

## New Action Committee Fires Back After Claiming Local Community Group Has 'Launched An Attack' On Property Owners



Elaine Hutchison, right, and Joani Weir have teamed up to create an action committee in Long Beach to fight for the rights of property owners. The committee claims that Josh Butler, executive director of Housing Long Beach, has "launched an attack" on property owners' rights. (Photo by the Business Journal's Larry Duncan)

By **BRANDON RICHARDSON**  
Staff Writer

**W**ith rents skyrocketing around the city, community groups are looking for a means to eradicate slumlords and implement programs to protect renters' rights.

Since 2013, Housing Long Beach, a nonprofit organization led by Executive Director Josh

Butler, has been pushing for a Rental Escrow Account Program (REAP) like Los Angeles implemented in 1988.

In L.A., if a property owner is found to provide tenants with substandard living conditions, the property is placed in REAP and tenants may pay a reduced rent into a city-managed escrow account until inspectors determine the violations have been corrected.

Last year, instead of REAP, the Long Beach City Council voted unanimously to enact the Proactive Rental Housing Inspection Program (PRHIP) to "safeguard the stock of decent, safe and sanitary rental housing" in the city through mandatory periodic inspections of rental properties.

While Butler acknowledged that PRHIP was a good starting (Please Continue To Page 13)

## Low Interest Rates Forecasted To Persist, Driving Buyer Demand For Residential Properties

By **SAMANTHA MEHLINGER**  
Senior Writer

**A**lthough an improving economy usually triggers increases in interest rates, such has not been the case in the United States over the last couple of years. Financial and real estate experts, as well as economists, agree that continued global uncertainties are keeping rates low and are likely to do so well into 2017.

Low interest rates are putting pressure on demand for residential real estate, both in the single-family and multi-family markets, according to local real estate professionals. Homebuyers are seeking to take advantage of lower home mortgage payments, while investors in apartments hope to capitalize on steady cash flows af-

forded by lower rates and payments coupled with increasing rental rates.

"For the last couple of years, we

have been in an interest rate situation that is very atypical," Robert Kleinhenz, economist and execu- (Please Continue To Page 16)



Robert Camerota, senior vice president of residential lending operations for Farmers & Merchants Bank, said he doesn't expect interest rates to increase significantly in the foreseeable future. (Photograph by the Business Journal's Larry Duncan)

## Long Beach Sales Tax Measure Voters Draw A Line In The City

By **GEORGE ECONOMIDES**  
Publisher's Analysis

**A**map by a local consulting firm plotting the final results of the June 7 Long Beach sales tax measure shows that most of the opposition to the tax increase came from residents living in Northeast Long Beach, with heavy opposition from the Los

Altos area, Naples and other parts of East Long Beach.

On January 1, 2017, the city's sales tax moves to 10% from the current 9% – an 11.1% tax increase. The new revenue is to be used for the city's public safety and infrastructure needs.

While the measure passed easily citywide – 60% to 40% – a dis- (Please Continue To Page 32)

## Jess Romo Named Airport Director



Jesus "Jess" L. Romo is the new director of the Long Beach Airport, effective September 6. City Manager Pat West announced the appointment on July 29.

Romo has been serving as interim deputy executive director of Los Angeles World Airports, overseeing operations and emergency management at LAX, and has also served as director of airport operations for Ontario International and Van Nuys airports.

"Mr. Romo is an accomplished aviation professional who will provide strong leadership and strategic planning for Long Beach Airport," West said in a press release. "He will work collaboratively with all stakeholders, including the community, tenants and our commercial and general aviation partners."

In the same release, Romo said he is "committed to being an approachable and responsive steward of this great airport." He earned a bachelors in psychology from UC Irvine and a masters in industrial psychology from CSU Los Angeles. He also holds the designation A.A.E. – Accredited Airport Executive. ■ – Business Journal Staff

## Americans With Disabilities Act – 26 Years On, The Court Battles Continue

By **MICHAEL GOUGIS**  
Contributing Writer

**T**he parking lot at Coast Auto Care & Tires isn't a parking lot in the common usage of the term – it's a driveway into the service bays. Therefore, there is no designated parking area set aside for spaces that are accessible to people with disabilities.

That set of circumstances has become an issue in federal court.

The civil lawsuit, filed in June

in the Central District of California, U.S. District Court, against the Long Beach auto repair facility shows that 26 years after the passage of the Americans with Disabilities Act, litigation remains the way that specific issues of access for the disabled are resolved.

And in California, despite efforts to reform the system, enforcement of compliance still takes place through what one court called "serial litigation" against public agencies and pri-

vate businesses. This has left public agencies, but especially business owners, footing the bill for enforcement and compliance actions.

(Please Continue To Page 9)

## Understanding The School District Bond Measure

By **GEORGE ECONOMIDES**  
Publisher

**L**ocal voters are being asked to support a \$1.5 billion school district bond measure to not only complete the work of the earlier bond Measure K approved in 2008, but to ensure that all of the K-12 facilities are in the best (Please Continue To Page 8)



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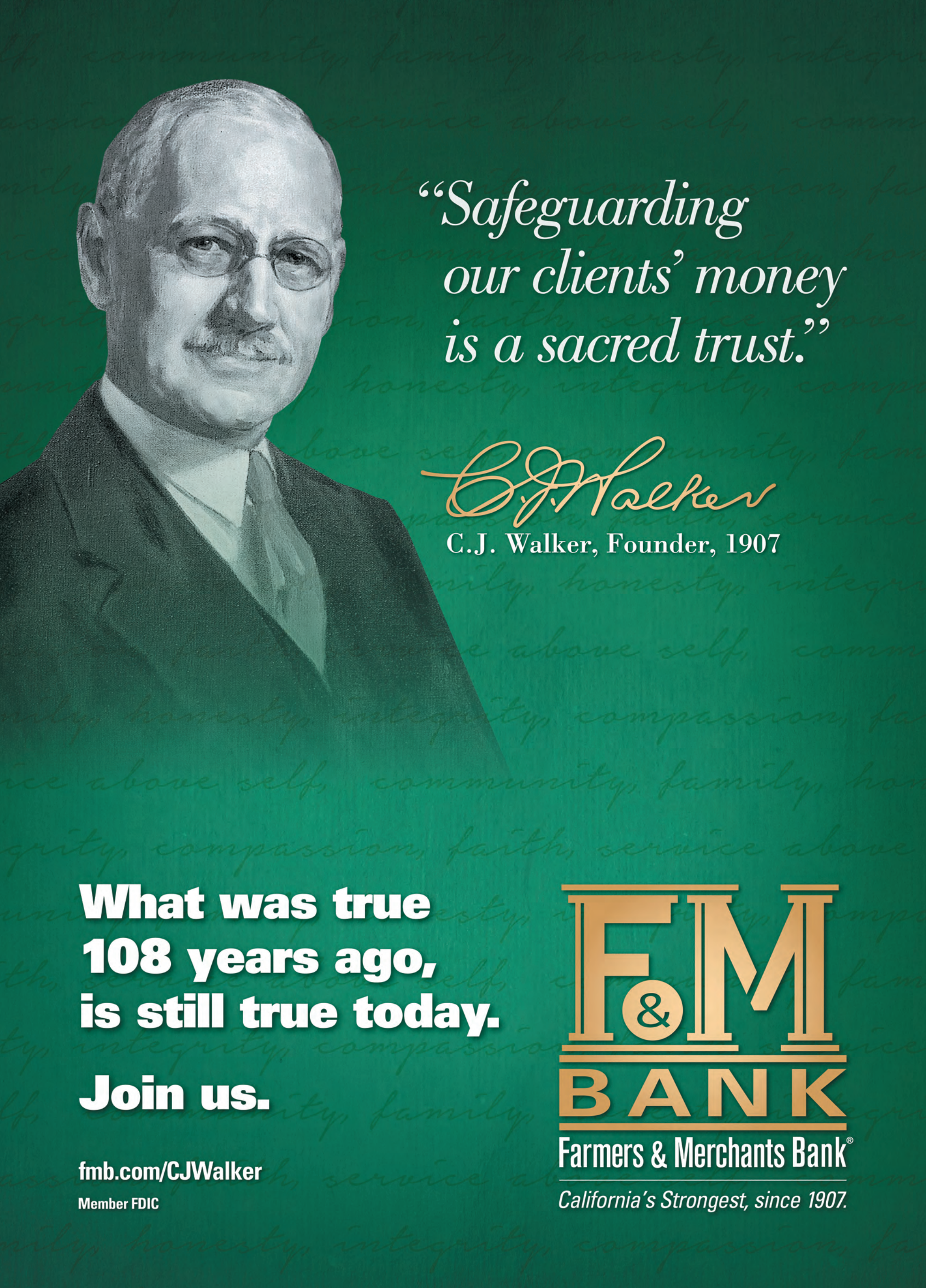


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# City Council Takes Steps To Place Marijuana Taxes On November Ballot

■ By **SAMANTHA MEHLINGER**  
Senior Writer

On July 19, the Long Beach City Council unanimously passed a motion by Vice Mayor Rex Richardson to begin steps to place an initiative for the taxation of marijuana businesses on the November 8 ballot. The initiative would compete with the taxation portion of another proposal that has qualified for the ballot based on resident signatures.

Richardson's motion was to request City Attorney Charles Parkin to prepare documents to place an initiative on the ballot that, if passed by voters, would establish a 6% gross receipts tax on medical marijuana dispensaries. By majority vote, the city council could increase that tax to a maximum rate of 8%. The sale of non-medical marijuana for adult use would be subject to an 8% gross receipts tax, which the council could increase to a maximum rate of 12% by majority vote.

If passed, the proposed ballot initiative would also enact a 6% gross receipts tax on Long Beach businesses "that engage in the manufacture, testing, processing, distributing, packaging or labeling of marijuana or marijuana-containing products, medical or nonmedical, for wholesale to other retail

marijuana businesses that sell those products to customers," Richardson said at the meeting. That tax could be increased to a rate of 8% by a majority vote of the city council.

Additionally, the initiative would "establish a tax of \$12 per square foot of space dedicated to the cultivation of marijuana over the canopy area," Richardson said. A majority vote of the city council could raise that taxation rate up to \$15.

When 3rd District Councilmember Suzie Price asked if Richardson's initiative would compete with the marijuana regulation initiative that has already qualified for the ballot, City Attorney Charles Parkin said that only the portion related to taxation would conflict. Per election code, if the city council-proposed initiative receives more votes, its taxes would be put into effect, he explained.

Richardson called the proposal balanced and modest. He emphasized that revenue from the proposed taxes would offset city costs and "ensure a public benefit." ■

## New Station For Transit's Electric Buses Slated For Convention Center

■ By **SAMANTHA MEHLINGER**  
Senior Writer

The Long Beach Transit (LBT) Board of Directors approved a \$1,465,314 contract for the design and construction of a station

for the LBT's new fleet of battery electric buses on July 25. The station is to be located at the Long Beach Convention & Entertainment Center. The contract, which includes a 10% contingency, was awarded to Culver City-based Fast-Track Construction, the same firm that built LBT's Transit Gallery in downtown in 2010.

The new bus station will feature charging equipment for the fleet of zero-emission buses, which are being manufactured by Chinese-based corporation BYD at a plant in Lancaster. The buses include a system called Wireless Advanced Vehicle Electrification. An inductive plate is to be installed to the bottom of the buses, and corresponding charging pads are to be installed at the

new bus station to charge the vehicles during a 10-minute stop, according to LBT documents.

A few months ago, LBT received the first of these buses, which it has been using for testing and training. At the July 25 meeting, Rolando Cruz, executive director and vice president of maintenance and facilities at LBT, said that the remaining buses are nearing completion on the assembly line in Lancaster. At least seven of the buses are designated for use on the Passport Route, a free bus service in Downtown Long Beach, Cruz said. The remaining buses will be rotated in different routes throughout the city to give the community a chance to ride them and see them, he added. ■

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# State Superior Court Makes Final Ruling Against Controversial Rail Yard Project

■ By **SAMANTHA MEHLINGER**  
Senior Writer

A superior court judge made a final ruling against BNSF Railway’s proposal to build a new rail yard adjacent to West Long Beach after BNSF appealed his prior March decision that found the project’s environmental impact report to be flawed. The final ruling, which came down on July 26, found BNSF’s objection that a state court could not have jurisdiction over the issue to be invalid.

The environmental impact report (EIR) for the project was conducted by the Port of Los Angeles, which now must “complete a more robust and accurate analysis of the environmental impacts of the project before the project can move forward,” according to a press release from the office of Long Beach City Attorney Charles Parkin.

The project has been in litigation for more than three years since the City of Long Beach, Long Beach Unified School District, and multiple transportation companies and environmental groups filed suit after the City of Los Angeles and its port decided to go ahead with the project despite concerns over the EIR’s validity.

According to the release, Contra Costa Superior Court Judge Barry P. Goode found that flaws with the EIR included underestimating traffic impacts to local streets, a misleading analysis of air quality impacts, and not considering the project’s capacity to spur further growth in the area, among other issues.

“The new rail yard would have directed thousands of diesel trucks and miles of diesel trains close to schools, daycare centers, playing fields and residences on a daily basis,” the city attorney’s statement read. “By 2035, the project would have generated two million truck trips per year to and from the site and the loading and unloading of up to 1.5 million shipping containers annually.” Parkin stated that his office was pleased with the outcome of the case.

Following the news, Mayor Robert Garcia released a statement lauding the deci-

sion. “This ruling affirms that the proposed project cannot proceed without additional measures to protect Long Beach neighborhoods, which is a win for Long Beach and Westside residents,” Garcia stated.

“As proposed, this project would have endangered the health of our children and damaged the neighborhoods where many people live, study and work,” Garcia’s statement continued. “Thanks to my predecessor, Mayor Bob Foster, for fighting to protect our residents and to City Attorney Charlie Parkin, Assistant City Attorney Mike Mais, and our entire legal team for this historic win for our West Long Beach neighborhoods.” ■

## \$46.4 Million Program To Decrease Pollution Approved By Long Beach Harbor Commission

■ By **BRANDON RICHARDSON**  
Staff Writer

At its July 25 meeting, the Long Beach Board of Harbor Commissioners author-

ized a \$46.4 million program to decrease port-related pollution.

The funds are expected to be disbursed over a 12- to 15-year period. These funds, combined with \$17.4 million already awarded by the port to various community groups since 2009, totals almost \$65 million, which is more than any other U.S. seaport has voluntarily committed for environmental mitigation, according to a port statement.

“As commissioners, we live in Long Beach, so we understand for the port to do well, we must do good,” Lori Ann Guzmán, the harbor commission president, said. “Being the ‘Green Port’ is in our DNA and our record as being leaders on the environmental front while being good neighbors is unparalleled. The proposed community mitigation program is the latest example of our longstanding and long-term commitment to the environment and to Long Beach.”

This fall, guidelines for allocating funds between community health, facility improvement and community infrastructure projects will be developed at a public workshop hosted by the port. A location and date has yet to be determined.

Program funding is expected to be awarded beginning in 2017. ■



## 9th District’s Rex Richardson Elected To Serve As Vice Mayor

Rex Richardson, councilmember for Long Beach’s 9th District, was elected vice mayor by his peers on the city council on July 19. Soon to turn 33, he is the youngest person to serve in this position in Long Beach. “I am honored to have my colleagues’ confidence to serve as our city’s vice mayor,” Richardson said in a statement from his office. “I accept this as a recognition of our entire community’s progress since taking office two years ago. I look forward to working with Mayor Garcia and each of my fellow councilmembers as we continue to build a better Long Beach.”

Since taking office, Richardson has focused on revitalizing North Long Beach via his Roadmap to the Renaissance initiative. He has also initiated programs such as participatory budgeting, the city’s My Brother’s Keeper initiative, a young adult diversion program, and the Uptown Creative Corridor Challenge. Richardson is pictured in his office, which was recently revamped by North Long Beach creative agency RMD Group. To his left are staff members Alyssa Gutierrez, special projects coordinator, and Christian Cambridge, field deputy. To his right are Shawna Stevens, chief of staff, and at far right, Marina Escobedo, legislative affairs deputy. According to the Long Beach City Charter, “the vice mayor shall perform all duties and, except for the power to veto actions of the city council, may exercise all powers of the mayor as prescribed in the City Charter when the mayor is absent.” (Photographs by the Business Journal’s Larry Duncan)



## Draft SEASP And Environmental Impact Reports Available For Review

■ By **BRANDON RICHARDSON**  
Staff Writer

After incorporating public comments from community members, the Long Beach Planning Commission has released its Southeast Area Specific Plan (SEASP) conceptual draft, now called the Hearing Draft. Some of the top priorities of the plan include improving traffic flow, enhancing wetlands, improving pedestrian and bicycle connectivity, encouraging upscale shopping and dining, and creating a land plan that “encourages a greater mix of uses and appeals to a diverse population.”

The commission hopes to utilize signage at city gateways to welcome people into the city. The five gateways into the SEASP area are located at the intersections of Bellflower Boulevard and Pacific Coast Highway (PCH), Studebaker Road and the Garden Grove Freeway, 2nd Street and Studebaker Road, 2nd Street and PCH, as well as on PCH on the Seal Beach side of the bridge.

The plan also maintains the unique views and edges of Southeast Long Beach by minimizing signs and light pollutions and providing transitions between buildings and the water.

Land use designation is very diverse with 162 acres of channels, marinas and waterways; 293 acres of coastal habitat and wetlands; a 9-acre commercial neighborhood; 292 acres of industrial space; 86 acres for mixed-use; 337 acres for 310 mobile homes, 2,458 multi-family units and 1,440 single-family residences; 75 acres of open space and recreation; 20 acres of public space; and 197 acres of right-of-way, or ROW, which is land reserved for transportation purposes such as footpaths, highways, canals and bike trails.

The full hearing draft can be viewed at [www.lbds.info/seadip\\_update/default.asp](http://www.lbds.info/seadip_update/default.asp).

Also available on the website is the Draft Environment Impact Report (DEIR), which has been completed for public review. Public comments on the EIR are due by September 19 to Craig Chalfant, senior planner, Long Beach Development Services, via e-mail at [craig.chalfant@long-beach.gov](mailto:craig.chalfant@long-beach.gov) or by mail to 333 W. Ocean Blvd., 5th Floor, Long Beach, CA 90802.

On August 18, the planning commission is holding a study session that is open to the public to learn more about the EIR and SEASP. The commission is taking public testimony that becomes part of the public record. The session starts at 5 p.m. at city council chambers, 333 W. Ocean Blvd. ■

## Iconic Carousel, Amphitheater Approved By QM Task Force

■ By **BRANDON RICHARDSON**  
Staff Writer

After revealing its progress and ideas to the public earlier this month, the Queen Mary Land Development Task Force met

on July 27 to incorporate public comments into its guiding principles and finalize last-minute concepts.

The newest concept was the return of an iconic carousel to the area. A 1911 carousel designed by Charles I.D. Looft, an American master carver famous for building the first carousel at Coney Island in 1876, was a main attraction at the former Pike amusement park. The carousel burned down in 1943, leaving only the roof of the Lite-a-Line building. The remaining structure was demolished in 2008.

Public commenters at the meeting welcomed the idea of bringing such a celebrated piece back to the city. They suggested the city seek private investors to finance the expensive landmark, as well as using local designers and contractors – or even Cal State

Long Beach student designers – to give the project a true Long Beach vibe.

“We’re intrigued by the idea of getting the carousel that once was in Long Beach,” Michael Bohn, task force chair, said. “It would be bringing back something authentic to the city, as opposed to bringing in something every other city can buy in a catalog. This would be a piece that has its roots in Long Beach. Those are exactly the types of elements the committee believes would be good for our city.”

Aside from the carousel, the task force decided to make a 5,000-capacity amphitheater the focal point of its guidelines, according to Bohn. The city has been lacking a permanent venue to attract national and international musical acts, but Bohn


believes a large event space could attract symphonies and bands.

“This would be a region-wide, if not world-class, space that could accommodate a stage and all the support materials for that,” Bohn said. “One of the task force members believes that it could be a mini Hollywood Bowl by the sea, and that’s how it would be distinguished within the Southland for bands and symphonies and other musical events.”


The task force will review the final guiding principles document online, which will include its most recent comments and will be finalized by consultant Gwynne Pugh of the architectural and design firm Gwynne Pugh Urban Studio. The group will not reconvene until the document is presented to the mayor and the city council, which Bohn says will be in September. ■

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Overhaul Helicopter Engines – Furnish & Deliver	ITB FS16-172	8/02/2016
Lead-Based Paint Inspection/Risk Assessment	RFP DV16-127	8/03/2016
Construction Work Write Up: Cost Estimating	RFP DV16-128	8/03/2016
Traffic Signal Equipment	ITB PW16-150	8/03/2016
CIS Bill Print Processing	RFP TI16-156	8/04/2016
Forcepoint Websense License and Support	ITB TI16-169	8/04/2016
The Beach Experience Challenge	RFI CM16-166	8/05/2016
Up and Out: An Active City Data Challenge	RFI CM16-167	8/05/2016
Payment Processing Services	RFP FM16-153	8/09/2016
On-Call Public Works Construction Materials	RFQ PW-138	8/10/2016
Fabrication and Installation of Welder Utility Body	ITB FS16-164	8/10/2016
Airport Noise Abatement Consulting Services	RFQ AP16-158	8/11/2016
Websense Triton Unified Security Center Upgrade	ITB TI 16-157	8/11/2016
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Old Courthouse Bench Restoration	ITB DV16-106	8/24/2016

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

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Understanding The Long Beach Unified School District Bond Measure On The November 8 Ballot

(Continued From Page 1)

condition possible to provide the best education possible for students. This includes repairs, retrofits, new construction, technology upgrades and much more.

The Long Beach Board of Education voted to place the measure on the November 8 ballot. For the measure to pass, 55% of voters must support it. The \$1.2 billion Measure K bond was supported by 71% of voters. Additionally, a recent phone survey showed that more than seven in 10 local voters believe additional funding is needed to “modernize and improve campuses.”

To provide voters full transparency about the measure, the Business Journal asked school district officials to respond to several questions. Also, the district has a seven-member citizens oversight committee which, “is charged with informing the public about Measure K projects, reviewing Measure K expenditures, and developing an annual report to the board of education on the progress of projects.” The next meeting of the oversight committee is September 22, 5 p.m. at Poly High School Construction Trailer, 1600 Atlantic Ave.

**LBBJ:** What is the cost to property owners and how many years does the assessment last?

**LBUSD:** We estimate \$60 per \$100,000 of assessed valuation (not market value, but assessed value). Measure K was the same. Such bonds are issued in series with estimated financing terms of up to 30 years.

**LBBJ:** If the measure passes, when does it go into effect?

**LBUSD:** The billing would begin with the 2017-18 property tax bill.

**LBBJ:** Is the assessment the same for a residence as it is for an office building, industrial park, strip center, etc.?

**LBUSD:** Yes. The estimated rate would apply to all taxable property at \$60 per \$100,000 of assessed value (not market value) regardless of the type of property, whether residential, commercial or industrial.

**LBBJ:** Are government facilities exempt from the assessment? Is there any other property exempt?

**LBUSD:** Government, non-profits and churches are the only types of exempt property.

**LBBJ:** What is the estimated total cost of the bond at the conclusion of the assessment?

**LBUSD:** The estimated total cost is \$3.8 billion.

**LBBJ:** Is there a specific list of projects that the bond measure is targeting? In other words, as stated by the district, “needed improvements to meet 21st Century safety and environmental standards.”

**LBUSD:** The overall facilities need remains at more than \$3 billion, even after Measure K. We knew all along that Measure K would not meet all needs, so we began by addressing high priority projects. Should the bond measure pass in November, we would again address higher priority needs, focusing on health and safety-related repairs and upgrades. That includes air conditioning as one component. We estimate the cost of air conditioning the entire district to be more than \$700 million, including the necessary upgrades to electrical and other equipment.

Many of our schools were built 60 to 70 years ago. Beyond air conditioning, there is also a great need to fix deteriorating bathrooms and leaky roofs, upgrade fire alarms and security systems, improve plumbing and electrical wiring to increase water conservation and energy efficiency, and make upgrades to meet newer handicap accessibility and earthquake safety laws. We posted this related item online right after the board’s June decision to call for the bond election, and it includes links to supporting materials: [http://lbschools.net/Departments/News room/article.cfm?articleID=2242](http://lbschools.net/Departments/News%20room/article.cfm?articleID=2242).

Among the supporting materials is the newly updated Facility Master Plan for our district, with a school-by-school project list: <http://lbschools.net/District/measurek/pdfs/LBUSD-Facilty-Master-Plan-Update-2016.pdf>.

**LBBJ:** What specifically has been completed with the funds from Measure K, and can you put a dollar figure with each project?

**LBUSD:** Most of the \$1.2 billion in Measure K funding has been used or allocated. A list of completed and current Measure K projects, with dollar figures, is available on the Measure K website: <http://www.lbschools.net/District/measurek/measurek.cfm>. ■

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# Coast Auto And Americans With Disabilities Act

(Continued From Page 1)

“It’s like you get thrown into a clothes dryer, and you’re just tumbled around, not knowing what is happening or how much it is going to cost you,” says Manuel Campos, owner of the auto repair operation at the intersection of Pacific Coast Highway and Atlantic Avenue in Central Long Beach.

“To get thrown into a lawsuit – if you’re not savvy, you can rack up some major bills.”

Under federal law, plaintiffs filing lawsuits over access for disabled persons do not receive monetary compensation for successfully suing to get a business or public entity to fix violations of the ADA. However, their attorneys can be reimbursed for legal fees incurred in pursuing such litigation. Yet California is one of a small handful of states that specifically allows for plaintiffs to receive monetary damages if they prevail in court.

That set of circumstances created, in essence, a class of professional bounty hunters – a cadre of attorneys and “professional plaintiffs” who specialize in finding and suing companies that do not comply with the ADA.

One of those law firms, Potter Handy LLP in San Diego, represents the plaintiff that has filed the complaint against Coast Auto. Partner Mark Potter, who did not return a phone call seeking comment on this case, states on his website that he has successfully litigated more than 2,000 disability cases. The website for the Center for Disability Access – a division of Potter

Handy LLP – states that the attorneys for the center have been “litigating disability access cases since 1996. There is no firm that has had a bigger impact on disability access law.”

This process of finding ADA violations and correcting them by allowing members of the public and their attorneys to sue private businesses has been recognized and even endorsed to an extent by the courts. On one hand, courts have found that the system works well in forcing places of public accommodation to become ADA-compliant – and that it is indeed necessary by the political decision to put the law into place without any real public sector method of enforcement.

“For the ADA to yield its promise of equal access for the disabled, it may indeed be necessary and desirable for committed individuals to bring serial litigation advancing the time when public accommodations will be compliant with the ADA,” the United States Court of Appeals Ninth Circuit ruled in a pair of cases at the end of the last decade.

But the court also warned that the serial litigation method of enforcing compliance had its own dangers – specifically, the danger of litigation that was brought not to bring about compliance but to harass a defendant. Frightened of fighting an open-ended legal battle, small businesses often settle ADA litigation out of court by fixing the violation and paying attorney costs, which can escalate quickly into five figures.

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# Coast Auto And Americans With Disabilities Act

(Continued From Page 9)

That concern led to state legislators revising the California codes regulating the awards for ADA compliance litigation. In 2012, Senate Bill 1186 expanded the universe of defendants who, upon being served with an ADA violations lawsuit, can immediately petition the court for a stay of proceedings and an early evaluation conference for the litigation. And the bill allows the court to reduce the monetary award for plaintiffs if the violation is corrected in a short period of time, which varies based on the defendant.

The change had to be done to slow the

“serial litigation” process, says former Long Beach City Councilmember Evan Braude, the lawyer representing Campos’ company.

“There were just so many of these suits being filed,” Braude says. “The plaintiffs were the same in many, many cases.”

There are a few things businesses can do to limit their exposure to an ADA violation lawsuit, Braude says. The first is to make sure that the business complies with the law. There are simple things that can and must be done under the law – installation of hand rails and wheelchair-accessible sinks in restrooms, for example – that business owners can do on their own, inexpensively.

Establishing clearly-visible, accessible parking spaces is another, because “that’s the one they see from outside. It makes the plaintiff wonder what other violations are inside,” Braude says.

Additionally, businesses can hire a certified access specialist (CASP) to inspect the property. The inspector, certified by the state, can point out violations, certify that a building is in compliance, or opine that removal of a barrier to access is not “readily achievable, i.e., easily accomplishable and able to be carried out without much difficulty or expense,” as the U.S. Department of Justice states. While such a report may offer some protection in the event of a lawsuit, the inspections are not cheap, Braude says.

The thing that bugs Campos the most is that he wasn’t asked to fix the violations before he was sued, he says.

“Why not just go to the business and say, why don’t you make it so I can visit your business? Most places would. I would have,” Campos says. “I don’t have any problem complying with the law.

“I’ve been in business for 14 years. I’ve always bent over backwards to be the best business I can for my customers, number one, and to be a good

steward of my neighborhood. For someone to come over and just put something in my face . . . that’s just rotten. If there’s an issue and we can comply, let’s just do it.” ■



Manuel Campos has owned Coast Auto for the past 14 years, an auto repair business at Pacific Coast Highway and Atlantic Avenue. He was recently sued for violations associated with the Americans with Disabilities Act. Upset by the suit, he said, “For someone to come over and just put something in my face . . . that’s just rotten. If there’s an issue and we can comply, let’s just do it.” (Photograph by the Business Journal’s Larry Duncan)

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EARTHQUAKE INSURANCE

# Another Big Quake Is Coming – But Most California Residents Aren’t Prepared

■ By **SAMANTHA MEHLINGER**  
Senior Writer

If you live in a flood zone, you’re required to have flood insurance. If you have a home mortgage, you have to be insured for fire damage. But if you live near a fault line in California – a state known to shake – you’re not required to have earthquake insurance. In fact, despite certainty among scientists that another “big one” is coming, most Californians don’t have earthquake insurance, according to Glenn Pomeroy, CEO of the Sacramento-based California Earthquake Authority (CEA), the state’s nonprofit earthquake insurance provider.

“Scientists are clear – it’s certain that there is going to be a Northridge-sized earthquake event or greater somewhere in California in the next 30 years,” Pomeroy said in an interview at the Business Journal’s offices. In fact, scientists are 99.9% certain, he noted.

The 1994 Northridge quake measured 6.7 on the Richter scale and caused about \$42 billion in overall damages, according to AccuWeather. If that same earthquake were to occur today, it would cause about \$75 billion in damage to homes alone, Pomeroy said.

Although most Californians live within 30 miles of an active fault, about 90% of them don’t have earthquake insurance,

Pomeroy noted. As a result, only about \$7 billion out of the \$75 billion in damages that would be caused by another Northridge quake would be insured, he explained. Thus, \$68 billion in damages would be uninsured.

“More alarming is that there is a 75% chance of a 7.0 occurring somewhere in Southern California in the next 30 years. And that’s three times as strong as Northridge,” Pomeroy said. “The [earth’s tectonic] plates are shifting and it’s going to happen. I don’t think we need to live in fear about it. We just need to be prepared.”

About 1.2 million homes in California need basic retrofitting, according to Pomeroy. These homes are typically built above ground with crawl spaces on “spindly studs” that aren’t able to hold the home in place in the event of a significant earthquake. “When the ground shakes, the studs wobble and the home goes off the foundation,” he explained. “This is a common construction in homes built prior to World War II. Construction codes started to get better then, but you’ll still find homes like this built all the way up to 1979.”

The CEA offers a 20% discount on its policies to homeowners who retrofit. “The retrofit just involves going under the home into the crawl space, and you put in some braces or bolt them to the foundation, de-

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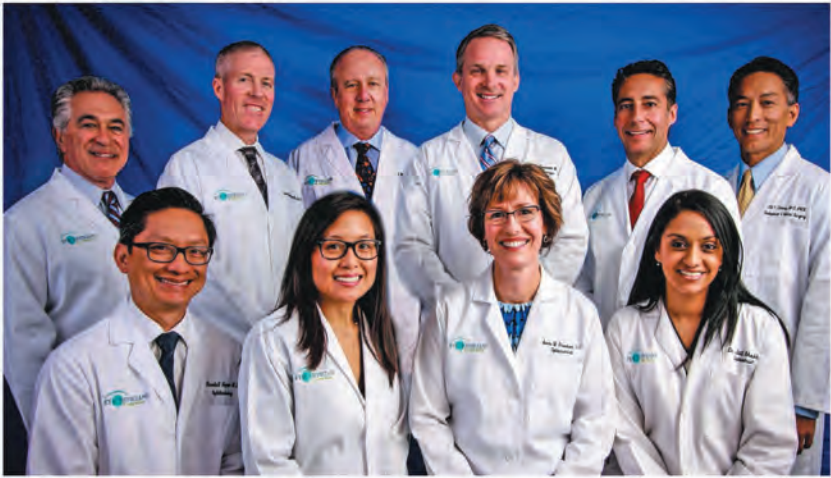
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# Earthquake Insurance

(Continued From Page 11)

pending on how much room you have to work with,” Pomeroy said. “You wrap it in plywood sheathing and you’ve dramatically reduced the risk of loss.” For a home on level ground, such a project costs about \$3,000 to \$5,000, he said. “We’re working to develop funding sources to help people with these costs, but those funds aren’t unlimited,” he added.

A few myths are behind Californians’ apparent reticence in buying earthquake insurance, according to Pomeroy. One is an attitude that “it won’t happen to me,” he said, again emphasizing that scientific statistics indicate otherwise. He recounted

a story of a homeowner who canceled his earthquake insurance just days before the Northridge quake. He lost his home and all his retirement savings and was only able to get by with the help of his adult children, Pomeroy said.

“There is also a perception that the government will bail them out,” Pomeroy said of those who don’t have earthquake insurance. “That just doesn’t happen. Government assistance is available, but it’s limited,” he continued. “You can apply for a FEMA grant and that maxes out at about \$32,000. . . . You can’t rebuild a home for that.”

Also a deterrent is the perception that earthquake insurance is expensive. But as a nonprofit, the CEA’s mission is to provide affordable, quality earthquake coverage,

Pomeroy explained. In fact, it has lowered its rates five times since it was founded in 1996.

Although the State of California requires all insurance providers to offer some form of earthquake coverage, after the Northridge quake insurance companies began to pull back on their offerings. To make up the difference, the state founded the CEA, a nonprofit earthquake insurance provider with plans sold through participating insurance companies.

The CEA is overseen by a five-member governing board, including the governor (who has appointed a cabinet member to represent him, Pomeroy noted), the state insurance commissioner and the state treasurer as voting members. Non-voting members are the speaker of the state assembly and the chair of the state senate rules committee.

To be able to offer CEA’s insurance, companies have to “buy in,” Pomeroy explained. The initial total buy-in, divvied up amongst its members, was \$1 billion. That seed capital has since grown through investments and policyholder payments to the point where the CEA now has a total coverage capacity of \$12 billion. “We estimate that if Northridge were to reoccur today our losses would be about \$4 billion,” he said. “So we have the capacity to handle three Northridges.”

Since the CEA was established, it has lowered its rates by 55%, Pomeroy said. And as of this year, it has expanded its offerings to include an array of policies, from minimalistic plans to beefed-up options.

Initially, the CEA offered a policy that insured the full cost to replace a home (not its market value), and up to \$5,000 was covered for the contents of the home. The plan had a 15% deductible, meaning that 15% of the total replacement value for the home had to occur in damages before the CEA would pay a claim. But once that 15% mark was triggered, CEA would cover all the costs – the policyholder would not be responsible for the deductible, Pomeroy explained. This policy also provided \$1,500 in living expenses for displaced residents.

Now, in addition to the full replacement cost of the home, CEA offers as much as \$200,000 in contents coverage, and there is



Glenn Pomeroy is CEO of the California Earthquake Authority, the state’s nonprofit earthquake insurance provider. According to Pomeroy, most Californians aren’t insured for earthquake damage to their homes or rental units. (Photograph by the Business Journal’s Larry Duncan)

a wide range of deductible options for those seeking cheaper payments. Up to \$100,000 in living expenses for displaced residents are covered. “It’s a whole new ball game,” Pomeroy said.

Pomeroy was the insurance commissioner of North Dakota in 1997, when the state had a horrible winter with a snow pack that just “wouldn’t melt,” he recalled. When spring came, the snow melted, resulting in massive flooding. The city of Grand Forks was entirely evacuated – the largest evacuation of an American city since the Civil War, he said.

“We had a mess on our hands. But it was really when I learned about the importance of insurance for natural catastrophes, whether it’s wildfires, earthquakes, hurricanes or tornadoes or floods. It’s important to have financial protection for the home,” Pomeroy said of his experience in North Dakota – an experience that drew him to lead the CEA when he was approached in 2008. “The risk is real, and Long Beach is certainly aware of that from the historical events that have occurred here.” ■

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# Fighting For The Rights Of Property Owners

(Continued From Page 1)

point, he does not feel that it does enough to ensure renters' rights and still advocates for REAP, as well as just-cause eviction laws, to come to Long Beach.

"REAP is something we've been working on up to the middle of last year when the city council elected to adopt the PRHIP," Butler said. "We took a step back from asking for our REAP ordinance, but I still think we should be taking punitive measures against slumlords, and I'm not sure why anyone who's not a slumlord wouldn't want to defend an ordinance that is specifically going after slumlords, which is a very small number of landlords in Long Beach."

His persistent push for these programs has recently drawn the attention of property owners and managers in the city.

Elaine Hutchison, president of Long Beach-based property management company Paragon Equities, and Long Beach private property owner Joani Weir have joined together in creating an action committee to "fight for property owners' rights" and to "stop rent control."

The committee held its first meeting on Sunday, July 17. Weir said they only expected around 25 people to attend, but more than 50 showed up. Those in attendance included property owners, real estate agents, tenants and Kathy Jurado, a member of the League of United Latin American Citizens, who spoke during the meeting.

In an e-mail invitation to members of the community to attend its meeting, the committee accused Butler of launching "a campaign against property owners that includes rent control and REAP for Long Beach."

According to Butler, Housing Long Beach's primary concern is the availability of livable, affordable housing and keeping residents occupying units, but Hutchison says programs such as REAP actually make housing less affordable.

"The city has a history of affordable housing, but when you look at major cities that have all these programs, what you find is the rents are very high," Hutchison said.

For example, Hutchison said median monthly rent is \$4,850 in San Francisco, \$2,670 in San Jose, \$2,630 in Los Angeles and \$2,250 in Seattle. While accurate, these numbers only account for median rent of two-bedroom apartments, according to apartmentlist.com, which had identical numbers for two-bedroom units, except for San Francisco which is listed at \$4,650 per month. Median rent for one-bedroom units in those same cities is \$500 to \$1,200 less.

Apartmentlist.com listed 100 major cities' median rents and yearly rent increases, showing median rent in Long Beach has increased 8% from July of last year, second only to Colorado Springs which grew 9%. According to the site, as of July, Long Beach renters can expect the median rents of \$1,430 for a one-bedroom unit and \$1,950 for a two-bedroom unit – or about \$700 less than Los Angeles.

However, regardless of median rent, Butler said that REAP is designed to catch the small percentage of property owners who have pushed the envelope of substandard living conditions. He said, "There are land-

lords that would like to use the system to continue to operate a business plan based on a lack of investment in their properties – a business plan of displacement. We see that. We know those conditions exist – not only here in Long Beach but nationwide."

But Hutchison and Weir argue that programs such as REAP and just-cause eviction would have an extremely negative impact on private property owners around the city, which would result in a decline in affordable housing.

"Long Beach is the most affordable beach community in California, and you have to ask why," Hutchison said. "The city certainly isn't building affordable housing. In the past they have had programs that were designed to do affordable housing, but that hasn't really happened. The affordable housing that we have is provided by

the private owners. So we are at a loss to explain why any of these programs would improve the situation we have right now, which is affordable housing."

According to Weir, another concern the committee has regarding REAP is that it is in the tenants' and city's best interests to keep a property in REAP and not allow violations to be fixed. This is because tenants can enjoy a reduced rent as long as the property is not brought back up to code and the city receives administrative fees as long as the property is in REAP.

Weir described her first encounter with REAP, involving a friend who was a property owner in Echo Park. Belissa Cohen, a former L.A. Dee Da columnist for L.A. Weekly, lost her three-unit rental property after it was placed in REAP, and though she met with numerous consultants and did her

best to fix what the city deemed violations, she was never able to get her property out of REAP. She was forced to list the property as a short sale, which also cost her another property that she had mortgaged to purchase the Echo Park location.

Weir claims that the L.A. Building and Safety Department, code enforcement and the housing department utilized "unfair practices under the guise of REAP" to keep Cohen's property in REAP until she lost it.

Both Hutchison and Weir feel that, aside from their negative view of REAP, the city already has a similar program in PRHIP: an inspection requirement to ensure suitable living conditions. But Hutchison said that inspections can oftentimes be subjective, and standards are not clear about what gets written up and what doesn't.

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# Fighting For The Rights Of Property Owners

(Continued From Page 13)

However, while it is true that some inspectors may be stricter than others, the PRHIP ordinance in section 18.30.010, subsection D, states that the standards property owners must meet are those of the state that would fall under California Health and Safety Code section 17920-17928, which defines “substandard living conditions.” A lack of hot and cold running water, insect or rodent infestation, mold and structure dilapidation are some of the substandard living conditions set forth by the state, which PRHIP is meant to uphold.

Butler said, “Usually we are talking about extremely substandard conditions. There are places that councilmembers said they could hardly breathe inside the building. That’s one thing that does not come across in pictures.” Butler was referring to Housing Long Beach taking several councilmembers to visit “slum properties.”

Another of the committee’s PRHIP concerns, according to Weir, is the violation of landlords’ and tenants’ rights through forced inspection of every unit in a building. Weir claims that this would impact the undocumented community the most, as personal identification is asked for upon inspection of units.

“That could open up human rights violations if someone does not want their

unit inspected and they don’t want to give their name and phone number,” Weir said. “That can be a very uncomfortable experience for the tenants. The spirit of PRHIP was to protect them, not get their personal identification and go into their unit if they do not want you in the unit.”

In the section of the ordinance regarding inspections (18.30.120, subsection C), however, it states that only 10% of units and garages will be inspected periodically. If during those inspections the inspector determines one or more violations exist, they may inspect additional units up to 100% on the property. So, while it is possible that all units may be inspected, it is not the norm.

Though the committee does not agree with PRHIP, it understands that the program is here to stay for now. Regarding Housing Long Beach still pushing for full REAP, Hutchison said, “Let’s give PRHIP a chance to work. Let’s see if that can work first before we jump into something that’s onerous and will perhaps not solve the problem either.”

Hutchison explained that through PRHIP if an owner has a code violation on their property and does not correct that violation in a timely manner, they would go before the city prosecutor in court. “So there’s nothing more that we need that we don’t already have in PRHIP, and we won’t accept it.”

Just-cause eviction is the other major change Butler and Housing Long Beach are urging the city to adopt. As it stands in Long Beach, renters can be evicted without cause. If a landlord suspects a renter is engaging in illegal activity but cannot prove it, they can be evicted. Butler calls these practices into question because they can be abused by landlords who can and will evict tenants simply because they don’t like them or something they have said.

Butler told the story of Consuelo Quintana, a Long Beach resident who was evicted from her apartment after 41 years for telling two younger tenants that she would not go out and do laundry at night because there had been shootings in the area. The young tenants complained to the landlord who then evicted Quintana.

“I think there’s been a lot of displacement in Downtown Long Beach, and I think a lot of it has gone very quietly,” Butler said. “We think the changes that are happening in Downtown Long Beach are great, but we have to figure out how to make those changes without making them on the backs of our residents.

“We have 58% of the community who rent, and we think those renters should be protected from unwarranted evictions,” Butler continued. “We have low-income people of color who are a big part of the Long Beach story. We boast about our diversity, but right now we are at risk of losing that diversity. It’s low-income communities of color who are paying higher percentages of their income and who are getting caught in that vicious cycle of being continuously behind on everything.”

Weir, on the other hand, claims that just-cause eviction is utilized merely as a re-branded form of rent control in cities like Boston where it already exists. She said the program is a catalyst for rent control to be implemented in a city because one cannot exist for long without the other.

Hutchison continued, saying, “A lot of people don’t recognize that REAP and just-cause eviction are the sidelines, the buddies, of rent control, but they are and they will have the same effect. Any city that’s brought in just-cause eviction says that you have to have specific reasons why you would be able to move a tenant out, and they can sue you and all kinds of things. I think it’s Josh’s way to ensure that he gets rent control – to get these [programs] in first and then he can build on them.”

Several U.S. cities, including San Diego, have approved just-cause eviction laws without also enacting rent control policies, but Weir claims it is still a form of rent control in and of itself. She said, “I think a mediation process with difficult obstacles [for landlords] equals rent control.”

Aside from all their concerns, Hutchison and Weir echo Butler’s statement that the number of undesirable landlords in the City of Long Beach is very low. Hutchison recalled a council meeting several months ago when 1st District Councilmember Lena Gonzalez asked Long Beach Development Services Director Amy Bodek how many owners would be considered undesirable, to which Bodek answered nine.

Weir said that she has cleaned up 19 buildings in Long Beach since 1999, and that if one woman could do that, Bodek should be able to rid the city of nine slumlords utilizing her staff and city resources.

“I would love to sit with Amy and show her my techniques if she doesn’t know them,” Weir said. “Because with all that staff that she has, I’m sure she could take care of those issues with the nine landlords that are undesirable to Long Beach very quickly, without implementing programs that are going to chase people out of [the city].”

She continued by offering the same courtesy to Butler, adding, “I don’t think Josh has cleaned up 19 buildings. I would welcome him to spend a year with me and see how the real world works on those properties.”

Weir said she has met with Butler before and explained these concerns to him, but that he has been indoctrinated and isn’t looking at the long-term consequences. She said he is dividing landlords and tenants by utilizing social media, mainstream media, intimidation, litigation, petitions and protests with professional protestors which is a mistake and dishonest.

In a 9.5-minute video produced by Weir, many claims are made against Butler. Slides appear saying Butler is “intentionally inflaming our community with half-truth stories that are unjust and biased against landlords, using social issues such as race, gender equality, homelessness and the LGBT community to further his special interest agendas” and that “Josh and Housing Long Beach are using these social elements to give them political power. This is inauthentic.”

Hutchison added, “I think he’s very short-sighted. He only sees the euphoria and the ego of the people that are following him at the moment. What we are is a broad-based community organization that is getting together to deal with these issues and to provide more accurate information because I think that’s what’s not out there. People don’t really have the knowledge and the understanding. That’s our purpose and we are here to stay.” ■



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Eric Christopher, senior associate specializing in multi-family properties for INCO Commercial, said the combination of low interest rates and increasing rental rates makes investments in apartments in Long Beach “a winning equation” right now. (Photograph by the Business Journal’s Larry Duncan)

## Interest Rates

(Continued From Page 1)

tive director of research for Beacon Economics, told the Business Journal.

“Theoretically, interest rates should go up in the U.S. as the economy improves. But that assumes a lot of other things are not changing, one of which is the state of uncertainty around the world,” Kleinhenz explained. “We also know that whenever there are spikes in uncertainty the U.S. is [considered] the safe haven, so a lot of money goes to the safety of the U.S. treasuries and that tends to push interest rates down here.” The recent Brexit vote and uncertainties about China’s economy have been creating this dynamic in 2016, he noted.

Uncertainties about recent events in Europe and China are also making it unlikely that the Federal Reserve will raise

its federal funds rate, which is directly tied to interest rates, according to California Association of Realtors (CAR) Economist Jordan Levine. Interest rates for both short-term and long-term loans and mortgages are likely to stay below 4% through the first half of 2017, he said.

Robert Camerota, senior vice president of residential lending operations for Farmers & Merchants Bank, said he doesn’t expect interest rates to increase in the next four to six months unless the U.S. starts to see overwhelmingly positive job gains. “But I don’t anticipate that happening,” he added.

In the short run, low interest rates are going to boost demand for single-family homes, Levine said. “You are going to have low rates that are going to make mortgages more affordable for our domestic residents – for Californians and Angelenos,” he explained.

Camerota said Millennials in particular



## 127-Unit Apartment Complex In Long Beach Sells For \$35.3 Million

The Patio Garden Apartments at 4874 E. Los Coyotes Diag. has sold for \$35.3 million or \$277,953 for each of its 127 units. Institutional Property Advisors (IPA), a division of Marcus & Millichap, handled the transaction. Patio Gardens was built in 1958 and consists of 19 buildings on 5.87 acres with amenities such as a fitness center, laundry facilities and garage parking. About 80% of the units have patios or backyards. IPA executives, who represented the seller and procured a buyer, involved in the transaction were: Executive Directors Greg Harris and Ron Harris; Senior Directors Kevin Green and Joseph Grabiec; Director Paul Darrow; and Associate Michael DiSimone. Neither the seller or buyer were identified. (Photograph provided by IPA)

are likely to view low interest rates as an opportunity to get into the housing market. “The Millennials are probably the biggest buying market out there today, consumer-wise. They are out there looking and they are looking hard,” he said. “Their challenges are the large down payment and affordability.”

Home prices in Southern California and in Long Beach have increased by 5% year over year, according to Geoff McIntosh, president-elect of CAR and owner of Long Beach’s Main Street Realtors. Sales prices for detached homes and condos in Long Beach have been increasing steadily over the past few years thanks to low interest rates boosting demand, McIntosh explained. Because the inventory of homes for sale in Long Beach is so low, the dynamic of high demand and low supply is boosting sales prices.

The current inventory of single-family homes for sale in Long Beach would be exhausted in 1.8 months given the current rate of sales transactions if no new homes were listed, McIntosh explained. Overall, the total inventory of homes for sale statewide is three months. “There is slightly more inventory in the condo market, but we’re talking about 2.1 months of inventory locally. There is [essentially] nothing for sale,” McIntosh noted.

Thanks to global uncertainties, McIntosh expects interest rates to remain low and for these trends to continue putting pressure on sales prices. “I would never have imagined rates to remain this low for this long, nor could I have fathomed that we would see a global event that would cause our mortgage rates to drop from historic lows,” he said. “But indeed we have. Brexit has definitely impacted the global financial markets. We saw an immediate decline in mortgage rates, and the anticipation . . . is that we will continue to see benefits of those low interest rates for probably another 18 months or

two years while everybody sorts out all the financial implications.”

Although increasing prices of homes impacts housing affordability, low interest rates help make up for the cost via low monthly payments, according to Kleinhenz. “With low interest rates, even with the tight qualifying standards, at least in principle you’ve got a larger pool of would-be homebuyers because of the fact that mortgage rates are so low,” he said.

“If you can find something, buy it now,” McIntosh said. “You really will never see lower interest rates than this. It’s unbelievable.”

Interest rates are having a similar effect on the local multi-family market. Eric Christopher, senior associate specializing in multi-family properties for Long Beach-based INCO Commercial, said he might expect to see a half-percent increase in interest rates in 18 months.

Low interest rates and rising rental rates in Long Beach make for “a really good cash flow equation” for multi-family investors, Christopher said. “You’ve got rents that are going up and interest rates that are staying the same or actually going down. So what those two things provide is the buyers being even more aggressive,” he observed. “If you can raise [rental] income and you have got an interest rate like we do, it’s a winning equation for at least five to seven years when you are fixed-rate.”


As in the single-family market, high demand and low supply have caused sales prices for local multi-family properties to increase, impacting affordability. “Now, in this market, the high prices are kind of being just offset in people’s minds with the [low] rates,” Christopher said.

“The low rates and improving economy are going to keep upward pressure on demand,” Camerota said of the picture for residential real estate moving forward. “The question is: how do we find the supply to fulfill that demand?” ■

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# Low Vacancy Rates Mean High Prices For Commercial Real Estate

■ By **BRANDON RICHARDSON**  
Staff Writer

**W**ith several commercial development projects in the works, Long Beach’s strong retail, office and industrial markets will only see more activity.

Irvine-based property management company Sares-Regis Group currently has several projects in Douglas Park in escrow, including a 270,000-square-foot retail center by Newport Beach developer Burnham USA and a four-building, 100,000-square-foot office project by Long Beach developer Urbana.

Sares-Regis also has a 470,000-square-foot, three-building industrial complex called Pacific Pointe East under construction. With market prices fluctuating so rapidly, Larry Lukanish, senior vice president of Sares-Regis, said he is unsure how much each space will lease for.

“When we are building new buildings, they go up unpriced because the market is changing pretty rapidly, so it’s all to be de-



Jeff Coburn, left, and Shaun McCullough, principals at Lee & Associates Commercial Real Estate Services, stand at the site of the future Terminal at Douglas Park project. Located on the southwest corner of Lakewood Boulevard and Conant Street, Terminal is a four-building project (see inset) that will create more than 100,000 square feet of creative office space designed to encourage “natural light and ventilation into the workspace.” (Photograph by the Business Journal’s Larry Duncan)

terminated,” Lukanish said. “When the user approaches us, we look at what their build-out needs to be, and we quote a rate at that point. But right now we’re not quoting rates and not selling buildings, just leasing.”

Nexus Development, a Santa Ana-based developer, recently broke ground on four acres in Douglas Park at the corner of Lakewood Boulevard and Cover Street. The developer is constructing a dual-branded hotel that will contain 241 rooms. This project is side-by-side with a two-acre site that will be the new 40,000-square-foot corporate headquarters of United Pacific (formerly United Oil).

When talking about development projects that will have a positive impact on the city’s retail market, Blair Commercial Real Estate Vice President Brian Russell said, “I think the big ones are: The Pike at Rainbow Harbor being converted to an outlet mall – that’s huge. The Queen Mary – there’s 30 to 40 acres right there on the coastal part of downtown that was kind of a failure for years, the way it was developed just not being right. I was at the task force meeting a couple weeks ago, and that was very compelling.”

Doug Shea, president of INCO Commercial Realty Inc., mentioned the “roaring success” of Huntington Beach’s Pacific City, a new retail development full of restaurants and shops. Shea said Long



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Beach would have similar success if such a center were to be built at the corner of 2nd Street and Pacific Coast Highway in place of the SeaPort Marina Hotel.

“You position it on the water, give a good product, you’re going to do well,” Shea said. “2nd Street is still doing well, but they still have the tendency to overprice – you’re seeing people come and go.”

Tilted Kilt, at the Marketplace Long Beach, was the most recent establishment to close, which Shea also attributes to exceedingly high rents. “They are asking way too much money for that. I’d say rent is averaging around \$25,000 per month right now. So you really have to put out some numbers to be successful on that and really have some high-end ownership and management.”

Shea believes that only a large, corporate brand can hold down locations with such high rents and doesn’t foresee landlords lowering prices. He predicts that a restaurant such as BJ’s Restaurant and Brewhouse or Chili’s Grill & Bar will replace the Tilted Kilt location.

Even without completed development projects, Russell describes the retail market in Long Beach as very robust with a strong demand.

“People must feel good about the direction the city is going because at the polls they elected for all these taxes to go on for community college and sales tax and everything else. So they must feel reasonably confident. I think that’s evident in the leasing activity that we’re seeing and the sales activity.”

Since March 1, Russell said there have

been 87 lease deals and 107 sales transactions in Long Beach with \$60 million in the pipeline. During the first quarter, the average price per square foot was \$212.25, according to Russell. For the second quarter, the average jumped to \$291.82 per square foot.

Recently, Pacific Collective Real Estate Investments bought a 5,000-square-foot retail strip center on the northwest corner of Redondo Avenue and 3rd Street for \$2.33 million at \$466 per square foot.

From July 1 to July 19, there have already been four transactions totaling about \$4.6 million with another eight deals still in escrow worth \$15.7 million. Russell said the average price per square foot spiked to \$408.55, partially due to the 8,179-square-foot property at 5258-5272 E. 2nd St. that sold for \$1,369 per square foot and skewed the numbers. He also noted the city has seen a lot of out-of-state money coming into the real estate market.



“Long Beach has pretty compelling commercial opportunities. It’s still cheaper than Manhattan Beach, Newport Beach and things like that, so we still have value.” However, Russell added, “With the vanishing market out there, I hope it doesn’t get too overheated. That’s my concern.”

The market for office space is also doing very well, according to Shaun McCullough, a principal at Lee & Associates Commercial Real Estate Services. He said a lot of space downtown has begun to fill up, and there has been a resurgence in downtown with new ownership pumping money into existing buildings.

(Please Continue To Page 20)

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Rendering of Building 9 at the corner of Lakewood Blvd., and Conant Street

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by SARES•REGIS Group





Though he describes the industrial real estate market as anemic, Brandon Carrillo, left, a principal at Lee & Associates Commercial Real Estate Services, said it speaks to the high demand for property in Long Beach. Carrillo is pictured in front of the building at 3920 Gillman St. with Garrett Massaro, center, and Dennis Ingram, both of Lee & Associates. Located in the Long Beach Business Center, the building provides 13,010 square feet of industrial space, including 18-foot clearance, a loading dock and 4,770 square feet of office space. (Photo by the Business Journal's Larry Duncan)

## Prices Are Increasing

(Continued From Page 19)

“In terms of leasing, there has been some decent absorption over the past six months,” McCullough said. “If you look at the opportunities where users want to start buying, there really is nothing available out there that is of substance or quality.”

Lee & Associates’ client, Urbana, hopes to add quality to the market when it breaks ground on a 100,000-square-foot, four-building project in October. The project, Terminal at Douglas Park, is estimated to be completed by summer 2017. It will include creative office spaces from 2,600 square feet up to 25,000 square feet on the corner of Lakewood Boulevard and Conant Street.

Just up the street from the development project, McCullough said Lee & Associates’ buildings at 4811 Airport Pl. and 5000 E. Spring St. are 100% and 95% leased, respectively. Leasing prices near the airport range from \$2.25 to \$2.75 per square foot.

“With the activity on the leasing front,

you still have some holes in downtown that need to get filled in a few buildings,” McCullough said. “It will be fun to see how long it will take for those to get filled up.”

Blair Commercial Real Estate President Becky Blair echoed McCullough, saying that this has been a busy time for her company. She said she is really pleased with the amount of activity and development happening downtown and around the city.

“I know the national office market is forecast to absorb 36 million square feet of office space in 2016, down from 62 million square feet in 2015,” Blair said. “The current forecast of net office space is to regain some strength in 2017 at 42 million square feet. The reason that is important is because we want to know how that is going to affect the Long Beach market and our market regionally.”

Currently, the office market vacancy rate in Long Beach is 15% to 18% depending on which report is looked at, Blair said. The city is seeing a significant amount of creative space being created by converting 10,000- to 30,000-square-foot, single-purpose buildings. Blair explained

that in the central areas of the city, buildings are selling for around \$110 to \$120 per square foot, and leasing rates are much lower than they are in the markets near the airport and downtown.

“Long Beach continues to be a very popular place to do business,” Blair said. “We’re excited that businesses are coming into the area and are buying their own buildings, maybe 10,000 square feet or less. But now we’re seeing that more attention is being paid to the leasing sector because there is only so much supply. So I think some businesses are deciding to lease now, instead of purchase.”

Blair commended the city on its recent work in selling off former redevelopment properties. It’s helping businesses focus and making more business owners want to come into the city, not only for the workspace but because their employees will have access to market-rate and affordable housing, he said.

The city’s industrial real estate market vacancy rate sits at less than 1%, while the national vacancy rate is just above 6% – the lowest it’s been in 16 years, ac-

cording to Lance Ryan, the senior vice president of marketing and leasing for Watson Land Company in Carson.

He explained that Los Angeles County has the lowest vacancy nationally, which makes the high demand difficult to keep up with. Because of the low inventory, Long Beach and surrounding areas are seeing rising property rents, multiple bids per property and even industrial properties being leased before construction is completed.

“The bottom line is there is really a lack of available space,” Ryan said. “So any user looking to gain warehouse space is going to be looking at buildings that aren’t even on the market yet, because most tenants are trying to renew [their leases] as they are realizing what a tight market it is. In terms of rates, we’ve seen increases in the 10% area year over year.”

Ryan said the driving factor for businesses wanting to be located in the city is its adjacency to the ports of L.A. and Long Beach, as they are the two largest ports in the country. Another factor is the easy, efficient access to much of the West Coast from the area. Lastly, Ryan said the quality of life draws companies to Long Beach. It’s not just the weather, he said, but the housing and the number of highly educated employees who want to live and stay in Southern California.

“The outlook is very good. And this dynamic is going to remain in place through the end of 2016, for certain, and continue on into 2017,” Ryan said.

While Ryan is ever hopeful for continued success, Brandon Carrillo, a principal at Lee & Associates, has several concerns at the state and national level that could potentially have negative effects on the industrial market and real estate in general.

On the national stage, Carrillo thinks that concerns regarding the direction of the country during an election year will force companies to slow down their growth until it is known what economic policies are going to be put in place.

“After November, there’s going to be people upset and concerned with where we’re going, no matter who wins,” Carrillo said. “You see how heated things are getting in regard to the issues that are being brought up by both parties, and it’s just concerning heading into this election year how businesses are going to react.”

At the state level, Carrillo said he is curious to see how the legalization of marijuana plays out. In November, the Adult Use of Marijuana Act will be on the ballot for approval by California residents. If approved, the recreational use of marijuana would be made legal, much like in other states such as Colorado.

According to Carrillo, Lee & Associates has an office in Denver that saw drastic changes in the industrial real estate market after the legalization of recreational marijuana. He explained that in Denver they noticed other industries being priced out of the local economy by those in the marijuana business and the industrial market tightening even more than it already was.

“Also, with the raising of minimum wage, a lot of the conversations I’ve been having with businesses are about relocating, which is concerning because those are additional jobs that we will be losing here,” Carrillo said. “It’s just going to be interesting to see how our businesses in California react.” ■



## 3rd Street And Redondo Avenue Strip Center To Be Upgraded By New Owner

A conceptual rendering depicts what the retail strip center at the northwest corner of 3rd Street and Redondo Avenue in Long Beach may look like after its new owner, Santa Monica-based Pacific Collective Real Estate, revamps it. The firm purchased the nearly 5,000-square-foot property, which formerly housed a health store, a liquor store and other retail businesses, for \$2.33 million, according to Rahul Paliwal, managing director. “We think it has great potential. We just love the neighborhood it is in and that it is a corner lot right up the way from Belmont Shore,” Paliwal told the Business Journal. “That’s why we invested in it.” The purchase was financed with a \$2.25 million loan from Los Angeles-based iBorrow. Brian Good, iBorrow’s CEO, said in a statement that the center “was an attractive investment for us because it is truly urban infill property that has been underutilized for a long time.” He continued, “The strong demographics in the immediate surrounding area plus the pre-leasing the borrower has done made us comfortable being involved in the project.” (Rendering provided by Pacific Collective Real Estate)



# To Fight The Housing Crisis, Some Cities Are Going Micro

■ By **BRANDON RICHARDSON**  
Staff Writer

As California's major city populations steadily increase year after year, many cities have and will continue to explore options to alleviate the housing crisis in the state.

Long Beach is ranked the seventh largest city in California, with a population nearing 485,000 – an increase of more than 3,000 residents (or 0.7%) from January 2015 to January 2016, according to a May 1 report by the California Department of Finance Demographic Research Unit. These numbers are similar to other major cities in the state: Los Angeles grew to over 4 million by adding 1.3%, San Francisco grew 1.1%, San Diego 0.9% and Santa Monica 0.6%.

In a June 14 post, the California Department of Housing and Community Development said "the state has only built 45% of the units estimated to be needed to accommodate growth." The department at-

tributes this to stringent regulations and long permitting processes.

"I think there is an affordability crisis in our state, and it is impacting the younger generations, Millennials," Phil Jones, managing partner at Coldwell Banker Coastal Alliance, said. "There are so many issues in our state, and government regulation adds to it."

In May, Gov. Jerry Brown proposed new legislation to allow market-rate developments with 20% affordable housing on-site, or 10% if it's near public transit, to be approved "as of right." This means projects that fall under these specifications would be exempt from most local reviews, including environmental impact reviews, making it easier for developments to progress. The proposal is to be voted on later this month.

Another move to combat the housing crisis was recently made with several proposals to amend state zoning laws to make it easier for residents to build small units on their properties in their garages, as extensions of their homes or as free-standing structures.

However, some cities in the state, including San Francisco, San Diego and most recently Santa Monica, are already utilizing a method that could be a solution to certain cities housing problems: micro-units.

The simplest definition of a micro-unit is a very small studio apartment. Where studios usually range from 300 to 450 square feet, micro-units typically range from 200 to 300 square feet, sometimes less.

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David Baker Architects of San Francisco recently completed a micro-unit condominium complex at 388 Fulton St. in the Hayes Valley neighborhood of San Francisco. Because of city requirements, the property is 50% micro-units and 50% two-bedroom units. The micro units range from 320 to 370 square feet and sell for \$1,700 per square foot. According to Baker, Natural light, compact kitchen space and other space-saving storage features alleviate some of the feeling of living in a confined space. (Photos and floor plan provided by the David Baker Architects)

# Micro Units

(Continued From Page 21)

“It’s just a place to live,” David Baker, founder and principal of David Baker Architects in San Francisco, told the Business Journal. “I think we have a very skewed viewpoint here in the United States where we consider a 350-square-foot unit to be the living-equivalent of killing baby seals or something. But in other places, that would be considered a pretty good-sized unit.”

Baker reminisced about staying in a tiny, 150-square-foot unit in Japan, saying that it was fine. He also explained that in San Francisco there are thousands of units as low as 50 square feet that sometimes have a mother and child living there. Baker views these living conditions as preferable to adding to our state’s homelessness population because living spaces are “too small.”

In fact, Baker said that a major cause of the homelessness crisis in the state was the tearing down of micro-units in the past because they were “bad places to live,” but the units were not replaced with additional affordable housing.

From a developer’s standpoint, they might pursue micro-units because they are unique in many markets, have no competition and will yield a higher rent per square foot since more units would fit in the building.

Baker explained that in the 1980s developers in San Diego built micro-units as a replacement for defunct single room occupancy buildings (SROs). The city believed that nonprofits would utilize the units as affordable housing.

“They built these replacement SROs from 120 to 300 square feet, and it turned out that they were very popular as market-rate rental housing. Nobody was doing ownership because it’s more psychological than rental. Rental is just, can you afford the apartment and can you live there? With ownership there is, ‘Will I be able to sell it in the future?’ or ‘Are there comps?’”

Baker said he read a recent study that showed people living in dense, urban cities were staying in micro-units longer than standard apartments. He said this is because in these types of cities, people can use the city as their living room through parks and corner cafes that are easily accessible by foot or public transportation.

With Long Beach’s economic growth, several large development projects that promise to continue that growth and its increasing population, some in the city say it is time we look at some options.

Coldwell Banker’s Jones said the Long Beach housing market is constricted by high demand and a lack of inventory, which leads to affordability issues. “It’s pretty apparent that we need to have alternative options,” he said. “Mini homes and prefab homes are very small living quarters, but people can have a roof over their head and a place to call home.”

However, acknowledging the need for alternative options is easier than creating them for residents. David Senden, a principal at L.A.-based KTG Architecture + Planning, described the construction of micro-units as being slightly more expensive than traditional units.

Senden explained that this is because in a building full of micro-units, there would be twice as many kitchens and bathrooms in the same amount of space as a building full of traditional units. However, he said, “You would probably be able to rent those two units for a greater sum than the one traditional unit.”

Baker, on the other hand, said that micro-units lend themselves well to modular construction which helps keep cost down. Modular construction is a form of prefabricating homes or buildings off-site and then putting the pieces together at the construction site. In the case of micro-units, each unit can be constructed individually and then stacked and connected to form a complex with the same safety standards as a traditional building.

Other aspects that city officials must examine to even consider implementing micro-units is the impact they might have

on the city and its residents. In Long Beach and other major cities, the top concern is parking.

“We’re a parking-impacted city, and it’s a severe problem,” Jones said. “I think [micro-units] would really exacerbate that problem and put more stress on our infrastructure.”

In San Francisco, a city nearly five square miles smaller than Long Beach with almost double the population, there are no minimum parking requirements as there are in Long Beach. In fact, the Bay city has parking maximums that act as a cap for the number of parking spaces allowed and enables developers to omit parking from their plans entirely, which Baker says is a very progressive parking policy in the U.S.

“I’m like a progressive capitalist,” Baker said. “I don’t think you should force the private sector to provide something like a parking space. When you do that, you sort of kill the economic vitality of your city. And you’ll never crawl out of that hole – you’re just digging it deeper.”

Baker described a market-rate building his firm recently completed at 388 Fulton St. in San Francisco’s Hayes Valley neighborhood. The building is 50% micro-units and 50% two-bedroom units because of city requirements when working with micro-units, according to Baker. For the 70 condominiums for sale at \$1,700 per square foot, zero parking spaces were provided.

“It’s right by BART [Bay Area Rapid Transit], it’s got a bike share, and there are Ubers and Lyfts all over the place. Nobody really has the excuse to think that parking is totally, absolutely essential now that you can summon a car from your phone.”

In Long Beach, however, current zoning laws downtown require one parking space per unit for new buildings. Some city officials question the feasibility of implementing such progressive parking reform as San Francisco, considering many Long Beach residents already disapprove of the amount of parking availability.

“Really, the infrastructure needs to catch up. But from a macro standpoint, a planner would say this pain is necessary to change

behaviors,” Senden said. “Bike ridership has gone way up in Long Beach partially because it is getting more difficult to use a car. That is social engineering.”

Baker added, “The question is, what do parking and traffic have to do with quality of life? If your idea is that if you have minimal congestion and lots of parking then that’s a good place to live, good luck. Move to a suburb somewhere.”

Another zoning hurdle for micro-units in Long Beach is that the current downtown plan requires units to be a minimum of 600 square feet, however, 15% of units can be as small as 450 square feet if a request is approved. But 450 square feet still does not qualify as a micro-unit. Going smaller would require a change in policy and the downtown plan by a city council directive.

A major concern is that if the city were to implement these changes and begin building micro-units, what would happen if the fad died out. The buildings would remain for many years, but it may become impossible to keep long-term tenants.

“I’m a firm believer that people will rent as much space as they can afford in the location that is most appealing for them,” Senden said. “I’m not sure if Long Beach is that location or not. There might be a small market for [micro-units], but I don’t think it would be a deep pool of people that would choose that living arrangement in Long Beach. Not yet.”

Despite the challenges and opposition to micro-units, Baker maintains that they are a great way to produce an abundance of the most affordable housing. He cited regulations, such as minimum kitchen size, that make it illegal to create efficient designs, thus allowing cities to hinder innovation.

“I think what people should always keep in mind is just because you wouldn’t want to live there or it wouldn’t suit your lifestyle, doesn’t mean there isn’t a segment of the market that needs to be addressed,” he said. “So I would like to see people not get all moral about it. Let people be innovative. Let them be creative, and don’t get hung up on your cultural preconceptions.” ■





An Indian bride who recently married at the Hyatt Regency Long Beach is adorned with bright colors and jewelry, including bracelets bearing her name as well as her spouse's. Her hands are painted with henna, as is customary in both Hindu and Muslim wedding ceremonies. (Photograph by Greycard Photography)

# From Chuppahs To Henna: Wedding Customs From Around The World

■ By **SAMANTHA MEHLINGER**  
Senior Writer

In an international city, it should come as no surprise that Long Beach's wedding venues regularly host ceremonies and parties for families of diverse backgrounds. Some venues in the area so often host weddings for couples from international cultures and religions that they now specialize in these events. The Business Journal spoke with event organizers, managers and wedding professionals from some of these venues to get a glimpse into various unique traditions associated with our area's diverse cultures.

With ample space, ballrooms and an adjacent lagoon, the Hyatt Regency Long Beach has been a popular spot for South Asian weddings – often large both in scale and the number of guests – for more than 25 years, according to Siobhan Rathband, senior catering manager for the hotel. The Hyatt frequently hosts Indian weddings, which primarily involve traditions and ceremonies associated with the Hindu, Sikh and Muslim faiths, she explained.

"The South Asian community reached out to the hotel initially, asking if we could accommodate weddings that are large-scale," Rathband said. "Back then, 25 years ago, they were much larger scale – a minimum of 500 people," she recalled. "Sometimes up to 700 and 800. Nowadays, they are downscaled quite a bit. They fall within about 300 to 500 now."

The Hyatt's location at Rainbow Lagoon, which features a winding path and bridges over the water, is one of the reasons Indian weddings have become pop-



Some African American couples still practice the tradition of jumping the broom at their weddings, an African tradition that became customary in America during the time of slavery as a means to make a marriage official.

ular at the Hyatt. The lagoon is ideal for a part of Hindu weddings called the *baraat* – a processional where the groom and his family walk to meet the bride and her family. The groom typically rides in a rickshaw or on the back of a horse or elephant, Rathband said.

"Most of the [South Asian] cultures are very colorful with their dress," Rathband shared. "Depending on which culture you're speaking of, the dress is not white. Typically white is not used because it is usually reflective of when someone passes away."

Indian weddings have a number of ceremonies and celebrations. They traditionally last three to four days, although some couples prefer to opt for a one-day event as is customary in America, according to Rathband.

Both Hindu and Muslim weddings feature pre-wedding ceremonies involving henna – a dye used to temporarily tattoo the skin with intricate designs. According to The Emily Post Institute, the Hindu Mehndi ceremony is held the day prior to the wedding to adorn the bride with henna on her arms, hands, legs and feet. In the Muslim tradition, henna parties for the bride are held with her close female friends and family members days before the wedding.

The Earl Burns Miller Japanese Garden on the campus of California State University, Long Beach is also a popular wedding spot for people from Asian cultures, according to Jeanette Schelin, the venue director. "The garden, I feel, is common ground. It is a great place for people from around the world to feel like they belong," she said.

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GREYCARD Photography

Both Muslim and Hindu wedding traditions involve ceremonies to adorn a bride's feet, legs, arms and hands with henna, a dye that creates a temporary tattoo. (Photographs by Greycard Photography)



GREYCARD Photography

In Jewish weddings, the groom customarily ends the wedding ceremony by stomping on a glass.



## Wedding Customs

(Continued From Page 23)

“A lot of the Asian cultures feel right at home at the garden, and we are able to accommodate their traditions,” Schelin said. Recently, the garden has hosted many Cambodian weddings, Schelin noted,

adding that Long Beach is home to the largest population of Cambodians outside of Cambodia. A recent Cambodian ceremony was “beautiful and symbolic,” she said, and involved multiple changes of dress by the bride.  
Dan D’Sa, director of food and beverage for The Grand Long Beach, said his venue also often hosts Cambodian weddings,

which typically involve an entire day of drinking. Oftentimes, every table has its own bottle of liquor, he noted.  
Chinese and Japanese weddings are also common in Long Beach and are often held in the Japanese Garden, according to Schelin. “With our Japanese and Chinese couples, we frequently incorporate a tea ceremony,” she said. “We accommodate

that both pre-ceremony and pre-exchange of vows, or we have actually seen it be incorporated in the exchange of vows.”  
The garden, The Grand and the Carson Community Center in the City of Carson all often host Jewish weddings, which can differ depending on the denomination – Orthodox, Reform or Conservative. The Grand, which also provides catering services for



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the Carson Center, is located directly across from the Alpert Jewish Community Center of Long Beach and often partners with the center for weddings, D'Sa said. "We work with outside catering vendors who are specific to the Jewish community and what their needs are," he said.

One of the most memorable weddings Regina Ramirez, general manager of the Carson Community Center, has seen at the center was for an Orthodox Jewish couple, she recalled. "They had the wedding on our patio at sunset, and they had the chuppah out," she said, referring to the four-posted canopy beneath which Jewish couples traditionally are married. As is custom, the groom stomped on a glass to mark the end of the ceremony. "It was a beautiful ceremony and the reception was very festive," she said.

At the reception, a partition divided the male and female guests – another Orthodox tradition – Ramirez said. The bride and groom are each lifted on chairs by guests in celebration, a sight Ramirez said she remembers vividly. "Seeing the bride and groom lifted up on chairs, dancing around – that's stunning," she reflected.

The Carson Community Center also frequently hosts Samoan weddings because of the city's large Samoan community, according to Ramirez. A key component of Samoan wedding ceremonies is the presentation of finely woven mats between the bride's and groom's families, she said. "The fine mats in the Samoan community are very sacred and they are very meaningful," she explained. According to the National Park Service, these mats are known as 'ie tōga

and are exchanged at special occasions such as weddings and funerals.

In some African American ceremonies, couples "jump the broom" – the bride and groom hold hands and jump over a broom to symbolize their union – according to Ramirez and Schelin. "My understanding is that it goes to the experience of African Americans during the slave period when they were so limited in what they were able to do, and so the household object of the broom worked its way into the tradition," Schelin said. Academic texts indicate this tradition originated in Ghana and was brought to the U.S. by slaves from that region.

Some of the unique traditions associated with specific cultures are spreading beyond those cultures, Schelin observed. "In the very diverse community we have, people become intrigued by things they see at their friends' weddings, and they start to adapt them for their own purposes," she said.

"Right now, if you look in bridal magazines, you see these structures that are draped in fabric and flowers are very popular. And while it might have started out as a traditional chuppah or what Indian ceremonies call the mandap, now you'll find folks who are not from those traditional cultures who also want that piece of architecture," she explained.

D'Sa said that at The Grand he and his staff have taken note of some popular and successful traditions in cultural weddings and now sometimes recommend them to couples outside of those traditions. "What we do is just share information on what has happened with other cultural weddings and what was successful and where there may have been some stumbles," he said. ■



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A bride, Janet Smyser circa the early 1900s. (Photograph by Frank R. Snyder)



A bride, circa 1968. (Photograph by Emily Walker)



A bride, circa 1976. (Photograph by Czajka)



Ted Knight and Mary Tyler Moore on "The Mary Tyler Moore Show," 1977.



A bride, circa the 2000s.

# Wedding Traditions Through The Generations

■ By **SAMANTHA MEHLINGER**  
Senior Writer

If you were to compare wedding photos of the past three generations, the differences would likely be stark. From the wedding venue to the design of the gown to who is in the wedding party, traditions have evolved greatly over the years, although some people still opt for the old way of doing things.

According to representatives from The Emily Post Institute and The Knot, since the early 1900s the big day has shifted from a simplistic affair – typically held in homes or houses of worship – to ultra-personalized, less formal and often very detailed (and expensive) parties.

“Typically, ceremonies were held in a church, and the reception was then held right afterwards at somebody’s home,” Lizzie Post, great-great-granddaughter of famed etiquette expert Emily Post, told the Business Journal. “My grandmother got married in a living room.” Post is an author and a spokesperson for The Emily Post Institute, which holds seminars and trainings built on the original Post’s principles of good manners.

“I think there was a period, especially during war times or right after wars, where it was a lot more common to have a less frivolous wedding and to really just make the wedding actually happen,” Post said. “It was nice and it was simple, but it was not over the top. It was nothing like what you see on TLC or any of these channels that do wedding shows.” Gradually, a shift occurred where more receptions began to be held in hotels, Post noted.

Ivy Jacobson, editor for The Knot, a wedding magazine and online planning guide, pointed out that venues for modern-day weddings vary greatly. “Couples are breaking more traditions,” she said. “We have been seeing a shift in traditional ceremony and reception sites.”

While many people still choose to be wed in churches or houses of worship, many others are opting for less conventional venues, according to Jacobson. The general rule now, she said, is “if a place can hold people and you can have caterers there and a liquor license, you can consider it.”

Nowadays, the venue is more related to creating a personal or thematic atmosphere, Jacobson explained. “People want to get



A bride in May of this year. (Photograph by Caught In The Moment Photography)

married in historic homes and farms, wineries, campgrounds, breweries and museums,” she said. “If the couple are sports fans, they might want to get married at a stadium. If they love movie theaters, they might want to get married at a historic theater in their area. The sky is really the limit with personalization.”

As venues have changed, so have wedding vows. “Years ago, vows were very by the book, especially if you were getting married in a church or another house of worship,” Jacobson said. “You would meet with whomever your officiant was and kind of flesh it out with them,” she explained. “But now, couples are having their friends marry them, and the whole ceremony is a little bit more personalized. People more often than not are writing their vows, and they don’t have to say the same thing or repeat themselves.”

While the format of receptions – a meal, dancing, a cake and perhaps cocktails – hasn’t changed much, those elements have evolved in some ways, according to Post. Dancing, for example, was mostly restricted to partners dancing to formal music in the days of Emily Post. “In my grandmother’s day, it was still probably more formal but a mix of slow songs and kind of more contemporary dancing songs,” Post said. “And then nowadays, I think it’s mostly contemporary dance songs and a few slow songs.”

After-parties are also quite common now,

with many couples meeting up with guests at another location after the reception for drinks or an activity like karaoke, Post noted.

The wedding dress – one of the most talked about aspects of any wedding – has also evolved over the generations from simplistic styles to today’s endless array of forms, colors and fashions. “We have gone through a lot of different style changes – tons of them over the decades,” Post said. “A bride used to get married in kind of what was her best dress, whatever color that may have been, whatever style it may have been. It wasn’t until Queen Victoria that we got a trend of white dresses.”

While in days past, many women wore their mothers’ or grandmothers’ wedding dresses as their own, this tradition has largely been abandoned, Jacobson said.

In the 1940s and 1950s, lace became a popular fabric for wedding dresses, Jacobson noted. Post pointed out that ball gown-style dresses also came into vogue. In the 1980s, for example, Princess Diana wore a voluminous ball gown in her highly publicized marriage to Prince Charles.

“Nowadays people don’t feel as obligated to wear a white ball gown-type dress,” Post said. “You see a lot of sheath dresses, a lot of low-cut dresses. You see short, knee-length dresses. I think we sort of opened up our scope of what makes a woman feel her most beautiful on her big day.”

Jacobson noted that some women choose

to wear two dresses on the big day – a longer one for the ceremony, a shorter one to dance in at the reception.

Wearing white is also a tradition that is, for some brides, on its way out. “A lot of color has been on the bridal fashion week runways in past seasons, and now we’re really seeing it stick with brides across the country,” Jacobson said. “We have seen lots of ombre tones, blush or gray, floral patterns. . . . It’s definitely a trend I think is here to stay. A lot of brides still wear white or ivory, but it’s not becoming so crazy to wear color now down the aisle.”

There has also been a shake-up in recent years of who is included as bridesmaids and groomsmen, according to Jacobson. “Usually it was men on one side, women on the other,” she said. Now, many brides incorporate their male friends into their wedding parties, and grooms include their female friends in theirs, she explained. Also, while traditionally there were matching numbers of people in the groom’s and bride’s parties, now couples simply include whomever they please. “People are trying not to stress about that as much,” Jacobson said.

“Another thing we have seen change from years ago are finances,” Jacobson said. “The traditions of who pays for what – who pays for the ceremony and reception, that’s kind of all out the window now.” Traditionally, the bride’s family pays for the wedding. Nowadays, sometimes both families contribute, or the bride and groom pay some and one family pays the rest, or the engaged couple pays for the whole affair, she explained. In 2015, 12% of couples paid for their weddings entirely by themselves, she noted.

Post said engaged couples should meet with their families to discuss finances early on. “Now we say it’s really important to have an open and candid conversation about what people are willing, able or expected to contribute,” she said.

“To me, it’s fascinating how obsessed American culture has become with the wedding,” Post reflected. “Whereas in past generations the wedding was definitely important, the actual act of getting married seemed more prominent than the wedding itself. Nowadays, we put a lot more pressure and expectation on the event, rather than what the event is about.” She concluded, “Mostly, it is the sentiment we want to make sure stays alive when it comes to weddings.” ■





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# Intimate Wedding Venues In Long Beach

■ By **SAMANTHA MEHLINGER**  
Senior Writer

Although a 2016 survey by the service referral website Thumbtack found most Californians opt for mid-sized weddings with 50 to 100 guests, intimate weddings are appealing for many couples, not only because of the cost savings they represent but also for the opportunity to share their special day with people they are close to. In Long Beach, there are a number of venues suited for small weddings, from a waterside boutique hotel to historic sites and even the Aquarium of the Pacific.

Some of these venues typically host large weddings, like the Aquarium. This waterfront attraction often hosts weddings of more than 100 people in its Great Hall, which features a floor-to-ceiling tank of sea life and life-size replicas of whales hanging from the ceiling. But the venue also has smaller spaces suited to intimate weddings, according to Erica Noriega, special events manager at the Aquarium.



The green gates of the Rancho Los Cerritos Historic Site lead in to the venue's inner courtyard, which can accommodate both a wedding ceremony and reception for small parties. (Photograph by the Business Journal's Larry Duncan)

"We have our rooftop veranda that opened in April of last year. We have done weddings for about 100 up there, but usually they are a lot smaller," Noriega said, estimating that typical weddings there average 25 to 65 people. The rooftop veranda overlooks Rainbow Harbor and the Queen Mary, making it a scenic location for a wedding, she said.

Unlike other spaces with the Aquarium, the veranda is available for weddings during normal operating hours because it is closed off from the rest of the attraction, Noriega pointed out. "It's nice because we can do daytime events up there and close it to the public," she said. "So it gives us a chance for those people who want to do an 11 a.m. wedding or a 2 p.m. wedding."

While Noriega doesn't recommend the

Great Hall for intimate wedding parties because if "you have less than 100 people, it sort of feels like nobody came to your party," there are other spots in the Aquarium for couples who want an "under the sea" vibe for their small affairs. The reef exhibit in the upstairs Tropical Pacific Gallery is one such spot, which can seat as many as 80 people. "It has got the beautiful 350,000 gallon tank as your backdrop, so people feel like they are really in the Aquarium," Noriega said.

For parties of up to 30 people, dinner receptions can be held in the same gallery's tropical tunnel, allowing guests to be surrounded by water and aquatic life. "People feel like they're underwater," Noriega said of the space. Couples who choose to marry at the Aquarium are often drawn to it be-

cause of their own lifestyles – for example, if they are divers – or because they want to hold their wedding somewhere out of the box, she noted.

Long Beach's other major attraction, the Queen Mary, is another local venue that often hosts large weddings. But according to Kacie Rattigan, Queen Mary wedding planner, couples are often surprised that the ship has numerous spots for intimate ceremonies and receptions.

"I think a lot of guests and tourists would be surprised at how many spaces we have where we can accommodate a smaller group," Rattigan said. "In my opinion, the most beautiful is the wheelhouse, where we can accommodate just a few guests. It's pretty much standing room only." The wheelhouse is where captains and crew steered the historic vessel in its oceangoing days. The restored room, which features brass railings and details, holds up to 20 people.

Another indoor spot for intimate weddings is the Queen Mary's chapel, which is decked out in Art Deco style with dark woods and artwork, Rattigan said. The chapel is the ship's most traditional wedding space, with rows of seating and an altar. "It is very intimate and very private," she noted, explaining that the chapel is not open to the public.

The Queen Mary's various outdoor spaces and decks are its most popular spots for weddings for the views they offer, according to Rattigan. The most intimate of these is the well deck, which is located on the bow of the ship. The space accommodates up to 50 guests and has views of the Long Beach skyline.





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Some guests who hold small weddings on the Queen Mary still choose to marry in areas able to accommodate larger parties, Rattigan noted. The gazebo on the stern of the ship is one such place, she said.

No matter where a couple wants to get married onboard the ship, Rattigan and the ship's staff are happy to accommodate, she said. "If you just want something small and you just want to do maybe a small dinner afterward, we can accommodate the space where you can have an intimate ceremony, but then have an upscale beautiful dinner overlooking the water at Sir Winston's," she said. The Queen Mary's wedding vendors are willing to cater to smaller wedding groups, she added.

Located near the Queen Mary at Queensway Bay is the Hotel Maya, a DoubleTree by Hilton hotel, that also offers a number of options for couples planning intimate weddings. One of the most popular of these is the hotel's Jardin De Palmeras – that's Spanish for "palm garden" – an outdoor space with "a waterfall and lush, tropical foliage," as well as fire pits and tiki torches, Lisa Duncan, director of catering for the Hotel Maya, said.

"The thing about the Jardin space is most of our couples don't really bring in any additional decor because it's so green, lush and tropical already," Duncan explained. "It is also right on the water. So you get this fantastic water view and you still have this really nice, intimate setting," she added.

Couples who have smaller weddings in the Jardin typically choose to have both the ceremony and reception in the space, Duncan said. For these affairs, the garden



The restored wheelhouse on the Queen Mary provides a unique backdrop for an intimate wedding, with standing room for 20 people or fewer. (Photograph provided by the Queen Mary)

is able to accommodate up to about 60 people.

Another spot at the hotel for small weddings is the Esplanade – an outdoor patio with views of the Long Beach skyline that is covered by a 42-foot diameter umbrella. "You're right on the water looking back on to the city. It's a beautiful spot," Duncan said. "Again, we have done ceremonies and receptions in that space underneath the umbrella."

Duncan noted that the Hotel Maya is increasingly hosting more intimate weddings and that they "seem to be a trend."

For those looking for historic charm, the Rancho Los Cerritos Historic Site located near Bixby Knolls also has a space suited for intimate weddings. "There aren't a lot of historic sites where you can get married," Alison Bruesehoff, the rancho's exec-

utive director, said. The historic adobe home, built in 1844, serves as the backdrop for weddings, which are held outside in the inner courtyard or the backyard.

For intimate weddings, the courtyard – which features an Asian pond with water lilies – is a good spot for the ceremony, according to Bruesehoff. "A lot of people use the inner courtyard for the wedding ceremony, and then they will move to the backyard for the reception," she said. If it's a particularly small wedding, both the ceremony and reception may be held in the courtyard, she noted.

"You're at the adobe, and you walk in through the big main green gates. And it is this really picturesque, small lawn hedged with all kinds of different flower beds," Bruesehoff said of the courtyard. "Then you

are looking at the sun porch of the adobe and the water lily pond. And it is surrounded by the high walls of the adobe itself."

On the bluffs just past Downtown Long Beach, the Long Beach Museum of Art offers another historic setting – its Elizabeth Millbank Anderson House was built in 1911 – with waterfront views. Although the museum is able to accommodate large weddings thanks to its two buildings, lawn and patio, Director Ron Nelson said it is often host to intimate affairs.

"We have large and small weddings," Nelson said. "One of the things that's unique about this particular place – and people say it over and over – is that even though there could be a thousand people here, there is still an individual sense of space and grandeur," Nelson said. "It has that inspiration to it. And when you're here by yourself, it has that same feeling," he continued, explaining that smaller weddings do not take away from the museum's feeling of grandeur.

Smaller wedding groups, particularly in the winter, are often held in the Anderson House, Nelson said. We have done weddings there for 30 people. It's possible to do a cocktail outside or a service outside, and then come in and eat," he said.

The smallest wedding the museum has hosted recently was for just 12 people. "Something I will say of our staff, if you want to book a wedding for Saturday night in the middle of the summer – a prime wedding night – and it's only going to be 12 people, it's your night. It's your 12 people," Nelson said. "You're going to get the same attention to detail." ■

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### Liberation Brewing Company To Open In Bixby Knolls Later This Year

Blair Cohn, executive director of the Bixby Knolls Business Improvement Association, right, welcomes Dan Regan and Liberation Brewing Company to Long Beach. Located at 3630 Atlantic Ave., Liberation is the brainchild of Regan, who spent 20 years touring the world as a trombone player for the ska punk band Reel Big Fish. Regan left the band in 2013 and decided to delve deeper into his love of craft beers. He partnered with home brewer Eric McLaughlin, winner of various medals for his home brew, including a 2014 World Beer Cup silver medal for Saison Noir, made while brewing for Ohana Brewing Company in Los Angeles. “We hope to make it a haven for all of my friends who are touring and coming through town. We’re not going to have a live performance permit, at least not at first, but we may work with the city and have select events, maybe music on First Fridays or a summer program. Music informs everything that I do and we are hoping to expand into a safe haven for local bands.” Formerly a 99 Cents Only Store, the location totals 4,800 square feet with 3,000 square feet dedicated to the five-barrel brewing system and 750 square feet for a tasting room where pints and growlers will be sold to the public. With no restaurant aspect associated with the brewery, Regan said they are focusing on the beer and distributing to local bars to get their name out. “The Long Beach identity has informed all of our creative process in putting the brewery together,” Regan said. “We really feel like Long Beach needs its own beer label and we’re hoping to be it.” According to Regan, he hopes to open before the end of the year. (Photo by the Business Journal’s Larry Duncan)



### Creative Corridor Challenge Injects Public Art Into North Long Beach

Vice Mayor and 9th District Councilmember Rex Richardson’s office launched the Creative Corridor Challenge in February to erect seven murals by local artists in neighborhoods around North Long Beach. The murals add color and vibrancy to once blank or blighted walls, helping make the areas more family- and pedestrian-friendly. This mural by Maria “Mer” Young is located on Artesia Boulevard just east of Atlantic Avenue. Richardson is pictured with the project team, from left: Katie Phillips of Squeeze Art Collective, Christian Cambridge, 9th District field deputy, and April Economides of the Arts Council for Long Beach. A bus tour took place Saturday, July 30, allowing approximately 60 community members to see all of the murals and meet the artists. For a map of the murals and more information, visit [www.facebook.com/rexrichardsonlb/](http://www.facebook.com/rexrichardsonlb/). (Photograph by the Business Journal’s Larry



### LBS Financial Employees, Families And Friends Volunteered Their Time To Clean Up City’s Coastline

More than 100 LBS Financial Credit Union employees, joined by their families and friends, recently completed 200-plus volunteer hours in cleaning up part of Long Beach’s coastline. The clean up occurred between 14th Place and 19th Place below Ocean Boulevard, a stretch “adopted” by LBS Financial in 2011 as part of the city’s “Adopt-A-Beach” program. Clean ups were held in March, May and July, and included the sand, bike path and a parking lot. LBS Financial serves more than 120,000 members with six branch office locations, including Long Beach. It was founded in 1935 as the Long Beach School District Employees Federal Credit Union. The photograph provided by LBS Financial shows the July clean-up team.



### Big E Pizza Celebrating Its 30th Anniversary

Jimmy Eleopolous started up his pizza joint, Big E Pizza, when he was just 19 years old. In August, he is celebrating his business’s 30th anniversary, and he is planning a yet-to-be-announced celebration coming up in September. Eleopolous’s parents had owned a restaurant when he was growing up, and at 19 he decided to get into the industry himself, opening Big E Pizza at 3225 E. Pacific Coast Hwy. in Signal Hill, where it is still located today. “It has been a great 30 years,” he told the Business Journal. “I have employees who still work for me 30 years later.” Most of his employees have been working for him at least 15



years, he noted. Two years ago, he expanded the business, opening an adjacent banquet room. “The dining room is packed with parties and dinner rushes and late night eating,” he said, explaining that the restaurant is open until 1 a.m. Sundays through Thursdays and until 3 a.m. on weekends. Big E also delivers through those hours, he noted. “We’re very blessed. It’s a busy store,” he said. For more information, visit [www.bigepizza.com](http://www.bigepizza.com) or call 562/498-8788. (Photographs by the Business Journal’s Larry Duncan)



### Nino’s Italian Restaurant Bidding Farewell After 58 Years . . . Last Day Is August 12

Nino’s Italian Restaurant, which has been serving up a little bit of Italy in Long Beach for 58 years, is closing its doors on August 12. The restaurant, which was founded by Vincenzo “Nino” Cristiano and wife Inge on July 31, 1958, has been a fixture in Bixby Knolls at 3858 Atlantic Ave. since it first opened its doors. Daughter Carina Cristiano said the family made the decision to retire to spend more time together. Her mother, a German immigrant, is 82, she said, and her father, who hailed from Italy, passed away two years ago at the age of 90. Carina said she took her first steps at the restaurant when she was two years old. Over the years, her parents, Carina and her siblings, Nino and Mike, grew the restaurant from 16 tables to two large dining rooms, a banquet room, a cocktail bar, patio dining and catering services. Much of the restaurant’s staff has been with the family for years – including the chefs, who have been at Nino’s for four decades, she said. “It’s not like a regular restaurant because everybody knows one another,” she reflected. “Our customers have been coming for so long, so we see their families grow up and they’ve seen us grow up. We share stories.” In an e-mailed statement, Inge said that she would miss



seeing all the friends she has grown accustomed to visiting with on a weekly basis. “It has been a wonderful 58 years, but I agree with my children, it is time to close our doors. Small business today is so much more work, and it is time for us to all get a break,” she said. The family is selling the property, which includes an adjoining parking lot, pictured bottom left. For inquiries, call Mike Cristiano at 562/889-6852. Pictured, from left, are: Nino, Mike, Inge and Carina Cristiano. Below, Inge is pictured by a photograph of her late husband, Vincenzo. (Photographs by the Business Journal’s Larry Duncan)





# Analysis Of Long Beach Sales Tax Measure

(Continued From Page 1)

tinct line seems to have been drawn in the city, according to the mapping completed by Adouki & Associates, a political and governmental affairs consultancy firm based in Signal Hill. Of the 43 precincts in the city opposing the measure, 41 are located east of Lakewood Boulevard (the other two are in the Virginia Country Club/Bixby Knolls area).

The 5th City Council District is the only district where the measure failed, with 54% of voters in opposition (refer to adjacent chart). The entire 90808 zip code is within the 5th District, as is part of the 90815 zip code. The two zip codes represent the lowest crime rates in the city and encounter far fewer infrastructure problems compared to other areas of Long Beach – factors that may have played into why voters were against the tax increase.

Home ownership may have also played

a role in the vote. For example, the same two zip codes account for the highest home ownership rates in the city – 77.8% in the 90808 zip code and 65.7% in 90815. City-wide, home ownership is one of the lowest in the country at barely over 40% (U.S. home ownership is at 64.4% and 54.8% in California). Homeowners are paying increased property taxes that renters are not concerned about, including the passage of the Long Beach City College bond measure on the same June 7 ballot, and the most likely passage of a Long Beach Unified School District bond measure on the November 8 ballot.

Two other interesting tidbits that may have impacted the vote: (1) a majority of the city's registered Republicans – who historically lean anti-tax – live in East Long Beach (as of June 1, 18.8% of voters are registered Republicans and 51.9% are Democrats); and (2) Mayor Robert Garcia led the effort to pass the tax. When he was elected in 2014, the only city council district he lost was the 5th, and he won the 3rd District by fewer than 50 votes.

## Sales Tax Increase Measure A Results By City Council District

City Council District	Yes	No	% Yes	% No	Total Votes	Registered Voters	Turnout
1	4,002	1,287	75.7%	24.3%	5,289	21,730	24.3%
2	7,122	3,656	66.1%	33.9%	10,778	29,197	36.9%
3	9,092	8,176	52.7%	47.3%	17,268	36,332	47.5%
4	5,667	3,880	59.4%	40.6%	9,547	26,532	36.0%
5	7,633	8,932	46.1%	53.9%	16,565	34,832	47.6%
6	3,710	1,282	74.3%	25.7%	4,992	21,674	23.0%
7	6,902	3,690	65.2%	34.8%	10,592	30,248	35.0%
8	5,574	3,034	64.8%	35.2%	8,608	27,463	31.3%
9	5,226	2,195	70.4%	29.6%	7,421	25,416	29.2%
Totals	54,928	36,132	60.3%	39.7%	91,060	253,4243	35.9%

Source: City of Long Beach through Los Angeles County Registrar-Recorder.

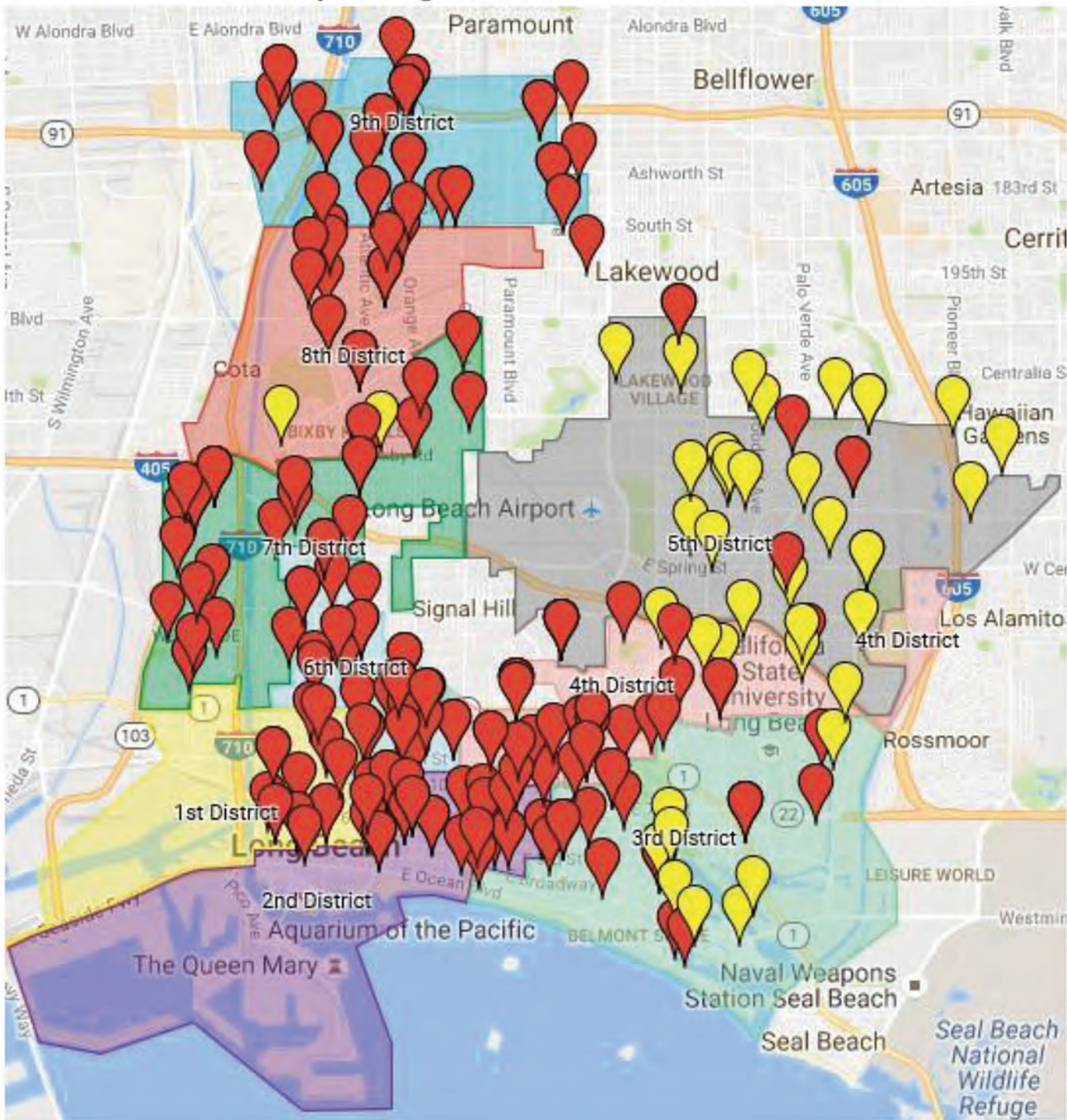
Surprisingly, the highest support for the tax increase – 70% plus – came from the three city council districts with the most

people at or below the poverty rate – the 1st, 6th and 9th Districts.

That is a puzzling since an argument made by tax opponents was that lower-income people could least afford the increase – which, as pointed out previously, amounts to an 11.1% tax hike. In fact, the tax increase negates the January 1, 2016, state increase in the minimum wage, which went from \$9 an hour to \$10 an hour, or, that's right, 11.1%. Additionally, it is generally accepted that sales taxes are regressive because the cost of essentials such as food, rent and clothing make up a higher percentage of a lower-income worker's budget.

Therefore, one must wonder if many voters did not fully understand the tax increase or the impact on their pocket book, or maybe they were swayed by the massive campaign – mailer after mailer – to pass the increase. However, the opposite may also be

## Results by Polling Location: YES = NO



Notes:

- 393 ballots cast in 28 small Vote-By-Mail-only precincts are included in the district totals chart (and in the full results on the Google Spreadsheet) but are not reflected on the map
- Precinct markers are plotted on the map by polling location, thus some markers fall slightly outside the bounds of the indicated election precinct (which means in some cases the markers will also fall just outside the council district within which they apply)
- All election precincts fall entirely within a single council district with the exception of one 7th District sub-precinct which was consolidated into a 1st District election precinct.

Prepared by Adouki & Associates, a political and governmental affairs consultancy. [info@adoukiandassociates.com](mailto:info@adoukiandassociates.com) or [adoukiandassociates.com](http://adoukiandassociates.com)

## Home Ownership Versus Renter

### United States

64.4% owner\* 35.6% renter

### California

54.8% owner 45.2% renter

### Long Beach

40.2% owner 59.8% renter

### Long Beach By Zip Code

(Numbers equal housing units per zip code)

	OWNERS	RENTERS	%OWNERS	%RENTERS
90802	4,456	15,765	22.0%	78.0%
90803	7,233	9,548	43.1%	56.9%
90804	2,977	11,592	20.4%	79.6%
90805	11,098	14,968	42.6%	57.4%
90806	3,953	8,258	32.4%	67.6%
90807	6,794	5,767	54.1%	45.9%
90808	11,080	3,164	77.8%	22.2%
90810	5,098	4,166	55.0%	45.0%
90813	2,312	14,246	14.0%	86.0%
90814	2,957	6,094	32.7%	67.3%
90815	9,522	4,961	65.7%	34.3%

Source: ACS (American Community Survey) 2014, which is an ongoing statistical survey by the U.S. Census Bureau.

\* According to a U.S. Census update, the U.S. homeownership rate had fallen to 63.4% by the 2nd Quarter of 2015, and a year later to 62.9%.



true: voters clearly understood what they were voting on, and their voice came through loud and clear that they trust the mayor and city councilmembers to hire more police officers to fight rising crime and to address the city's infrastructure needs.

According to Adouki & Associates, the city's police union poured more than \$213,000 into the Measure A Yes campaign. Other large donations came from the city's firefighters' union, which gave \$77,625, and more than \$130,000 was donated from three other union groups.

The consulting company claimed voters were "vulnerable to the influence of false and misleading mailers," including one that said voting yes would result in more police and firefighters, with big bold numbers stating "200 fewer cops, 80 fewer firefighters = a less Safe Long Beach." The inference, the company says, is that passing the tax would result in all those public safety positions being filled, which is unlikely.


In a statement, Adouki & Associates called the campaign "one of the most dishonest in Long Beach political history – \$600,000-plus spent to 'educate' voters about what they were voting for without ever using the words 'sales' or 'tax' to describe a referendum on a new sales tax."

Whether one agrees with the consulting firm or not, the fact is the tax passed. Now the onus is on the mayor and councilmembers to keep their word.

City officials often talk about Long Beach being one big, beautiful city, full of diversity. That may be true, but politically there is a line and the vote on the sales tax measure clearly pointed it out. ■

Technology And Innovation

Women Engineers And Workplace Conditions



By **FOROUZAN GOLSHANI**

A very large proportion of women leave the engineering and science fields due to difficult workplace conditions. That fact was confirmed in a five-year study that began in 2009 and included interviews with 5,300 women engineers.

In summarizing the study, Huffington Post reported that nearly 80 percent of women who entered the engineering workforce and subsequently left, did so because of the "organizational climate." This group attributed the climate issues mostly to two factors: non-supportive supervisors and general incivility. Other reasons cited included salary disparities, a dearth of opportunities for advancement, and extensive travel necessities. The report quoted one respondent who stated: "It is hard to justify the long hours to go nowhere," to sum up the reasons for the exit of nearly 40 percent of women engineers.

If you're not convinced that we have a national problem, let's look at the numbers. Due to massive campaign by the National Academy of Engineering, in 2014 we saw significant increases in the number of science, technology, engineering, and mathematics (STEM) degrees awarded to women. Specifically, in the fields of engineering and science, 49 percent of bachelor of science degrees, 43 percent of master of science degrees and 40 percent of PhDs were awarded to women. However, despite these high levels of graduation in STEM fields, women make up only 25 percent of the STEM workforce. In engineering alone, the number is much worse. Only less than 11% of employed engineers are women, according to IEEE Spectrum.

Not alarmed yet? Here's a prediction by the Code.org – a non-profit dedicated to expanding access to computer science, and increasing participation by women and underrepresented students of color: while computing jobs will double to 1.4 million by 2020, women leaving the industry will result in a shortage of qualified employees to fill those jobs. Major employers like Google, Apple and Facebook are already reporting a shrinkage in the ratio of women in their technical divisions. Isn't it time to rethink the high-technology workplace?

Report after report indicates that women prefer to work in collaborative environments where creativity is valued. By contrast, they are more prone to leave workplaces that are hierarchical and do not allow flexibility. So it should not be a surprise that a cooperative environment, where the supervisor and co-workers are supportive of one another, will create a stronger sense of belonging, and it is this connectedness that leads to higher retention of women. Of course of greater importance is women's working relationship with their immediate supervisors.

Regardless of the type of industry and its size, the attitude of management toward promoting women makes a huge difference. Very often this attitude is shaped by the realities of other women filling the higher spots. This is true of private sector, public or government, and the perception of glass ceiling within the organization is probably the most significant deterrent.

Should the high-technology industry remain aloof to these serious failures, women will continue to flee the field with the same alarming rates. Should STEM employers continue to expect long hours from all employees – yes, some practically live at their workplaces – we will be further deprived from the contributions of women to these vital fields. The sobering fact is that women will continue to work outside the home, as over 70 percent with young children do. The simple and unfortunate fact is that they will not be working for engineering or computing fields – the two fields that traditionally have been enriched significantly by women's innovations and intellectual contributions.

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



# Horses and Dragons

**DISCOUNTED LATE NIGHTS**

Visit the Aquarium of the Pacific in Long Beach for discounted late nights this summer and discover seahorses and sea dragons that defy the imagination. On select nights throughout the summer, the Aquarium remains open until 8pm and everyone gets in for just \$14.95 after 5pm.

For dates and details, visit [aquariumofpacific.org/latenights](http://aquariumofpacific.org/latenights)

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# Inside City Hall

## How To Prepare For City Budget Exercises



By **GERRIE SCHIPSKE**

Ever wonder why Long Beach has a different budget cycle from other cities and businesses? We are on an October 1 to September 30 cycle, while most everyone else is on a January 1 to December 31 fiscal year. In 1994, the city council voted 6-2 (Alan Lowenthal and Jenny Oropeza opposing) to change the fiscal year from the rest of government. It was argued that a new fiscal year would give newly elected councilmembers who take office in July, enough time to study the budget and vote three months later. City management claimed it would also give them more time to study the state's budget and to adjust to the state taking revenue.

As Lowenthal and Oropeza argued, this new scenario did not give new councilmembers sufficient time to study the budget. I came into office in 2006 and the Fiscal Year 2007 budget was a done deal. City management had formalized its recommendations that it had worked out in April and, barely two months into office, the council voted on a budget that is large and complex.

If you want to follow along with the city budget exercises, the process is as follows: the city manager asks each department to begin updating their budgets in early January. By June, departments complete their budgets and the City Council Budget Oversight Committee begins its review. The city manager gives the budget, not to the city council, but to the mayor, who reviews and makes changes. On August 1, the mayor submits both budgets – the mayor's and the city manager's – to the city council that in turn has four or fewer scheduled meetings to review and request changes. By law, the budget must be balanced and passed by September 15. During the process, councilmembers are free to hold public meetings on the budget and the city has adopted an online program to allow taxpayers to weigh in about choices.

The city does not use "zero-based budgeting," requiring departments to start at zero each year and justify the amounts they are requesting. Therefore, budgets grow incrementally. The city also does not set out ahead of time a list of detailed performance measures that each department must attain to also justify budgets and which indicate the costs to perform city services. Performance measures are listed as "accomplishments" and are broad. What is needed is a calculation of what it costs for each unit of service provided in a specific department.

The International City Management Association (ICMA) has developed a number of performance measures that could be used, such as the one for Code Enforcement: Percentage of code violations brought into voluntary compliance prior to initiation of administrative or judicial action; Number of code violations resolved per full time equivalent code enforcement personnel; and Cost per code enforcement case.

The city posts its budget documents online. These documents provide summaries and often lack the entire financial picture of the city. To view that, I recommend readers go online and download the last Comprehensive Annual Financial Report (see link: CAFR 2014) The CAFR contains management's representations of the revenues, assets and expenditures of the city and is prepared usually one year after the budget has been passed. CAFR includes detailed explanations not found in the budget. For instance, did you know that in FY 2014 the city increased spending on public safety by \$10.3 million? This was spent on increased workers compensation costs, additional funding for gang enforcement and costs for operating a police academy.

Next column: Why does the city have a health department?  
(Gerrie Schipske was elected to both the Long Beach Community College Board of Trustees and the Long Beach City Council. She is the author of several books on Long Beach history. Her blog is [www.longbeachinside.blogspot.com](http://www.longbeachinside.blogspot.com).)

# Effective Leadership

## Five Ways To Create An Appreciate-Friendly Atmosphere

*"Appreciation can make a day, even change a life. Your willingness to put it into words is all that is necessary."*

— Margaret Cousins



By **MICK UKLEJA**

Appreciation means to "increase in value." We understand the concept of appreciation in the financial realm, yet increasing the value of others is not as clear. Rather than talk about the "how to's," let me describe the necessary mindsets.

Here are five that create an appreciation-friendly atmosphere.

**1. Culture** – Every organization – large and small – has a culture. Even every family has a culture. Where 2 or more people are gathered for any length of time, a culture exists. It has been referred to as the personality of the organization, group, or family. Often people don't recognize it's existence, but it is a major driver of behavior. Most people cannot describe what their culture is, any more than a fish (if they could talk), could tell you what water is. As a

result, any attempt to appreciate or add value to others will hit roadblocks unless the culture supports it. That's because culture is like the oxygen we breathe. If the atmosphere is one of fear, mistrust or toxic competition, it will be hard to add value to others without cleaning up the air. If the focus is on what is wrong or broken, appreciation is more difficult. If the focus is on looking for the best in others, then appreciation is encouraged.

**2. Gratitude** – Gratitude unlocks the fullness of life. It turns meals into feasts, and strangers into friends. Those who are grateful are the best at adding value to others through appreciation. It is heartfelt and specific. When we realize how much we've been given, we have so much more to give. The more valuable we feel, the more value we can add. In fact, we can't help but do this. Appreciation is really gratitude in action.

**3. Margin** – Without margin in our schedule it becomes difficult to do the important things. We live in a world of "spinning plates." When we solve one problem, we leap to the next. With our frantic pace it's easy to become a victim of the urgent things, while ignoring the important things. Creating the space to include appreciation of others is not a waste of time. It increases value which goes to the bottom line.

**4. Diversity** – Celebrate the differences that exist among people. Don't let a personal preference or strength become a weakness. When we appreciate the differences in others our personal strengths increase. It's good to have "clarity"

# Small Business Dollars & Sense

## The Next Generation Of Entrepreneurs: How Millennials Are Changing The Landscape



By **BEN ALVARADO**

Millennials are starting their own businesses at a rate unseen by any other generation; they are the fastest growing segment of entrepreneurs today. Born between 1981-1997, Millennials have surpassed Baby Boomers as the largest living generation on earth, and one area in which they have made a big impact is the workforce. From pursuing a more flexible work environment to seeking a challenge, Millennial entrepreneurs all have their own reasons and motivations for starting a business instead of settling into a traditional career path.

### Forging Their Own Path

Many Millennials were graduating high school or college during the financial crisis, and this experience helped form their plans for their future careers. This generation is the most diverse and most entrepreneurial, with Millennials launching approximately 160,000 startups per month and 82 percent of Millennial small business owners say they started their business because they wanted to be their own boss and have control over the future, and today, 71 percent are working on their businesses full time. The study also found that 41 percent of Millennial small business owners are looking not only for a comfortable future, but to grow their business as big as possible, compared to 21 percent of older small business owners. Most said they are planning to grow their businesses over many years with the goal of potentially even passing it down to their children.

### Launching More Businesses

Millennials today are starting more businesses in a wide variety of industries. Nineteen percent say they own more than one business, compared to 17% of older small business owners. When asked what business type/industry they work in, the top three reported were professional and business services (22%), retail, wholesale or restaurant (20%), and consumer services such as house painting or auto repair (16%).

### Seeking Support

When it comes to seeking support for their business's financial success, Millennial small business owners aren't afraid to ask for help. According to the Wells Fargo study, Millennial small business owners draw on a number of different sources for inspiration, with most turning to friends and family (82%), and other small business owners and competitors (74%). In addition, a large percentage of Millennial small business owners (76%) say they are willing to pay for products and services that help them do a better job of running their businesses, compared to 66% of older small business owners.

### The Glass Is Half Full

In thinking about the future of their businesses, Millennial small business owners tend to have an optimistic outlook. In fact, the Wells Fargo study found that the outlook for the coming year is seen to be brighter among Millennial small business owners, with 77% saying that they expect improvement in their business in the next year, compared to 51% of older small business owners. The positive, ambitious outlook supports their plans to grow and scale their business in line with their goals.

As more Millennials enter the small business space and launch their ventures, understanding how they operate and what motivates them is the key to helping them succeed.

(Ben Alvarado, a 25-year veteran of Wells Fargo, is the president of the bank's So. Calif. Region, which stretches from Long Beach to Orange, Imperial and San Diego counties.)

about your strengths and preferences, but not "rigidity." When we embrace diversity, we also appreciate divergence and dissent. Lockstep thinking leads to dysfunction, where anyone different is somehow inferior. This attitude is not appreciation-friendly, and adds no value to either party. Our differences can lead to celebration or intimidation. Choose celebration.

**5. Rituals** – Establish rituals to highlight and commemorate successes, accomplishments, effort and personal celebrations (birthdays, anniversaries, and milestones). One organization put together Stress Support Kits. If someone was working on a difficult project they received the kit. It included aspirin, a comedy DVD, wind up toys and a stress ball. You can design your own – families included. The ritual helps send the message that what they are going through is both known and appreciated. Rituals provide reminders that help structure appreciation and add value to people's lives.

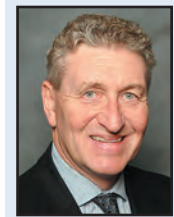
The practice of appreciation is a powerful art. When a person feels genuinely appreciated, their connection, response, performance, and production increase. It's the language of appreciation and it takes practice to become fluent.

(Mick Ukleja is an author, speaker and generational strategist. He keynotes across the country on leadership, generational diversity and personal productivity. He is co-author of the best seller, "Managing The Millennials, 2nd Edition." Check his weekly blog at [www.Leadership-TraQ.com](http://www.Leadership-TraQ.com).)



# Realty Views

## Rising Home Prices Slowing Sales



By TERRY ROSS

As home prices continue to recover and approach – or in some cases exceed – the lofty prices prior to the 2008 housing crash, some interesting trends have emerged nationally, locally and statewide.

An increase in sales volume usually leads to price increases. Eventually, the lack of inventory leads to higher prices – as with anything that is more scarce. In today’s housing market, sections of the country where prices and the cost of living are lower are currently enjoying excellent growth in the volume of homes being sold.

Much of this has to do with entry-level buyers who can get into the housing market at a much lower price point. So places like the Midwest and the South are seeing those buyers making purchases in increased numbers because prices are much more affordable in comparison with the West Coast. In the city of Detroit, for example, the volume of sales in May of this year was 58% higher than in the same month of 2015, according to the real estate website Redfin.

Now compare that with California and our higher prices, and you get a completely different picture. Statewide, home sales decreased 2% during that same period – from April 2015 to April 2016. Regionally, sales dropped 1% in Los Angeles County, 6.4% in Orange County and 3.8% in Riverside. Home sales in San Diego dropped 1.7%, while up north sales dropped 5.7% in San Francisco and 7.2% in Santa Clara.

Across the state, home prices have increased 8% over the past two years, moving prices near the highpoint of almost a decade ago. Going back further than two years ago, prices in California were increasing at an even higher rate.

In addition to the lack of inventory, the lack of income growth has also put the brakes on sales, while Californians wait for their wages to catch up. In the years leading up to the housing bubble – 2003 to 2007 – the income deficit was much the same, but the conditions were much different. Lending was much more flexible and lenient with stated income loans. Consumers were much more trusting of the economic environment and were much more willing to sell and buy knowing that they could get a loan, they would have a job, and prices would continue to climb. Today – after the Great Recession – the consumer mindset is much different, not to mention the mindset of lenders and regulators.

So where does it go from here? In those states with relatively less expensive housing, first-time homebuyers will continue to have greater opportunity to purchase a home that they can afford for the time being. Most economists predict that the influx of younger, up-and-coming first-time buyers and the downsizing of baby boomers will help fuel the next housing boom across the country in 2019 to 2021.

In California, incomes will need to support the prices that we have now, or hope to attain in the next few years. This may not be easy since we are already outstripping the ability of many consumers to pay these prices. More jobs and better paying ones will be needed to make up this gap. Right now we are getting a break with no increase in interest rates, like those that had been predicted at the beginning of the year. An economy that has not increased as expected is the reason for that.

The other unknown factor is what comes out of this turbulent election year. By early next year, we should have some indication of what course all of this is going to take. But some housing analysts think that home prices will trend down in the first half of 2017, mainly due to the current uncertainty that could continue for a while.

*(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](mailto:terryross1@cs.com) or call 949/457-4922.)*

the British government to conduct drone testing there. The range of experiments includes technologies not yet permitted in the U.S. Other tests are being conducted in Canada.

Given the potential collision with the helicopter in Los Angeles (and numerous other close calls), the concerns of regulators are legitimate. The question is to what extent federal, state and local agencies can help themselves by engaging companies like Amazon and 7-Eleven in the R&D process here in this country as a way of directing the use of the technology and better anticipating the impacts of its use.

To a certain extent, the horse is already out of the gate, particularly when it comes to the use of drones in the supply chain. Airborne drones are already in use. Germany has approved use of a Parcelcopter delivering drugs and other supplies to offshore locations in the North Sea. Companies such as DHL and Google – in addition to Amazon – have all made investments in unmanned aerial vehicle (UAV)-related R&D. We should also expect to see drones used within the distribution center where they have the potential to be more flexible than forklifts and conveyer systems. The technology has been tested and used for palletizing, sorting, loading, and unloading containers.

Other applications are also on the way. Rolls Royce is developing drone cargo ships under a project called Blue Ocean. A fully autonomous cargo ship without a human crew potentially means no living quarters, air conditioning, water or sewage, thus leaving more room for cargo space. For its part, Mercedes-Benz is developing a self-driving semi-truck designed to reduce both costs and human error behind the wheel.

There are risks of course, and the wide ranging use of unmanned vehicles of whatever type will have tremendous implications for society as a whole. The technology can help supply chains be more customer-driven, but the customer has to be comfortable with the technology in the first place.

And if we’re not quite there yet, it’s impossible to deny that we’re in a period of rapid change. Regulators, hesitant perhaps to make it easier to get Slurpees-on-demand, are rightly cautious; but technologies tested elsewhere will no doubt find their way into use on our shores. New approaches to regulation will be required to match new approaches to innovation.

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

# Trade And Transportation

## Big Week For Drones



By TOM O'BRIEN

Not surprisingly, the political conventions held the spotlight over the past few weeks and dominated the news cycles. But there were developments on some other fronts that are worth noting. One in particular turned what was once the stuff of science fiction into reality. It had to do with drones.

July was actually a big month for drones. Not all of the news was good. In Los Angeles, a fire firefighting helicopter was prevented from dropping water on a brush fire as it attempted to avoid a collision with a drone. This is the kind of activity that regulators fear and explains in part why, in mid July, the U.S. Congress passed legislation that requires the Federal Aviation Administration (FAA) to establish guidelines that restrict the operations of drones near “critical infrastructure” including chemical plants. This comes on the heels of the FAA’s issuance of final regulations in June limiting the use of drones to the visual line of sight of the operator and prohibiting flights over people not involved in the drone operation itself.

But as is the case with many new technologies, policies and regulations can only play catch-up to innovators in the private sector. Another major event occurred in July when 7-Eleven made the first autonomous commercial drone delivery to a customer’s home. Partnering with a drone delivery company (which knew they already existed?) a store in Reno delivered two packages containing among other things Slurpees, coffee and a chicken sandwich to a resident’s backyard. The delivery was able to comply with existing FAA guidelines.

Amazon, which has been on the forefront of the commercial drone debate, has struggled with the FAA regulations, particularly those that pertain to line of site operations in urbanized areas and limitations on night time deliveries. As a result, the company – which has stated its interest in using drones to guarantee 30-minute deliveries – has announced a partnership with

Long Beach Business Journal

Vol. XXIX No. 15  
August 2-15, 2016

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The Long Beach Business Journal is a publication of South Coast Publishing, Inc., incorporated in the State of California in July 1985. It is published every other Tuesday (except between Christmas and mid-January) – 25 copies annually. The Business Journal premiered March 1987 as the Long Beach Airport Business Journal. **Reproduction in whole or in part without written permission is strictly prohibited unless otherwise stated.** Opinions expressed by perspective writers and guest columnists are their views and not necessarily those of the Long Beach Business Journal. Send press releases to the address shown here:

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Advertising and Editorial Deadlines  
Wednesday prior to publication date. Note: Press releases should be faxed or mailed. No follow up calls, please. For a copy of the 2016 advertising and editorial calendar, please fax request to 562/988-1239. Include your name, company and address and a copy will be sent to you. Distribution: Minimum 22,000 copies.

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