to reconnect with the water,” Koontz said. “The existing development kind of turns its back on the water. When you go to Best Buy you have no idea that there’s a beautiful waterfront marina behind it.”

The Los Cerritos Wetlands Land Trust (LCWLT), which has been a strong opponent to development at 2nd Street and

PCH, stated in an e-mail that the group is relatively pleased with the specific plan but still has concerns about how residential development will ultimately impact traffic and the wetlands habitat.

LCWLT stated that more than 5,000 residential units at build-out by 2035 would be permitted for the area under the new plan, adding that the land trust is “concerned that roads through wetlands will once again be proposed as a way to alleviate traffic.”

The city will be accepting public comments on the draft specific plan through the end of this April, Koontz said. After reviewing comments and making adjustments to the plan, the city will release a draft EIR on the SEASP in late May or early June. ■

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Street Sweeper Brooms	ITB FS16-104	4/26/2016
Furnish and Deliver 2-ton Service Truck	WD-03-16	4/26/2016
Naples Island Sanitary Sewer Improvement Project	WD-34-15	4/26/2016
Pine Avenue Pier Public Dock	R-7044	4/27/2016
Colorado Lagoon Restoration Phase 2B	R-7054	4/27/2016
Improvements to Garage (Lot A)	R-7051	4/27/2016
Signs-Traffic, Custom, Poles & Related Supplies	ITB LB16-029	4/27/2016
Promenade Pedestrian Walkway Maintenance	RFP DV16-097	4/28/2016
Waste Collection Cost of Service Rate Study	RFP PW16-132	5/03/2016
Ergonomic Chairs and Products	ITB LB-055	5/12/2016
Purchase & Develop Opportunity at Atlantic/Artesia	RFP EP16-120	5/13/2016
Purchase & Develop Opportunity at Pine	RFP EP16-129	5/19/2016
Purchase & Develop Opportunity at LB Blvd	RFP EP16-130	5/19/2016

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

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Long Beach Civic Center Rebuild Project's \$513 Million Financing Package, Known As P3, Closes

■ By **SEAN BELK**
Staff Writer

A financing package involving a public-private partnership, also called a P3, for the \$513 million Long Beach Civic Center rebuild project reached commercial and financial close on April 20, according to an announcement released by p3point, which served as the lead P3 financial advisor to the City of Long Beach.

The P3 project was approved by the Long Beach City Council on December 15 and includes constructing a new city hall, port headquarters, main library and Lincoln Park, along with new commercial and residential development.

The financing package, arranged by project development team Plenary-Edgemoor Civic Partners (PECP) and HSBC bankers, includes \$239 million in private placement financing in a 43-year term with Allianz, a \$213 million construction loan in a three-year term from Sumitomo Mitsui Banking Corp., a \$21 million equity investment by PECP, and contributions of cash and land from the City of Long Beach totaling approximately \$40 million, according to the announcement.

"We are excited to see this deal move forward and to meet the goals set by the

city three years ago when it embarked on the Civic Center P3 procurement," said Long Beach Mayor Robert Garcia in the statement. "I'd like to congratulate and thank our city council, city staff, our partners and the Plenary-led consortium that helped us to reach this important milestone."

Michael Conway, director of economic and property development for the City of Long Beach, stated that the P3 method was selected for the project since it enabled the city to procure a new civic center without having to issue bonds or raise taxes. He added that there have been more than 100 outreach sessions on the project so far.

"This method also facilitated design and operational innovation from the P3 developers, provided a high level of 40-year life cycle maintenance for the new civic center, and integrated significantly increased private real estate development of the downtown area through the city's contribution of land," Conway said.

On a related matter, at its meeting on April 19, the city council approved findings and determinations regarding contracting with PECP for custodial, maintenance and security services usually performed by city employees. ■



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City Council Approves Consultant For Project To Restore Wetlands, Relocate Oil Drilling

■ By **SEAN BELK**
Staff Writer

The Long Beach City Council at its meeting on April 19 unanimously approved entering into a contract with Lisa Wise Consulting, Inc. (LWC) to assist city staff with reviewing and processing a project proposed by an oil operator to relocate oil operations and restore portions of the degraded Los Cerritos Wetlands.

Synergy Oil & Gas, which acquired wetlands property and mineral rights from the Bixby Land Company several years ago, is requesting entitlements for a project that includes creating a “wetlands mitigation

bank” that would allow the oil operator to receive credits for restoring several acres of wetlands. The credits would then be sold to developers interested in pursuing development in the area.

The project also involves relocating Synergy’s oil drilling infrastructure from the oil field at 6433 E. 2nd St. to a seven-acre site owned by Lyon Housing at 6701 E. Pacific Coast Hwy., known as the “Pumpkin Patch,” where Synergy also plans to relocate its executive offices and headquarters.

Oil drilling will also be relocated to an adjacent site owned by the Los Cerritos Wetlands Authority, a governmental entity formed in 2006 for purposes of wetlands

preservation in an agreement between the California State Coastal Conservancy, the Rivers and Mountains Conservancy and the cities of Long Beach and Seal Beach.

As part of Synergy’s proposal to restore the Los Cerritos Wetlands back to its natural habitat and to allow for public access with trails and an interpretive center, the oil operator plans to eventually move and consolidate all oil drilling operations from the wetlands to the two sites using new oil drilling technology. The project will require city, state and federal approvals as well as an environmental impact report.

Environmentalists with the Los Cerritos Wetlands Land Trust have been skeptical of the proposal and have requested that the city hold off on processing entitlements until the Southeast Area Specific Plan (SEASP) is approved. ■

JetBlue Gives \$50,000 For Garden Project In Central Long Beach

JetBlue Airways is providing a \$50,000 grant for the new Green Space Garden planned for MacArthur Park in Long Beach’s 6th Council District. Sixth District Councilmember Dee Andrews is spearheading the project, which aims to bring an urban farming experience to the Midtown area, with a local nonprofit. A year ago, JetBlue held a TrueBlue rewards points donation contest, through which airline members may use their airline rewards to benefit charities or causes, to determine where the airline should invest in a community green space. Long Beach was the winner. “Our customers in Long Beach demonstrated their commitment to a healthier environment and we are thrilled to add some greenery to their scenery this year,” Kate Wetzel, manager of corporate social responsibility at JetBlue, stated in a news release from Andrews’ office. The project is expected to begin this summer. For more information, contact Andrews’ office at 562/570-6816. ■

– Samantha Mehlinger, Senior Writer

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New Daily Bread Bakery Brings Confections To North Long Beach

Daily Bread Bakery owners Juan Alavez, center, and Francisca Alavez Sosa, pictured with their baker, Edvardo Valderama, opened their business at 6084 Atlantic Ave. in North Long Beach in March. Having lived in Long Beach for the past 10 years, the two had noticed there weren't any bakeries in the area and decided to step up to meet that community need. The bakery specializes in Mexican breads, and also sells tamales, tortas (sandwiches), pastries, desserts, fruit tarts and "any type of cake from birthday to wedding cakes," Sosa, who decorates the cakes, said. The recipes are traditional, and handed down from previous generations. The bakery accommodates special advance orders for events, she noted. Business has been good since the bakery opened, and continues to grow as the community becomes more aware of it, according to Sosa. Store hours: Monday to Friday, 6 a.m. to 8:30 p.m.; Sunday, 7 a.m. to 7 p.m. For more information, call 562/283-9624. (Photograph by the Business Journal's Larry Duncan)



Bixby Knolls Trader Joe's Moves To San Antonio Drive And Long Beach Boulevard

Trader Joe's store manager Mike Brown greets 8th District Councilmember Al Austin after the grocery chain opened its new location at 4210 Long Beach Blvd. at San Antonio Drive. Trader Joe's took the opportunity to move to a larger space after investment company Red Mountain Group turned a former Ralph's grocery store onsite into The Knolls Shopping Center. The site features plentiful parking, something the Trader Joe's former location was in short supply of. Other retailers at the center, which opened in early April, include Crunch Fitness, Petfood Express and Jersey Mike's Subs. Chipotle, Verizon Wireless and Mod Pizza are opening locations there in the fall, according to Councilman Austin's office. (Photograph by the Business Journal's Larry Duncan)



New Leadership For The Long Beach Public Library Foundation: Katharine Azar And Erica Bradley

The Long Beach Public Library Foundation recently announced new leadership, with Katharine Azar, left, coming on as executive director and Erica Bradley joining the organization as director of development. Azar, who has more than 10 years of experience in the nonprofit sector, has been serving as the interim executive director since November. She previously co-founded The Olive Tree Initiative, an educational nonprofit with chapters throughout the state, and has experience working on social cause campaigns and in program and fundraising management. She holds a masters degree from the University of Southern California. Bradley, who was recruited by Azar, has 13 years of experience in development, including eight years at Mattel Children's Hospital UCLA. Bradley is a Long Beach resident. Over the past 20 years, the Long Beach Public Library Foundation has raised more than \$20 million for Long Beach Public Library programs and projects, including family learning centers at all the branches. The foundation recently provided funding to create The Studio, a space featuring 3D printers and other creative technology, where free classes are offered each week. (Photograph by the Business Journal's Larry Duncan)



Batteries Plus Bulbs Celebrates Grand Opening In Signal Hill

Batteries Plus Bulbs franchise owner Tim Quinlan celebrated the opening of his store in Signal Hill with a ribbon-cutting ceremony on April 18. Signal Hill Mayor Lori Woods, the Signal Hill Chamber of Commerce, members of the L.A. County Fire Department and other local community leaders were in attendance. Batteries Plus Bulbs offers a wide array of energy-efficient light bulbs in standard and specialty sizes. The store also specializes in premium brand batteries and chargers for everyday needs as well as for automobiles, boats, cell phones, laptops, cordless tools, digital cameras and many other products and items. In-store repairs are available for mobile devices, including cell phones, MP3 players, tablets and e-readers. A press release from the new franchise location stated that it provides in-house expertise and more than 60,000 lighting and battery options for customers. Batteries Plus Bulbs is located at 2520 Cherry Ave. at Willow Streetl. For store hours and more information, call 562/294-4494 or visit www.batteriesplus.com. Pictured, from left, are: City of Signal Hill City Manager Charlie Honeycutt; Los Angeles County Fire Department Capt. Victor Lopez; Juliano Jarquin, community grant writer for The Human Element Passage; Jim Armijo of L.A. County Fire; Woods; Mario Lemos of L.A. County Fire; Quinlan; Melissa Guy, president of the Signal Hill Chamber of Commerce; Signal Hill Police Chief Michael Langston; Craig Bradford of L.A. County Fire; Terry Rogers, a real estate agent with Coldwell Banker; Gary Chomiak, life path mentor; Adalita Silva of Comerica Bank; and Randy Kinney, owner of LBTechGuy. (Photograph by the Business Journal's Larry Duncan)

New Chief Of Staff At Long Beach Memorial Medical Center

Dr. Maged Tanios was recently elected chief of staff at Long Beach Memorial Medical Center, serving as a liaison between the hospital's board of directors and its administration. "As chief of staff, he will work closely with our physicians and leadership to advance our culture of excellence in patient care and clinical outcomes," John Bishop, CEO of MemorialCare Health System's three Long Beach hospitals, said in a statement. Tanios has served as the medical director for the hospital's intensive care unit and as program director for the Pulmonary and Critical Care Medicine Training Program since 2012. For the past six years, he also led the department of internal medicine. He is also a member of Long Beach Memorial's board of trustees, and is an associate clinical professor at the schools of medicine at UCLA and at UC Irvine. (MemorialCare Health System photograph)



International City Theatre's Caryn Desai Recognized As Local Hero

Caryn Desai, artistic director and producer of Downtown Long Beach-based International City Theatre (ICT), has been recognized as one of the African American History & Culture Foundation's 2016 Community Heroes. The foundation is dedicated to providing historical, educational and recreational services to urban youth and their families. In a letter to Desai, the foundation's CEO,



Chandra Salaam, said she had had the opportunity to participate in some of ICT's programs, and thanked her for the theater's senior program, which provides tickets and transportation to low-income seniors in HUD housing. Salaam wrote, "AAHCF seeks to honor you for your phenomenal youth outreach programs, including ICT's main-stage productions, Performing Arts Classroom Teaching program, Students to Stage program, internship opportunities and the Summer Youth Conservatory." Desai is being presented with an award for this honor on June 25 at California State University, Dominguez Hills. (International City Theatre photograph)

Chao Chen Named Highway Group Manager At Moffatt & Nichol

Moffatt & Nichol, an international maritime infrastructure advising firm based in Long Beach, recently announced the addition of Chao Chen as highway group manager working from the company's Long Beach headquarters. Chen's responsibilities include providing quality control and project management for transportation projects in California. He has 28 years of experience in the public and private sectors, including 10 years as a design manager for Caltrans. After moving to the private sector, he secured more than 12 Caltrans roadway projects, such as freeway widenings and interchange reconstructions, over the span of 15 years. Chen holds a masters degree and a bachelors degree in civil engineering from Utah State University. (Moffatt & Nichol photograph)



Miller Children's Names New Chief Of Staff

Dr. Eliezer Nussbaum was recently named chief of staff for Miller Children's & Women's Hospital Long Beach, a MemorialCare Health System hospital. Nussbaum is the chief of the hospital's Pediatric Pulmonary Center, and served as medical director from 1979 to 1994. He developed the Pediatric Pulmonary and Cystic Fibrosis Center at the hospital and at the University of California Irvine. Nussbaum is also a medical researcher, a professor of medicine and an author. John Bishop, CEO of Long Beach Memorial Medical Center, Miller Children's and Community Hospital Long Beach, called Nussbaum "a passionate advocate for children," in a MemorialCare statement and added that his "wealth of experience" makes him an ideal fit for the role of chief of staff.

Archstone Foundation's Prevratil Receives Leadership Award

Joseph Prevratil, president and CEO of the Long Beach-based Archstone Foundation, was recently presented with the HealthCare Chaplaincy Network's (HCCN) Pioneer Medal for "Outstanding Leadership in Health Care." Prevratil was honored for "his longstanding commitment and transformational advocacy to improve the lives of the nation's growing aging population," according to a statement from HCCN. The network is a nonprofit organization offering spiritual resources and chaplain services in health care settings, as well as online, with a mission of advancing spiritual care in the practice

of health care. The Archstone Foundation provides funding to programs and projects that meet overlooked needs of the country's aging adults. Prevratil has served as a boardmember since 1987, and has headed the foundation since 1995. As president and CEO, he shifted the focus of Archstone to fund more "emergent and unmet" needs of the aging population, such as end-of-life issues and depression, rather than general health issues.

Wells Fargo Advisors Taps Haeseler For Premier Advisors Program

Gregory Haeseler was recently appointed to Wells Fargo Advisors' Premier Advisors Program. Haeseler serves as first vice president of investments for Wells Fargo Advisors, and has been a financial advisor with the firm for eight years. Wells Fargo Advisors oversees \$1.4 trillion in client assets and provides investment guidance in all 50 states. Haeseler's addition to the Premier Advisors Program is, according to a company statement, "a reflection of his achievements in meeting high standards for revenue generation, educational attainment and client service best practices." Haeseler lives in Long Beach with his family, and is involved in the Rotary Club of Long Beach and the Estate Planning & Trust Council of Long Beach.

School Board President Williams New Chair Of National Group

Felton Williams, president of the Long Beach Board of Education, has been elected chair of the Council of the Great City Schools' Board of Directors. The 140-member policymaking body, headquartered in Washington, D.C., represents 70 of the nation's largest urban school systems. ■

Villages At Cabrillo Celebrates Groundbreaking Of Anchor Place Homes

The Century Villages at Cabrillo (CVC), a 27-acre campus located at 2000 River Ave. in West Long Beach that provides shelter for homeless veterans and families, celebrated earlier this month the groundbreaking of its fifth phase of development, Anchor Place, which will provide 120 permanent supportive homes. Immediately next door, the historic hub of the Savannah Cabrillo Naval Housing Complex is undergoing a major rehabilitation to restore the Social Hall while retaining the building's architectural character and historic place in the community. The restoration will upgrade the exterior of the building envelope and replace a major building system, transforming the main hall into a multifunctional, divisible space featuring a multi-media wall and a modernized home for the U.S. VETS Career Center. Pictured in attendance, from left, are: 7th District Long Beach City Councilmember Roberto Uranga; Los Angeles County Supervisor Don Knabe; Congressman Alan Lowenthal (D-Long Beach); Judge Harry Pregerson; Century Housing President & CEO Ron Griffith; and Century Housing Chairman Bill Brennan. (Photograph by the Business Journal's Larry Duncan)



Freight Service Company Launches Between Catalina Island And San Pedro

Avalon Freight Services (AFS), co-founded by Harley Franco, left, Tim Bombard, center, and Greg Bombard, debuted its freight service on April 1 that is now offered from Berth 95 in San Pedro to a freight facility at Pebbly Beach in Avalon. The company is scheduled to operate a minimum of five days a week, year-round. All of AFS's marine vessels exceed state and federal standards for air quality emissions and efficiency. The marine vessel fleet includes a new style of self-propelled landing craft called the Catalina Provider that allows freight transportation or resident evacuation. The landing craft is able to land without adverse environmental impact on any beach to deliver anything from camp supplies to fire engines. For more information, call 310/221-6290 or e-mail contact@avalonfreightservices.com. (Photographs by the Business Journal's Larry Duncan)

Inside City Hall

What's So Special About Those Districts?



By **GERRIE SCHIPSKE**

There are approximately 3,400 of them in California but few people even know they exist, let alone what they do or how much public money they spend. They are called “special districts” and are established to tax and to provide services not regularly provided by city or county governments. Each has a governing board, a defined service area and a single purpose which makes them unlike any other form of government which has multiple purposes. Some have 3 to 5 elected or appointed members. Others, such as the Metropolitan Water District, have 37. Most special districts get a portion of general property taxes. Most levy special assessments on the taxpayers who live in their service area. Today, special districts account for 40 percent of all local government in the U.S. In Los Angeles County, there are 54 special districts: mostly water, sanitation and irrigation districts, a few cemetery districts, a handful of community services, library and recreation districts, several mosquito abatement districts, and two healthcare services districts. In other parts of the state, special districts are formed for public utilities, police and fire services, airports and ports. Special districts have become controversial because they are a layer of government that goes unchecked by news media or the public. While most special districts hold elections to fill board positions, the public is largely uninformed about the special district and the candidates who seek these offices which pay per diem expenses that average a \$100 per meeting.

Third Sector Report

Nonprofit Leadership

(Continued From Page 1)



By **JEFFREY WILCOX**

The biggest headline: 49 percent of nonprofits report operating without a strategic plan; and for those who do have a plan, 58 percent said their plans aren’t reviewed or checked at least quarterly. Among the largest nonprofits with operating budgets of five million or more, 20 percent admitted to not having a plan. Of those who do have organizational plans and give them credence, they are more likely to collaborate with others, take calculated risks, and value evaluation data about performance throughout the organization. An argument could be made this lack of visible leadership in the form of a well-

Other special districts are comprised of boards which are appointed by the cities and counties in which the special district is located. Elected officials from cities often are the appointed members. For instance, Long Beach is represented on Districts 3 and 19 of the Los Angeles County Sanitation Special District by Mayor Robert Garcia and his alternative, Councilmember Dee Andrews.

The Sanitation District, provides waste water and solid waste management services in the region. Like other special districts, the Sanitation Board can vote to assess property taxes for its use.

In April 2016, the LA County Sanitation Board was given information that indicates it will be encouraged to increase its assessment of parcel taxes for its services in June. The current service charge assessed per single-family home (SFH) is \$13.17 per month (\$158 per year). The rate for fiscal year 2016-17, as previously adopted by the board of directors, is \$13.42 per month (\$161 per year). An increase will require a 2/3rds vote of property owners.

Because special districts are government, they are subject to the Ralph M. Brown open meetings law and the California Public Records Act. Its meetings need to be agendized 72 hours in advance and the public has the right to attend and to speak at meetings, just like city council meetings.

The Local Agency Formation Commission for the County of Los Angeles (LAFCO) has a listing of links to the Los Angeles County Special Districts as well as maps showing their service areas http://www.lalafco.org/index.php?option=com_content&view=article&id=46&Itemid=250

Long Beach taxpayers and the local news media should be paying close attention to these special districts and who is proposing even more taxes.

Next column: Maybe It's Time to Finish Our Annexation in East Long Beach (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.)

detailed plan to advance a cause significantly affects other variables that were also a part of the study.

For example, 77 percent of nonprofits reported having neither a succession or executive transition strategy, nor a leadership development program. It would appear that the leadership viewpoint is don’t worry about someone leaving until they do. That’s in spite of the fact that there are about 10,000 Baby Boomers retiring daily. Two-thirds do not have an intentional inter-generational leadership structure in place.

These facts, too, start a row of dominos of their own: Over a third of the respondents perceive their rate of staff turnover as “high,” and two-thirds say they work in or lead boards that pay little attention to being a competitive market-rate employer or offering some sort of retirement planning assistance.

If these numbers beg the question, “Who, then, is minding the store?” then the answer, based on the study’s findings would probably be, “it depends.” 61 percent of nonprofit executives report, for example, they

Realty Views

Scarcity Creating Upward Pricing Pressure



By **TERRY ROSS**

As the spring home-buying season gets underway, the year’s most heated period for sales is in full swing. It means more homes on the market and more transactions than at other times during the year, and it is usually a good indicator of sales prices and the relative strength of a given market.

During the current upswing in housing activity and pricing, some of the factors affecting the trend are different than what we have seen historically, while others are the same. The bottom line is that prices have gone up and continue to do so from both a lack of properties on the market AND a more limited number of buyers than in the past.

Normally if you have an oversupply of inventory, prices will subside – as they will also if you have an undersupply of buyers. We now face a market in many locations where owners are not listing their properties because prices have not yet returned to pre-recession levels and owners may not be able to get into another property if they do sell because of credit restraints, lack of inventory in finding a replacement property and just plain uncertainty in the economy.

Some of the strongest markets in California, in terms of appreciation, are in urban areas, but the factors of stagnant incomes and lack of inventory are working to deter real home ownership growth. Even though urban areas are perhaps the most popular, pricing will force owners and would-be buyers out to suburban markets.

The tech-heavy San Francisco region is an example. Several sources indicate that without adequate supply to support demand for urban homes, California’s aspiring city dwellers in the Bay Area are left to settle in the suburbs due to astronomical urban prices they cannot fund on an average income.

The inverse relationship of available housing to insatiable demand creates an untenable situation for the vast majority of San Franciscans. Currently, only 11 percent of the city’s residents are able to afford the cost of living in the average

are not getting performance reviews.

The challenge with research reports like this is the risk of creating an overwhelmingly negative, if not oppressive, view of the sector. Another way to look at these numbers is that about half do have strategic plans and most are getting good results. A quarter do have succession plans, and a third are operating in accountable environments based on assessments and performance measurements.

Results like this, if taken strictly at face value, can also bring dishonor and discourage a battalion of dedicated leaders who have done their very best to serve others with very few resources in spite of the shortfalls.

What is surprising in 2016 is that the spokespersons for the study told the media, “many nonprofits really are flying by the seats of their pants.” That should be no revelation. That’s how most nonprofits got their start. It was their big hearts, generous back pockets and fabric-worn bottoms that built the foundations for what they are today as significant causes and prized community institutions.

home price range for the city. The lucky few who can pay are paying about \$5,200 more for their monthly housing payments than the national average. In comparison, the 11 percent who can afford to live downtown is only 3 percent more than in 2007 – just before the housing crash. So the lower prices are not helping much in this area.

In Southern California, San Diego has much the same problem and its inventory problems may be among the worst. That city suffered a 30 percent drop in the number of homes in sales inventory from January 2015 to January 2016, according to the real estate website Zillow. That is a drop from 8,051 homes for sale in January 2015 to 5,617 in the same month this year. Only three California cities have lower home inventory than San Diego: Sacramento, at 4,750 homes; San Francisco, at 4,169 homes; and San Jose, at 1,788 homes.

To compound the issue, zoning limitations and thoughtless temporary fixes, such as moratoriums, further hinder urban development and stifle the growth of supply needed to fix the inventory and in turn the shelter problem. Additionally, urban residents who have managed to find housing are unwilling to give up their posts, limiting turnover rates in both ownership and rental accommodations.

Initially, zoning limitations need modification to encourage construction and expand available housing for urban residents of all income tiers. Otherwise, urban markets will stagnate, straining businesses’ ability to find adequate numbers of employees. Exclusion of low- and moderate-income buyers and stubbornly stable current residents mean some companies will be forced to re-establish their business elsewhere.

With such an emphasis on risk and its management, lenders have also stifled the numbers of buyers who can actually complete a purchase transaction because of stringent underwriting guidelines for both borrowers to purchase or developers to build. Given the state of wages today, don’t look for that to change any time soon.

It looks like for the time being our home buying and selling markets will have a decent balance of buyers and sellers – but the market as a whole will be smaller in numbers until solutions can be found in terms of more housing and more capable buyers.

(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.)

The invaluable contribution of this study is that it issues a statistically valid wake-up call for all sector leaders to realize that what got the vast majority of nonprofits to where they are today will not be what it will take for them to find higher ground in their service to others in the future.

A new generation of leaders stand to inherit a large crop of great causes with fragile and faltering organizations trying to fulfill their missions. Unless nonprofit leaders provide their people with a directed vision, a clear plan, a reason to stay around, and an accountable environment, the future will be managing a painful reality.

To see how your favorite nonprofit measures against the “The Nonprofit Sector Leadership Report 2016,” a copy can be downloaded at <http://concordleadership-group.com/report>.

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

HealthWise

Feeding Your Family



By EMILY BURRITT

Figuring out what to feed your family can be difficult. With hundreds of items lining grocery store shelves, picking the best product out of so many choices can be overwhelming, and you may end up picking either what’s cheapest or what you’re familiar with. Too often the nutrition a product provides and how it affects your body is overlooked. In order to maintain your health, and the health of your family, you should add the proper nutrients needed for your body to function and reach its maximum potential into your daily meals.

Know Your Fats

Fats from animal and plant sources are not the same. Fats from plants (mostly unsaturated) such as those found in seafood, nuts, seeds, avocados, olives, olive oil and canola oil, are an essential part of a healthy diet.

Fats from animals (mostly saturated fat) are consistently associated with high blood cholesterol levels and an increased risk of heart disease. Common sources of saturated fats include dishes with red meat, butter, and/or cheese like burgers, tacos and pizza.

The New Dietary Guidelines for Americans 2015-2020 now suggests limiting family meals with red meat to no more than two times per week. On the other days, replace meat with seafood, chicken or a vegetarian dish with beans or lentils. Use oils at room temperature for cooking like canola, corn or safflower.

Give Me Some Sugar

Avoiding sugar may seem like an obvious thing to do, but when sugar is added to most products, it also may seem impossible. Knowing the difference between “good” sugars and “bad” sugars is important. Good sugar occurs naturally in some foods, like fruit. Fruit is a great source of nutrition, and good substitute to bad sugars. Bad sugars are found in desserts, snack foods and sugary beverages, like soda.

To look for added sugars, scan the product’s ingredient list. Avoid foods with sugar, maltose, corn syrup, cane sugar, honey or fruit juice concentrate listed as one of the first three ingredients.

Balancing Act

Although maintaining your diet can seem to take away all the “fun” foods, you can still have your cake and eat it, too. Just be sure to balance your diet in a way that fits your lifestyle while still adding much needed nutrition. An easy way to do this is to stick to the 80/20 rule.

The 80/20 rule implies that 80 percent of the time, your meals will consist of healthy foods that provide proper nutrients, like fruits, vegetables, lean proteins, fish and whole grains. Then, the other 20 percent of the time, you can enjoy the snacks and dessert that you love.

Implementing a healthy diet and receiving proper nutrition may seem like work, but by doing so, you create a healthy food environment for yourself and your family. Promoting a healthy lifestyle can help prevent diseases like diabetes and lead to a longer, happier health.

(Emily Burritt, MS, RD, CNSC, is director of clinical nutrition services for Long Beach Memorial and Miller Children’s & Women’s Hospital Long Beach.)

Small Business Dollars & Sense

An SBA Loan May Be A Good Option For Your Business



By BEN ALVARADO

As the economy continues to improve, small business owners are in a better position to obtain credit, and according to our recent survey, are ready to. There are a range of financing options so start a conversation with your banker.

If you are looking to complete a real estate or equipment purchase, expansion, acquire another business, or manage cash flow, the SBA 7(a) loan is a great option.

Why an SBA 7(a)? – The U.S. Small Business Administration (SBA) does not directly make loans but provides a guarantee for SBA loans made to small businesses by banks and other lending institutions. Because the SBA guarantees a portion of the loan, SBA lenders are able to offer an alternative to creditworthy business owners who may not be able to obtain conventional bank loans.

Eligibility – To be eligible for the 7(a) loan program, a business must operate for profit, and qualify as a small business and have a tangible net worth under \$15M and an average net income over \$5M for the past two years.

Uses – Loan proceeds can help finance a large variety of business purposes such as:

- Purchase of equipment, machinery, furniture, fixtures, supplies or materials
- Real estate purchases
- Construction and renovation of an existing building
- Establishment of a new or to assist in the acquisition, operation or expansion of an existing business
- Refinance existing business debt under certain conditions

Fees and Interest Rates – The 7(a) loan offers flexibility, like longer terms, and lower down payments. Loans guaranteed by the SBA are assessed a guarantee fee. This fee – which is paid by the borrower, but can be financed as part of the loan – is based on the loan’s maturity and the dollar amount guaranteed, not the total loan amount. As a way to encourage more small loans, the guarantee fees for loans less than \$150,000 have been waived by the SBA.

Terms – SBA loan programs are generally intended to encourage longer-term small business financing so terms are based on the ability to repay, but are generally 10 or 25 years.

According to statistics compiled by the U.S. SBA, approximately 95 percent of all small businesses are eligible for SBA financing. To ensure the success of an SBA loan request, a business owner should look for a bank that is part of the SBA “preferred lenders program” (PLP), as PLP providers have been delegated by the SBA for loan approvals, closing and servicing authority. As experts in the field, SBA loan officers at banks have the knowledge and experience to streamline the application process and can determine the best program for your needs.

The best way to know if an SBA loan is the right option for your business is to talk with your banker. A full-service provider of financial services can help you evaluate all of your financing options, including SBA loan products, and provide guidance to help your company achieve new levels of success. In an improving economy, small businesses have the opportunity to secure a great loan product with excellent terms, and help make 2016 the launching pad for future 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.)

Effective Leadership

Four Things To Remember As You Enter The Stretch Zone

“If you let fear of consequences prevent you from following your deepest instinct, your life will be safe, expedient and thin.”

– Katharine Butler Hathaway

Without personal growth our lives are thin. Thin is another word for shallow. We intuitively know there is more. Yet it’s rarely comfortable.

What’s the side effect of staying in your comfort zone? No progress! It’s like sitting in your car and moving the steering wheel while the car is in “park.” There is lots of busyness, but no progress. As you go forward the voice of fear will try to outshout the voice of confidence. The only real way to mute it is to move forward.

Here are four road signs to pay attention to as you make progress.



By MICK UKLEJA

1. It’s closer than you think. Push against the tendency to quit too soon. Most people quit before they should. This is the only difference between those who succeed and those who don’t. Most quit right before the breakthrough. The darkest part of the morning is right before sunrise. Remember when it gets really tough the breakthrough is close.

2. Your “next step” is where learning takes place. So don’t be afraid to cross that line. That “I don’t know” or “I’m not sure” zone is the point where ignorance is decreased. Understanding is expanded. Insights penetrate our core. It’s just a little further to get what you want. Is it risky? Yes. But not as much as you think. Risk is an essential part of progress. In baseball you can’t get to second base without taking a lead off first base. That’s the stretch zone, where you expand your circle of comfort. You can stay close to first base and wish you had longer legs, but it doesn’t work that way. The fruit of the tree is out on the limb. Wishing for longer arms doesn’t work. You have to go get it. Take the next step.

3. Get out of your own way. Avoid the negative thinking. Bypass the fear of the unknown. Ignore those thoughts of failure. These are all emotional vampires that suck the energy right out of you. Life is full of surprises, and that’s essentially what stretch zones are all about. It’s all about learning something new. Clear your path.

4. Use doubt as a catalyst. Anyone who makes progress has doubt. So you’re in good company. Doubt

accompanies growth. Let it be a sign you are going forward. When doubt shows up say, “Oh, there you are. I guess we’re making progress!”

“Doubt is a reminder, but not a ruler.”

When you position it and push back, you transfer its energy to your endeavor. Instead of stagnating, you stretch.

Doubt is like a barking dog. It can energize you. It makes your senses alert. But if you run, it chases you in the wrong direction. Animals are programmed for the chase. You will discover that moving against the doubt becomes habitual. Letting doubt become your brake is also habitual. The light turns red. Make a decision to use doubt as a green light. When it lights up your mental dashboard – GO!

You will not grow beyond the size of your dreams and aspirations. Have a supersized week and stay *uncomfortable!* That’s the zone where things happen.

As you make progress consider:

- In what ways could your doubt be a sign you are growing?
- What is making you uncomfortable? (Don’t confuse comfort with safety).
- Where are you being stretched right now?

(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.Leadership-TraQ.com.)

Technology And Innovation

Engineering For The Individual



By **FOROUZAN GOLSHANI**

Todd Rose’s recently published book, “The End of Average,” brought to surface the interesting fact that no one is average! Weaving numerous examples from history, social physics, engineering and education, the book clearly reaffirms that when we design for the average, we design for no one. Well, you’d be surprised to know how many aspects of our lives are based on the flawed principle of “designing for the average.”

At the dawn of the Industrial Revolution, Fredrick Winslow Taylor, known as the father of scientific management, heralded the idea of optimizing systems by using an average operator at each station. The premise was that labor shouldn’t be too fast or too slow. A sluggish individual slowed down the entire assembly line and the fast person created untimely inventory. This idea continues to be a dominant topic in industrial engineering and is prevalent in today’s complex system design.

Based on a similar belief, when the U.S. Army began to design its first cockpit in 1926, engineers measured physical dimensions of all pilots of the time and calculated average values for each dimension. Of course, all subjects were male, and the possibility of a female pilot wasn’t even a consideration. Armed with an average for each dimension, the cockpit was designed to fit the “average” pilot. For the next few decades, aircraft manufacturers used these measurements for calculating the seat’s size and shape, the distance to the rudders and flight stick, the windshield’s size and height, and the placement of various other instruments.

Some 20 years later, the Air Force faced a serious problem. Too many pilots were losing control of their aircraft and too many planes were crashing. The problem was elevated to a much higher level when 17 crashes were recorded in one single day. There were numerous conjectures about the root of the problem. For example, crashes were classified as either accidents or incidents, and grouped based on mechanical failures or pilot errors. Finally it was decided that all airmen were to be measured again to see if the 1926 averages were still valid.

Researchers at Wright Air Force Base in 1950 measured over 4,000 pilots and recalculated averages for such parameters as

height, shoulder size, chest size, waist circumference, arm length, neck size, legs and torso. The expectation was that new and improved measurements would lead to better design. Well, that was the expectation of almost everyone – except a young lieutenant who wondered how many pilots were actually “average.” One would think, a large majority. After all, pilots were selected to be within a certain range, and there was no possibility of having a very tall person in the group. So, with a fairly generous range of tolerance (e.g., between 5-foot-7 and 5-foot-11 for the average height of 5-foot-9) almost everyone expected to pass as average. To everyone’s surprise, the young lieutenant found none of the 4,063 pilots were within the range on all parameters. More surprisingly, even when the number of parameters were reduced to only three (say, height, chest size and arm length) only 3.5 percent qualified as average.

The moral of the story: There is no average person, and instead of designing for the average, we must design for individuals!

Despite objecting to the change, aircraft manufacturers were compelled to build adjustable cockpits that would fit bodies of different sizes and shapes.

Fast forward to 2003 and Desert Storm, when the U.S. Third Infantry Division came under fire as it advanced toward the North Baghdad Bridge. They called for air support and a Warthog fighter plane, under the command of Capt. Campbell – nicknamed “Killer C” – was dispatched to provide air cover. Campbell unleashed the Warthog’s immense firepower, but a hit from a surface-to-air missile disabled the plane’s hydraulics. With all instruments and gauges dead, Campbell decided to fly the massive plane manually, instead of ejecting out and allowing the plane to crash in the crowded center of Baghdad.

Ordinarily, flying a plane with wires and cranks – as the Wright Brothers did over a century ago – is very difficult. It was many times harder for 5-foot-4 Killer C. The landing was another major issue. Until 2003, a Warthog manual landing had been tried only three times, twice with utter failure. On that day, Campbell not only flew the plane back to the base in Kuwait, but landed it safely and walked away. Campbell, now a Colonel, received the Distinguished Flying Cross, among many other recognitions.

Here’s a surprising fact: The pilot’s actual call sign is “Killer Chick” and her name is Kim Ann Campbell. Had the Air Force not changed its admission policies, she wouldn’t be a pilot and if they continued to design for average she wouldn’t fit in any cockpit. Equal opportunity is clearly rooted in equal access but also requires equal fit.

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

Trade And Transportation

Ports Taking The Lead



By **TOM O'BRIEN**

I had the opportunity to take part in two recent events looking at the ways in which stakeholders along the supply chain are working together to solve complex problems tied to the movement of goods throughout our region.

One was the Town Hall sponsored by the Center for International Trade and Transportation at CSULB. It focused on “Partners in Innovation” and the factors that are driving cooperation and collaboration among and between groups that have not always worked in unison.

The other was a regional roundtable for U.S. Secretary of Commerce Penny Pritzker, where local actors provided information to her about how the Ports of Los Angeles and Long Beach (and their partners) have worked together to improve supply chain efficiencies and optimize infrastructure.

In both cases, the Ports were central to the discussion and played a key role as convener of groups with varying and sometimes divergent interests. This hasn’t always been the case. For years, both the Port of L.A. and Long Beach were criticized as being too comfortable in their role as landlords of individual terminal operators, hesitant to wade into discussions that were better left to the companies making decisions about day-to-day operations.

That’s no longer the case. Ports throughout the U.S. are being confronted by the challenges brought about by changing trends in global supply chains, trends that result in increased congestion both inside and outside of the terminal gates. In some places, like in Seattle and Tacoma, the response has been to change the structure of port governance by forming the Northwest Seaport Alliance. The Alliance is designed to eliminate some of the inefficiencies of neighboring but competitive ports by merging the planning, marketing and some administrative functions while maintaining individual control of local assets.

Locally, the two ports have found a way to remain competitors while strategically finding ways to work together when it makes sense for both. The most recent example is the development of a Supply Chain Optimization Group involving all of the key players in the trade sector. The SCO Group has an eye toward regional competitiveness, looking at ways to optimize terminal operations in a way that benefits the supply chain as a whole. The question is why. The answer lies in the multiple objectives and pressures which confront port authorities as public agencies.

Ports are being faced with changes in container shipping: larger and larger vessels creating peak demands for land, equipment and labor. This results in an intensification of marine terminal activities. This also poses a challenge to port operators. As landlords, they have limited formal regulatory authority beyond the port area. But they also seek public legitimacy, and the public perceives them as having responsibility for activities beyond the waterfront.

This is in part a function of a more globally integrated supply chain. As supply chains become more integrated and more efficient in some segments, they place demands on other segments, especially in port complexes, that require operational changes, infrastructure and technology investments, and new business models.

And geography also drives port behavior. What happens on the terminal in terms of productivity and space utilization, affects what happens off the terminal in terms of truck queuing and congestion. As ships and terminals have gotten bigger, all of the services that support regional trade flows have become more dispersed. Higher “peaks” mean increased demand outside of the gates for road and rail infrastructure as well as for equipment storage and repositioning. Fluid port operations can only work if the goods have a place to go once they leave the gate. If the system breaks down and local communities see the impacts of increasing truck traffic, including bottlenecks, then it may encourage regulatory agencies to (re)act by attempting to control port operations along with operations at the other parts of the regional supply chain.

This is not a new challenge. Both the Ports of Los Angeles and Long Beach were forced to look outside their gates more than a decade ago when environmental pressures encouraged them to go beyond their traditional role as landlords. The result was the then ground-breaking joint environmental policy known as the Clean Air Action Plan.

This time the incentives to cooperate may be different, but that earlier experience has given them a base upon which to build. The stakes may also be higher. A dysfunctional regional supply chain is in no one’s best interest since it can drive business elsewhere. It makes sense for two of the biggest players to take the lead in – all pun intended – steering the ship.

(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.)

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Shifting Economic And Industry Dynamics Clouding Projections For Cargo Volume Growth At San Pedro Bay Ports



Port of Los Angeles photograph

■ By **SAMANTHA MEHLINGER**
Senior Writer

The heads of both the Port of Long Beach (POLB) and Port of Los Angeles (POLA) agree that cargo volumes for the remainder of the year are hard to project at this point, given current shifting dynamics in trade-supporting industries. POLB CEO Jon Slingerup said he’s confident in estimating a 3.5 to 4.5 percent growth for the year, while POLA Executive Director Gene Seroka indicated it would be too difficult to forecast the outcome for 2016 at this time.

So far this year, the Port of Los Angeles posted its best first quarter in its 109-year history, and the Port of Long Beach had its best first quarter since 2007. Both experienced large decreases in cargo volume in March compared with the year prior, because, at that time last year, the ports had been recovering from epic congestion and as a result were processing massive amounts of backlogged cargo.

Daniel Hackett, whose consulting, research and advisory firm, Hackett Associates, produces the National Retail Federation’s monthly Global Port Tracker report, told the Business Journal he projects a slight decrease in imports and a slight increase in exports through the San Pedro Bay ports this year.

“In our most recent forecast that we released at the beginning of April, we were projecting about a 0.6 percent decrease in 2016 for the combined ports of L.A. and Long Beach, and that’s for imports,” Hackett said.

While economic indicators in the U.S. and China are stronger than Hackett had anticipated they would be so far this year, some concerns are playing into his conservative forecast. “The consumer spending in the U.S. is weak,” he said. In late March, the U.S. Bureau of Economic Analysis downgraded its estimated increase in personal consumer expenditures for the period of December to January from 0.4 percent to 0.1 percent. Hackett called this growth “anemic, at best.”

“In terms of imports, it all comes down to why the consumers aren’t opening their wallets and spending money,” Hackett said. “We don’t have an answer for that.”

Also playing into Hackett’s forecast is that in February the ratio of the average inventories of national manufacturers, retailers and merchant wholesalers compared with actual sales was 1.41. In other words, businesses had inventories that cost about 41 percent higher than the total revenues they earned in sales. Such a high ratio has not been seen since the Great Recession. “While that was unchanged from January, that’s still significantly

higher than it has been either before or after the recession,” Hackett said.

On the other hand, Hackett expects exports through the San Pedro Bay ports to increase by less than 2 percent this year, although that’s just a preliminary estimate for the time being. While the strength of the U.S. dollar compared to other international economies stymied U.S. exports last year, “the dollar has been halted a little bit, so that will definitely help,” Hackett said.

U.S. industrial manufacturers also seem to be faring better than they were doing recently, which could lead to increased exports, Hackett observed. U.S. manufacturing grew by 2.3 percent from February to March, according to the Institute for Supply Management’s (ISM) PMI Index, which gauges the health of the manufacturing sector based on new orders, inventories, deliveries and trends in employment and production. That brings the PMI rating to 51 percent, a rating that ISM’s report stated indicates expansion. A rate below 50 percent indicates a contraction.

“We’re sort of worried that growth is going to be flat for the year,” Hackett said of cargo growth at U.S. ports, including those at the San Pedro Bay. “Although we just increased our forecast for 2016 a little bit, at the same time we’re keeping an eye out for a potential downturn.”

Some good news is that, while major shifts are occurring in the ocean carrier industry as major lines consolidate and thereby shift the scheme of shipping alliances, larger ports shouldn’t have much to worry about, according to Hackett. “The bigger ports are already served by all the lines anyway, so I don’t think they will suffer,” Hackett said.

The shipping industry is also in the midst of increasingly using mega-ships able to carry 18,000 twenty-foot equivalent units of containerized cargo and more. As a result, larger ports like those in the San Pedro Bay are investing heavily in infrastructure to ensure they’re prepared to accommodate the ships. The Port of Los Angeles has several major terminal upgrades planned, including at Yusen Terminal and TraPac Terminal. The Port of Long Beach is in the midst of a massive project to upgrade Middle Harbor and build a higher replacement for the Gerald Desmond Bridge, enabling larger ships to pass beneath it.

“The San Pedro Bay ports are definitely capable and ready to handle the new, bigger ships that are reaching North America, and that’s the way ports should be operating,” Hackett said. Smaller ports that can’t accommodate the trend of mega-ships are likely to be squeezed out of the picture, he noted. ■

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Global Shifts In Trade-Supporting Industries Play Into Port Of Long Beach CEO Jon Slingerup’s Vision Of The Future

■ By **SAMANTHA MEHLINGER**
Senior Writer

Industries supporting international trade are going through some major changes – shifts that Port of Long Beach Chief Executive Officer Jon Slingerup keeps a watchful eye on as he assesses future cargo growth and plans the “Port of the Future.” For now, the port is benefiting from what Slingerup calls “healthy” cargo growth, and just closed out its best quarter since 2007. In the first quarter, cargo shipments at the port increased by 6.1 percent from the same period last year, a time when cargo movement was heavily stalled due to congestion and contentious longshore labor negotiations.

“We’re anticipating somewhere in the range of 3.5 to 4.5 percent [cargo] growth for the year. And it could be higher than that, but it’s marginally depending on how things shape up,” Slingerup told the Business Journal. “There’s going to be changes to things in the industry that may dictate where ships go between the L.A./Long Beach complex. And that’s impossible to predict at this moment. But, generally speaking, I think we’re healthy and growing.”

The changes Slingerup referenced are being driven almost entirely by shifts in the ocean carrier industry. “The ocean carriers are struggling right now with record low container rates, and that’s driving financial stresses and resulting in consolidations,” he explained. Mostly recently, COSCO and China Shipping merged in February, and published rumors indicate that South Korean ocean carriers Hanjin Shipping and Hyundai Merchant Marine may be next to merge, Slingerup said. “We hear the same thing related to the Japanese carriers,” he added.

The primary stressor causing these mergers is that the rates ocean carriers are able to charge to ship individual containers have been decreasing steadily. About two years ago, the rate to ship a container from Asia to the San Pedro Bay was about \$2,000. At the start of 2016, it was \$1,000 – and now it’s just \$700, according to Slingerup. “You would think that would be terrible, and it is, but it’s still much better than what they’re getting elsewhere,” Slingerup said. “The rates for Europe have dropped through the floor, literally well below \$200 a container,” he said, adding that sometimes the cost to ship a container to Europe is as low as \$50.

This change in pricing is creating a ripple effect that’s not only leading to mergers, but is also in turn shifting the deployment of vessels by ocean carrier lines, Slingerup said.

“You might ask the question, ‘Why is



Port of Long Beach CEO Jon Slingerup said he expects healthy cargo volume gains this year despite upsets in the shipping industry. (Photograph by the Business Journal’s Larry Duncan)

that happening?” And the simple answer is that the ocean liner business and the industry in general coming out of the last Great Recession saw growth, and growth was projected to be strong,” Slingerup said. As a result, they began investing in mega-ships able to carry 18,000 twenty-foot equivalent units of cargo or more.

While the market for Asian goods in the U.S. continues to grow, throughout the rest of the world that demand has been “very soft to declining,” Slingerup said.

“I liken it to the transformation that occurred in the world’s airline business,” Slingerup said. “They had the same fundamental problem of overcapacity and spotty demand, and they weren’t able to adjust capacity to meet demand in an efficient way.” To solve that dilemma, several major airlines have consolidated or formed alliances – the same strategy ocean carriers are now pursuing.

In essence, “The economic issue here is that the liner companies have invested heavily in capacity and were probably hit by surprise by the softness in the consuming markets around the world,” Slingerup said.

“I know that’s a mouthful, but the truth of it is it’s a very dynamic time for us,” Slingerup said. “That makes predicting what the year’s going to look like very difficult. . . . I think we’re in a very strong position. But it’s impossible to guarantee that, or see that, until you see the outcome

of this ocean liner dynamism that’s happening right now.”

When considering the port’s future business growth, Slingerup also looks closely at worldwide manufacturing trends. About 97 percent of the port’s business is from Asian countries, so those are a key area of focus, he said.

China’s exports have decreased by about 3 percent in the past year, which, considering the country’s immense manufacturing sector, translates to a lot of volume, Slingerup said. “When you look at who’s picking up the slack, it’s Vietnam, Thailand, Indonesia, Malaysia. And even South Korea remains in double-digit growth,” he explained. Because of the ramp-up of manufacturing in these countries, Slingerup still expects increasing cargo volumes, despite China’s slowdown.

It’s a pattern that has occurred in Japan, then Korea, and now China, Slingerup observed. “They develop their industrial manufacturing capacity, they build their workforces around that, they begin becoming extremely dominant in a particular series of markets or products, and then their wages start to rise . . . and [become] more comparable to other manufacturing environments worldwide,” he said. “And then guess what happens? The costs go up and then they’re no longer attractive.”

In the near future, Slingerup expects more manufacturing to shift to Mexico

and other Latin American countries. “Today, in a couple of different segments, China’s hourly labor cost structure is higher than Mexico by double digits,” he pointed out. “In some cases, Mexico is half the cost in certain types of traditional Asian commodities or products. So shifts will occur.”

Ford Motor Company recently announced it would be moving major American manufacturing operations to Mexico, and last year Apple moved the manufacturing of its iPhone to Brazil, he noted.

Stabilizing the supply chain and developing better efficiencies in the future is a major component in ensuring the port remains competitive. Through a supply chain optimization group sanctioned by the Federal Maritime Commission, the ports of Long Beach and Los Angeles have worked with stakeholders to stabilize the supply chain and avoid another congestion crisis. Now, they’re examining “specific program changes in the way the port complex operates,” Slingerup said.

“It starts very much at the center, which would be terminal operations,” he said, particularly in respect to maximizing efficiency and velocity. The ultimate goal is to enhance all aspects of the supply chain to ensure reliable and efficient movement of goods from source to end market. U.S. Secretary of Commerce Penny Pritzker recently appointed Slingerup to the Advi-

sory Committee on Supply Chain Competitiveness, where he is able to put these issues on a federal platform.

Building up rail capacity may be one method to create better supply chain efficiencies while at the same time cutting back on harmful air emissions. While building capacity at the ports and developing short-haul rail to inland counties wasn't always attractive to rail lines, a decrease in their "bread and butter" shipping of coal and oil has led them to focus more on cargo movement, Slingerup said.

Burlington Northern Santa Fe (BNSF) Railway was ready to make such an investment with its Southern California International Gateway intermodal facility, a project that had been planned adjacent to West Long Beach. A judge recently ruled the project's environmental impact report was faulty after the City of Long Beach and other entities brought suit.

"The reality is that, in our view, technically it was an important project for both ports," Slingerup said. He added that he would have preferred that the project had been handled differently so legal troubles wouldn't have occurred.

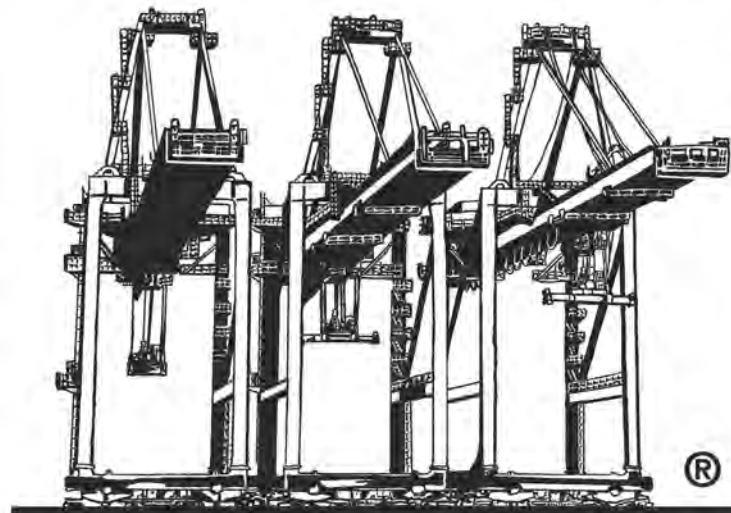
"I'm hoping BNSF gets to the other side of this with a plan that drives the kind of velocity and intermodal integration that is needed to increase their efficiency and reduce pollution," he said.

The port itself is heavily investing in infrastructure with a \$4 billion-plus capital improvement program primarily consisting of projects related to mega-ship readiness. The Middle Harbor Redevelopment Project, which involves combining two older terminals into a state-of-the-art facility running mostly on zero emission equipment, just debuted its first phase in early April. Long Beach Container Terminal, a division of Orient Overseas Carrier Line, runs the facility, which features massive cranes and deep waters able to accommodate 18,000 TEU vessels. The Gerald Desmond Bridge Replacement Project, which involves replacing an aging bridge with a new, higher bridge that mega-ships can pass beneath, is also well on its way.

Another main point of focus moving forward is Slingerup's Energy Island concept, a proposal to run the port on self-sustaining, green energy so that its facilities would be able to operate independently of the regional power grid.

"We spent this fiscal year doing all the white papers, analysis and feasibility work on the various concepts," Slingerup said. "Next year, fiscal year 2017, we will fund three demonstration projects under the concept of Energy Island." Those projects will demonstrate the use of proven sustainable, green technologies for port operations. ■

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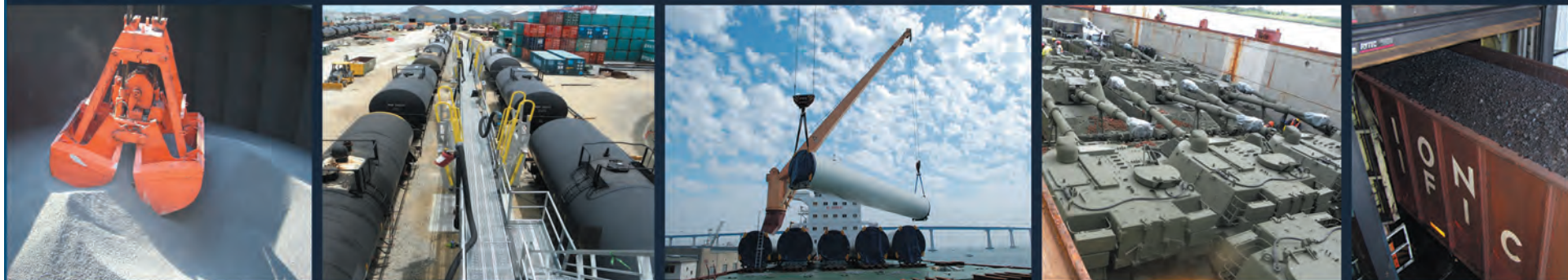
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From Stabilization To Sustained Growth: Port Of Los Angeles Director Gene Seroka On The Path Ahead

■ By **SAMANTHA MEHLINGER**
Senior Writer

Since recovering from the congestion crisis that took place from late summer 2014 to the following February, both San Pedro Bay Ports have been breaking cargo traffic records nearly every other month. But it may be too soon to tell if the growth will be consistent, Gene Seroka, executive director of the Port of Los Angeles, told the Business Journal.

Gains in cargo traffic are often measured on a year-to-year basis, but the ports aren't relying on that comparison for accuracy at this point. "Comparisons year on year are really not appropriate in 2016 thus far, because we came from such epic levels of congestion and dislocations in the supply chain last year," Seroka said.

Year-over-year comparisons might paint an inaccurate picture of major growth, but the long-run cargo traffic analysis is nothing to sneeze at: the Port of Los Angeles just closed out the busiest first quarter in its 109-year history, moving more than two million twenty foot equivalent units (TEUs) of containerized cargo.

Seroka doesn't go by the numbers alone when measuring the port's successes, or its failures, for that matter. The stability of international economies, manufacturing trends, the health of supporting industries and many other factors play into the bigger picture of the port's future growth.

"It's difficult to forecast," Seroka said about whether or not he expects the port to continue breaking cargo volume records this year. "We watch closely the economic indicators from our overseas markets, both for import purposes as well as our exporters," he explained. "We look at GDP growth, purchase order management of our importers, [and] the orders that our exporters are receiving. A lot of this really plays in to how growth will look for the balance of the year."

There are some "concerning" economic shifts taking place in trade-supporting industries like trucking, rail, terminal operations and shipping, Seroka noted. In the shipping industry, the trend of consolidations continues as shipping lines struggle to cut costs and achieve higher returns on investment. In December, CMA-CGM acquired APL for \$2.4 billion, and early this year China Shipping and COSCO merged.

With all that considered, Seroka said, "I think it's a little bit too early to say that we're on a consistent path."

For the port, working towards that path means doubling down on the overall efficiency of the supply chain. "With all of the supply chain variables in the equation, it's my belief that we need to keep a focus on each and every one. Should one fall short,



Gene Seroka, the executive director of the Port of Los Angeles, told the Business Journal that joint efforts between the San Pedro Bay ports and industry stakeholders to improve supply chain efficiencies appear to be translating into stronger cargo volumes as cargo owners gain more confidence. (Port of Los Angeles photograph)

it will have an inordinate effect on the supply chain overall," Seroka said.

In early April, U.S. Commerce Secretary Penny Pritzker appointed Seroka to the Advisory Committee on Supply Chain Competitiveness for his leadership in this area.

The ports of Los Angeles and Long Beach have been guiding forces in a Federal Maritime Commission-sanctioned working group focused on supply chain optimization, with stakeholders from all relevant industries represented. "That really is the essence of the work we're doing on supply chain optimization: to make sure that all stakeholders have a meaningful seat at the table for discussions," Seroka said.

Formed last year following the contract resolution between the International Longshore and Warehouse Union and the Pacific Maritime Association, the working group has since primarily been focused on stabilization efforts. "We've seen some good progress being made on stabilizing the supply chain and the port service offering, but we now need to again raise the bar and bring offerings that have been shared with us to reality, and be able to enhance our supply chain processes at the next level of iteration that has been called for by the stakeholder groups," Seroka said.

"I think, simply stated, that the work around supply chain optimization [and] bringing stakeholder groups together to develop solutions is starting to show with that [cargo] volume being reappointed here to Southern California," Seroka said,

referring to cargo that had been diverted to the East Coast during congestion and that is now returning.

Seroka views the potential loss of Burlington Northern Santa Fe Railway's Southern California International Gateway (SCIG) project, an intermodal facility that had been planned four miles away from the San Pedro Bay ports, as a detriment to the port and surrounding communities. It would have enabled the port to shift the movement of cargo more to rail than trucks, provided greater access to secondary and tertiary markets, and provided environmental benefits by taking trucks off the road, he explained.

A judge recently ruled in favor of the City of Long Beach and other parties, such as the Long Beach Unified School District, in a suit against BNSF and the City of Los Angeles that claimed the port's environmental impact report for the project was not adequate. The project is now on hold as BNSF decides whether or not to give SCIG another shot.

A recent statement from BNSF expressed disappointment with the decision, which it cited as anti-business.

"I believe that nobody wins in a case like this," Seroka said. With respect to West Long Beach and South Wilmington, which both Los Angeles and Long Beach had argued would be most impacted by the project (L.A. viewing this impact in a positive way, and Long Beach arguing the opposite), "I would really personally like to see a project that would help us move for-

ward in the environmental domain, and, with this ruling, that's not going to be possible at this juncture," he added.

That's not to say the port isn't able to move forward with environmental improvements in general. In fact, Seroka and his counterpart at the Port of Long Beach, Chief Executive Officer Jon Slingerup, decided last year to revisit their ports' Clean Air Action Plan, a guiding document for reducing air emissions caused by port operations (see related story in this edition). "The rationale was we had seen such dramatic reductions and great work that we were at, or nearly had met, the emissions inventories or numbers that we had prescribed and committed to our communities that were due in year 2023," he said.

Revising the Clean Air Action Plan to include new air emissions benchmarks is a process that goes hand in hand with meeting Gov. Jerry Brown's mandate, issued last year, for the state's supply chain and environmental interests to work together to boost competitiveness while forging a path to zero emission operations, Seroka explained.

The port recently faced some scrutiny after Seroka publicly disclosed that China Shipping was behind on implementing its air emission mitigation measures, an issue reportedly related to former Executive Director Geraldine Knatz's decision (not publicly disclosed at the time) to allow the company to run its vessels' engines while at dock instead of plugging into shore power. An audit, initiated by Seroka, re-

vealed China Shipping failed to meet other air emissions mitigation measures as well.

“I disclosed this information about China Shipping being a little bit behind their timelines on implementation of mitigation measures, but the overall air quality inventories are at or below what had been committed to the public and the community,” Seroka said. “Now, that being said, there is more work that can be done, which is why I wanted to disclose this area of shortcoming.”

Several projects on the port’s list of major capital improvement projects include environmentally friendly upgrades, such as electrified terminal equipment being installed at TraPac Container Terminal as part of a larger \$500 million upgrade to the entire site. Yusen Container Terminal is adding four new shore power plug-ins for ships, and both Yusen and TraPac are expanding on-dock rail capacity, infrastructure that reduces truck trips and air emissions.

Seroka reflected, “I really like Jon’s [Slangerup] leadership, and we are of like mind and spirit to say now it’s time to raise the bar once again and focus on areas that would follow the direction of the governor’s executive order of enhancing competitiveness, making sure that we work very closely on operational efficiencies, and have a clear path to migration on zero emissions technology.” ■

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Los Angeles, Long Beach Ports Prepared For New Age Of Mega-ships With Increased Capacity And Efficiency

■ By **SEAN BELK**
Staff Writer

A new age of mega-ships carrying nearly 18,000 twenty foot equivalent units (TEUs) of containers to United States harbors may be just around the corner or many years from now, depending on global economic conditions, but terminals at the ports of Los Angeles and Long Beach have already shown they can handle such massive loads, port officials said.

The San Pedro Bay ports, terminal operators and other stakeholders are investing billions of dollars in infrastructure upgrades to increase capacity and efficiency, such as replacing the Gerald Desmond Bridge with a taller span, deepening channels and raising gantry cranes, in anticipation of the giant-sized cargo vessels that industry experts say will eventually become the norm.

Last December, French shipping line CMA-CGM introduced its flagship Benjamin Franklin container vessel to the United States West Coast, calling at the Port of Los Angeles with goods from Asia. The ship returned in February to dock at the Port of Long Beach.

The container vessel, which spans the length of the Empire State Building and reaches 20 stories high, is considered the largest cargo ship to ever call at North America and is part of CMA-CGM's fleet of six "Great Explorer" 17,800-TEU mega-ships in operation.

The shipping line had planned to deploy its mega-ship fleet in a new route on the Pearl River Express line between Asia and

the West Coast starting in May. However, port officials confirmed that CMA-CGM has since deferred those plans, citing unprofitability due to record-low freight rates. Representatives with CMA-CGM declined the Business Journal's request for comment.

Still, marine terminal operators across the United States acknowledge that larger cargo vessels will be the future of containerization and international trade, said Glenn Farren, director of tenant services and operations at the Port of Long Beach, who adds that the question is not if but when terminal operators should start preparing to be able handle such large vessels.

"All of the terminal operators recognize eventually in the course of the near future with sufficient cargo coming into the United States that most vessels will be that size," Farren said. "The investment question is, how soon do they have to be prepared?"

Larger vessels provide "economies of scale" for shipping lines, decreasing their per-container shipping costs, according to industry experts. Since such large ships can carry nearly double the cargo in one load as can today's standard container vessels, which carry about 9,000 to 14,000 TEUs, utilizing the larger vessels enables shipping lines to cut costs in half, Farren said.

The fact that the San Pedro Bay ports are capable of handling such large vessels boosts their competitiveness; however, taking on such big ships comes with some added challenges of having to turn larger cargo loads around in a short time frame. And there are other issues, such as how containers are loaded and unloaded.

For the Port of Long Beach, which first saw containerization in the early 1960s when Sea-Land Services started with small 1,000-TEU container vessels, being able to handle the Benjamin Franklin mega-ship, which docked at Pacific Container Terminal (PCT), was a "proof of concept," showing that the port is ready for the next size of vessels, Farren said. Currently, there are 37 of the 18,000-TEU ships in service worldwide today and 72 on order, he said.

"The terminal was able to quickly and efficiently move the cargo off of the ship and out of the terminal in a very short period of time," he said, adding that the water was deep enough, cranes were large enough and there was plenty of skilled labor available while yard, gate and rail operations were "well organized."

Farren said PCT has recently raised a number of its cranes to be able to reach high enough to accommodate the larger vessels. The terminal has also undergone an annual dredging maintenance project for a 47-foot water depth, which required a permit with the U.S. Army Corps of Engineers. The dredging provides waters deep enough for larger ships to pass.

Other terminal operators at the ports of Long Beach and Los Angeles are making major investments in increasing capacity and efficiency while applying environmentally sensitive and innovative cargo handling solutions, such as using electrically powered equipment.

Sean Lindsay, chief operating officer for the International Transportation Service (ITS) terminal at the Port of Long

Beach, told the Business Journal in an e-mail that the terminal operator has purchased four new super post-panamax "ship-to-shore" cranes that are to be delivered this year. The new cranes have both the vertical lift height and outreach to load and discharge mega-ships, he said.

The terminal is also in the process of relocating three existing cranes and demolishing four obsolete cranes in an effort to ensure that the terminal's container berths are equipped with cranes capable of supporting larger cargo vessels, Lindsay said.

ITS is also working with the Port of Long Beach to lengthen berths, introduce high-density cargo handling equipment and increase on-dock rail capacity, all which require significant investment in infrastructure and equipment, while simultaneously focusing on innovative technologies and environmental initiatives.

"The final vision is a high-density, zero-emission container terminal capable of servicing the mega-ships of today and tomorrow," Lindsay said. "ITS is committed to doing business in an environmentally responsible manner."

Gene Seroka, executive director of the Port of Los Angeles, said the port last year handled two mega-ships, CMA's Benjamin Franklin and American-based Maersk Line's Edmonton, at the same time.

He said the port's preparedness for mega-ships has been a long time coming, beginning nearly 30 years ago when former port and government officials early on instituted a vision to deepen channel ways, widen turning basins and fortify wharfs.

In the case of the Benjamin Franklin, the port was able to obtain the ship's loading plan nearly two weeks in advance of the ship leaving Busan, South Korea, for the Port of Los Angeles, allowing the port to better plan with stakeholders, Seroka said.

He added that digitizing supply chain data points is of paramount importance and information needs to be harnessed in a more succinct fashion to be able to handle the large vessels.

Marine terminals with deep-water capabilities in the San Pedro Bay ports also need to continue investing in capital programs to upgrade infrastructure, he said, adding that the ports' ability to handle mega-ships is so far unmatched by any port in the United States.

"Being a port of choice for the larger ships must be demonstrated on a regular basis to the shipping line companies," Seroka said. "There's some work happening today [at other ports], but there are only two ports in the United States that can handle the larger ships that are attempting to call at U.S. shores and that's Long Beach and Los Angeles." ■



Port of Long Beach photograph

The Benjamin Franklin, which carries up to 17,800 twenty foot equivalent units (TEUs) of containers, is seen docked at Pacific Container Terminal (PCT), which is operated by SSA Marine at Pier J at the Port of Long Beach. (Port of Long Beach photograph)



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Clean Air Action Plan 3.0: The Next Frontier

(Continued From Page 1)

Gene Seroka, executive director for the Port of Los Angeles, told the Business Journal that the San Pedro Bay ports were able to achieve these emissions reductions even though cargo volumes have risen 7 percent. He said the San Pedro Bay ports are revered by port authorities across the world as the “gold standard” for environmental stewardship and future aspirations.

“Cargo volumes continue to grow, yet we are reducing the varying levels of emissions at a much greater rate,” Seroka said. “No one has seen that level of emissions reductions worldwide.”

Notable programs established under the past two environmental plans include the Clean Trucks Program, which phased out polluting, diesel-burning trucks from terminals, the Port of Long Beach’s Green Ship Incentive program, and the Port of Los Angeles’ Environmental Ship Index program – both of which provide incentives to ship owners for voluntarily deploying the greenest ships to port.

The ports are now moving forward with new strategies and programs that aim to reduce even more port-related pollution by updating the environmental plan to be called CAAP 3.0.

After announcing the joint effort to develop a new version of the plan, the ports conducted a public workshop in October to discuss achievements and next steps. The ports have also been gathering input from several stakeholders and partner agencies to align with current trends and regulatory mandates.

Rick Cameron, managing director of planning and environmental affairs for the Port of Long Beach, said the updated CAAP will consider issues that have arisen at the ports, such as congestion, and will focus on efficiency strategies within operations to gain as much environmental benefits as possible.

The new CAAP will also consider the ports’ supply chain optimization efforts while aligning with the latest regulatory



Rick Cameron, managing director of planning and environmental affairs for the Port of Long Beach, points to a list of priorities for the ports of Long Beach and Los Angeles that include developing the next version of the Clean Air Action Plan (CAAP), climate change adaptation, a zero-emissions program and reducing greenhouse gases. (Photograph by the Business Journal’s Larry Duncan)

mandates in the region and the state, he said, noting that it will also take into account Gov. Jerry Brown’s executive order issued last year in regards to the California Sustainable Freight Action Plan, which is expected to be released in draft form this month.

Other considerations for the new CAAP include implementing strategies for zero to near-zero emissions technologies, integrating renewable energy sources and addressing climate change by further reducing greenhouse gas emissions.

“We really want to make sure the next version of our Clean Air Action Plan has some connection to what is happening in the state and the region so we have some continuity and consistency on what the ports can do from an implementation standpoint for some of these high-level strategies,” Cameron said, adding that the end goal is to have “efficiency, flow of freight and healthy communities at the same time.”

Elizabeth Warren, executive director of Future Ports, an organization that focuses on bringing together business, community and government leaders to build consensus on integrated planning approaches for port-related issues, said lowering greenhouse gases and keeping emission categories at

low levels as the ports continue to grow in trade volume will be a challenge.

While there are many new technologies on the horizon and potential for near-zero emission capabilities in the future, there isn’t a “silver bullet,” she said, adding that if the ports wait for “perfect” solutions, then they could be missing out on “very effective solutions” that could be implemented to further reduce emissions.

Warren called a recent court ruling that denied a rail yard project proposed by Burlington Northern Santa Fe Railway (BNSF) in the Port of Los Angeles a “glaring disappointment,” noting that the railroad company had planned to invest \$500 million in new technologies to further reduce emissions, but it’s unclear if that will happen now.

A new program being launched at the Port of Long Beach is the Energy Efficiency Rebate Match Program, which offers tenants up to \$50,000 each in rebates for replacing outdated, polluting and inefficient electrical equipment with energy-efficient technology.

Earlier this month, the Long Beach Board of Harbor Commissioners approved the program, which creates a pool of \$500,000 to reimburse tenants up to 100 percent of their equipment purchase

costs. The rebates would match Southern California Edison rebates for eligible energy-saving equipment but are capped at the total cost of the products, according to port officials.

The program is an integral part of the port’s Energy Island Initiative, a comprehensive strategy for transitioning the port to sustainable, zero-emission power sources and self-generation systems. The initiative aims to enhance resiliency by creating the ability for the port, using solar, wind, geothermal and tidal energy, to independently generate its own energy, stabilizing power costs for terminal operations and further reducing the port’s carbon footprint, port officials said.

Cameron said the CAAP 3.0 will consider how the port plans to integrate such innovative energy solutions when considering building new facilities and making operations more efficient. He said the port will be introducing new pilot projects in coming months that will test out a variety of strategies, such as battery storage, fuel cells and micro electrical grids at port facilities.

In addition, the port has recently entered into a contract with the National Renewable Energy Lab (NREL) in a partnership that will examine what the port has accomplished, what the port can learn from past strategies and how to move forward, Cameron said.

There may be possible grant opportunities to cover some of the energy-efficient initiatives, he said. However, Cameron said it won’t be cheap, adding that the port phases in environmental strategies in a cost-effective way for business partners to participate.

“I think we’ve come a long way,” he said. “We’ve had a great start and a great foundation. We just need to continue to chip away at this, and I think that’s going to make us successful as a port from a business standpoint in integration and working with our city and our communities.”

A draft CAAP 3.0 is expected to be released in July and ready to be adopted by the ports’ harbor commissions by the end of the year or in 2017, according to port officials. ■

Port Of Long Beach Investigating Potential For Inland Port, Short-Haul Rail

■ By **SAMANTHA MEHLINGER**
Senior Writer

As part of a larger effort to examine the feasibility of developing short-haul rail to the Inland Empire, Port of Long Beach CEO Jon Slangerup is in talks with the City of Ontario and the Morongo Band of Mission Indians about the possibility of building an inland port in Ontario or Cabazon.

Following the April 25 meeting of the Long Beach Board of Harbor Commissioners, Jon Slangerup met in closed session with these groups as part of ongoing discussions about building an inland port. Michael Christensen, senior executive lead on supply chain optimization for the Port of Long Beach, said the talks have been going on for a month or two. The port is not yet actively pursuing a project, but is in an investigative phase, he said.

The Port of Long Beach is in the midst of a study to

assess the feasibility and viability of developing short haul rail to the Inland Empire. Such a project would require the creation of an inland port, or inland intermodal facility, to offload the cargo, and load returning empties bound for the port.

“When you look at the cargo that comes through the Port of Long Beach, there is a high concentration of that cargo that goes into the Inland Empire,” Christensen said. Roughly 70 percent of imported cargo leaving the port is carried by truck, Christensen said. About one-third of that cargo goes to the Inland Empire. “We’re looking to see if a segment of that might better move by rail,” he explained.

Christensen said it would be “a while” before the study is finished, but added that a draft is circulating among port administration.

Moving more cargo by rail would reduce truck trips, thereby easing congestion on freeways and even at terminals, and reducing air emissions, according to Christensen.

“One intermodal train can take as many as 750 trucks off the road,” he said. “Movements by rail can be up to four times more fuel efficient than movements by truck.”

So what does the trucking industry think about all this?

“We have done a lot of interviewing as part of our short-haul rail study, and some of the drayage contacts we have indicated an interest that [this] just might improve their bottom lines by not having to wait quite so long [due to congestion],” Christensen said. Most truckers are paid by the number of turns they make – in other words, the number of times they’re able to pick up a new load, deliver it, and then repeat. Less congestion could help them achieve more turns.

The process of examining short-haul rail and an inland port is still in the formative stages, Christensen said. He added, “Everything is very tentative, but there is a lot of interesting and a fair amount of excitement in terms of exploring this.” ■

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Photo: Courtesy Port of Long Beach

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Long Beach Container Terminal

Middle Harbor, World's First Zero-Emission Terminal, Goes Live At Port Of Long Beach



The first phase of the Middle Harbor terminal (center) at the Port of Long Beach was completed last year with the latest technologically advanced cargo handling equipment, including the all-electric stacking cranes, automated guided vehicles (AGVs) and solar panels. The terminal operated by Orient Overseas Container Line's (OOCL) subsidiary Long Beach Container Terminal, Inc. (LBCT) went live this month. The next phase is to be completed in 2019. Pictured in the foreground is a cement terminal. (Port of Long Beach photograph)

■ By **SEAN BELK**
Staff Writer

The Port of Long Beach's newly upgraded Middle Harbor terminal, considered by port and industry officials the most environmentally friendly and technologically advanced marine terminal in the world, was brought online this month with its first vessel call.

The facility's opening comes after the first phase of the Middle Harbor Redevelopment Project, in which two aging terminals are being combined into one large modernized terminal facility for Orient Overseas Container Line (OOCL) and its subsidiary Long Beach Container Terminal, Inc. (LBCT), was completed last year.

The terminal, located on piers D, E and F, utilizes zero-emission automated guided vehicles (AGVs) and is equipped with environmentally-friendly capabilities, including shoreside electrical power for ships, expanded on-dock rail for moving more cargo by trains rather than trucks, cleaner yard equipment, electrical stacking cranes and solar panels.

In addition, the terminal ensures the use of low-sulfur fuels for main and aux-

iliary engines on ships, and applies the port's Green Flag Vessel Speed Reduction program requirements. Also, the terminal was built using Leadership in Energy and Environmental Design (LEED) building standards, and the design took into account storm water pollution prevention measures. The project reuses and recycles waste materials, such as concrete, steel, copper and other construction materials.

The \$1.3 billion project, which launched in 2011, has always been a joint effort between OOCL, LBCT, the Port of Long Beach and the International Longshore and Warehouse Union (ILWU), Anthony Otto, president of LBCT, wrote in an e-mail to the Business Journal. As a

result of that partnership, the "go live" date for the terminal was on schedule and "an operational success," he said.

"OOCL and LBCT have invested significantly to create the world's first zero-emission terminal facility and we hope this investment inspires others to do the same," Otto said. "As a terminal operator, we see no better way to meet the demands of both our customers and the community in which we operate."

The redevelopment project, which is expected to support 14,000 new jobs in Southern California from the additional cargo, will "re-set the industry standard on efficiency, environmental stewardship and operational excellence," he said.

"We are proud to take ownership of the

most technologically advanced terminal in the world," Otto added.

Glenn Farren, director of tenant services and operations at the Port of Long Beach, said the Middle Harbor terminal, when fully completed in 2019, will increase the amount of cargo the port can handle by 20 percent.

Additionally, the new terminal will improve the port's cargo velocity, reduce truck waiting times and improve service reliability while providing a model as the "world's greenest terminal," Farren said.

Rick Cameron, the port's managing director of planning and environmental affairs, added that, while Middle Harbor is considered the port's "signature project" in terms of upgrading infrastructure to be more environmentally friendly and utilizing zero-emission equipment, not every terminal is ready for such a change.

"It's going to take time and not everybody probably wants to be just like Middle Harbor," Cameron said. "But we want to make sure that we've got the technologies and the ability to have flexibility for those terminals to move into zero emission equipment." ■

Project Highlights

- Rehabilitate and modernize aging infrastructure at Piers D, E, and F to meet business and consumer trade demands
- Dramatically reduce air pollution and health risks as new equipment and efficiencies are built into the terminal
- Create about 14,000 permanent jobs in Southern California
- Generate 1,000 temporary construction jobs a year during construction
- Implement aggressive environmental measures of the the Green Port Policy and San Pedro Bay Ports Clean Air Action Plan
- Reduce traffic impacts through increased use of on-dock rail

Source: www.middleharbor.com

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SMALL BUSINESS PROFILE

Pushing, Pulling, Smacking And Stretching: The World's Goods Get Put To The Test At Long Beach Lab

■ By **MICHAEL GOUGIS**
Contributing Writer

The idea had been germinating for some time. Members of the El Segundo-based forensic engineering firm Collision and Injury Dynamics (CID) had been laying plans to create their own testing lab company – after all, CID specializes in vehicle accident reconstruction and biomechanical analysis, so testing things is part and parcel of what it does.

When the federal government mandated new product testing for children's products, the testing lab company moved from idea to reality. And ACT Lab, an expanding, international company, now calls North Long Beach its home, an ideal location, company officials say, from which to serve a unique, worldwide assembly of clientele.

Goods from manufacturers in the U.S. and across Asia get the stamp of approval from ACT before heading to a showroom or shipping warehouse en route to your home. It is a critical step in international manufacturing, ensuring that companies can do business across the globe, confident in the goods that they are selling.

The Long Beach warehouse and testing facility looks, to the casual observer, like a manufacturing plant gone parallel-universe sideways. Motorcycle helmets are lined up next to a variety of faceless head forms, with a very pointy weight poised high up near the raised ceiling, ready to smash into the helmet to test the protective device's structural integrity. Bicycle tires are mounted to what is, for lack of a better term, a tire treadmill, and will spin there for days. In one lab, a technician methodically scratches paint from a bicycle part to check the chemical composition of the coating.

But there is method – very rigorously controlled method – to the proceedings. At stake is the safety of a wide variety of products and the wide variety of people who use them.

ACT evolved from the day-to-day activities of CID, Michael Baker, global sales and marketing director of ACT, told the Business Journal.

"As part of [CID's forensic engineering



services], testing was a natural part of proving or disproving the analysis," Baker says. "Many of the companies they worked for were bicycle manufacturers, helmet manufacturers, things like that. They kind of had put a plan together back in early 2005 about potentially launching a separate company, a testing lab."

The impetus to move forward came when President George W. Bush signed the Consumer Product Safety Improvement Act (CPSIA) into law in August of 2008, Baker says.

"When the CPSIA was passed, which mandated third party testing for all children's products, manufacturers already working with Collision and Injury Dynamics came to them and said, 'Look, if you're going to move forward with this company, we think it would be great to have a source that we trust and rely on. Now's a good time.'" Baker says.

The company performs compliance testing for a wide variety of products. Safety equipment including motorcycle and bicycle helmets, bicycle components and entire bicycles make up a large percentage of the company's compliance business, Baker says. It's not an accident – Baker, company President John Bogler and others have extensive backgrounds in the bicycling industry.

But the range of products and activities goes far beyond that.

"We do a lot of ride-on toys, your scooters, your tricycles. We also get calls every day for non-core categories. It might be children's apparel, toys, arts and crafts supplies. We do teething, chew toys. There are dimensional tests that we can do here," Baker says.

"Our primary purpose is validating products for safety compliance, primarily federal. That's a huge focus. But even if the standard is not mandated, for, say, an adult product, retailers, buyers may be demanding that verification from an independent third party. Big box retailers may demand verification for their own purposes."

And ACT can perform pure research for manufacturers, as well as verifying internal production processes, he says.

"Manufacturers may send us things way pre-production for us to do load testing, fatigue testing, impact testing, just to confirm what they're seeing or hearing from their manufacturers if they can't be there at the site of manufacture," Baker says. "Even if we're successful in [testing a product to failure], that's good for them to know what it took to do that. Published standards are kind of the minimum safety requirements. So many manufacturers

might say, test it to 20 percent above that, 30 percent above that, or do this to it after the test."

Another of the company's services involves ensuring that the products coming off the manufacturing line a year from now are still meeting the standards that the samples sent today meet.

"We've tested something that meets all the requirements, and later we've gotten another sample that didn't. What changed, and why? We can help determine that," Baker says.

While the company has grown from about 10 employees at its start to more than 40 today, it is still a very small, niche-focused player in the testing industry. That provides challenges and strengths, Baker says.

Key among the challenges is that the company has to carefully balance expansion into different areas of expertise with the potential revenues available from those sources – and whether ACT can tap into those revenues. The market is dominated by very large firms. To illustrate: ACT has just announced the opening of a new location in Taiwan. That makes five locations worldwide – three in China, one in Taiwan and one in Long Beach. The next has 1,200 offices worldwide, Baker says.

"In order to do tests, you have to be tested yourself. You have to be accredited. There's a cost associated with that," Baker says. "The challenging part is, when we're going after a new segment, do we get accredited to that segment, or do we determine if there's a demand before we get accredited? When you're a smaller firm, that scalability – it's a challenge. We've been pretty cautious in the way we grow."

"We're much smaller, niche-focused, with very few locations. Competing can be challenging. Where we've been able to win, especially in those areas where we have expertise, is customer service. We hear it all the time – they're happy we explained the results, rather than just mailing a report to them. We jump through hoops to offer great customer service."

And Long Beach proved to be the location from which ACT could service its employee base and its client base – and occasionally pick up work from the aerospace firms in the region, Baker says. Someone may need a part or product tested, and testing equipment can be flexibly configured . . .

"We have employees who live as far away as Irvine and as far north as Redondo [Beach]. We kind of knew that somewhere in between would be nice. But it was really about finding the right real estate for our needs."

"This place had great availability – a location that was close to the freeways, still close to an airport. We have customers who stay at the hotels right here – it's worked out." ■



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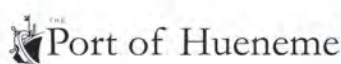
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MEDIA



Gerald Desmond Bridge Replacement Project In Full Swing

The \$1.47 billion Gerald Desmond Bridge Replacement Project is one of the Port of Long Beach’s largest capital improvement projects to date. Approved by the Long Beach Board of Harbor Commissioners in 2010, a taller, wider bridge is set to replace the existing Gerald Desmond Bridge in order to allow larger vessels to pass beneath it into the port’s inner harbor. The structure’s aboveground columns and on-ramps are currently under construction. “Our understanding is that we’re on schedule to see the westbound lanes open late next year,” Port of Long Beach CEO Jon Slingerup told the Business Journal. The eastbound lanes are expected to be completed by 2018. After that, the existing Gerald Desmond Bridge will be demolished. The project is primarily funded by Caltrans, which has committed \$500 million. Other funding sources include the U.S. Department of Transportation’s contribution of \$318 million, \$114 million from the Port of Long Beach, \$28 million from L.A. County Metro, and \$40 million in grants. The port is seeking state and federal funding for the remaining \$500 million, according to Art Wong, assistant director of communications for the port.

– Senior Writer Samantha Mehlinger

The moveable scaffolding system enables crews at the Port of Long Beach to build the west and east approaches of its new bridge without building traditional wood scaffolding. Columns anchoring the new roadway support the equipment, which inches along and builds the bridge’s ramps.



The 2,800-foot-long west approach for the Gerald Desmond Bridge’s replacement, pictured above, is currently under construction on Terminal Island. The 3,600-foot east approach will connect with the I-710 Freeway and Ocean Boulevard, linking the bridge to Downtown Long Beach.

The new bridge’s 515-foot tall towers, shown in the rendering below, are to be higher than those of any other main-stayed cable bridge in the United States, according to the Port of Long Beach. The towers are to be taller than any other structure in Long Beach.



Ninety steel-reinforced concrete columns are being built to support a new bridge spanning the entrance to the Port of Long Beach’s inner harbor. The bridge, which is replacing the adjacent Gerald Desmond Bridge pictured below, will provide a 205-foot high clearance for the world’s largest ships to pass beneath.



The project is generating about 3,000 jobs, and is expected to be completed by mid-2018. Above, laborers work on the new cable-stayed bridge, which will feature three lanes in each direction and a bicycle lane.

Photographs by the
Business Journal’s
Larry Duncan



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Extending Contract With Longshore Workers

(Continued From Page 1)

not comment on the subject to the Business Journal beyond confirming that a letter has been sent. The ILWU declined to comment.

Federal Maritime Commission (FMC) Chair Mario Cordero, who is also a former member of the Long Beach Board of Harbor Commissioners, told the Business Journal that he “absolutely” supports starting the longshore contract negotiations for West Coast workers early. The FMC is the federal organization responsible for overseeing international shipping operations and interests in the U.S.

“What we need to do is give confidence to the industry that the West Coast will continue to be a leading gateway, and thus anything that can be done to further that confidence is a good thing for everybody,” Cordero said.

Cordero said he isn’t surprised that the ILWU and PMA said they would entertain a contract extension because the International Longshoremen’s Association, the East Coast longshore workers’ union, is considering the same option.

Ensuring that the next negotiating process goes smoothly is “very important” for West Coast ports and the U.S. economy, Cordero said.

“If you look to what’s happening today, movement through our nation’s ports accounts essentially for one-third of the GDP [gross domestic product],” Cordero said. “When we look forward to the end of next decade, 2029, there are many experts who believe that international trade will be 60 percent of our GDP.” This projection is

based on expectations of increased cargo volumes. “From that perspective, I think it’s paramount that we make sure that we . . . foster fair, efficient, and reliable movement of the international container trade.”

Visits by CMA CGM’s mega-ship the Benjamin Franklin to the ports of Los Angeles and Long Beach are going to become a regular occurrence, according to Cordero. Unloading vessels carrying more than 18,000 twenty-foot equivalent units of cargo on a regular basis requires coordination from many aspects of the supply chain, and certainly among labor at the docks. The advent of mega-ships makes it even more important to ensure any obstructions to smooth cargo movement, including labor negotiations, run smoothly, Cordero said.

Jonathan Gold, vice president of supply chain and customs policy for the National Retail Federation, told the Business Journal that having a new contract agreement in place before the current contract expires in 2019 would help avoid the congestion that occurred at West Coast ports during the last round of negotiations. “There needs to be a better way for these negotiations because of the impact it has on the overall economy,” he said.

“We can’t afford to have our ports shut down or disrupted because of ongoing labor negotiations,” Gold said. “It benefits both parties to have that stability.”

Port of Long Beach CEO Jon Slingerup said that “early negotiations and an extension of the current agreement would be a godsend, because what everybody’s looking for is stability and predictability.” He added, “And in this game, that has been sorely lacking.”

Slingerup noted that the congestion

crisis of 2014-2015 and its impacts on stakeholders and the economy are not easily forgotten. When asked how important it is for the Port of Long Beach that the next longshore contract negotiations go smoothly, he said, “There’s nothing more important, right?”

If the ILWU and PMA do negotiate a new contract early, or extend the existing contract, “they would be heroes,” Slingerup said.

Pressure from the International Longshoremen’s Association (ILA) might make the ILWU more amenable to doing so. “What I think is one of the blessings in all of this is that the ILA on the East Coast has made it clear that they will do everything they can to steal their brothers’ business on the West Coast,” Slingerup said. “That was kind of a wake-up call. No longer is it one kind of lock-step group of longshore workers,” he explained. “I think the longshore leadership here is very sensitized to that.”

Gene Seroka, executive director of the Port of Los Angeles, said he supports early negotiations between the ILWU and PMA, adding that it’s important “to work with both parties on the forward view of how we can have great stability in our supply chain.” The longshore labor groups “play an important role in everything we do,” he noted.

In the weeks following the TPM Conference, supply chain and trade stakeholders co-authored letters to McKenna and McEllrath urging them to begin discussing a contract extension.

On March 15, more than 80 national, regional and local business organizations representing a wide array of industries sent a letter to the presidents urging them to work together and reminding them of the disruption that occurred when they failed

to do so a year and a half ago. The groups said they “urge the ILWU and PMA to begin early negotiations on either a contract extension or a new contract with the goal to conclude negotiations before the current contract expires on June 30, 2019.”

The letter continued, “The impact of cargo disruptions during the 2014 negotiations was widespread and affected many stakeholders at the ports and throughout the United States. The costs were enormously high for many sectors. We cannot afford a repeat in 2019.”

The California Business Roundtable sent a letter with similar sentiments on April 11. Four days later, Congressmembers Dan Newhouse (Washington), Dave Reichert (Minnesota), Devin Nunes (California), Cathy McMorris Rodgers (Oregon), Doug LaMalfa (California), Aumua Amata Coleman Radewagen (American Samoa), Mike Coffman (Missouri), Mike Simpson (Idaho) and Kurt Schrader (Connecticut) sent a letter to McEllrath and McKenna.

The legislators’ letter began by expressing appreciation for the comments the two presidents made at the TPM Conference. “During the 2014-2015 disruption, farmers, manufacturers and retailers across the western U.S. suffered hundreds of millions of dollars in damages because they could not get their goods to market,” the letter stated. “Foreign market share was lost, which not only hurt businesses trying to use the ports, but as you are aware, the shippers who transport goods, the workers who load and unload cargo, and the ports that rely on a steady stream of traffic were negatively impacted.” The congressmembers urged the two groups to work together to avoid a repeat of this scenario. ■



Port of Long Beach photograph

World Trade Week Events Calendar May 2016

Calendar Information Provided by
the Los Angeles Area Chamber of
Commerce – www.lachamber.com

May 3
**90th Annual World Trade Week
Kickoff Breakfast**
7:15-10:30 a.m.
JW Marriott at LA Live
900 W. Olympic Blvd.
Contact: www.worldtradeweek.com

May 3-19
**Foreign Trade Zone
Administrator Training**
6-9 p.m. – RCCD Office of
Economic Development
152 East 6th St., Corona
Contact: [http://www.rccd.edu/
community/OED/Pages/International-
Trade-Development.aspx](http://www.rccd.edu/community/OED/Pages/International-Trade-Development.aspx)

May 4
**Los Angeles World Affairs Council:
India at the Global High Table**
8 a.m. Akasha Restaurant
9543 Culver Blvd., Culver City
Contact: 424.258.6160
<http://www.lawac.org/>

**2016 West Coast
Manufacturing Conference**
7:30 a.m.-Noon – City Club
555 S Flower St., Los Angeles
Contact: celina@chrafftpr.com
[http://www.manufacturing
conferencewest.com/](http://www.manufacturingconferencewest.com/)

**Understanding Temporary Imports
and Exports with the ATA Carnet**
8-10:30 a.m. – Holiday Inn
19800 S. Vermont Ave., Torrance
Contact: info@lacbffa.org
<http://www.lacbffa.org/>

**College to Career® Global Trade
and Logistics Industry Spotlight**
9 a.m.-4 p.m.
LAHC Business and
Technology Building
1111 Figueroa Place,
Parking Lot 6, Wilmington
Contact: careerpathways@lahc.edu

**Protecting Your Company Against
CYBER ATTACKS!**
1-3 p.m.
InterContinental L.A., Century City
2151 Avenue of the Stars
Los Angeles
Contact: info@jas-socal.org
<http://www.jas-socal.org/>

**Citizen Diplomacy
Celebration IVCLA**
6-9:30 p.m. – The California Club
538 S. Flower St., Los Angeles
Contact: ccampbell@ivcla.org
<http://www.ivcla.org/>

May 4 & 5
**Complying with
U.S. Export Controls**
7:30 a.m.-4 p.m.
Hilton Orange County
3050 Bristol St., Costa Mesa
Contact: Samuel.Miller@trade.gov
<https://www.bis.doc.gov/>

May 5
**GO-Biz Grow California
Business Summit**
8 a.m.-3 p.m.
Long Beach City College
4901 E Carson Ave, Long Beach
Contact: (916) 322-0694
(877) 345-4633
[http://www.business.ca.gov/
AboutUs.aspx](http://www.business.ca.gov/AboutUs.aspx)

May 7-14 CHINAWEEK 2016
**US-China Cleantech
Innovation Forum**
May 10: 8 a.m.-4:30 p.m.
Pasadena Convention Center
Ballrooms F-G-H
300 E Green St., Pasadena
Contact: info@chinaweek.la
<http://chinaweek.la/>

**US-China Business Summit
Move Ahead. Access China**
May 11: 9 a.m.-5:30 p.m.
Millennium Biltmore Hotel
506 S. Grand Ave., Los Angeles
Contact: info@chinaweek.la
<http://chinaweek.la/>

**Policy and Practice of Dual
Immersion: A Conference on
Planning for the Secondary Years**
May 14: 8:30 a.m.-5:30 p.m.
UCLA campus
405 Hilgard Ave., Los Angeles
Contact: info@chinaweek.la
<http://chinaweek.la/>

May 10
**C.H. Robinson Day –
Keynote KJ Schmidt**
Monterey Hill Restaurant
3700 W Ramona Blvd,
Monterey Park
<http://www.latc.la/>

**USA-Global Synergy
Consuls General Dinner**
6:30-9:30 p.m. Hilton Irvine.
18800 MacArthur Blvd, Irvine
Contact:
acrouch@irvinechamber.com
www.irvinechamber.com

May 11
**Beyond the Numbers:
Air & Sea Cargo Trends**
6 a.m.-noon
Sheraton Gateway Hotel
6101 W. Century Blvd., Los Angeles
Contact: jeancoronel@portla.org
<http://tinyurl.com/TNum16>

CMTC ExporTech™ Program
LA County - Santa Fe Springs
Contact: 310-263-3052 or
dasher@cmtc.com
www.cmtc.com/exporting

May 12
Air Cargo Day 2016
11 a.m.-2 p.m.
Los Angeles Airport Marriott
5855 W Century Blvd.
Los Angeles
Contact: dgibson@aeronet.com
www.laaca.us

May 12
China E-Commerce Bootcamp
9 a.m.-4 p.m.
L.A. Area Chamber of Commerce
350 S. Bixel St., Los Angeles
Contact: Terri.batch@trade.gov
<https://www.portoflosangeles.org/>

**C.H. Robinson Trade Compliance
and Policy Seminar**
9 a.m.-3:30 p.m. – The Westin Hotel
333 E. Ocean Blvd., Long Beach
Contact: [TradeComplianceSemi-
nars@chrobinson.com](mailto:TradeComplianceSeminars@chrobinson.com)

May 13-14
**Certified Global Business Profes-
sional Boot Camp**
9 a.m.-5 p.m.
Rancho Santiago
Community College District
2323 N. Broadway #107, 1st Floor
Santa Ana
Contact: 714-564-5413
www.orangecountycitd.com

May 17
**Orange County World Trade Week
Breakfast & Forum**
7 a.m.-noon
Irvine Marriott
18000 Von Karman Ave., Irvine
Contact: dle@irvinechamber.com

May 18
International Economic Summit
10 a.m.-3 p.m.
World Cruise Terminal, San Pedro
Contact: summit@boisestate.edu
<http://econsummit.org/>

May 19
Hong Kong – The Gateway To Asia
11:30 a.m.-1 p.m.
Nixon Library
18001 Yorba Linda Blvd., Yorba Linda
Contact:
CandeAvilaYLCC@gmail.com
<http://www.yorbalindachamber.org/>

**Export University Session 8:
Do's and Don'ts for Exporters**
2-4:30 p.m.
6 Centerpoint Dr.,
Suite 225-226, La Palma
Contact: jcoronel@portla.org
<http://www.latradeconnect.org/>

May 20
**90th Annual World Trade Week &
International Trade Delegates
Luncheon and Trade Fair**
8:30 a.m.-2 p.m.
Hilton Long Beach
701 W. Ocean Blvd., Long Beach
Contact: [info@foreigntrade
association.com](mailto:info@foreigntradeassociation.com)
[http://www.foreigntrade
association.com/](http://www.foreigntradeassociation.com/)

**Global Trade & Logistics
Regional Summit 2016**
8 a.m.-2:30 p.m.
Long Beach Marriott
4700 Airport Plaza Dr., Long Beach
Contact: brandonshamim@gmail.com

**Los Angeles – Lusaka
Sister City Committee's
Sixth Bi-Annual Dinner**
7 p.m.
Renaissance Los Angeles
Airport Hotel
9620 Airport Blvd., Los Angeles
Contact: 562/920-3126

May 21
**Waves 'N' Wheels /
Free Harbor Boat Tours**
10 a.m.-3 p.m.
Location 1: Banning's landing
100 E. Water St., Wilmington
Location 2: Downtown Harbor
504 S. Harbor Blvd., San Pedro
www.portoflosangeles.org

May 22
**Asia Society Southern California
2016 Annual Gala**
6-9:30 p.m.
Skirball Cultural Center
2701 N Sepulveda Blvd., Los Angeles
Contact: kestrada@asiasociety.org
[http://asiasociety.org/
southern-california/](http://asiasociety.org/southern-california/)

May 24
**GABA Presents:
Southern California
Entrepreneur & Venture Capital**
5:30-8:30 p.m. – USC - ITC
12015 Waterfront Dr., Playa Vista
Contact:
k.hager@GABA-network.org
<http://www.gaba-network.org/socal>

Terminal, Port Tour and Lunch
8:15 a.m.-1 p.m.
Yusen Terminal
701 New Dock St., Terminal Island
Contact: info@lacbffa.org
<http://www.lacbffa.org/>

May 25
**VITA Global Networking Breakfast:
Political Risk**
8-10:30 a.m.
The Valley Economic Alliance
5121 Van Nuys Blvd. BFG Boardroom
(2nd Floor). Sherman Oaks
Contact:
aamirkhanian@economicalliance.org
www.tinyurl.com/VITAMay

May 26
**JASSC 107th Anniversary
Dinner & Gala Celebration**
6-9 p.m.
The Langham Pasadena, Huntington
1401 South Oak Knoll Ave., Pasadena
Contact: amano@jas-socal.org
<http://www.jas-socal.org/>

**Southern California Procurement,
Trade & Manufacturing Summit**
8 a.m.-4 p.m.
Riverside Convention Center
3637 5th St., Riverside
Contact: redozier@rivcoeda.org
<http://www.cmtc.com/>



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