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P-T Public Editor Rich Archbold On His Career Living The 'Daily Miracle'

By **SAMANTHA MEHLINGER**
Assistant Editor

If you don't want to tick off Rich Archbold, public editor of the Press-Telegram, don't ask him when he is retiring. And definitely don't go on about "the decline of journalism."

"Why retire? I love what I'm doing. I feel like I'm making a difference," the 79-year-old said in

an hours-long interview at the Business Journal's offices. "What could be better than that? I mean, people ask me that all the time, and I think it's maybe a form of age discrimination."

As for the decline of journalism? "The main thing is, I think it's a damn exciting time to be in. That's what I tell young people. And we are certainly not dying," Archbold said. "If I get annoyed

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Rich Archbold, public editor of the Press-Telegram, started at the Long Beach newspaper in 1978. The Chicago-area native began his career in the news industry as a paper boy at the ripe old age of six, and hasn't looked back since. (Photograph by the Business Journal's Larry Duncan)

REAL ESTATE QUARTERLY

Long Beach Residential, Commercial Market Trends In Line With Prior Months

Low Supply Of Housing/Industrial Properties Persists; Office, Retail Mirror Lifestyle Shifts

By **SAMANTHA MEHLINGER**
Assistant Editor

Current trends in Long Beach's residential and commercial real estate markets are remaining consistent with those of prior months, according to regional economists and local real estate professionals.

Much like the state, Long Beach continues to contend with a shortage in its housing supply, lacking the inventory to meet the needs of buyers, renters and investors. As a result, home prices continue to push upward. Still, those interviewed by the Business Journal view overall housing prices in Long Beach as afford-

able in comparison to other coastal cities in the region.

"I think it's still a place where you have this urban core with a reasonably open housing market," Christopher Thornberg, founding partner of Beacon Economics, told the Business Journal. "I am being cautious there because, yes,

(Please Continue To Page 6)

U.S.-China Trade Relations

Panel Weighs In On Challenges Facing The Two Nations, Including Market Access And North Korea

By **SAMANTHA MEHLINGER**
Assistant Editor

A panel of experts in United States-China trade relations broke down the challenges facing the future of trade between the regions during a discussion hosted by the Long Beach-Qingdao Association, an International Sister City affiliate, on July 21. The experts pointed to China's role in relations with North Korea, progress on opening up the country to American businesses, and a major trade-driven, cross-continental infrastructure project as

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IndyCar Gets The Nod Over Formula One

City Staff Recommendation Goes To Council August 8

By **GEORGE ECONOMIDES**
Publisher

A City of Long Beach selection committee is recommending to the city council that the Grand Prix Association of Long Beach (GPALB) is the "most qualified firm to promote and operate the Long Beach Grand Prix race" in 2019 and beyond. The current contract with GPALB ends with the 2018 race.

Last November, the city received two responses to its request for proposals (RFP) for a "promoter" of

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MILLENNIAL PULSE The Waiting Generation

By Assistant Editor Samantha Mehlinger

How many times have you heard criticisms about adult Millennials living in their parents' basements, or unable to find a "real" job, or not settling down, or just in general "delaying adulthood?"

First of all, I ask you: how many people in California do you know with a basement?

Second, do you remember that little blip called the Great Recession?

(Please Continue To Page 5)



Bynum served as vice president of the five-member group for the past two years. **Tracy Egoscue**, a local environmental attorney, was elected vice president, and former president **Lori Ann Guzman** is now board secretary. She serves as the director of financial services for the City of Huntington Beach. The positions are traditionally rotated annually among the five members. The vote took place at the board's July 24 meeting, which was also the last for two commissioners – **Doug Drummond** and **Rich Dines**. **Bonnie Lowenthal**, a former state assemblywoman and city councilwoman for the city, and **Frank Colonna**, owner of Colonna and Company Realty and a former councilman, are replacing Drummond and Dines. The first meeting of the new board is August 14. . . . **Sam Joumblat**,



Joumblat who served as chief financial officer of the Port of Long Beach from 2006 to 2014, then left to serve in a similar position with Total Transportation Services, has been named the port's managing director of finance and administration. His responsibilities include managing an annual budget of \$750 million and a \$4 billion, 10-year capital improvement program – the largest of any seaport in the nation, according to port officials. . . . **Frank Tapia** has joined First



Bank as a vice president of business banking for the South Bay and greater Los Angeles areas. He has 13 years of commercial banking experience, most recently serving as chief financial officer for a venture capital firm. Based in St. Louis, First Bank is a family-owned bank founded in 1910. It has more than 100 locations in Missouri, Illinois and California, including two in Long Beach and one in Lakewood. . . . Last

month, the Long Beach Area Chamber of Commerce installed **Kent Peterson**, vice president of P2S Engineering, as its chairman of the board for the 2017-18 year. Serving with Peterson on the chamber's leadership cabinet as officers are: Chairman-Elect **John Howard** of Chick-Fil-A; Vice Chairman Community Development **Rhiannon Acree**, Cambrian Homecare; Vice Chairman of Public Policy **Mitra Rogers**, The Boeing Company; Vice Chair Economic Development **Jim McCluskie**, Moffatt & Nichol; Vice Chairman Membership Services **Ron Piazza**, Piazza Family Restaurants; and Chief Financial Officer **Victor Gonzales**, Holthouse, Carlin & Van Trigt. At-large members are: **Kenneth Dami**, Tesoro; **Leslie Wille**, Kaiser Permanente; **Ivonna Edkins**, Devry University; **Robert Stemler**, Keesal, Young & Logan; **Deborah Castro**, Creative Productions; and **Ken Houpp**, UHS Insurance Agency. Also on the 15-member cabinet are Immediate Past Chairman **Jon Deusenberry**, United Parcel Service; and Chamber President/CEO **Randy Gordon**. The leadership cabinet plus 38 other business executives comprise the chamber's board of directors. . . . **Bob Dow-**



ell, director of the Long Beach Gas & Oil Department, has been appointed to a three-year term on the American Public Gas Association Board of Directors. The Washington, D.C.-based organization represents more than 700 publicly-owned natural gas distribution systems in 37 states. . . . **Keith Somers**, CEO of Long Beach-based ACI Last Mile Network, announced that the firm has acquired CIPS Marketing Group, a print-distribution joint venture of the Los Angeles Times and Digital First Media, both newspaper publishers. ACI print-distribution services include daily and weekly newspaper home delivery and single-copy sales, small parcel distribution, magazines, niche-publication distribution and phone-directory delivery. ACI's major publishing customers include the Atlanta Journal-Constitution, Los Angeles Times, Miami Herald, Orange County Register, Palm Beach Post, San Diego Union-Tribune, St. Louis Post-Dispatch and Yellow Book. ■

Long Beach Assistant City Attorney **Michael J. Mais**, left, is congratulated by City Attorney **Charlie Parkin** for being selected as the 2017 Ronald M. George Public Lawyer of the Year by the California State Bar's Public Law Section. In announcing the award, **John Appelbaum**, chair of the Public Law Section, stated in a prepared statement, "The selection of Michael Mais embodies the ideal public lawyer as one who has dedicated a career to providing advice to his clients on a broad range of legal issues while maintaining his ethics and his sense of humor." said Mais began his career with the city in 1979, working in the city prosecutor's office. He joined the city attorney's office in 1985, and has served as assistant city attorney since 2003. Mais earned his Juris Doctor from the University of San Diego. (Photograph by the Business Journal's Larry Duncan)



These bus operator trainees, chosen from an applicant pool of 150 candidates, graduated earlier this month from Long Beach Transit's eight-week training course and are now working as licensed bus operators for the transit company. Pictured from left are: Danielle Ferguson; Helen Bushrod; Frank Nieblas; Kaleab Gorfu; Rueben Watson; and Frank Luna. LBT serves 26 million boarding customers in Southeast L.A. County. (LBT photo)



The Aquarium of the Pacific has several employees and volunteers who have been on board since the beginning. Charter employees include Finance Assistant Laurie Abshire, Director of Volunteer Engagement Sean Devereaux, Art Director Brian Gray, Event Coordinator Michael Kent, Housekeeping Associate Amanda Martinez de Lopez, Director of Visitor Operations Nicole Meek, Senior Retail Buyer Nelly Missios, Assistant Curator of Mammals and Birds Rob Mortensen, Vice President of Operations John Rouse, Senior Facilities Technician Bill Sargeant, Cash Control Manager Ellen Stein, Curator of Fish and Invertebrates Sandy Trautwein, Facilities and Maintenance Manager Tom VanTress, and Housekeeping Associate James Wilson.

Charter volunteers include Barbara Anders, Diane Blackford, Richard Boberg, Dan Dabelstein, Linda de Ambrosio, Steve Dodge, Vicki Gausepohl, Paulette Hentzen, Barbara Hill, Debra Hill, Val Hoffman, Roy Houston, Becky Katzen, Michael Kohel, Ken Kurtis, Caron Laird, Donna Lasher-Keller, Corinne Monroe, Robin Riggs, Hugh Ryono, Susan Schwartz, Jeanne Sleeper, Betsy Suttle, Gregory Tashima, Bob Titus, and Leah Young. These dedicated staff members helped make the Aquarium a reality.

The Los Angeles News Group named the Aquarium seventh out of the top twenty-five workplaces in Southern California in 2013. Today the Aquarium has 414 total employees and a volunteer corps of over 1,600.

Has a member of the Aquarium's staff inspired you? If you would like to share your story with us, please visit <http://pacific.to/shareap>.



Volunteer Jeanne Sleeper (Aquarium photo)

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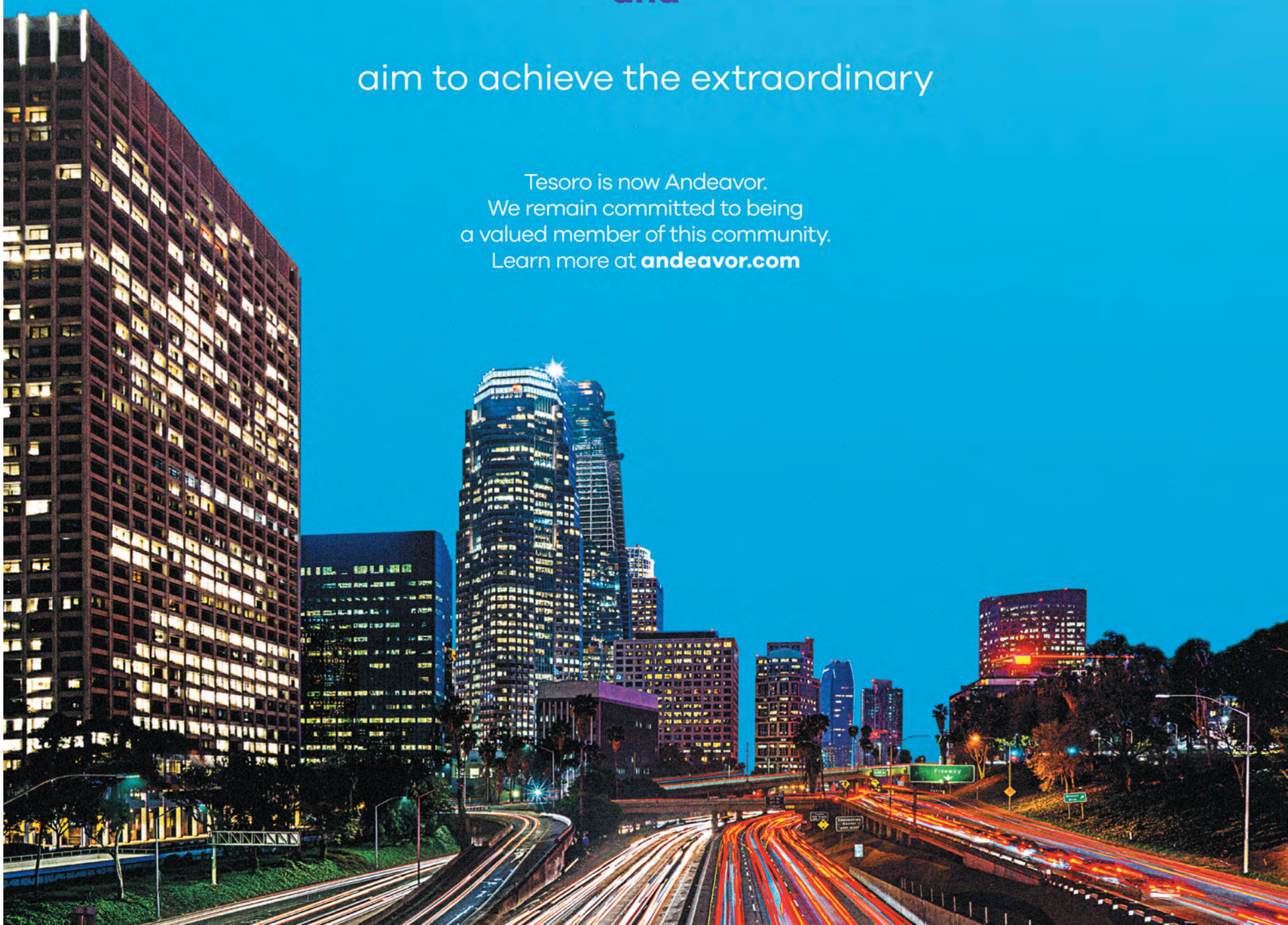
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And, might I ask: what did you pay for rent when you were in your 20s to mid 30s? There is plenty of research that shows Millennials are moving out, buying their own homes, marrying and having kids later in life. As a recent study released by the U.S. Census Bureau pointed out, these are all traditional milestones signifying adulthood.

Our generation is regularly lampooned for this tardiness. Several news outlets, including Fox News, have referred to us as the Peter Pan Generation. It is a topic that has been ongoing for at least five years, perhaps due in part to the 2012 article that ran in The Atlantic entitled, “Adulthood, Delayed: What Has the Recession Done to Millennials?”

I find it aggravating that, in the interim, all the jokes and complaints I regularly hear about Millennials being perpetual children have categorically ignored this essential question. As that article simplistically, yet astutely, pointed out: we did not choose to delay the things that come with adulthood. Challenging economic factors forced us to do so.

We patiently waited for the opportunity to seize it.

Look, I lived at home longer than I care to admit, but guess what? That’s because I was trying to be financially responsible. Do you think I wanted to be living with my parents well into my 20s? I love a good game of Scrabble, but c’mon.

In April, the U.S. Census Bureau released a report highlighting the differences between the young adult phase of life for Millennials (adults aged 18 to 34) and for those who were the same age in 1975. The objective of the report was to shed light on what some researchers have deemed a new life phase – a gap between childhood and traditional adulthood that no one has adequately defined yet.

Let’s start with living at home. Is your friend’s kid in the proverbial basement really just playing video games all day, drinking beer and wasting life?

“Of young people living in their parents’ home, 1 in 4 are idle, that is, they neither go to school nor work. This figure represents about 2.2 million 25- to 34-year-olds,” according to the Census report. More young people live in their parents’ home’s than any other living arrangement, according to the study.

Perhaps these factors, rather than laziness, might have something to do with so many Millennials still in their childhood homes:

- In 2013, more than 41% of young families owed student loan debt – up from 17% in 1989. The amount owed on student loans tripled in the same time period, according to the Census report.

- The Census also found that although most Americans believe the ideal age to finish education is 22, but only about half – 52% – of young people in America accomplish this.

In 2002, the National Center for Education Statistics (NCES) selected 15,000 high school sophomores to survey at intervals in 2004, 2006 and 2012. They are

now in their early 30s. The 2012 results were released in early July, and among the findings were that, of the 84% who had enrolled in postsecondary college, 60% took out student loans. “On average, they borrowed a total of \$30,000,” the report stated.

If you’re saddled with three times the loan debt as prior generations and/or haven’t even completed your education, how are you going to find a job good enough to pay the rent necessary to move out of your home?

Ah, rent. Everyone’s favorite topic of late.

Since finishing my education in 2012, I have woefully watched the price of a one bedroom apartment in Long Beach increase as I despondently scanned listings on Craigslist: \$1,100, \$1,200, \$1,300, \$1,400. . . . And each year I would think to myself, “Gee, I really should have just bitten the bullet and moved out last year. I don’t need things like cable or a phone or electricity or food. I’ll just spend more than half my paycheck on rent!”

Flash forward to 2016. I stumbled across a unit for rent in Belmont Heights off of 4th Street. It was an older building, but when the landlady walked me upstairs and opened the door to the unit I wanted to see, I was still shocked. There was one fluorescent light in the kitchen, one hanging bulb in the living room, exposed wood walls and ceilings (not in a cool, urban kind of way but in a “there is absolutely no insulation in this building” kind of way), and much of the same in the bathroom and bedroom. The appliances were filthy. As the property manager urged me to step out onto the wood balcony, she noted that termites tended to swarm the complex in the summer.

That unit was renting for \$1,595. It’s no secret that rents are rising; just read our Real Estate Quarterly. Couple that with evidence that underemployment and slow wage gains have remained an issue for Millennials who finished their education during the recession, and you’ve got yourself a recipe for delayed financial independence.

“Among the 2002 sophomore cohort, 35% of bachelor’s degree recipients and 29% of those with a master’s or higher degree reported that they currently or recently worked in a job requiring just a sub-baccalaureate credential,” the NCES study found.

That may have been in 2012, but recent BLS numbers show that 11.5% of Millennials are still underemployed. That’s almost triple the rate of the national average of 4.7% overall.

Do you think all this might have something to do with why plenty of us still live at home?

As for this putting off marriage business, the reasons really aren’t that mysterious. As the Census report noted, “What is clear is that most Americans believe young people should accomplish economic milestones before starting a family.”

But many of us haven’t.
 So. Get off our backs. Geez. ■

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Real Estate Overview

(Continued From Page 1)

there are issues with affordability in Long Beach. But relative to a lot of places along the coast, it is really pretty good," he said.

Thornberg argued that the rhetoric surrounding the housing crisis in California has not been reflective of the true root issue. "To start with, I would argue that words matter. And the first thing that we need to stop doing is to stop calling this an affordability crisis. It's a supply crisis," he said. "And, of course, the reason that prices are going up is because of the fact that there is not enough supply."

In California, active listings of single-family homes decreased by 13.5% from June 2016 to June 2017, according to the California Association of Realtors.

"Now, if you instead acknowledge that this is a supply problem first and foremost, that immediately forces us to take a step back and start thinking about, well, why don't we have enough supply? Why don't we build enough housing?" Thornberg said. "You have to start with this basic idea that it's all these policies we have put into place that artificially restricts supply."

Policies like the California Environmental Quality Act "empower every NIMBY [Not In My Backyard] to fight tooth and nail against everything and delay and hold back and create all sorts of fixed costs for every sort of develop-

ment," Thornberg argued. Additionally, he said, "Our zoning plans in Southern California are woefully behind the times."

There are several multi-family developments underway in Long Beach, with many more planned. "There were 336 units permitted in the first quarter. Over the previous three years [there were] about 300," Thornberg noted.

Petra Durnin, CBRE's Southern California director of research and analysis, said via e-mail that these developments signal the strength of the multi-family market in Long Beach.

"Long Beach is an emerging live, work [and] play submarket, attracting people who want a unique living experience and less of a commute. Transit is improving and the amenity base is growing, which helps drive demand," she said. "The City of Long Beach is also extremely pro-development, making it a logical choice for investors and developers."

There is a shortage of existing multi-family properties for sale in Long Beach, according to local apartment specialists. They noted that strong market dynamics – low interest rates, low vacancy and increasing rents – make multi-family properties attractive investments. However, that is also part of the reason for low supply: owners are not incentivized to sell.

While the vacancy rate of the Long Beach office market remains in the double digits – about 14% – this is not unlike other

"... no matter how much Jeff Bezos [CEO of Amazon] wants us to buy food online.

Me, personally, I want to squeeze my oranges before I buy them. And Jeff isn't going to convince me otherwise."

Christopher Thornberg
Founding Partner of Beacon Economics

cities in California, according to Thornberg. "It has to do with how office demand has shifted. Even in the Bay Area, which has got an incredibly tight office market, office vacancy rates are still in the double digits, believe it or not," he said.

Workplace trends are shifting away from what existing office stock offers, Thornberg explained. "What is important for Long Beach is, as a city, to push hard in terms of making sure that the office stock is kind of in line with the current needs in the marketplace," he said.

Durnin pointed out that the Silicon Beach area of Los Angeles County is nearing capacity, which should drive technology, media and entertainment firms to look for offices in other areas. "This is also evident in nearby San Pedro and will likely spill over in Long Beach in the future," she noted.

Retail real estate, too, is being affected by

changes in lifestyle – in this case, how people want to shop. But Thornberg advocated for caution in over-exaggerating impacts to the industry. "The reason I get upset about a lot of the press coverage on retail is it does seem to give you the impression that retail in general is just kind of imploding. And I don't see that," he said. "If I am looking at the marketplace, it is certainly shifting. But it's shifting in very specific ways."

Malls tend to have the sorts of stores that suffer from competition from the Internet, Thornberg observed. Plus, he said, "They are not very attractive. There is not a lot going on. The food tends to suck."

Three types of retail should continue to thrive, according to Thornberg. "One is convenience retail, and that is just: I need it and I need it now. That's just not going anywhere," he said. "You have what I call destination retail, and that is retail attached to restaurants, movie theaters, really nice places to hang out. . . . Those places are busier than nobody's business."

Thornberg added, "And then there is the specialty retail – think supermarkets and dry cleaners. Stuff that is never really going to be replaced by the Internet, no matter how much Jeff Bezos [CEO of Amazon] wants us to buy food online. Me, personally, I want to squeeze my oranges before I buy them. And Jeff isn't going to convince me otherwise."

Durnin noted that Long Beach is home to a variety of eclectic retailers. "It has become a mecca for hip restaurants with numerous wildly popular dive bars along with craft cocktail taverns, vintage shops and boutiques," she said.

While industrial real estate is in high demand in Long Beach, Durnin noted that low vacancy rates coupled with a lack of land to build on have caused prices to increase "to a point that precludes industrial product as the highest and best use for development."

Local real estate professionals reported that industrial property rental and sales prices are increasing and that the vacancy rate of these properties is around 1%. "The industrial market is evolving in concert with retail to meet e-commerce needs. Long Beach is an infill market, which is a critical part of the last-mile requirements to get goods to consumers quickly and efficiently," Durnin said.

Overall, Thornberg said Long Beach has some incredible real estate opportunities. "Really in so many ways, I think that Long Beach is going to be turning a corner in the next decade," he said. "I think there are so many potential positive trends that are going to happen there because it's such a great place and it's such a great location." ■

Residential Real Estate Long Beach Feels Impacts Of Housing Supply Crisis; Home Prices Continue To Increase

■ By **SAMANTHA MEHLINGER**
 Assistant Editor

The number of sales transactions of single-family homes in Long Beach is decreasing, but it is not for lack of demand. The short supply of homes for sale remains too low to meet buyer demand, a dynamic that continues to drive up price points, according to local real estate professionals. The situation in Long Beach is reflective of

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Ensemble Real Estate Investments' Sonata Modern Flats is under construction at 207 E. Seaside Way, across the street from the Long Beach Convention & Entertainment Center. The project, expected to be completed late next year, includes 112 units for lease, a rooftop deck with a plunge pool, outside kitchen and lounge seating, fitness center and resident lounge. The project will also connect to the soon to open Rainbow Bridge. Sonata's "public spaces, retail and café seating will connect directly out onto the Rainbow Bridge in order to provide a focal point for the elevated park and give people a reason to stop, hang out and interact," Ensemble's Tyson Sayles said in a prepared statement. (Photograph by the Business Journal's Larry Duncan)

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(Continued From Page 6)

a statewide housing supply crisis – one they believe will not be solved without regulatory reforms on building.

“I see no big relief. What we need is more product,” Geoff McIntosh, president of CAR and owner of Long Beach-based Main Street Realtors, told the Business Journal.

“In the State of California, based on our current rate of growth, we need about 180,000 new residential units a year. That’s a combination of single-family [homes], apartments and condominiums,” McIntosh explained. “We are building 80,000 units. So again, this year we have a deficit of about 100,000 units.”

In Long Beach, the current number of single-family detached homes for sale would sell out within 2.1 months given current demand, according to McIntosh. Condominiums would sell within 2.3 months.

Phil Jones, owner and CEO of Coldwell Banker Coastal Alliance, said that there were 7.5% fewer new listings on the market in June of 2017 compared to the same month in 2016. Pending sales decreased by 40%, he said.

With demand outpacing supply, home prices are increasing. The cost of single-family homes rose by 5.8% this June compared to the same month in 2016, according to Jones. “To me, that is a really sustainable price increase. And it is so surprising given the fact that there is such a strong buyer demand and so little supply,” he noted.

Kelsea Mazzocco, realtor with Bixby Knolls-based Sonnoeco Real Estate, observed that low interest rates continue to spur buyer demand despite increasing home prices. “I don’t know how much longer it is going to keep going up, but if we still have low interest rates and there is low inventory, then we [will] have a lot of people that want to buy houses,” she said.

Homes in the Los Altos neighborhood, which at one time sold in the mid-price range of about \$500,000 to \$600,000, are



Kelsea Mazzocco, realtor with Sonnoeco Real Estate, said a client of her firm recently closed on this flipped property at the corner of Los Altos and Pacific Coast Highway. The list price of the 4,300-square-foot home was \$1,390,000 at the time of the sale. (Photograph by the Business Journal’s Larry Duncan)

now selling for as much as \$830,000, Mazzocco said. “I mean, that’s pretty crazy. That’s like the shore and the heights,” she noted.

The supply of homes is constricted by would-be sellers who continue to hang on to their properties, Jones pointed out. “I think primarily it’s not that sellers are waiting for their value to go up,” he said. Instead, he thinks their hesitancy is tax related.

“If they have substantial equity over \$500,000, they are then looking at the capital gains tax and anything in excess of that, of course,” Jones said. “That is part of it, but I think a larger part of it is the transferability of property taxes,” he added, citing Proposition 13.

Prop 13 is a ballot initiative passed by California voters in 1978 that prohibits homeowners from transferring the base

year value of their property taxes if they move between counties. If they move within counties, they must be at least 55 years of age. It also limits residential property taxes.

“Because of Prop 13, were they to move, especially if they are buying up, they are going to be facing a larger tax bill,” Jones said.

CAR has filed paperwork for a 2018 ballot initiative that would remove certain Prop 13 requirements, including that in order for a homeowner to transfer his or her tax base to a new property, the home would have to be valued at no more than 5% more than the original home. The initiative, if passed, would also allow homeowners moving to another county to transfer their tax base and would remove the 55-year age requirement.

These provisions would incentivize

homeowners to sell their properties, thereby helping the supply problem, Jones argued.

“We know the public would vote for it. And so do the legislators,” Jones said. “They know it would be overwhelmingly supported by voters to be able to transfer their property tax base. It’s a no-brainer.”

Christopher Thornberg, founder of Los Angeles-based Beacon Economics, also thinks that Proposition 13 is part of the housing supply problem – but for different reasons. “We have a tax system here in California that, because of Prop 13, basically prevents cities from benefiting from having more housing in their community,” he said.

The proposition limits the rate of residential property tax increases over time – a policy that Thornberg explained makes cities more incentivized to build commercial real estate than residential.

Realty Views

Harvard Study Shows Vast Differences In Housing Markets



By **TERRY ROSS**

While most people are aware that housing markets throughout the United States are very different, it is sometimes forgotten by legislators, industry professionals and the media that when it comes to describing the state of residential real estate in the United States today, one size doesn’t fit all.

The annual State of the Nation’s Housing report by Harvard University’s Joint Center for Housing Studies details the disparity of pricing and affordability throughout the country and shows that conditions vary greatly by location across the country and within regions.

Coastal cities have regained their upward momentum and, in many instances, have

surpassed their highs from a decade ago before the Great Recession. But many urban areas have lagged behind, and three out of four metropolitan areas are still below their 2008 peak prices. The report notes that 97 of the 100 largest metro areas returned to their peak prices, but when you adjust for inflation in the overall economy, the prices are as much as 16 percent below those high points.

A recent Trulia report says that just one in three homes has recovered peak value, and the Harvard study noted that it is mainly the high-income neighborhoods that have enjoyed the real price gains. For Southern Californians, it means that – unless you want to move out of state – you could still take the return of prices in the Los Angeles-Orange County area, sell and use the equity, and move to the Inland Empire. In many instances, you can purchase more house in Riverside or San Bernardino than you could 10 years ago.

For those looking to rent, the news is not as good. According to the Harvard study, the number of Americans spending at least 50% of their income on rent is near historic high levels. And the demand is higher because fewer rental units are being built, which is raising rents because of tightening

supply. On top of this, there are proposed budget cuts to the U.S. Department of Housing and Urban Development that will severely impact rental assistance for more families. One of the other remedies to this – building more rental units – will need help from local, state and federal government to ease restrictions and red tape for the development process and to loosen mortgage restrictions that have prevented developers from borrowing the funds to build more units. The U.S. added fewer housing units over the decade ending in 2016 than in any 10-year period since 1990.

A change to this pattern may take a while, however, since builders are going where the money is by investing in the construction of higher-end rental products. After growing significantly after the foreclosure crisis, the nation’s stock of single-family rentals fell in 2015, the last year for which the report offers data. So the market has become top-heavy for the higher-priced rental units. This is also the trend for single-family homes being built as developers point toward the luxury market where more of the sales are taking place.

For the younger millennial market that everyone talks about – and who home builders would dearly love to play a larger

part of the home-purchase equation – the trend of building more expensive homes is not going to promote this young, first-time buyer group into a larger role in homeownership.

The Harvard study showed that this group is still slow to enter the home-buying market, even with today’s near-record low mortgage rates. First-time homebuyers in the May period were at a 33% share of the market, barely up from 30% a year ago. Even more distressing for the economy is that average hourly wage earnings are still barely half of the pace of home price growth, which will eventually lead to a slowing of prices and sales when appreciation outpaces the ability of buyers to purchase a home.

With the trends nationally showing so many vastly different traits in the housing markets, it is going to take a combination of more local, state and even national government attention to these problems to solve the issues that are so varied yet have many common elements.

(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.)

Commercial Real Estate Indicators Remained Strong Through 2nd Quarter

■ By **BRANDON RICHARDSON**
 Senior Writer

Across all sectors, commercial real estate continued to perform with high demand, decreasing vacancy and increasing prices, according to industry experts.

Office

Becky Blair, president of Coldwell Banker Commercial BLAIR WESTMAC, explained that the continued development of Downtown Long Beach and other pockets of the city is drawing new tenants into the local office market.

(Please Continue To The Next Page)

Thornberg proposed two ways to incentivize cities to create more housing. “One is to get rid of Prop 13 and make residential property worth having for cities,” he said. “The second way of doing it is to stop allocating local incentives on the basis of where retail is and where office is and, instead, start allocating these revenues on the basis of where the population lives.”

Jones would also like to see the California Environmental Quality Act reformed and building impact fees reduced throughout the state to encourage home builders. “We are near a shortfall of one million housing units,” he said. “And it is being felt everywhere: rising rents, declining homeownership. It’s really a crisis.” ■

Low Inventory Constrains Multi-Family Property Sales In Long Beach

■ By **SAMANTHA MEHLINGER**
 Assistant Editor

The volume of sales transactions for multi-family properties in Long Beach has dipped this year compared to 2016, according to local apartment specialists. A number of factors are at play in the slowdown, but real estate professionals pointed to a low inventory of available properties as the key culprit, given continuing strong demand.

In Long Beach, there were 85 sales of multi-family properties from January through the end of July 2016, according to George Bustamante, vice president of Coldwell Banker Commercial BLAIR WESTMAC. During the same period this year, there were 65 sales, he said.

“But what’s interesting is still the price per unit and the price per square foot are both up and the cap rate is down, meaning people are still bidding up the pricing,” Bustamante observed.

Steve Warshauer, also a vice president of BLAIR WESTMAC, added, “Part of it could be attributed to just pure lack of inventory.”

When multi-family properties are listed for sale, they typically already have a buyer attached to them, according to the pair. “When we see the listings, they are already gone,” Warshauer said. Most of the multi-family deals they broker are off-market, he noted.

Steve Bogoyevac, first vice president of investments for Marcus & Millichap, also pointed out that low inventory is hampering the number of transactions. And, he observed, sellers are not motivated to sell.

“I kind of see like, if you’re an owner right now, why are you selling?” Bogoyevac queried. “The rents are good. Occupancy levels are good. If you borrowed at any time in the last few years, you’ve probably got a pretty darn good loan,” he said. “And I don’t see that changing. If rates continue to go up, it’s just going to make people want to not sell even further.”

Interest rates for loans have gone up slightly due to the Federal Reserve raising its federal funds rate by a quarter of a percent in June, which might also be playing into decreased sales activity, according to Bogoyevac. “We saw this back in March as well. And it was kind of short-lived,” he noted.

The overall vacancy rate of Long Beach

apartments is about 3.5%, according to Bustamante. “We have a shortage of high-end, middle-range and low-income housing. There are shortages across the board,” he said. As a result of high demand for units, rents are continuing to increase by about 5% to 6% on average, he explained.

“But if you are doing a rehab and you . . . spent \$25,000 or \$30,000 in the unit, then you are seeing a pricing change of about 20% to 30%,” Bustamante said.

While rental rates are on the rise, Bustamante and Warshauer feel they are affordable in comparison to other regional coastal cities. “Long Beach is so low-cost housing compared to along the coast going either north or south,” Warshauer said. “So comparatively speaking, we’re still at market [rate levels].”

All interviewed by the Business Journal

noted that their clients are concerned by discussions about rent control. “There is just so much talk about it,” Bogoyevac said. “In all my years of doing this in Long Beach for 15 years now, I never felt like it had any wheels or legs to it. And now it kind of feels like it does.”

Warshauer noted that the current housing shortage necessitates building more residential. “And if you want to encourage housing, the last thing you want to do is institute rent control, because you know that will just send people somewhere else,” he said.

“There is an undersupply of housing all across the board like Steve said, from low income to high income,” Bustamante said. “How do you address the low-income stuff? I think you have just got to allow more building and let them build as fast as they can build it.” ■

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Edge Systems LLC., currently headquartered at 2277 Redondo Ave. in Signal Hill, recently signed a lease for 15,040 square feet of office space at 2165 Spring St. in Long Beach. The space will serve as the hydrafacial technology company's new headquarters. (Photograph by the Business Journal's Larry Duncan)

(Continued From Page 9)

"Based on our leasing activity, the market has definitely shown improvement in the second quarter. We are seeing larger tenants that want to move to Long Beach," Blair said. "They want to be where there's quality housing. And there is certainly a lot of construction going on in Long Beach, which I think is motivating business owners to be here."

In the last three months, Blair said her team has sold about six single-purpose office buildings, including a more than \$1.5 million deal at 3501 E. 7th St. and a more than \$1 million deal at 853 Atlantic Ave. She said prices have continued to rise, as low interest rates continue to attract investors.

While the market remains strong, Blair said companies are utilizing their office space differently, with less space per employee and a boom in open, creative office space. She said companies are looking for more variety and flexibility in office space.

"I think we should expect to see more of the same through year end, and I don't know if we can predict what will happen in 2018," Blair said. "At some point, the pressure on sales is just going to top out and prices are just not going to be affordable, so tenants will come back to the marketplace and lease instead of purchase."

Robert Garey, senior director at Cushman & Wakefield, described the office real estate market as steady. He said the second quarter saw positive absorption in both the



David Wood, CEO of Human Touch, a massage chair designer and manufacturer, and Relax the Back, a producer of back pain relief products, and his 70-person staff recently moved into the new Human Touch corporate headquarters at 4600 E. Conant St. One of three buildings at Sares-Regis Group's Pacific Pointe East project at Douglas Park, the Human Touch headquarters is 110,000 square feet of office and industrial space. Human Touch was previously headquartered at 3030 Walnut Ave., but was looking to relocate to a new, customized building with upgraded systems and amenities. Pacific Pointe East met its needs. (Photograph by the Business Journal's Larry Duncan)

downtown and suburban Long Beach markets. Continued job growth is a major contributing factor, as it is the fuel for the demand of office space, Garey explained.

At the end of the second quarter, Long Beach had an overall office space vacancy of 14.3%, a full percentage point less than the South Bay vacancy, according to a Cushman & Wakefield (C&W) report. Downtown Long Beach had a vacancy of 15.7%, while the suburban market sat at 9.8%. Year to date, leasing activity in Long Beach reached 310,842 square feet as of the end of the second quarter, the report states.

(Note: a report by the Downtown Long Beach Alliance indicated the vacancy rate downtown to be at 12.9%; the C&W report usually focuses on office properties 50,000 square feet or larger, while the Alliance includes smaller properties in its study.)

"[Office space being converted to residential] had a positive impact on office space absorption because many of the tenants who were displaced by those buildings being converted migrated into other buildings," Garey said. "So that fills holes, which increases the occupancy rate, which makes buildings operate at a much healthier level."

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Construction continues on Urbana Development's four-building office condominium project, The Terminal at Douglas Park. Phase one, which consists of two buildings, is already 90% under contract, and phase two already has contracts under negotiation despite the fact that construction has not yet begun. At far right is a new hotel project nearing completion. (Photograph by the Business Journal's Larry Duncan)

The most notable office conversion, according to Garey, is the Security Pacific National Bank located at 110 Pine Ave., which recently sold for \$27 million. The sale included an adjacent parking structure and will likely result in the building being converted to 118 residential units.

Continued absorption and steady demand has resulted in upward pressure on asking lease rates, which were \$2.57 for Class A office space at the end of the second quarter, according to the Cushman & Wakefield report.

Industrial

The industrial real estate market continues to experience high demand and low vacancy, which continues to drive up lease

and sales rates, according to Brandon Carrillo, principal at Lee & Associates Commercial Real Estate Services.

"We're seeing strong activity like we saw last quarter, which is pretty much what we predicted correctly last quarter, which was that the momentum from first quarter was going to carry over," Carrillo said. "The big challenge right now is the lack of supply."

Carrillo said the market is currently experiencing "optimism amid uncertainty" at the macro level, namely the Trump administration. He explained that business owners are wary of the fact that the president has not yet followed through on his promises, such as tax and health care reform,

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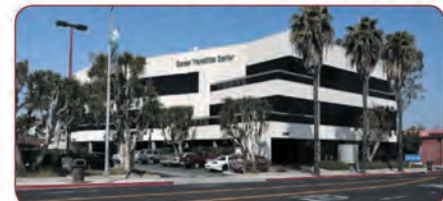
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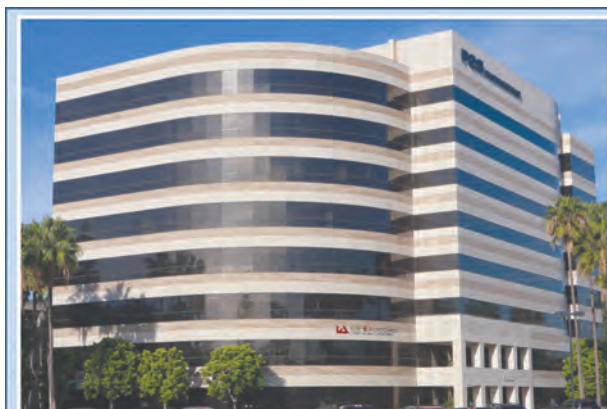
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(Continued From Page 11)

which is having a trickle-down effect on local real estate markets.

However, despite the uncertainty, Carrillo said there was a lot of activity in the second quarter, with \$130.88 million in sales transactions, compared to \$76 million in the first quarter. In response to the extremely low vacancy rate in the market (currently 0.7%), Carrillo said about 1.8 million square feet of industrial space is under construction in Long Beach, with another 3 million in the pipeline, including in Signal Hill and Lakewood.

“A lot of the Class A space that’s been getting gobbled up has been a lot more of your large businesses, your publicly traded-type companies,” Carrillo said. “What’s going to be interesting heading into third quarter is we feel that small and medium-sized businesses have taken a pause, and third quarter will be a good indicator if we’re going to start seeing these companies take on more space.”

According to a Lee & Associates second quarter report, average rent for industrial space is 88 cents, up from 78 cents at the same time last year. Additionally, average sales price per square foot is \$162.45.

Lance Ryan, senior vice president of marketing and leasing for Watson Land Company, agrees that the second quarter was similar to the first, with historically strong demand and historically low vacancy rates causing upward pressure on rental rates.

“If you take a look at the historical inbound freight at the ports of Los Angeles and Long Beach, you can see that we’re also approaching those record import levels again,”



On July 19, Los Angeles-based Rexford Industrial Realty Inc. announced the purchase of Rancho Pacifica Industrial Park in nearby Rancho Dominguez for \$210.5 million. The six-building, 56-acre site includes 1.77 million square feet that is 99% leased to 23 tenants. (Photograph by the Business Journal’s Larry Duncan)

Ryan said. “So we’ve got an economy that’s approaching a full-steam situation, and at the same time, we’ve never seen this lack of supply before. So we’re talking vacancy rates that are really 1% around the South Bay region, which is also a record low.”

Not helping the vacancy rate in the South Bay area as a whole is the lack of developable land, Ryan noted. He said that developments like Douglas Park are doing very well, leasing space before buildings are even complete, which is indicative of just how tight the market is and how much new industrial space is wanted and needed.

Retail

For retail real estate, the second quarter saw no major changes from the first, according to Peter Pappageorge, an associate at INCO Commercial. However, Pappageorge noted that he expects rental rates can only go down, as retailers are beginning to feel the pressure of “crazy high” asking rental rates.

“I fear that landlords will continue to be bullish with their asking rates and rental concessions, and we will see vacancy rates rise as businesses will struggle to pay rent,” Pappageorge said.

Recently, Pappageorge and INCO CEO Doug Shea closed the sale of a former Hof’s Hut location in Bixby Knolls. He said the new owner is exploring options to create two or three retail units out of the former single-unit restaurant space.

Joe Linkogle, first vice president of investment at Marcus & Millichap, also said the market didn’t see much change from the first to the second quarter of the year.

“I think things are going to remain relatively stable. I certainly don’t think that we will see any price increases. Price increases have topped out,” Linkogle said. “I don’t

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Burnham-Ward Properties LLC's Long Beach Exchange, located on the southwest corner of Lakewood Boulevard and Carson Street, takes shape as construction crews continue work on the 266,000-square-foot development. According to Scott Burnham, founder and CEO of Burnham USA, the project is scheduled for completion by the first or second quarter of 2018. Leases include Whole Foods 365, Nordsrom Rack, In-N-Out Burger, T.J. Maxx, to name a few. (Photograph by the Business Journal's Larry Duncan)

see any real reason for values to drop. I think we're in kind of a plateau right now."

According to CoStar Group, the retail vacancy rate in Downtown Long Beach is 4% overall, seeing a 1.7% decrease over the last 12 months, and the average annual asking rent is \$28.48 per square foot. Linkogle explained that retail real estate continues strong due to low interest rates, making commercial real estate a good investment for someone wanting to diversify. He said commercial real estate gives a much better return to investors than the stock market or bonds.

However, one continued concern among retailers is the "Amazon effect," according to Linkogle. He said auto parts dealers are

the most recent retail segment to feel the effects of online shopping, with major companies such as Advanced Auto, Napa and O'Reilly seeing stock prices plummet after underperforming earnings reports. Linkogle did note that fast food establishments continue to do well.

"Real estate has proven to be cyclical throughout history — it goes up and down — and we've been in an extended up period at this point," Linkogle said. "We'll for sure see some sort of a decrease sometime in the future. I think probably in a couple years, maybe a year and a half. It's not going to be anything as dramatic as 2008. I just don't see that." ■



Joe Linkogle, vice president of investment at Marcus & Millichap, was involved in the recent sale of the Vans shoes building at 5232 E. 2nd St. The building sold for \$3.35 million, just over \$1,000 per usable square foot. Vans has two years remaining on its lease at a rate of \$2.70 per square foot, while recent leases in the area have been signed for between \$4 and \$5 per square foot. (Photograph by the Business Journal's Larry Duncan)



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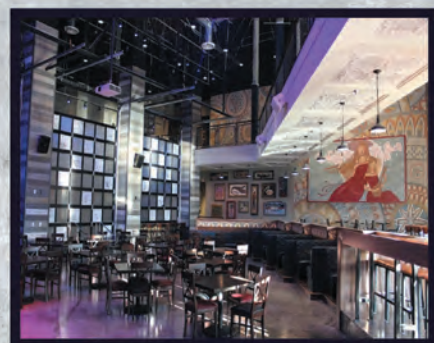
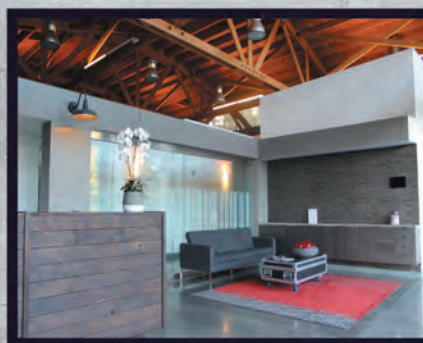
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Advancing Women In Real Estate: The Women's Council Of Realtors – Long Beach



The Women's Council of Realtors – Long Beach is a professional organization open to women and men that aims to promote and educate its members and serve the local community. Pictured from left, are the organization's boardmembers: Jayne McCallister, secretary; Courtney Madnick, director of membership; Kaye Chapman, president; Loree Boldman, president-elect; Loree Swanenburg, director of programs; and Danielle France, treasurer. (Photograph by the Business Journal's Larry Duncan)

■ By **SAMANTHA MEHLINGER**
Assistant Editor

Although women are well-represented in the residential real estate industry – 62% of all realtors are female, according to the National Association of Realtors – some contend that they are not present in enough leadership roles. One of those people is Kaye Chapman, president of the Women's Council of Realtors – Long Beach.

The local branch of the national professional organization seeks to promote and educate its members and to serve its community, according to Chapman. The council also has some male members. Of the 90 branch members, Chapman estimated that 80% are female.

"Part of our mission as Women's Council, overall, is to have a seat at the table with the guys a little bit more, because if you look at the state and national leadership in real estate, it has been dominated by men," Chapman said. "We are definitely trying to push through that. And most of the people who have been able to get those state or national seats have been

women who have gone through the leadership in Women's Council."

The Women's Council of Realtors (WCR) originally formed as a division of the National Association of Real Estate (now the National Association of Realtors) in 1938. According to a WCR fact sheet, it is now the 12th largest professional organization for women in the United States. A portion of dues paid by members goes to the national organization, and the remainder goes to the local branch, Chapman explained.

A governing board made up of the president, president-elect, secretary, treasurer, director of membership and director of programs constitutes the voting body of the Long Beach branch.

Chapman, a realtor with Re/Max Real Estate Specialists in Long Beach, volunteered for her leadership role within the local branch of WCR because she feels it is important to give back to her industry. She is pursuing a position within the state branch of the organization, having recently applied to become a district vice president overseeing multiple Southern California chapters. "There is a lot of opportunity for leadership," she said.

One of the benefits of being a member of the Women's Council of Realtors is its network, according to Chapman. "You will find that people who are members of Women's Council typically make more money than other realtors do," she noted. "And a lot of that is due to the referral possibility . . . Say I had a client that was moving to New York. I would look up a Women's Council member in New York, and we could trade business that way. We help each other."

WCR's Long Beach chapter regularly hosts networking events to connect members with others in the industry. Its largest annual event is Vine to Wine, a fundraiser and networking event that connects members with affiliates from real estate-related fields like title and insurance, Chapman explained. These affiliates sponsor booths where they offer different wines, with the event culminating in a competition for the best varietals. "I think we probably did pretty well [this year] because I think we had over 300 people attend," Chapman said.

The organization also keeps its members up to date on industry news and policies by

inviting educational guest speakers, such as the head of the California Association of Realtors and the California Department of Real Estate, according to Chapman.

"The rules are changing. The economy changes," she said. "You know, different services and loans come into play. Different requirements for tenants. Everything is always changing, so we want to keep everybody abreast of everything that's new."

The council also gives back to the community. Each year, the president of the board selects a charity to partner with. Chapman chose Hollenbeck PAL, a nonprofit partnered with the Los Angeles Police Department to enrich the lives of young people through character-building, financial literacy, sports, educational and other programming. "We are trying to get that program back to Long Beach," Chapman said.

For more information about the Women's Council of Realtors – Long Beach, visit www.wcr.org/chapter-sites/california/long-beach/. For inquiries about membership or events, call Chapman at 562/522-5746 or Courtney Madnick, director of membership, at 949/945-3241. ■

Who's Who WOMEN IN REAL ESTATE

Carina Cristiano Account Executive

American Home Shield (AHS) Home Warranty

AHS is pleased to introduce Carina Cristiano as the new Account Executive for Long Beach/South Bay. As a Long Beach native, she grew up in her family's restaurant business – Nino's Italian Restaurant. For the last 10 years Carina has been mobilizing thousands of people through public speaking, teaching, business consulting and social media expertise. Carina loves connecting clients to efficient social media strategies while aligning them with practical marketing approaches to grow their business. She looks forward to empowering agents when presenting on the value of home warranty, branding, and social media. Carina is customer service driven and a valued member of your business transaction team.

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Barbara Irvine-Parker Realtor Associate

Coldwell Banker Coastal Alliance

Barbara obtained her California Real Estate License in 1977. As a seasoned agent, she continues to receive ongoing training and has developed tried and true marketing strategies. Her accomplishments have hinged on two points: providing the highest degree of professionalism and expertise, and providing quality service and communication. Barbara has called Long Beach/Signal Hill her home for more than 25 years. "My professional networking through National Association of REALTORS®, California Association of REALTORS®, and the Women's Council of REALTORS® has proven to be invaluable in maintaining a powerful connection between my business and community."

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Paige Fingerhut Charnick Realtor+Probate Specialist

Beach Equities: A Fingerhut Co Since 1972

A Long Beach native, Paige maintains expertise in probate, trust, and conservatorship sales, working closely with attorneys, CPA's, trustees, administrators, and conservators. Her company, Beach Equities, is celebrating their 45th anniversary this year. Paige treats each client with the utmost respect, and serves the community with distinction. "We serve our clients through unparalleled levels of expertise, experience, and dedication. They know every detail of their transaction will be handled smoothly, and with the highest level of integrity." Paige is involved in many local charities and resides in Bixby Knolls with her husband Jason, their dog Teddy and their cat, Floyd.

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Kathy Shasha REALTOR® CalBRE Lic #0911654

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Kathy is a full time Realtor® with over 31 years of experience and knowledge to help make her clients' life easier while matching lifestyles with communities from the beach to urban living. Kathy uses the latest technology to get the job done but keeps a personal touch through communication. She prides herself on maintaining client relationships and sees the value of good customer service. Kathy has achieved many awards and specializes in relocation, loft living, first time home buyers and coastal properties. She is active in community fund raising and volunteering and loves living in Long Beach.

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Phyllis Schmidt REALTOR®

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A long-time Long Beach local, Phyllis Schmidt is a licensed REALTOR® on Boardwalk Properties' elite team. She satisfies all parties low-stress closes of residential units. As a former landscape designer, Phyllis has a flair for staging and boosting curb appeal and a keen understanding of local markets. The City of Long Beach named her a Woman of Distinction and she works with several local non-profit organizations. The owner and resident of a triplex in Belmont Shores, Phyllis raised three children in Long Beach. Email plants29@gmail.com or call 562-882-8395 to sell or buy a property! DRE #017161453

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Bridget Taylor REALTOR® CalBRE Lic #00921523

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Bridget Taylor has been selling real estate in Long Beach, Huntington Beach and surrounding cities for over 30 years. Her experience and extensive knowledge is unparalleled. She has earned the respect of her colleagues and clients for her dedication, integrity, professionalism and negotiation skills. Bridget's ability to truly understand her client's needs, combined with her personalized "clients come first" attitude, is paramount in every transaction. She is a member of the National Association of REALTORS®, California Association of REALTORS® and the Pacific West Association of REALTORS®. She is also an active member of The Assistance League of Long Beach, volunteering her time with Operation School Bell and the Orthodontic Center. Contact Bridget Taylor for all your real estate needs.

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Cindy Hinderberger REALTOR® CalBRE Lic #01902607

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Cindy is dedicated to serving the community and has a true love for helping others. She sees the big picture and the small details. You'll see the difference with Cindy. She is a Master Certified Negotiation Expert, has Certification in Relocation, Smart Home certified and can assist in 1031 Exchanges. She is a member of the Estate Planning Trust Council of Long Beach. Cindy's name has become synonymous with selling real estate. After all...Everyone Knows it's Cindy!

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Tracey Wiltse "The Redhead Realtor to Remember"

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Tracey is a So Cal native. She's lived in Long Beach since 1984. Before becoming a REALTOR® in 2000, Tracey worked in the Restaurant, Jewelry and Human Resources fields. Anyone remember Bobbi McGee's restaurant? Along with other talented servers dressed in costumes, Tracey served 100's of guests. "I've worked in customer service all my life," she says. "Through listening, I discover my client's needs and fill them." It is critical that her clients know they are important and their feelings are valid. Her passions are helping people buy and sell homes, animals, exercising and her husband and family.

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The Long Beach Business Journal
 Encourages Its Readers To Support
 Local Women In Business



Alan Pullman, founding principal of the architecture firm Studio One Eleven, said restaurant parklets are a good example of a shift toward more experiential retail for customers. Studio One Eleven designed the parklet pictured here for Berlin Bistro, 420 E. 4th St. (Photograph by the Business Journal's Larry Duncan)

As Big Box Stores Close Locations, Retail Shifts To Experiential Shopping

■ By **BRANDON RICHARDSON**
Senior Writer

More than 7,000 retail jobs have been lost in California in 2017, according to a July 25 story from Bisnow, one of the largest producers of commercial real estate news. The story goes on to note that the 76 store closures in the first half of 2017 are an increase of 15% over the first half of 2016, which saw 66 closures.

"I think, in general, the U.S. probably has more retail square footage per person than any other developed country, so we are probably over-retailed," Alan Pullman, founding principal at Studio One Eleven, said. "I think that with the rise of the Internet taking an increasing share of retail sales, it's sort of exacerbated that over-retailing trend that we've been dealing with already. It's cutting into the amount of space that retailers need."

According to Pullman, as the economics and demographics of the country change, so do those of the retail market. He explained that middle-market retail is shrinking, with much of the growth focusing on value-oriented retailers such as Walmart and T.J. Maxx. Middle-market stores such as Macy's and Sears have announced the closure of 68 and 42 stores, respectively, this year alone, according to Fox Business.

There has also been growth in the high-end luxury market and even more in what Pullman called the experiential retail market, which includes food, technology and fitness concepts. "[It is] all things that deal with people having experiences. Because we live, as it's been said ad nauseum, in the experience economy," Pullman said. "So you see food becoming a much bigger player in what was more traditional retail shopping center or Main Street than it used to be."

Business improvement districts across the city, including Bixby Knolls, Downtown, Retro Row and Uptown, are experiencing a revitalizing renaissance centered around food and other types of experiential retailers, Pullman said. He explained that people are looking for a higher level of conviviality: being able to walk the city streets, sit at an outdoor cafe or parklet, and be with friends and strangers alike in a friendly atmosphere.

With a shift to Main Street retail, Pullman said shopping centers are being forced to rethink what a traditional retail center is. He explained that more centers are turning to mixed uses, including The Streets (formerly City Place), where Studio One Eleven and Retail Design Collaborative recently built new headquarters.

Many retail centers are going from places of consumption to production with the conversion of large retail space to office or community space. Pullman's headquarters is located in what used to be the Nordstrom Rack store on 3rd Street and The Promenade, now a 125-person office. The landowner of The Streets, Shooshani Developers LLC, also has plans to add additional residential space to parts of the retail center.

"I think that what we've found from a design standpoint is that the most successful retail spaces incorporate adaptability and flexibility. I think that's a really important point because it speaks to sustainability because the building can have many lives without having to be torn down," Pullman said. "It also is sort of an economic resilience for owners to have buildings that can have that adaptability and can accommodate different uses and the market demands over time."

Along with flexibility of space, looking to the future, Pullman noted his company

is working with clients to ensure new development and space is not over-parked. He said that with the push to move away from auto-oriented development and mobility, developers and retailers must future-proof retail centers. At the very least, he said parking should be built with a great deal of adaptability so it can be easily converted for other uses.

Doug Shea, chief executive officer of INCO Commercial, agreed that mixed use and a more efficient use of space is becoming the trend for retail. However, he said that Internet sales only account for about 10% of all retail purchases and are not posing as great a threat to retailers as some would have you think.

"It's not that mammoth of a number as people are thinking," Shea said. "Yes, it's going to move up from there. But right now, big box stores should maybe be about 10% to 20% smaller."

One of the biggest retail changes has been in grocery stores, according to Shea. He noted stores such as Whole Foods that offer restaurant-like services within the store, with tasting sections and food bars. Shea said this is a perfect example of creating an experience for customers.

The shift of brick-and-mortar stores to a more experiential model will result in a better retail experience for customers overall, according to Scott Burnham, chief executive officer of Burnham USA, developer of the new Long Beach Exchange retail center on the southwest corner of Lakewood Boulevard and Carson Street.

"Retailers of today that are prepared to modify their models in such a way to adapt to the changes in our consumers' shopping behavior will be best positioned to succeed," Burnham said. "It will be sink or swim, which will trans-

late into better stores and a better overall experience."

Burnham said developers now need to think outside the box and be creative in order to produce a successful store or center with an aesthetic that will draw in customers. He explained that Long Beach Exchange is a model for themed experiential retail, with properly curated tenancy, an appealing aesthetic and design, and a good juxtaposition of innovative shared retail space in the form of the large hangar-like structure that will house multiple small retailers and classic retail storefronts.

Matthew Walsh, principal at Innovation & Design in Architecture, said his firm has noticed stores have decreased in size, as well as in SKU (stock keeping unit) count, to allow for a more boutique level of service. Additionally, he said many retailers are signing shorter leases in order to test certain markets before committing to the standard five- or 10-year lease.

One method noted by Walsh to bring retail into the experiential market is to expand stores into community events through features such as portable carts and kiosks that allow retailers to conveniently move parts of their stores outside.

As experiential shopping becomes the norm, big box retailers cut costs to keep up profit margins as customer demand continues to fall, Walsh explained.

"[Big box stores] are going to have to adapt somehow. A lot of the things that used to be a big box retail area are going into restaurant development or they're turning them into entertainment centers. It's like a natural selection working within the market. They will probably limit their expansion and focus more on just keeping the stores that are working open and up to date as much as possible." ■

Who's Who WOMEN IN REAL ESTATE

Coleen Brennan Global Real Estate Advisor CalBRE# 01003247
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As a competitive athlete Coleen learned in order to be the best you have to put in the work and love what you do. Combined with her old-school work ethic and drive to succeed she has gained numerous sales awards and a top 1% national ranking in the luxury properties category for 20 years. Recently inducted into Engel & Völkers prestigious Private Office Group, she was ranked # 1 in her office, # 7 in the nation and #9 in the world. Coleen is uniquely positioned within EV to network closely with the company's top agents, nationally and across the globe.



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The Shannon Jones Team, Keller Williams Realty #01464124

Shannon Jones has been selling real estate since 1998 and specializes in listing and marketing homes. She has consistently been one of the top Realtors in the Long Beach area. Prior to her award-winning career in real estate with the Shannon Jones Team, she had successful careers in journalism and public relations. Shannon holds a bachelors from UC Irvine and a masters from UC Berkeley, as well as E-Pro, CDPE (Certified Distressed Property Expert), and PSC (Pre-Foreclosure Specialist) certifications. She is very personable and maintains a very strong moral compass, always putting the best interest of home buyers/sellers above monetary goals. A California native, Shannon enjoys gardening, travel, reading, cooking and poker when she's not selling homes.



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Karen Franssen REALTOR® BRE 01250469
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Karen Franssen is a multi-year member of First Team Real Estate's Hall of Fame. She has been recognized for the impeccable ability to not only match people with their dream homes but to understand the unique needs of each client as they pursue this dream. Karen resides in Belmont Shore and has for decades in a 1926 Spanish style home that is synonymous with Southern California life. Karen understands that when you are looking to buy a home, it is not just walls, a foundation and a yard – it is so much more. It is the realization of a dream, a vision of a life, a destiny manifested from hard work and that is why her motto is "Home is Where the Heart is."



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Summer Vance joined the Shannon Jones Team in 2016 and has been working in the real estate industry for six years. Prior to Keller Williams, Summer was with Main Street Realtors in Long Beach, CA. She also spent seven years at Wachovia Securities, where she helped provide investment planning and management services for high net worth individuals. As a Realtor, Summer enjoys helping people embark on new stages of their lives and believes in putting clients' needs first. She lives in Rossmore with her husband and two children and enjoys gardening and surfing in her spare time.



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Carina Slepian CIPS®, CRS®, CPRES BRE# 01938221
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Looking for a local real estate agent with 100+ successful transactions? Carina specializes in the diverse Long Beach area, and has helped clients achieve their goals since 2005. Her in-depth experience and high-end credentials (CRS, CIPS, CPRES probate sale, PMP) ensure TOP SERVICE. Carina's warm personality encourages collaborative relationships - especially valuable when dealing with multiple players. Her steadfast goal? SUCCESSFUL CLOSING! Carina will always focus on your best interests, and her experience, negotiation skills and business background ensure all-around success. One client wrote, "Thank you for getting me through this complex deal. WORKING WITH YOU WAS A DREAM...."



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Connie Wildasinn Broker #01221986
WGroup Realtors

Over the past two decades, I have had the pleasure of working with many Agents, Sellers and Buyers looking to move, invest or divest their real estate holdings. As real estate evolves, so should the agent. Understanding the needs of our clients is #1 with WGroup. We offer a full spectrum of options, from Buying to Selling, Estate & Probate, Property Management, Investment 1031 and long distance Relo Service with a personal touch to your next transaction. I am proud of all my agents who work tirelessly to get the best for our clients and their dedication to the company. Stop in and see us, we are an independent boutique brokerage and we take pride in handling our transactions with strong ethics and honesty.



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Maggie Shapiro REALTOR®, GRI, CPS, SRES
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With over 17 years of experience and hundreds of homes sold, Maggie has been a consistent top producer. She was awarded the Five Star Professional REALTOR® Award through Los Angeles Magazine and works with both Sellers and Buyers as she feels that it's important to fully understand both sides of the transaction to better serve her clients. She believes education is key, which is why she provides her clients with all the information needed to make the best decisions in the ever-changing housing market. She loves that her career allows her to meet many people and count many past clients as good friends.



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Catherine Morris CFO/Retail Expert BRE 01922237
William Morris Commercial, Inc.

Catherine has been instrumental in positively impacting the landscape of retail real estate in Downtown Long Beach and surrounding areas. With over 500,000 sf of listings (The Streets, Shoreline Village, the Edison, Shoreline Square, the Hubb, the Current and more), Catherine has facilitated some of the best new and future retail additions: Pie Bar, Pier 76, Long Beach Creamery, Pizza Press, BurgerIM, Poki Cat, Table 301, Crepe Crafters, Plant Junkie, Romeo Chocolates, Trademark Brewing, Thick Shake Factory, Party Monkey, 7 Hills Mediterranean Grill and Waters Edge Winery! Coming soon: one large restaurant group chain, three fabulous retailers, two beauty orientated groups and one phenomenal fitness group to support all this food!



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The Long Beach Business Journal
 Encourages Its Readers To Support
 Local Women In Business

Project Labor Agreements: Godsend For The Disadvantaged Or Nonunion Killer?

By **BRANDON RICHARDSON**
Senior Writer

Since adopting a citywide project labor agreement (PLA) in April 2015, the City of Long Beach has undertaken 15 projects that meet the outlined criteria. Three projects have been completed, three are nearly complete, six are active and three are under review. Combined, the projects total more than \$48 million of investment and 168,000 work hours to date, of which Long Beach residents performed one out of every five hours, according to Craig Beck, director of the Long Beach Public Works Department.

Under the PLA, all construction projects over \$500,000 require 40% of workers to be hired locally and 10% of all hired workers to qualify as disadvantaged or veterans. There has been some dispute as to the generality of what constitutes a “local” worker, with some labor advocates claiming they were promised Long Beach jobs, not regional jobs.

One of the great dividing lines on the topic of the city’s PLA is the requirement for nonunion contractors to hire one worker from the union hall for each nonunion employee on the job, which is harmful to smaller contractors, according to David Beegle, vice president of operations for Builders Daily Solutions Inc.

“Think of half your workforce being new and you have to complete your task in the same amount of time as if you had your normal crew – built-in inefficiency!” Beegle said in a letter to the Business Journal. “Additionally, people currently in the Union halls are there for a reason. There is an abundance of available work and those in the halls are not the ‘keepers.’”

Beegle argues that prevailing wage requirements and the Davis-Bacon Act, which states contractors and subcontractors must pay laborers and mechanics no less than the local prevailing wage and fringe benefits for public works projects, are more than sufficient and PLAs are not needed. He said unions simply found a way to ensure union work on all public projects.

Additionally, Beegle said the \$500,000 cutoff might seem like a large number but that not much can be built for less nowadays. Also, he said the PLA is applied to the total cost of the project, which means a subcontractor that is picked up to do a \$200,000 job on a larger project must also abide by the PLA and hire union workers, which is difficult for smaller companies and increases costs.

“Davis-Bacon was supposed to level the playing field for the Unions,” Beegle said. “PLAs have done nothing but given them the whole enchilada. Let’s leave some crumbs for the little guys.”

However, not all nonunion companies think PLAs are harmful. Mike Brascia, owner of Long Beach-based Brascia Builders, said PLAs keep the market fair and competitive for large-scale projects. He noted that they would not work for small commercial projects because clients would not be able to afford the boost in price that PLAs can incur.

As a nonunion company, Brascia said he offers his employees medical insurance and 401(k) plans, while many companies do not. He said he thinks these companies are taking advantage of their employees and



Rainbow Bridge, a pedestrian walkway along Seaside Way connecting the Terrace Theater path to Pine Avenue, is one of the first 15 projects to fall under the citywide project labor agreement. The bridge created 38,267 hours of work, with 13% performed by Long Beach workers and 25% performed by Gateway Cities workers, according to the Long Beach Public Works Department. Construction is nearly complete on the 605-foot long, \$11 million project. (Photograph by the Business Journal’s Larry Duncan)

Projects Under The Project Labor Agreement

(As of July 11, 2017)

Project	Status	Award
1. Courthouse Demolition.....	COMPLETE.....	\$7,184,400
2. Fire Station Workforce Privacy.....	Active.....	\$2,760,575
3. Seaside Pedestrian Bridge.....	Active.....	\$9,284,233
4. Drake/Chavez Soccer Field.....	Substantially Complete.....	\$2,865,083
5. Low Flow Diversion Systems.....	Substantially Complete.....	\$2,363,493
6. AST at West PD Substation.....	COMPLETE.....	\$779,142
7. El Dorado Nature Center.....	COMPLETE.....	\$759,938
8. Deforest Wetlands Restoration.....	Active.....	\$5,716,980
9. 55th Way Landfill Cover.....	Final Documents.....	\$1,183,413
10. CNG Fueling Station Temple Willow Yard.....	Final Documents.....	\$3,284,010
11. Colorado Lagoon 2B.....	Final Documents.....	\$3,187,369
12. Improvements to Airport Garage (Lot A).....	Active.....	\$4,916,224
13. Willow Springs Wetlands Restoration.....	Substantially Complete.....	\$1,577,715
14. Seaside Park Artificial Turf.....	Active.....	\$850,435
15. Admiral Kidd Park Artificial Turf.....	Active.....	\$1,559,949

Source: City of Long Beach Public Works Department

are often the ones most vocally opposed to mandates such as PLAs.

“I like the labor agreement in keeping things fair and competitive when we’re working in certain markets. Usually, the ones that are totally against [PLAs] are the ones that the owner just wants to keep all that money for themselves,” Brascia said. “I’m on the complete opposite end of the spectrum of that. I want to provide a great opportunity for the employee.”

Brascia did note that he can see both sides of the argument, as smaller businesses might have a difficult time keeping costs down when having to hire union workers from outside their company. He said this might cause them to never bid on these larger jobs, sticking only to those below the \$500,000 mark.

Sean Hitchcock, president of 2H Construction, a nonunion general contractor based in Signal Hill, said PLAs are good for engaging the local workforce but also create more red tape and create hardships for smaller subcontractors. He explained that subcontractors with low employment numbers might have to keep full-time employees at home in order to abide by the 1-1 ratio with union workers.

“As contractors, we don’t only work in one city. We work in several cities in several counties, and we like to be able to keep our own workforce working first before hiring in local,” Hitchcock said. “[However], I don’t think it’s unfair, because everyone is on the same playing field. So I think that’s fine.”

PLAs are not necessary, according to Hitchcock, but he said he understands the benefits of them. Taxpayers in Long Beach would like to think large city projects, such as the new civic center, are providing work opportunities for residents and lowering the city’s unemployment rate, he said.

First District Councilmember Lena Gonzalez explained that a pre-apprenticeship program was created at Long Beach City College last year to build up the Long Beach trades workforce to fulfill PLA goals. Of the initial 250 that began with orientation, 180 went through the entire program and 37 went on to become employed with the local union.

“If you’re going to become a roofer or a tile layer or what have you, it takes a lot of math. And, unfortunately, what we learned from Long Beach City College . . . is the struggle and the challenge had a lot to do with the math curriculum,” Gonzalez said. “A lot of them were not passing math. I think geometry, if we haven’t taken it in decades, is going to be very difficult to pick back up.”

Gonzalez said Pacific Gateway has been working toward a more effective second round of the program by working to tear down those barriers. She said another class of 80 to 100 people will be held this year.

When asked if PLAs put nonunion businesses at a disadvantage, Gonzalez noted that Long Beach’s first PLA project was awarded to a nonunion company, as well as several other projects. She said that is the way of the free-flowing market, and the

PLA is simply ensuring local jobs and better treatment of workers.

An added benefit of PLAs for Long Beach residents is surrounding cities and counties have included Long Beach as part of their PLAs, which means more jobs for locals, the disadvantaged and veterans, Gonzalez explained. She added that the citywide PLA is great for communities struggling through poverty, including many in her district, as well as Councilmember Dee Andrew’s 6th District.

On June 28, city staff released a report that showed hires from Long Beach and the Gateway Cities region performed 41% of the total number of work hours created by PLA jobs. Overall, 78% of work hours went to local hires, which includes Los Angeles County and parts of Orange County, and 14% of work hours went to residents who are disadvantaged or veterans.

The idea of local, disadvantaged and veteran hiring is very important to communities, according to Erik Miller, associate director of PVJOBS, a nonprofit organization that works to place veterans and the disadvantaged in career-track positions, including construction.

“We believe that providing employment is one of the foundational components of helping the at-risk community take the next step of breaking the cycle of poverty,” Miller said. “That’s why the whole job component is key to us.”

When asked if there is any truth behind claims that PLAs might block smaller companies from work, Miller said there is none whatsoever. He said the agreement just reinforces the belief that construction companies should take care of their employees.

Miller explained that unions create a certain amount of stability in regards to pay and pensions, as well as safety for construction workers, which is why PVJOBS supports unions 100%. Between this stability and assisting at-risk communities and veterans, Miller said PLAs are beneficial to all parties involved.

“I think that’s the way that everyone needs to focus their view on PLAs – understanding what their objectives are in principle. Once you understand that, then you can create the infrastructure needed to make them successful,” Miller said. “Unfortunately, that’s the component that has been missing in the City of Long Beach, as there are some infrastructural components that need to be in place to make ours work better.” ■

A photograph of two men in safety gear at a port. The man on the left, wearing a black cap, sunglasses, an orange safety vest, and white gloves, is pointing at a control panel on a large metal structure. The man on the right, also in a black cap and sunglasses, wears a yellow and orange safety vest and has a tattoo on his left arm. The background shows industrial equipment and a yellow safety railing.

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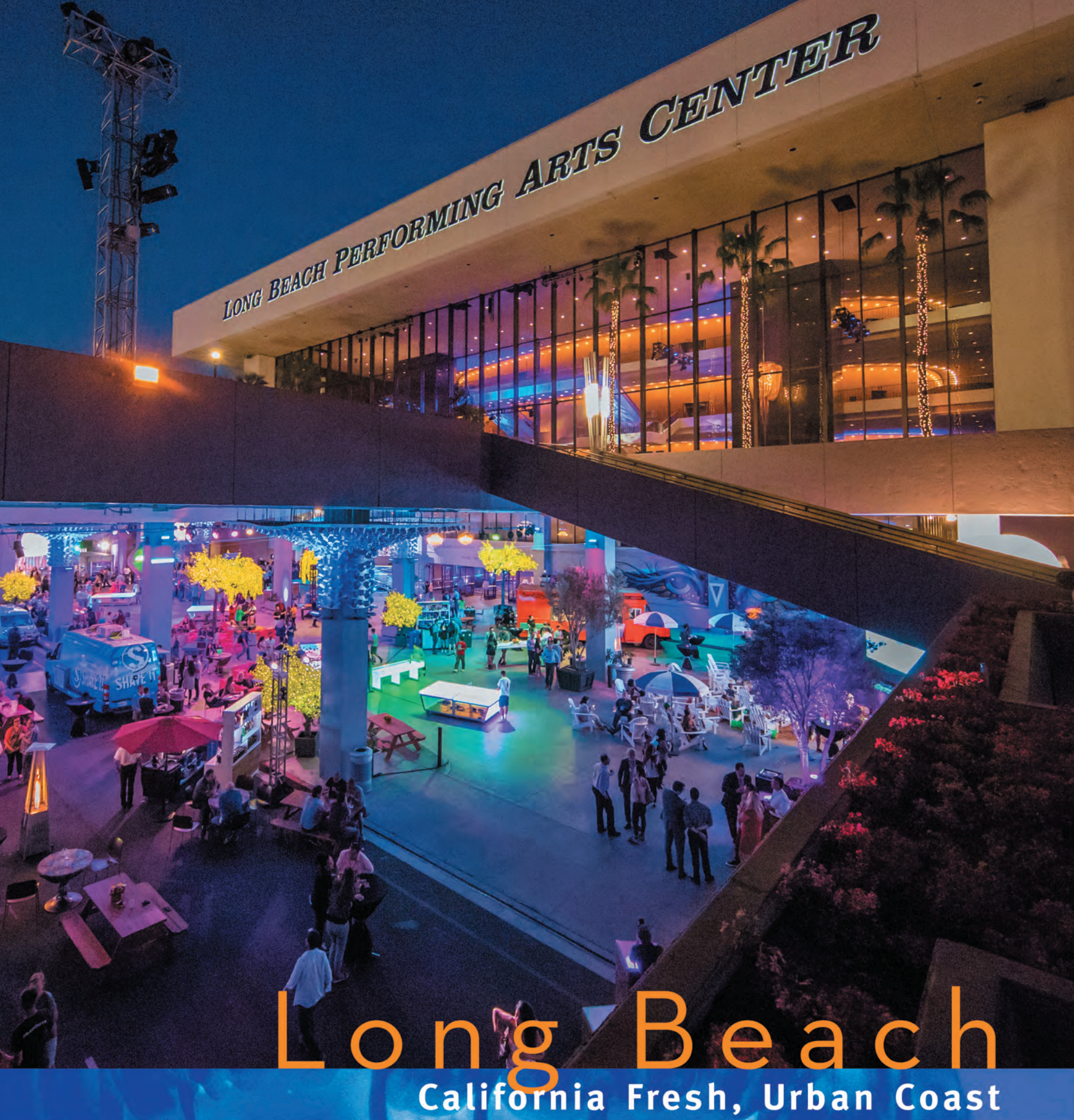
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Managing Long Beach's Tree Trimmings And Other Green Waste

■ By **BRANDON RICHARDSON**
Senior Writer

As the State of California cracks down on environmental issues – with progressive goals to reduce waste and emissions within a relatively small window – the City of Long Beach continues to stay ahead of mandates with various programs citywide. One such program is the diversion of tree trimmings out of the waste stream.

According to Arthur Cox, public service bureau manager, Long Beach has 92,000 street trees (those lining streets between sidewalks and gutters) that require constant attention.

“Annually, we trim about 25,000 trees and remove around 1,000,” Cox said. “This year is a little higher because of the winter storms. We had one event that had 300 trees that failed that had to be removed.”

Whether done by city employees or contractors, Cox said all tree-trimming green waste is diverted out of the waste stream for other uses. In the case of palm tree debris and broadleaf trees, all waste gets picked up by contractors to be processed in a tub grinder and used in landfills as alternative daily cover – a layer of material that covers trash – in lieu of dirt.

For trees more suitable for wood chipping, they are typically broken down by contractors and used in vacant parking lots, community gardens and paths as a form of weed control. Cox noted that this material is a little bulky to be used as a soil amend-



The City of Long Beach has 92,000 sidewalk trees, according to Arthur Cox, public service bureau manager. He said between his department and hired contractors, 25,000 trees are trimmed and 1,000 are removed annually. Pictured from left: Cox; Erin Rowland, Long Beach Environmental Services Bureau (ESB) waste diversion/recycling officer; Elisa Calderon, ESB recycling specialist; Diko Melkonian, ESB manager; and Leigh Behrens, ESB recycling specialist. (Photograph by the Business Journal's Larry Duncan)

ment. He added that in the future, he would like to see the program progress to converting wood to fuel pellets.

The city is divided into 32 grids, and the goal is to trim each tree every fifth year, according to Cox. However, palm trees are an “out of cycle” tree, needing more attention due to how quickly they

grow. Additionally, the city also conducts emergency tree trimming and removals when a supporting limb or entire tree becomes a safety hazard to the community.

The area in which crews work is sometimes dependent on the personnel working on a particular day. Cox explained that some trimmers specialize in canopy or

broadleaf trees, while others specialize in palm trees or large removals.

Through tree trimmings and removals, Cox said about 6,700 tons of green waste is produced annually, split evenly between the city and contractors.

“The city is really striving to figure out ways to manage our waste more effectively

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Between Long Beach's street tree trimming and removal activities, the city generates about 6,700 tons of green waste annually, according to Arthur Cox, public service bureau manager. (Photograph by the Business Journal's Larry Duncan)

and find the best use for the material," Erin Rowland, Long Beach Environmental Service Bureau's (ESB) newest waste diversion/recycling officer, said. "The example of the city collecting all the tree trimmings and lawn clippings in our public spaces is one of the best things we can do, also looking to identify if there are future opportunities for future residential programs as well."

According to Diko Melkonian, ESB manager, green waste composes about 10% of waste generated in the state, making it a significant contributor to the waste stream that needs to be managed. Melkonian explained that lawn clippings at Long Beach parks are not bagged but left to become nutrients for grass. Also, tree trimmings at city parks and golf courses are turned into mulch. These

practices divert another 10,000 to 15,000 tons of green waste from waste streams annually.

"Residential green waste does get mixed with your typical trash and goes to our waste energy facility where it goes through an incineration process that generates enough power to power 30,000 to 40,000 homes a year," Melkonian said. "Then the resulting ash . . . can get mixed

with concrete to be used as a road base or it can be used as alternative daily cover."

Nine years ago, the City of Long Beach had a study conducted to determine if a residential green waste program would be appropriate. At the time, Melkonian said the study indicated the city's carbon footprint was much smaller with its current system. However, he noted that the city is gearing up to recommission another study to identify if there are new opportunities available or if the current system is working.

Leigh Behrens, a recycling specialist with the ESB, said residents already can participate in green waste diversion in multiple ways. Homeowners can take advantage of the water department's Lawn-to-Garden program and receive rebates for converting grass lawns to drought-tolerant landscaping, which reduces grass clippings and yard waste. The city also presents free composting workshops, which teach people to turn their green waste into compost to be used as soil improvement in home gardens.

State laws, such as AB 1826, are holding certain businesses responsible for organic waste such as food. Businesses will soon be required to arrange for green waste recycling through local trash haulers.

"It's important to us as a city that if we're going to talk the talk when it comes to going green and being sustainable, we feel that it is also important to walk the walk," Behrens said. "Our residents do an amazing job at diverting waste. We are well below the state-mandated waste goal right now. We're just always looking to expand and go toward a zero-waste goal." ■

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Since January 1, 2017, State law (AB 1826) requires businesses that generate at least 4 cubic yards of organics per week to arrange for organics recycling services. Organics include food, yard trimmings, nonhazardous wood, and food soiled paper.



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



ENVIRONMENTAL SERVICES BUREAU

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Cleaner, More Efficient Power Plant Breaks Ground In Southeast Long Beach

■ By **BRANDON RICHARDSON**
 Senior Writer

A groundbreaking ceremony on July 21 marked the beginning of a \$1.3 billion development project by AES Alamitos, a subsidiary of The AES Corporation, dubbed the Alamitos Energy Center (AEC). Upon completion of construction, the project calls for the demolition of the existing plant, including the 200-foot towers located off of Studebaker Road, beginning in 2021.

“Having the opportunity to be here, to reinvent this facility, is so important to me. We don’t just work here – we live here, we educate here, we’re raising our families here,” Jennifer Didlo, president of AES Southland, said during the event. “This is a very special project. I think other projects around California are connected to their community, but we are extra connected to this community.”

The new natural gas-fueled power plant is a replacement of the current plant, which has been in operation since the 1950s and provided more than 1 billion megawatt hours during that time. To avoid disruptions in service, the old plant will continue to operate until the new facility is complete.

After years of planning and review, the South Coast Air Quality Management District and the United States Environmental Protection Agency approved permits for the proposed project in April.

Initial construction is focused on one natural gas-fired, combined-cycle power block capable of generating 640 megawatts of power. This power block is



AES Alamitos celebrated the groundbreaking of a 640-megawatt natural gas-fired power plant and 100 megawatt battery energy storage system at 690 N. Studebaker Rd. in Southeast Long Beach on July 21. Pictured from left: Stephen O’Kane, president of AES Alamitos Energy, LLC; Jennifer Didlo, president AES Southland; Steve Berberich, president and CEO of California Independent System Operator; State Assemblyman Patrick O’Donnell; 3rd District Councilwoman Suzie Price; and Ken Zagzebski, president AES U.S. Strategic Business Unit. (Photograph by the Business Journal’s Brandon Richardson)

scheduled to enter service during the first quarter of 2020. If AES acquires more power purchase agreements, an additional 400-megawatt power block would be constructed on the site, to begin operations

late in 2022. If built to full capacity, the 1,040-megawatt facility would be capable of power about 1.5 million homes and businesses.

“This is going to be a tremendous asset for Southern California. It’s a long time coming,” Assemblyman Patrick O’Donnell said. “This long process is indicative of the fact that both AES and the California Energy Commission followed a very thorough, fair and transparent process that led to the approval of this AES project.”

O’Donnell said the plant will assist in helping California reach its ambitious environmental goals of cutting 50% of emissions by 2030. Additionally, he explained that the new plant will eliminate the use of ocean water and use 70% less fresh water for cooling purposes, which is in line with a regulation passed in 2010 by the State Water Resources Control Board.

In addition to generating power, the AEC project includes the construction of a 100-megawatt battery energy storage system, which allows for more integration of renewable energy sources such as wind and solar. AES and Edison have an agreement for the use of the energy storage, and if more agreements are made, AES will construct two more 100-megawatt storage systems. The system is up for approval by the Long Beach Planning Commission at its August 3 meeting.

“California is going through a major transition. We have about 10,000 megawatts of solar producing right now. We have several hundred megawatts of wind producing right now. Geothermal and all kinds of other renewables [are] on the grid,” Steve Berberich, president and chief

executive officer of California Independent System Operator (ISO), said. “Over 67% of the energy being used is from renewables here in California – a truly remarkable thing for the sixth, rapidly becoming the fifth, largest economy in the world.”

According to Berberich, ISO controls about 80% of the high-voltage energy grid in California, which equates to about \$9 billion of power that is traded back and forth. He explained that the energy storage system allows for renewable energy to be collected and stored to be used when the wind isn’t blowing and the sun isn’t shining. This allows for power plants to be used less often, thereby cutting more emissions and leaving a smaller footprint.

The new power plant will be able to begin and stop operations in minutes rather than hours, Berberich explained, which allows for renewables to be better utilized. Because it will not take as long to start the plant back up if needed, there is less hesitation to shut down the plant when renewables are strong.

Third District Councilmember Suzie Price said her primary focus was on identifying potential impacts on the community and how to mitigate them. AES was a great community partner and provided much-appreciated community outreach, according to Price.

“I’m very happy to report that based on the conclusion of numerous experts, there are no impacts which will be unmitigated as a result of this project. That’s a really big deal for the community that lives in the immediate vicinity,” Price said. “They are a part of our culture, and they are looking for ways to help mitigate any concerns that we all have, which is really all you can ask for as a city leader.” ■



City’s First ‘Certified Blue Restaurant’

The Long Beach Water Department’s Jenyffer Vasquez, manager of the city’s Certified Blue Restaurant (CBR) program, congratulates Alex Taing, owner of Boba Tea House at 1336 W. Willow St., as the first eatery to be certified by meeting specific water use efficiency standards. According to Vasquez, the program “helps restaurants save water, energy and money on their monthly utilities and contributes to our community’s sustainable lifestyle.” Taing, whose restaurant has a sticker on his window indicating his facility is certified, added, “Saving water is in all of our best interest. We want to show our neighbors that we’re doing our part to save both water and energy. Every restaurant can benefit from this program; it’s good for our city!” Interested restaurants can enroll at register.lbwater.org/restaurants to receive a no-cost, on-site efficiency survey, free water efficient devices (if eligible) and an assessment for other possible rebates. Once certified, restaurants receive a free branded “brag” kit to show off their pride in being water use efficient; the kit includes coasters, window clings, stickers and more. (Photograph by the Business Journal’s Larry Duncan)

Governor Signs Legislation Extending Cap-and-Trade Bill

Business Groups Divided On Whether It Will Harm, Help Their Constituents

■ By **SAMANTHA MEHLINGER**
 Assistant Editor

California's cap-and-trade program, which requires companies to purchase permits in order to emit greenhouse gases, was officially extended to 2030 when Gov. Jerry Brown signed Assembly Bill 398 on July 26. The program was first put in place in 2006 by Assembly Bill 32, which also set requirements for overall greenhouse gas emissions reductions statewide. It was originally slated to sunset in 2020.

The cap-and-trade program was created as a means for the state to achieve its greenhouse gas reduction goals, which were made more aggressive last year by an update to Assembly Bill 32 passed via a senate bill.

Assembly Bill 398 was lauded as a good compromise between many business and environmental interests such as the California Chamber of Commerce and the Natural Resources Defense Council. But support for the bill was not unanimous. The National Federation of Independent Businesses, which has 22,000 members in California, was against it, and so was the California Environmental Justice Alliance, among others.

Assemblymember Patrick O'Donnell, who represents Long Beach and was critical of how cap-and-trade dollars were being managed in an interview with the Business Journal last year, found the legislation to be a solid compromise.

"Understand that we lost people on the far left and on the far right, which is an interesting dynamic," O'Donnell said. "You don't see that too much in Sacramento, so that tells me we have probably got a good, workable piece of legislation. There was lots of input from the environmental and the business community. I think we have landed in the right spot."

The bill extended a sales tax cut for manufacturing businesses and provided for some tax breaks for the agriculture industry, provisions which helped get more Republicans and more of the business community on board with the legislation.

"One of the key pieces of this bill also was the fact that we were getting an extension of the sales tax exemption on manufacturing equipment that basically was going to sunset in 2024," Gino DiCaro, vice president of communications for the California Manufacturers & Technology Association (CMTA), told the Business Journal. "But this bill pushes it to 2030. Without that sales tax exemption, California is one of the few states that would actually tax those purchases," he explained.

"We were in support of AB 398 because, basically, California had already established a goal of carbon reductions that was going to be very difficult to attain," DiCaro said. Senate Bill 32, passed last year, requires the reduction of greenhouse gas air emissions to at least 40% below 1990 levels by 2030.

"A market-based cap-and-trade program was simply the least expensive way for the economy, especially a manufacturing-

based economy, to reach its goals," DiCaro said. "We actually had a study done that showed that under a cap-and-trade system, reaching our 2030 goals would be about \$2,500 less on an annual household than it would be if California had gone [with] command and control measures without a market-based cap-and-trade."

NFIB's California branch, however, opposed the legislation. "Why we are opposed, and the problem that we have with the legislation, is that it extends a program which is going to have a devastating impact on costs to small business owners and costs to consumers in the form of increased fuel prices and gasoline prices . . . which go into all the goods and services we consume," Shawn Lewis, state communications director for the organization, said.

Lewis said that fiscally conservative, nonpartisan estimates have shown that the cost of gasoline could increase 45 cents to \$1 due to the cap-and-trade program. "California emits less than 1% of all greenhouse gas emissions in the world. Yet we are the only state in the country or any state in the world that has a system like cap-and-trade," Lewis said.

"So, had the program expired, the argument was you're going to get a much more expensive command and control [system] from the government," Lewis continued. "That is just a false argument, because the legislature has the power to change the law. And so, if we can't meet these greenhouse gas emission levels without hurting working families and small business own-

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Long Beach Water

(Continued From Page 25)

ers, I would argue and NFIB would argue. . . maybe we should take a step back and ask if this is the right policy.”

While other major business organizations supported the legislation, Lewis pointed out that NFIB is different in that all its members are small, independent busi-

nesses. “There is no question that business – our members, our 22,000 small business owners – have a self-interest in protecting the environment. Many of our business owners rely on clean air or clean water to run their business,” he noted.

What Lewis takes issue with is the cost of the cap-and-trade program to those businesses and how the funds from the program are being put to use. He pointed out that significant funding goes to the state’s high-speed rail project and for subsidies for state residents to purchase Teslas.

AB 398 included provisions to create more oversight of how the California Air Resources Board (CARB), a state body, allocates funds generated by the cap-and-trade program, which it oversees. The legislation establishes the Compliance Offsets Protocol Task Force, which would provide guidance to CARB in creating new protocols that would increase greenhouse gas emissions offset projects with environmental benefits. It also creates the Independent Emissions Market Advisory Committee, which would hold an annual public meeting and report annually on the “environmental and economic performance” of the cap-and-trade program.

When interviewed by the Business Journal last fall, O’Donnell was also critical of how cap-and-trade funds were being allocated. He noted the bullet train was one such project.

“What I am hearing [is] a lot of the legislators are advocating that the greenhouse gas dollars, the cap-and-trade dollars, be directed toward disadvantaged communities,” O’Donnell said. “I am not necessarily opposed to that. But there has to be a nexus

between how the dollars are collected and how they are spent. . . .

“The money needs to go to reduce greenhouse gases. Take the ports. They are not in a disadvantaged community. Arguably they impact disadvantaged communities,” O’Donnell pointed out. “So, when we can’t give money to the ports to clean the equipment because we have got to give it to a disadvantaged community next door simply because it’s labeled ‘disadvantaged,’ that doesn’t necessarily reduce greenhouse gas emissions. So I’m really watching closely where the spending is going to land on this.”

O’Donnell said he has spoken with the governor, who took his notes about directing cap-and-trade funds to the San Pedro Bay ports. “Let’s treat the cause, not the result,” he said. “And understand, there are people in Sacramento who are fine with just spending money in their communities. That’s pork. I am not interested in pork. I am interested in cleaning up the air and supporting the business community at the same time.”

The legislature also passed legislation that would, if approved by voters in 2018, require a two-thirds vote for allocation of cap-and-trade generated dollars beginning in 2024. That is a higher threshold than currently required, as O’Donnell noted. “The idea being, between now and then, if this program goes off the rails and starts spending money in areas where there is no nexus to clean air, that it will again require a two-thirds vote,” he explained. “And that was mainly pushed by the Republicans, but it is something I am supportive of. Again, we need to maybe take a look at this program every several years and see what direction it’s taking.” ■

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Rotary Club Of Long Beach Convenes Weekly Meeting At Rotary Centennial Park In Central Long Beach

On Wednesday, July 26, more than 100 members and guests of the Rotary Club of Long Beach convened their regular weekly meeting at Rotary Centennial Park in Central Long Beach to celebrate the gift they gave to the city in 2005. That year, the Club marked the 100th anniversary of Rotary International by entering into a private-public partnership with the city to create recreational space on a former Pacific Electric Red Car Railway right-of-way. The 1.2-acre award winning park is now a "ribbon of green" that features a solar system theme with planets and a stainless-steel sundial sculpture. Other park features include a fenced tot-lot and three play structures, one of which was funded through a Rotary International matching grant in partnership with the Rotary Club of Celaya, Mexico. Pictured, from left, are: Steve Keesal, current Rotary Club of Long Beach president; Karen Wall Garrison a local artist in charge of the Centennial Park planet installation restoration; Mollie Beck, Centennial Park Restoration chair; and Phillip, Rotarian and local artist who designed and created the park's planet walk. (Photograph by the Business Journal's Larry Duncan)



Rotary Club Of Long Beach Continues To Celebrate Its 100th Anniversary

Fourth District Councilmember Daryl Supernaw joined Steve Keesal, the 101st President of the Rotary Club of Long Beach, in welcoming back to Rotary Centennial Park guests who included those who were instrumental in the early planning and creation of the park. The event was part of a year-long commemoration of the 100th anniversary of the Rotary Club of Long Beach. Founded in 1917, it is the oldest service club in Long Beach. Pictured atop playground equipment, from left: Councilmember Supernaw; Kay Cofield, past president of Rotary and former Centennial Park chair; and Cindy Sawn, Rotary Centennial Park chair. Pictured at bottom are: Jim Worsham, past Rotary president 2002; Keesal; former Long Beach Mayor Beverly O'Neill; Mollie Beck, Centennial Park restoration chair; Theresa Bixby, wife of Mark Bixby, Centennial Park Chair during planning and opening 2002-2005 and Rotary President 2003-2004; and Phil Hester, former director of the Long Beach Parks, Recreation and Marine Department. (Photograph by the Business Journal's Larry Duncan)

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Grand Prix Contract

(Continued From Page 1)

the annual street race. The other proposal was by World Auto Championship California, a group led by Chris Pook, who founded the Long Beach Grand Prix in 1974 and headed the GPALB until the end of 2001.

If the city council approves the staff recommendation – tentatively set to be heard at the August 8 city council meeting – then GPALB President/CEO Jim Michaelian and IndyCars will have beaten back an attempt by Pook to return Formula One race cars to city streets. Michaelian's group will then negotiate a contract with the city, expected to be for at least five years with a five-year option.

Pook argued that the race needs to change to Formula One cars – which competed in Long Beach from 1975 through 1983 – in order to achieve the “highest and best use for the city.” Michaelian countered that his group is a “known quantity and a community asset,” stressing “we deliver.”

Reached for comment, Michaelian said, “We’re very delighted to have been identified by the city’s selection committee as the most qualified firm to continue promoting and operating the annual Toyota Grand Prix here in Long Beach. This is the first but important step in the continuation of the extraordinary partnership which we have had with the city for the last 43 years. And we look forward to final approval when the city council considers this matter in a few weeks.”

IndyCar CEO Mark Miles told Sports Business Journal, “We are delighted that after an in-depth process the City of Long Beach as concluded that the long history of successful IndyCar racing and our commitment to building on this track record is the way forward. Jim Michaelian and his team are excellent race promoters who deliver on their commitments and always keep the best interests of the citizens of Long Beach top of mind. They deserve the city’s confidence and support.”

When asked to comment about the city staff’s recommendation, Pook told the Business Journal, “We’re not sure they understand what would be the best use and best economics for the city. We think they probably must have missed a lot – we don’t know. We’re all kind of surprised at it. I think everybody is surprised. Certainly the international people are surprised. But it is what it is and we move on. Long Beach is Long Beach, you know. It’s not an Auburn, it’s not a Montreal, it’s not a Singapore, it’s not a Beijing – it’s Long Beach. There will be a race in the Southern California market; it’s just a shame it won’t be in Long Beach. It is what it is. It’s their city and they are certainly entitled to do what they want to do with it.”

Pook added that he may be out of town August 8, but expected a representative of his group to attend. “I’m sure there will be questions of us from the council,” he said.

In recommending the GPALB, the committee, in a memo dated July 24, stated that the group was “able to demonstrate their ability to perform and excel in all of the criteria categories,” and it “was the best proposal in fully demonstrating the ability to deliver a race and providing the breadth or depth of information required related to financial stability, race implementation, marketing plan, minimizing negative impacts, and conformance with the terms of the RFP.”

The two proposals were reviewed by KPMG Corporate Finance LLC, which pro-

vided operational, technical and financial analysis. Additionally, the committee – made up of economic development staff and an outside consultant – conducted two rounds of follow up questions with each group. Then one-hour interviews were conducted with representatives from five city departments and a special events representative from the City of Los Angeles Office of the Mayor.

According to the city memo, the proposals were evaluated based on the following criteria: demonstrated competence; experience in performance of comparable engagements; expertise and availability of key personnel; financial stability; conformance with the terms of this RFP; extent of increase to revenues/economic impacts; extent that negative impacts to business/residents are minimized; innovative marketing plan/planned activities; support from sanctioning body (Formula One/Indy Car). ■

Mayor Garcia Raises Nearly Quarter Of A Million Dollars For Reelection Campaign

■ By **GEORGE ECONOMIDES**
Publisher

Mayor Robert Garcia has raised \$241,000 since he announced his reelection campaign in mid-April. According to campaign staff, that is the most money ever raised in a June reporting period for mayor or any municipal candidate in the history of the city. The campaign reports for all candidates must be public and online after July 31. The primary election is next April.

“I wake up everyday proud to lead our city and ready to get to work,” Mayor Garcia said in a prepared statement. “I’m so grateful to all our supporters who are pow-

ering our campaign.” Garcia, who is seeking his second four-year term, is the youngest mayor of any big city in America, according to the statement. To date he is running unopposed.

Earlier this month, Garcia received the endorsements of former mayors Beverly O’Neill and Bob Foster, as well as those from the Long Beach Police Officers Association and Equality California. Additionally, he has the backing of the Firefighters Association and the Long Beach Area Chamber of Commerce Political Action Committee, neither of which endorsed him in 2014.

In a prepared statement, Randy Gordon,

(Please Continue To Page 33)

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The San Pedro Bay ports represent the center of the relationship between the United States and China, according to Clayton Dube, executive director of the University of Southern California's U.S.-China Institute. Pictured on left is the Port of Long Beach's Middle Harbor Redevelopment Project for Long Beach Container Terminal, a division of Hong Kong-based Orient Overseas Carrier Line. At left, construction is underway on the replacement for the Gerald Desmond Bridge, which will allow larger ships to enter the harbor. (Photograph by the Business Journal's Samantha Mehlinger)

U.S.-China Trade

(Continued From Page 1)

keys to how the relationship between the two economic powerhouse countries would play out in the coming years.

Clayton Dube, executive director of the University of Southern California's U.S.-China Institute, noted that trade tensions between the two countries have become more apparent in the wake of China's perceived unwillingness to assist in reeling in North Korea's nuclear proliferation.

"President Trump was perhaps the most China-obsessed candidate for president in American history," Dube said. "And then he had this bromance with [China] President Xi Jinping. As recently as just a week ago, he described Xi Jinping as a friend, a great man doing great things for China. Like himself, he loves his country," he recounted.

"Repeatedly, President Trump said, 'We're counting on China'. Counting on China for what?" Dube continued. "For North Korea. For Chinese help in trying to address nuclear proliferation on the




Korean peninsula. And that didn't amount to much."

The Chinese do not believe it is in their best interest to intervene with North Korea, according to Dube. "And with that disappointment, what have we seen in the last couple of weeks? A ramping up of U.S. China trade tensions."

Dube explained, "North Korea is entirely dependent on China for trade. Eighty-five percent of its international trade is with China. And so, China does hold those cards. But China doesn't consider pushing North Korea to be in its interest."

As a result, talk of a trade war with China is gaining traction, according to Dube. "I don't think a war is likely. I am guardedly optimistic about all of the great things that already exist in the U.S.-China trade relationship," he said. "I expect most of that to continue. I expect this to be a rocky relationship – for there to be discreet episodes of tension, be it over aluminum, steel, something like that. But we are quite literally married. And it's not a relationship that you can walk away from."

Dube noted that the U.S. made two pol-



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"You know on the side mirrors they say, 'Objects in mirror are closer than they appear?'

In a way, that reminds me of how I see China."

Taylor Shields, Director of the International Trade Administration's Office of China and Mongolia, in acknowledging that China is gaining on the U.S.

icy decisions that were "unforced errors" (a phrase he borrowed from the sport of tennis) in dealing with China. The first was the Obama administration's decision not to support the Asian Infrastructure Investment Bank, which the Chinese were pushing for foreign governments to invest in because of its role in financing the One Belt One Road Initiative. (OBOR). That initiative involves billions of dollars in infrastructure projects to connect as many as 60 countries and stimulate trade and economic growth. As a later panelist explained, the idea is based upon the historic Silk Road.

The second error was the Trump administration's decision to withdraw from the Trans-Pacific Partnership (TPP), a trade deal hashed out by the Obama administration that was meant to open up trade between Pacific Rim countries. "The United States would have been a big beneficiary with TPP. And TPP would have represented something for the Chinese to aspire to," Dube said.

Malcolm McNeil, a partner in the Los Angeles law firm Arent Fox and the co-chair of the American Bar Association's China Committee Section on International Law, said he did not believe a trade war would erupt between the United States and China, despite political tensions. "Both countries have the best interest in mind that they don't do anything that destabilizes the relationship for trade. So that is going to govern policy," he said.

While the U.S. wants China to assist with North Korea, McNeil said China also desires something from the Americans — reducing its "aggravation over currency manipulation." The International Monetary Fund has found that China manipulates its currency, which the American government has taken issue with, he explained.

As a lawyer specializing in business, litigation and transactional matters on an international level, McNeil said a major issue for clients has been difficulties accessing Chinese markets. "I have had clients that have wanted to go in with franchising agreements and into retail operations, and [they] have been rebuffed and stopped in China," he said. "And they have not been able to get real estate agreements, leasing agreements."

But McNeil said President Xi Jinping appears willing to "put the best foot forward for China overseas." A treaty between mainland China and Hong Kong was signed in June, which is a step forward, according to McNeil. "What it is (Please Continue To The Next Page)

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VMWare Software Maintenance	ITB TI17-106	08/07/2017
Upgrade of HVAC System - West Div. Police Station	R-7099	08/09/2017
Early Childhood Education Strategic Plan Facilitator	RFQ EP17-120	08/09/2017
Transportation and Disposal of Electronic Waste	RFP TI17-097	08/10/2017
Building Seismic Resiliency Program	RFP DV17-111	08/15/2017
Employee Healthcare Benefits Consultant/Actuary	RFP HR17-104	08/15/2017
Develop & Implement Traffic Calming Measures for Traffic Exiting the I-710 into Long Beach	R-7053/R-7056	08/16/2017
Willow Street Pedestrian Improvements	R-7064	08/16/2017
As-Needed Emergency Plumbing Services	ITB GO17-116	08/17/2017
Temporary Medical Staffing Agencies	RFP HR17-115	08/17/2017
Pot Hole Patch Trucks	RFP FS17-069	08/29/2017
STIHL Chainsaws & Repair Parts/Services	ITB LB17-114	08/31/2017
Qualification and Selection of Peer Reviewers	RFQ DV17-112	Continuous

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

Bidder Registration

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

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U.S.-China Trade

(Continued From Page 31)

meant to do is, to make things easier for trade and resolution of issues, and it is meant to try and take care of some of the administrative difficulties we have had," he said.

"I have flown to China to meet with people and to work out administrative snafus or mysterious things that seem to be holding up a business going forward," McNeil said. "And this agreement makes it very clear that those things should not happen."

Dennis Lee, an accountant and executive vice president of the Hong Kong Association of Southern California, argued that while China's investment in the OBOR could present challenges to the U.S., overall, he viewed the initiative as a good thing. He noted that American companies have billions of dollars in contracts for the project to provide equipment to create new infrastructure, as well as to provide energy such as liquefied natural gas.

"By 2050, this is a projection, the Belt and Road region aims to contribute 80% of the global GDP growth and advance three billion more people into the middle class," Lee said. "China is very open to really having different countries to be part of it," he added, noting that China's goals in the project are "financial integration, trade investment and cultural exchange."

Still, the expansion of economic power that the project would bring to Asia does present a challenge to the United States.

"I would say that this is definitely a challenge that we can manage. We cannot ignore the fact that China's size and trading status is really quickly shaping the economies and the general politics of Asia," Lee said. "Washington must really be engaged in the world as well. We cannot really afford to take a backseat on that front. We have to work with China."

Taylor Shields, director of the International Trade Administration's office of China and Mongolia, acknowledged that China is gaining on the U.S. "You know on the side mirrors they say, 'Objects in mirror are closer than they appear?'" In a way, that reminds me of how I see China," he said.

"When you look at the economic statistics of China, it is truly amazing. You have the second largest economy in the world, which is larger than the U.K., Germany and Japan put together," Shields said. "It now has the largest middle class in the world. It has the largest number of cars being sold in the world. It has more billionaires than the United States. It is the largest market for e-commerce and will soon be the largest market for Hollywood films and aviation," he explained. "So, it is truly amazing how much it has grown in the last few years and what its trajectory is."

China is happy with the status quo in its relationship with the United States, according to Shields. "China is very happy with the status quo. They have a huge bank account thanks to a large trade surplus," he said.

(Please Continue To The Next Page)



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“The president has been very clear, and Secretary [of Commerce] Wilbur Ross has been very clear, that the trade balance is unsustainable. Unsupportable. And it is massive,” Shields said. “How do we get reciprocity? How do we get more access to the Chinese market in order to reduce that balance?”

There are two options, according to Shields: blocking Chinese imports, or increasing America’s market access in China. There has already been some progress on the latter front, he noted. “American beef is now flowing into China. Liquefied natural gas is now open in those markets,” he said. Considering

that the president has only been in office for a matter of months, “that’s pretty amazing progress on things that normally take years to work through,” he said.

“It’s still early days. . . the president is still getting his team in place, he is still working with Congress. That is a challenge by itself. But give it time,” Shields said. “Let’s see if we can actually get the leverage we are looking for in order to get the market access that we need and get more companies selling into China, which has been the goal all along. Reduce the trade deficit in a positive way, instead of in a negative way through trade war or barriers.” ■

Mayor Garcia

(Continued From Page 29)

president/CEO of the Long Beach Area Chamber of Commerce, said the PAC is supporting Garcia because, “He has been an outstanding leader for Long Beach and his record speaks for itself with once-in-a-generation development projects underway and continued enhancements for the small business owner.”

The Long Beach Fire Fighters Association issued the following statement: “The men and women of the Long Beach Firefighters Association 372 are proud to stand with Mayor Robert Garcia because he’s made restoring public safety a top priority.”

The Business Journal will conduct its annual interview with Mayor Garcia next month. Anyone with a question for

the mayor may e-mail it, anonymously if desired, to info@lbbj.com.

As previously reported, all five councilmembers in the odd-numbered city council districts have announced they are seeking a second four-year term. Long Beach has a two-term limit for the mayor and city council positions, but write-in efforts for additional terms is allowed under the City Charter.

The city has three other positions elected citywide, none of which have term limits. City Prosecutor Doug Haubert has filed paperwork for another term. He was elected in 2010 and reelected in 2014. City Auditor Laura Doud – who is completing her third term as auditor – is expected to announce soon that she is seeking four more years. City Attorney Charles Parkin, first elected in 2014, is also expected to run for a second term. ■



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The Convention Center's New 'Cove' And Its Roots In TED

■ By **SAMANTHA MEHLINGER**
 Assistant Editor

Beneath the Terrace Theater Plaza, past and present elected officials, visiting writers from out of state and guests from all over the City of Long Beach and beyond gathered for the opening of The Cove, a new outdoor, covered event space at the Long Beach Convention & Entertainment Center.

Among these guests were Katherine and Janet McCartney, co-founders of PDW, the company responsible for producing TED events, including the TED conferences held at the center from 2009 to 2013. It was these conferences that inspired The Cove and the \$60 million in improvements made to the convention center over the past few years.

Sitting at a picnic table in a street party-like atmosphere, munching on grub from one of several food trucks doling out goodies to guests at the event, Katherine McCartney reflected on the space and its influences derived from TED, a nonprofit organization dedicated to technology, entertainment and design. TED is internationally known for its TED Talks, informal talks driven by innovative ideas that are given by individuals from all walks of life.

"I just went down a little trip down memory lane when Charlie [Beirne, general manager of the convention center] took us on a tour to show us all the changes," McCartney said. "And many we suggested, and some have been completely from the ground up. Because I think what happened is that we came into Long Beach and used the facility differently than anybody had ever thought of before. So it invoked innovation and change."

Pillars in The Cove are outfitted with light fixtures meant to mimic barnacles. Sea stars dot the ceiling, which is equipped with contemporary chandeliers and built-in stage lighting. The Terrace Theater Plaza and Lobby above the space have also been equipped with stage lighting, as has the Pacific Room at the Long Beach Arena, which now also features a theatrical rigging grid.

"So, what happened is that you fused together a number of venues, and they play really well together for any meeting planner," McCartney said of the center's improvements. "And then you upgraded them and spent money on capital facilities that a meeting planner would usually have to bring in at an additional cost. . . . It means that people can come here and expect a certain level of service and standard and still be profitable with whatever they are doing. So, I mean, I just think it is big kudos to Long Beach for actually listening to their clients."

McCartney said that the set of venues within the convention center is unique within itself. "Well, when I recommended for TED to move to Long Beach, we wanted to be on the West Coast," she recalled. "We wanted to be seaside if we could. We wanted to be close to a major airport. We wanted to have great facilities and flexibility. We wanted to be able to work with a community who would respond to all of our unique requests and not roll their eyes but actually take that as an official request and run with it." ■

The Cove Gains National Attention From Event And Meeting Magazines

■ By **BRANDON RICHARDSON**
 Senior Writer

On the heels of being named one of Successful Meetings magazine's top 25 most influential people in the meetings industry, Steve Goodling and his staff at the Long Beach Area Convention & Visitors Bureau are making headlines again with the city's latest event space – The Cove.

The new event space is located on Seaside Way just outside the convention center's Seaside Ballroom. Placed beneath an underpass, the unconventional space attracted the attention of Successful Meetings, as well as Convene, the magazine of the Professional Convention Management Association (PCMA), the largest network of meeting planners. The East Coast publications each had writers present during The Cove's grand opening event on July 20.

Barbara Palmer, senior editor and director of digital content at Convene, said the magazine flew her in from Brooklyn because the space exemplifies the industry's shift away from traditional environments such as ballrooms.

"People are really looking at the fact that the things that you remember are emotional connections you make to spaces, when you go somewhere and have more of an experience where there's lights and color and trees and breezes," Palmer said. "I think this space is particularly remarkable because it's basically an underpass and a porte-cochère that's been transformed."

One area in which Long Beach is leading the meeting and convention world, according to Palmer, is creating places that are technically equipped to promote an immersive experience. She explained that an event planner typically has to rent lighting, chairs, tables and just about everything else separately from the space. However, the Long Beach Convention & Entertainment Center invested in everything necessary – including fire pits, a sound system, ping pong tables and lighting – to host an entirely customizable event.

When discussing the design of the new space, Palmer said it was fantastic because it allows planners the flexibility to host a Southern California beach party-type event or a more formal get-together. She also noted the space provides ample areas for guests to just be together and chat.

"There's just a lot of colors and textures. I think just the ability to create an intimate party space in an underpass is really using the center as a canvas," Palmer said. "One of the other reasons we really wanted to come was to look at the downtown because the neighborhoods have become so well developed and it's walkable. [Visitors] want to feel like they had an experience of the city so it's not like another meeting, another color of carpet on the ballroom floor."

Terri Hardin, an industry freelance journalist working on assignment for Successful Meetings, also attended the event. A former editor of New York magazine, Hardin now lives in Palm Springs and made the drive to Long Beach for the grand opening celebration.

While convention centers nationwide are essential and put their own style into meetings and events, Hardin said Long Beach puts everything into each event. This passion is the reason Long Beach has become a contender with Anaheim, Los Angeles and San Diego, according to Hardin.

"It's important to see this iteration of another use of the convention center because one of the things that Long Beach does best is really use every single piece of space that they have and use it very resourcefully and, I would say, use it very lovingly," Hardin said. "A lot of heart goes into what goes on here. Creators are painting, creators are putting together an ambiance, and it's very unusual to see."

Upon opening, Hardin said many convention centers immediately begin planning expansions because more space is needed. However, The Cove, she said, shows a new perspective on creating spaces that cater to the ever-expanding and evolving quantity, quality and diversity of meetings. Hardin explained that the utilization of every single bit of square footage to create memorable events for convention, meeting and event visitors makes them happy, which creates a buzz that leads to an increase in leisure tourism and economic growth.

Hardin also explained that Long Beach is unique in that the community is engaged in events and gives feedback that is crucial to the success of the convention center, which is important because visitors need to feel welcomed when they encounter locals.

"There are some places that really don't get what tourism – and specifically meetings tourism – is doing for them in terms of their economic impact, in terms of spreading the word so that people come and say they had a great time in Long Beach and did this, this and this," Hardin said. "That is really what meetings and conventions are to a destination – the ambassador to leisure tourism." ■



Barbara Palmer, left, senior editor and director of digital content at Convene magazine, and Terri Hardin, an industry freelance journalist working on assignment for Successful Meetings magazine, attended the July 20 grand opening of The Cove, a new outdoor event space at the Long Beach Convention & Entertainment Center. Both publications are based on the East Coast. (Photograph by the Business Journal's Larry Duncan)



Several hundred people gathered on July 20 to celebrate the city's newest event space – The Cove – including, from left: Ron Nelson of the Long Beach Museum of Art; James Whale and Ryan LaRosa, co-founders of Commune Communications; and Steve Goodling, president/CEO, of the Long Beach Area Convention and Visitors Bureau. Goodling is the individual who conceived the idea of taking underutilized space at the Long Beach Convention & Entertainment Center and transforming it into flexible space that is adaptable to a variety of uses.

The fun atmosphere celebrating the opening of The Cove included balloon items made to order, body painting and games such as table tennis.

All photographs by the Business Journal's Larry Duncan

(The following copy is from the POW! WOW! Long Beach website)

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Learn more about Native American Pow Wows at www.powwows.com.



Press conference announcing POW! WOW! Long Beach 2017 was held in mid July. (Long Beach Convention & Visitors Bureau photo)



Before and after photographs of work by artists Dulk and Bryan ‘Blue’ – Wall on Pine Avenue, facing Seaside Way. Dulk is an all-purpose artist from Valencia, Spain. “His work reflects a surrealistic landscape full of imaginary details and is present all over Europe and the U.S.” Bryan ‘Blue’ is popularly known as “BlueTheGreat,” and is originally from Dallas. He is known for his signature Mummy design which is a very common feature in his works. “Before” photo provided by the Long Beach Convention & Visitors Bureau; “After” photo by the Business Journal’s Larry Duncan.



Kevin Lyons is a creative director, illustrator and artist based in Brooklyn. His “cartoon-like drawings are youthful and bright in hopes to inspire the younger generation to be positive and achieve the impossible.” Here, his work connects with a new vegan eatery, Seabirds Kitchen, at 967 E. 4th St. “Before” provided by the Long Beach Convention & Visitors Bureau; “After” by the Business Journal’s Larry Duncan)



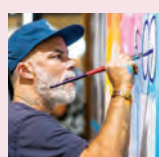
POW! WOW! Long Beach 2017 includes work located throughout the city by the following artists. For more details, including a map, visit: www.powwows.com



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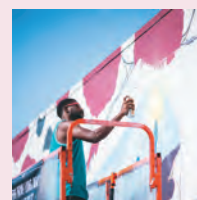
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BODECK HERNANDEZ

Redondo Avenue & East 3rd Street



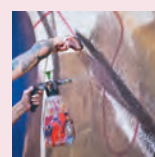
Lyons

DAVE VAN PATTEN
 2913 E. Anaheim Street
DULK & BRYAN ‘BLUE’
 Wall on Pine Avenue and facing Seaside Way
EZRA ONE
 3630 Atlantic Avenue
KEVIN LYONS
 967 E. 4th Street
MINA HAMADA
 366 Pine Avenue
NATE FRIZZELL
 517 E. 1st Street
NIELS SHOE MEULMAN
 3711 Atlantic Avenue



Nosego

NOELLE MARTINEZ
 Atlantic Avenue & E. Del Amo Boulevard
NOSEGO
 1000 E. New York Street
RYAN MILNER
 4306 E. Anaheim Street
SPARC
 5917 Atlantic Avenue
TRAV MSK
 1401 E. Anaheim Street
TATIANA SUAREZ
 628 Alamitos Avenue
THE DRACULAS
 918 E. 4th Street



(Continued From Page 1)

at anything, it's when I hear, 'Oh, the decline.' People will say 'the decline of newspapers' like it's the decline of media and the whole industry." This, he said, is the real "fake news."

Archbold is one of the longest employees of the Press-Telegram (P-T), the now 120-year-old Long Beach paper that first brought him to the city in 1978 with his wife, Pat, his one-year-old daughter (they later had a second daughter) and their dog, Pebbles. In that time, he has seen the city go through periods of turmoil and rebirth – just as he has within the P-T itself.

Archbold's first industry job was in 1960, when he started as a reporter for United Press International in Lincoln, Nebraska. But, as the seasoned newspaper man will tell you, this was far from his introduction to the industry he has devoted his life's work to.

"Well, I like to tell people that I was born with ink in my veins," he said. "And every once in a while when I get cuts, I show people: 'See that? That's not red. It's black.'"

Archbold was one of eight children raised in a Catholic family just outside of Chicago. After his mother died in 1944 from complications that developed after gall bladder surgery, he and his four brothers and three sisters went to live with his grandparents nearby.

"My hero turns out to be my grandfather, who said, 'We are not going to split those eight kids up. We are going to take care of them,'" Archbold recalled.

He was six years old. "My grandmother, who invented tough love, she had chores for us to do on a metal board in the kitchen. 'Now, Richard, before you go play baseball, you've got to clean your room, clean the basement, cut the lawn.' All that stuff. And she also made me get a paper route."

In the first grade, Archbold became a paperboy, a task which started his lifelong habit of waking up at 4 a.m. each morning. "You know, I was throwing the papers on my little bike, and I did that well. The only tough times were the winter months when [there was] ice and stuff, but that toughens you up," he said.

Archbold graduated from a bike route to stuffing papers and then to delivering bundles for paper routes by car. He grew to love the smell of newsprint.

"But my first real episode in learning about the impact of journalism was in high school," Archbold said. As a freshman, he joined the school paper. "One of my first assignments was to interview the principal, whose name was Fred Biester. And the kids all called him 'The Beast' because he was a big guy. . . . He was probably 6'3" or 4", but to me he was like Shaquille O'Neal."

The Beast turned out to be pretty friendly, Archbold noted. "This is what got to me. When I leave his office, I am surrounded by about 15 or 20 kids who knew I was going in there. And guess what they wanted to know? They wanted to know what was he like. 'What did he say? How did he do it? Did he yell at you?'" he recalled. "And I am thinking, Hey, this is kind of neat. People want to know, from me, this information. And I am the only one who has it. They are all afraid to go in and talk to him. . . . So it was the first time I came into contact with myself kind of being the source of information that I could give to other people."

Archbold graduated as editor of his high school newspaper, an accomplishment that landed him a place at the University of Illinois' newspaper when he arrived there as a freshman in 1956. "I picked three fraternities to rush. And so, the active [members] would always come out of the house as you came in, and they would shake your hands. And this one guy shakes my hand and pulls me aside, and he says . . . 'I see you were editor of your paper in high school.'"

That guy turned out to be Pete Weitzel, city editor for the college newspaper and son of Chicago Daily News columnist Tony Weitzel. Archbold joined both the paper and Phi Kappa Sigma with Weitzel, who became one of his longtime mentors.

Because Archbold was gaining journalism experience working on the newspaper, he never took a journalism course in college, instead opting to major in political science and minor in history. At the paper, he eventually worked his way up to the position of editor.

In his senior year, Archbold drew outside media attention when he published a letter from a biology professor relaying what turned out to be a controversial opinion about a couple of students who were frustrated about not being able to have sex. "And he basically said, 'What is the matter with those stupid students? All you have to do is go down to your neighborhood drug store and get some rubbers.' . . . Now, it was stated a little better than that. He said, 'You have to be responsible.' But his basic point was just get some condoms and there was no stress involved. Nobody is going to get pregnant."

Archbold called up the professor and asked if he really wanted the letter printed. "He said, 'If you have any guts, you will run it.' So, I ran it. And on the basis of that he got fired because a guy . . . sent a letter to the parents of every freshman and sophomore girl at the University of Illinois – which is in the thousands – a three-page letter basically call-

ing him a communist. And [saying] this is what communists do, they destroy the social fabric of the United States and [so on]."

The story was picked up by Chicago's major newspapers and the Associated Press (AP) and United Press International (UPI). "So I come in contact with AP and UPI, and they both ask me, 'What are you going to do when you graduate?'"

In 1960, Archbold went to work for UPI in Lincoln, Nebraska. While working for the newswire service from '60-'62, he joined the National Guard as a reservist. "I hate to say this, [it was] to escape the draft," Archbold said of the decision. "I joined the National Guard and I took their program of six years as a reservist, six months active duty and then five and a half years of reserve duty. And so, I spent my six months at Fort Leonard Wood in Missouri learning how to shoot and throw grenades."

While at UPI, Archbold broke the news that Nebraska's governor, Ralph Brooks, had unexpectedly died – a break that led him to be hired by the Omaha World Herald in 1962, where he stayed for three years covering the local courthouse and city council.

In 1965, Archbold sent a note to his old fraternity brother Pete Weitzel, who was working at the Miami Herald, to let him know he was looking for a change and to ask for recommendations about where to go. "He ends up saying, 'We got a job at the Miami Herald.' And it was as the metro reporter," Archbold said.

He took the job and drove from the Midwest to the East Coast, where he had never been. "I'm in the snowstorms in Omaha and through the southern states. And when I get to Miami, I go swimming in the Atlantic Ocean. I thought I had died," he said.

"From 1965 to 1977, I'm at the Miami Herald, first as a reporter covering this super government. It was called Metro-Dade [County] government. And then I became an assistant city editor, then government editor and then city editor, and then managing editor in the Broward County bureau, which is [in] Fort Lauderdale."

It was the time of the space race, the Cuban missile crisis, and a Cuban refugee crisis brought on by the regime of Fidel Castro – an exciting time to be in the news industry in Miami, Archbold said. "I at one time sat down at my desk and was in between two Pulitzer Prize-winning reporters. . . . I said to myself, 'You have got to ratchet this thing up a little bit.' You know what I mean? I would read their stories in awe."

It was at the Herald that Archbold met his wife, Pat. "I was in the newsroom, and she worked in HR, which is on-call personnel. And she had the best legs in the building," he recalled. "That would have been around '69 maybe or so. I am thinking, God she is good-looking. But I couldn't do a lot because I'm in the newsroom and I am really busy." Eventually, Archbold finally asked her out. "She went home, she told me later, and tells her roommate, 'I just met the man I'm going to marry.'" And they did – in 1972.

Long Beach And The Press-Telegram

In 1977, Archbold received a call from Larry Allison, then-editor of the Press-Telegram, who wanted to see if he would be a fit for managing editor at the Long Beach paper. This was a year after the Los Angeles Times published an article calling the ethics of the Press-Telegram into question for links to local politics. At the time, this was about all Archbold knew of the paper, which, like the Miami Herald, was owned by Knight Ridder.

"Long story short, Miami, our corporate headquarters, they send a guy out to investigate [the allegations by the Times]. And they discover that, yeah, some of it was BS but some of it was stuff being done that we probably shouldn't have done," Archbold said. "They basically cleaned house."

The paper paid to fly Archbold out to Long Beach to meet with Allison about the job – an offer he said he fully expected to turn down. But after a few meetings, sight-seeing and a Dodger's game, Archbold was sold. "I ended up coming because I figured it was a bigger job – a little bit [of a] smaller pond but a bigger job. And we came out and never looked back."

When Archbold arrived, Long Beach was enduring some challenges. "It was terrible. Pine Avenue had all those crappy stores, and the porn theater was still there," he said. Prior to his arrival, Pine Avenue had lost many of its major retailers and auto dealers to the cities of Lakewood and Cerritos, he noted.

As the city struggled to a degree, the Press-Telegram began having its own difficulties as the "golden age" it had experienced in the '50s faded. "Anyway, the revenue fell to the point where Knight Ridder sold the Press-Telegram in 1997. They put us on the auction block. Singleton bought us," Archbold said, referring to William Dean Singleton, founder of MediaNews Group. "I looked on that as saving the damn paper."

Singleton had a reputation for buying papers that were not performing well financially and then cutting costs. "Let's see, that was '97. You know, the Navy base was closing. McDonnell Douglas was in trouble. There was huge upheaval going on. And some of his advisors we found out later were telling them, 'Don't buy Long Beach. It's a pain in the ass.'"

During a meeting with Singleton and other MediaNews Group executives, talk turned negative, Archbold recalled. “Larry [Allison] raises his hand – he can’t take this anymore. He gave one of the most eloquent speeches I have ever heard about the future of Long Beach,” Archbold said.

“And he says, ‘I can’t believe what I am hearing here. We are talking about a city that is on the Pacific Ocean. It has 10 miles of beach. It has got beautiful weather every day of the year.’ . . . He basically was saying this is one hell of a place to produce a newspaper,” he recalled. “And Dean will tell you, he will tell you to this today, that it was because of Larry’s speech that he bought the Press-Telegram.”

Allison was the person in Long Beach that Archbold looked up to the most, he noted. “I don’t want to say we were like brothers, but I guess we almost were. He is just this wonderful guy who taught me all kinds of stuff. He was smart. He had a great sense of fairness. A great sense of newspapering and local news coverage. So, he is number one.”

When MediaNews Group took over the P-T, the atmosphere at the paper was one of nervousness, Archbold recalled. Everyone re-interviewed for their positions, and nearly all of them were rehired. Some had their pay cut. Archbold became executive editor and was able to assist in making some of those decisions, a role he said was tough.

“I mean, I didn’t use the argument, ‘Be glad you got a job.’ But it sort of bordered on that. It was sort of like, ‘He is keeping this paper alive.’ Which he did then, for many years,” Archbold reflected.

The P-T is now part of the Southern California News Group, formed in 2016 after Digital First Media and its Los Angeles News Group acquired Freedom Communications. Digital First Media formed as the result of a merger between MediaNews Group and the Journal Register Company in 2011.

Archbold became the P-T’s public editor, a title he selected, in 2013. In this role, he writes editorial opinion pieces and a weekly column for the paper’s editorial page, as well as handling readers’ letters to the editor and op-ed opinion articles. He also represents the paper around town at events and forums.

In his time in Long Beach, Archbold has seen quite a few highs and lows for the city. The lows: the closing of the Naval base, the loss of tens of thousands of aerospace jobs, and the shuttering of Boeing’s C-17 Globemaster III program. “All those people – all those Douglas people, the Naval people – [were] loyal to the Press-Telegram,” Archbold said. “But it wasn’t just because of the impact on the paper. There was a huge devastating impact on the city.”

Now, Archbold said the city is experiencing a true rebirth, citing new buildings underway throughout the city (including the civic center), the success of Douglas Park, revitalization in the downtown area and a low unemployment rate.

Still, there are matters of concern. Gentrification is an issue at hand in Long Beach at the moment, and along with it, issues of affordable housing, rent control and more, Archbold noted.

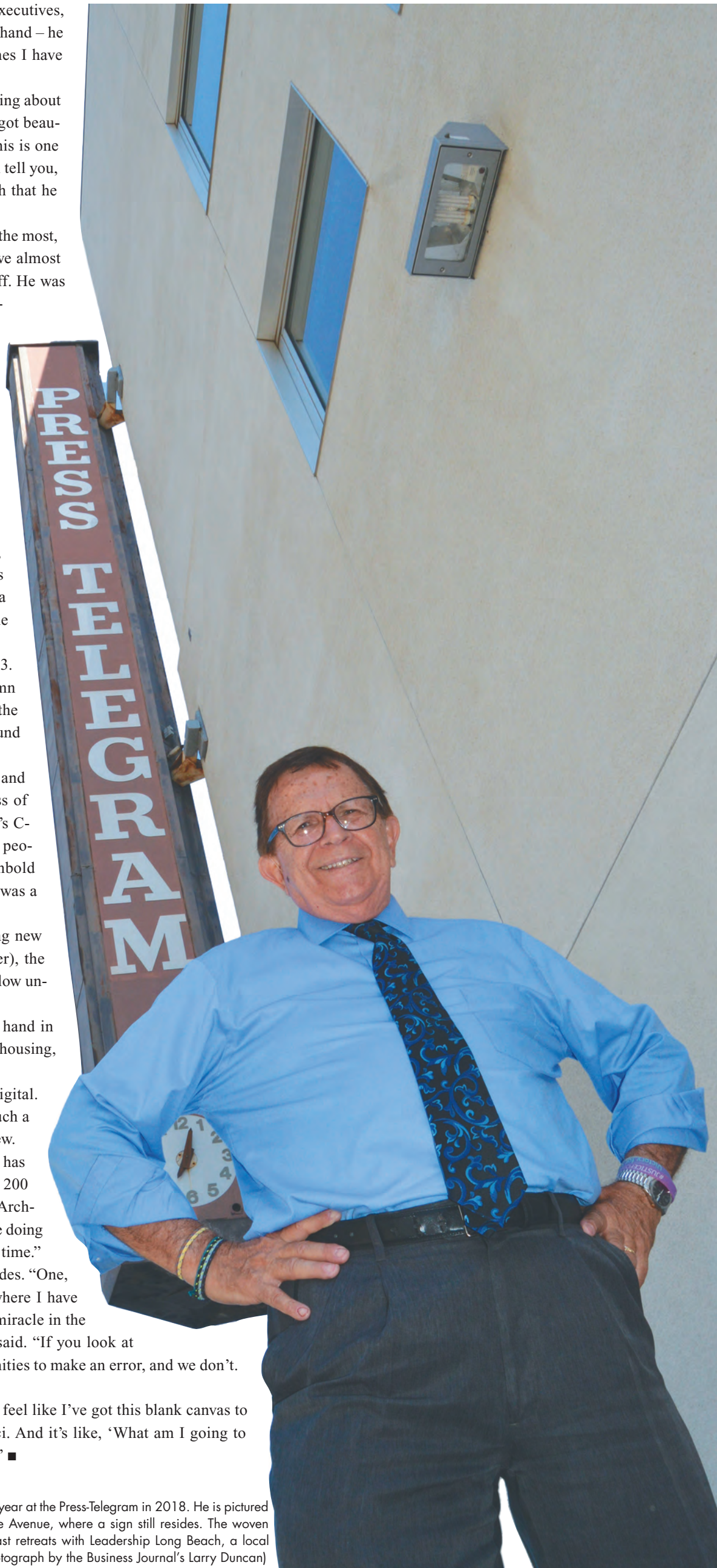
In 20 years, Archbold expects all print media will have gone digital. While some argue that online advertising is not viable to sustain such a model, Archbold pointed out that digital media is still relatively new.

“There is no question that online digital advertising revenue so far has not kept pace with the old print. But with the old print, we had over 200 years of experience and businesspeople who grew up with print,” Archbold said. “We will deliver the news anyway we can, and I think we’re doing a hell of a job there. . . . It’s an evolution that is going to take some time.”

Archbold hasn’t lost any passion for journalism through the decades. “One, to me, it’s a daily miracle. I have always called the newspapers where I have worked – Omaha, Miami, but especially in Long Beach – a daily miracle in the sense that what we’re putting together is almost miraculous,” he said. “If you look at the hundreds of thousands of times just in one edition, the opportunities to make an error, and we don’t. I mean to me, that’s a miracle, for God’s sake,” he added.

“What I feel like every day when I get up – and this is no BS – I feel like I’ve got this blank canvas to work on. Like I am Michelangelo or somebody like that. Da Vinci. And it’s like, ‘What am I going to paint today?’” he said. “I mean, I really can’t think of a better job.” ■

Public Editor Rich Archbold will mark his 40th year at the Press-Telegram in 2018. He is pictured at the former headquarters of the P-T on Pine Avenue, where a sign still resides. The woven bracelets on his wrist are mementos from past retreats with Leadership Long Beach, a local nonprofit organization near to his heart. (Photograph by the Business Journal’s Larry Duncan)



Small Business Showcase – Lakewood Boulevard & Stearns Street



Points Of Light

After apprenticing at another shop, Rhapsody Hooks opened Points of Light, a metaphysical store, at 4358 Stearns St. on October 31, 1995. Hooks began practicing Wicca because it's an earth-based religion that focuses on nurturing, caring and understanding, as well as being femininely inclined. "I am a ridiculously honest person. If you need somebody to stroke your ego, I'm not your girl," Hooks said. "But if you want to get down to the nitty-gritty, if you want to actually resolve an issue, then we'll talk." Aside from selling metaphysical products such as candles, crystals, stones, herbs, incense and oils, the shop has a reader and a reiki healer, offers seminars, and teaches runes and tarot reading, development and meditation. As an elder high priestess of Ptah and Sekhmet, Egyptian deities of the Kemet religion, Hooks said the most important service she provides is her knowledge base and candor. She explained that she teaches Wicca because it is a good introduction to the metaphysical world and allows for other religions to be practiced simultaneously. "Points of Light is not like any other store, even any other metaphysical store," Hooks said. "A lot goes on here. A lot of compassion, a lot of love – sometimes tough love." For more information, visit www.pointsoflight.com or call 562/985-3388.

Blondie's

Nancy Barling bought a building near Lakewood Boulevard and Stearns Street in 1986 and opened Anton's Design Salon next door to the Copper Door, a long-standing Long Beach watering hole located at 2259 N. Lakewood Blvd. When the bar's lease was up, the owner did not renew. Barling decided to renovate, and she reopened the bar as Blondie's on Valentine's Day in 1998. "It's hard to believe it's been that long. It goes by quick," Barling said of the bar named for her old nickname. "It's a tough business, but it can be a lot of fun too. You meet a lot of people. It's a lot of work, but it's a good business." Barling has five bartenders, and her niece helps her with management duties. Opening shortly after the city banned smoking in bars, Barling said the outdoor patio has been a huge success from day one. The bar offers daily drink specials, has a pool league three nights per week and shows sports on the numerous TVs. Barling said she will also sometimes raffle off tickets to Dodgers or Angels games. "We just try to keep active in the community because we're in kind of an odd location. But it's always worked out really well, so I can't complain." For more information, call 562/498-2661.



Corked

While attending the University of California, Los Angeles to become a lawyer, Daniel Dib's father passed away. This changed the course of Daniel's life. Dib went to work for his then-fiancee's father at a liquor store for \$10 per hour. Before long, Dib was running his own store in Bel Air, which he quickly sold to open Stearns Liquor at 4360 Stearns St. in 2011. He opened a second location at 4100 Atlantic Ave. in 2015 and changed both store names to Corked in August 2016. "Craft beer has always been our thing," Dib said. "We did add a nice wine cellar. And whiskey and bourbon has always been a passion of mine, and we expanded upon that." Dib now has five employees at the Stearns location and boasts between 1,500 and 2,300 craft beers at any given time, as well as about 400 wines and 600 whiskeys and bourbons. "The craft beer community in Long Beach is amazing, and many of them have become my friends and are who I hang out with," Dib said. "It's funny, that interest and that passion kind of takes over, and you'll be surprised who can be friends with who when you have a love for craft beer." For more information, visit www.corkedonline.com.

Encore Hair Studio

After owning a hair salon called Hair Werx on the corner of 7th Street and Ximeno Avenue for 20 years, Karen Dodge relocated her business to 2200 N. Lakewood Blvd. The salon was renamed Encore Hair Studio and has been operating at its current location for the last six and a half years. "I just love doing hair," Dodge said. "It's instant gratification – communicating with people on a good level, a happy level." The shop offers haircuts, styles and colors, as well as eyebrow threading, nails and eyelashes, basically everything other than facials, which Dodge said there is not space for in the shop. Dodge said that the new location near popular breakfast joint The Potholder and a busy animal hospital has been great for business. Between her and 10 employees, Dodge said the shop sees anywhere between 200 and 250 clients per week. Six months after opening Encore, Dodge said she brought on partner Anthony Escoto to help run the shop. When asked what her favorite aspect of owning the hair salon is, Dodge said, "The interaction with the people – the clients, the stylists, the reps. It's not always rosy, that's for sure, but it keeps it interesting." For more information, call 562/597-8961.



Support Local Small Businesses

House To Home Furniture

In 1967, Gregg Munro's parents opened Wall Units on the corner of Lakewood Boulevard and Stearns Street. In 1992, the family took over the building across the street and opened Munro's Furniture, eventually opening a second location in Costa Mesa. The Great Recession forced the family to close the businesses, but selling furniture was in their blood. Gregg and his brother Kent opened House to Home Furniture at 2198 N. Lakewood Blvd. at the original store location, leasing the building from their parents who retained ownership. "Neither one of us had ever done anything else as far as jobs go," Gregg said. "We'd been working in the business since we were 14 years old." The family run store is just under 20,000 square feet, and the brothers currently have eight employees. Gregg said the store's best-seller since opening has been Stressless Recliners and that the shop specializes in custom and special orders. "Most stores nowadays when you walk in, the sofas and things come in one fabric or finish, at best maybe two or three choices," Gregg said. "Whereas we have sofa lines with over 800 fabrics to choose from, so we can kind of customize it to fit your needs." For more information, visit www.house-to-home-furniture.com.



The Broken Comb Barber Shop

After relocating to Long Beach in 1998, Jeff Farley spent years tending bar in the city and working random construction jobs. Farley began helping the owners of Razorbacks Barbershop and was eventually coaxed into attending barber school. "I worked at Razorbacks for five and a half years, and I opened my spot here," Farley said. "I've been a professional barber for seven and a half years. I came up in that shop and built a pretty good clientele." The Broken Comb Barber Shop has been open at 2205 N. Lakewood Blvd. since April 15 and has not slowed down since. Farley rents out the second chair in his shop to Danny Leon, and between the two barbers, the shop has about 100 clients per week for haircuts and straight razor shaves. The shop's name is derived from an old Irish superstition in which finding a comb on the ground is a bad omen because of their connection to banshees. According to legend, the only way to break the omen is to break the comb. "We're not trying to be famous. We're just trying to be good barbers. I don't want the cliché rockabilly shop. I don't want the cliché punk rock shop," Farley said. "I just want to be the good neighborhood barber that everyone loves." For more information, call 562/294-6220.



The Potholder Cafe P3

The Potholder has been a Long Beach staple for breakfast and lunch since 1973, as far as current owner Kevin Pittsey can tell. He began working at the original location at 3700 E. Broadway in 1993 as kitchen manager. After earning a degree in food service management, he was promoted to general manager and eventually bought the restaurant in 2004. In 2012, a second location was opened at 301 W. Broadway, and in 2015, P3 opened at 2246 N. Lakewood Blvd. "I live nearby and know that spot well from being the old OK Burger, and then it was a vegan eatery for a while," Pittsey said. "I knew it was a tough spot, but I also knew that there were no good breakfast places anywhere in that area. It's surrounded by residential for miles." P3 offers the same menu and prices as the other locations. However, a majority of the seating is on the large patio, which seats between 80 and 90 people, while inside seats about 20, according to Pittsey. "You can literally park and walk onto the patio with your dog or whatever and never feel like you're actually in a restaurant," Pittsey said. "It doesn't feel like a restaurant. It just feels like a large patio at a park or something." For more information, visit www.thepotholdercafe.com.





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The Port of Long Beach was recently named Best North American Seaport by the readers of Asia Cargo News, an honor we've received for 19 of the past 22 years.

Here in Long Beach the greenest, most advanced and efficient cargo-moving technology is coupled with unrivaled customer service.

We're proud to be recognized as the best as we keep working hard to build the Green Port of the Future.



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