August 28-September 10, 2018

Long Beach's Newsmagazine

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### Long Beach Harbor Commission President Tracy Egoscue Focused On Major Port Milestones, Public Service

By Samantha Mehlinger **EDITOR** 

n her fourth year on the Long Beach Board of Harbor Commissioners, environmental lawyer and Long Beach resident Tracy Egoscue has taken up the reins as board president during one of the harbor department's most pivotal periods.

In Fiscal Year 2019, the Port of Long Beach is

expected to close out construction of the replacement for the Gerald Desmond Bridge, the third phase of redevelopment of its middle harbor, and its new headquarters at the Long Beach Civic Center. The port is also gearing up to move forward with its Pier B on-dock rail expansion and an update to its master plan.

While some harbor commission presidents de-(Please Continue To Page 12)



Tracy Egoscue, owner of Long Beach-based Egoscue Law Group Inc., was elected president of the Long Beach Board of Harbor Commissioners by her peers in late July. She takes on the role at a time when the Port of Long Beach is approaching multiple significant milestones, such as the completion of its new headquarters, a new bridge over its harbor, and a years-long terminal redevelopment project. (Photograph by the Business Journal's Brandon Richardson)

### **Elected Officials, Police, Businesses Weigh In On** 4 A.M. Bar Bill; Legislature May Vote This Week

Mayor Garcia And Long Beach Chamber Support The Legislation

■ By SAMANTHA MEHLINGER **EDITOR** 

hen the state assembly votes this week on a bill that would allow nine cities in California, including Long Beach, to extend alcohol sales until 4 a.m., Long Beach Assemblymember Patrick O'Donnell plans to vote no. While proponents of the bill argue it would allow the city to further boost its downtown "entertainment dis"I am voting no for a variety of reasons mainly an interest in public safety."

Patrick O'Donnell **Long Beach Assemblymember** 

trict," O'Donnell believes it would make the city an "alcohol island," attracting trouble from surrounding cities that aren't a part of the legislation.

O'Donnell expects Senate Bill By ANNE ARTLEY (SB) 905 to come to a vote in STAFF WRITER the assembly sometime before the state legislature's session ends this Friday, August 31. It gram's expiration would be Jan- about 3-4% of the ownership. uary 2, 2026.

(Please Continue To Page 14)

### Focus On **Signal Hill**

City Remains Financially 'Solid' As Public And Private Investment Continues

■ By **Brandon Richardson** SENIOR WRITER

ignal Hill is 2.2 square miles carved out of the heart of Long Beach. The city was incorporated in 1924, several years after oil was discovered. Today, a balanced budget and numerous public and private developments are positioning Signal Hill for continued success, according to City Manager Charlie Honeycutt.

"The city continues to be very stable. Our financial condition is solid, and we're projecting an increase in revenues," Honeycutt said. "We continue to have a sound reserve, and we just adopted our two-year budget fiscal years 2018-2019 and 2019-

(Please Continue To Page 20)

### **Assistance For Minority-Owned Businesses**

Long Beach Agencies **Expanding Education** And Outreach Efforts To Help Firms Succeed

eidre Norville opened Our Essence Beauty Supply, a shop has already been approved by geared toward African Americans, althe state senate. The legislation most two years ago to fill a need in would allow the nine cities to her community. According to extend commercial alcohol serv- Norville, Black women like herself ice hours until 4 a.m. beginning account for a large portion of beauty January 1, 2021. The pilot pro- product consumers, but represent only

> Norville is one of several business (Please Continue To Page 18)

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By Editor Samantha Mehlinger

### A Different Kind Of Entitlement

In high school, a boy with a crush on me grew knownst to him, Billy Corgan's voice made me surly when I rejected his advances – if you could call them advances. He had made the mistake of attempting to woo me with a self-made mixed CD of songs by The Smashing Pumpkins, and, unbe-

want to throw my Walkman out the window.

At home that night, I couldn't even get through the first song before giving up on it. My would-be wooer asked me about (Please Continue To Page 4)

### PortSide Keeping Up With The Port Of Long Beach

As the manager of security operations for the Port of Long Beach, Bridgett Lewis is responsible for maintaining a safe environment within the port complex. This includes overseeing the Central California Maritime Coordination Center (MCC), a Department of Homeland Security Interagency Operations Center located at the port. Lewis coordinates with local, state and federal maritime law enforcement agencies to prevent criminal activity. "Long Beach has one of the most technologically advanced command centers, so we can assist our partners. If anything illicit is happening on our waterways, the MCC will get the information first," she said. Lewis starts her days by checking in with the firefighters and police officers assigned to the port, the port's management team and the harbor patrol officers about any incidents that occurred over the previous 24 hours and what they anticipate happening that day. "Most of the things we focus on are driven by the intelligence we receive at the opening meeting [of the day]," Lewis said. "Most of the day is very fluid." Lewis started her career in law enforcement when she was 19 years old, at the suggestion of a friend who worked as a police officer in her native West Virginia. Lewis described her position at the port as a "dream-come-true job," and the security division like a family. "If there's something we need to figure out, we have a joke, 'let's go eat about it,"" she said. "We'll have potlucks, chili cook-offs and barbecues. It's great to work in an environment that encourages that."

- Article and Photograph by Staff Writer Anne Artley



### **Harbor Commission Expected To Appoint Co-Deputy Executive Directors For Port Of Long Beach**





years in my roles as harbor commissioner and executive director and they are among the best goods movement professionals in the industry," Port of The Long Beach Board of Har-Long Beach Executive Director Mario Cordero bor Commissioners was expected stated, "We have much to accomplish in the years yesterday (August 27) to name two ahead, and this extremely experienced team will long-time Port of Long Beach emhelp the Port of Long Beach continue to thrive." ployees, Richard D. Cameron and Dr. Noel Hacegaba, as co-deputy executive directors. Cameron was selected for the position of deputy

Harbor Commission President Tracy Egoscue stated, "Dr. Hacegaba and Mr. Cameron rose to the top of a wide range of qualified candidates from around the globe, and possess unique, complementary skills crucial for these leadership roles at the Port of Long Beach. . . . The Board looks forward to working with Noel and Rick in their new positions."

"I've worked with Rick and Noel for many

### **Long Beach Fire Chief Michael DuRee To Retire**



Long Beach Fire Chief Michael DuRee is retiring October 5 after leading the fire department for six years, the city announced on August 21. DuRee began his career with the depart-

During his career in Long Beach, DuRee helped expand the fire department's community outreach efforts, including the creation of a team to help those experiencing homelessness and the addition of Spanish-language and teen programs, according to the city's human resources department. DuRee also improved the connectivity between the fire prevention bureau and the business community.

DuRee has served as president of the California Fire Chiefs Association and of the Los Angeles Area Fire Chiefs Association, and as a boardmember for the International Fire Chiefs

#### **Adam Carrillo Leaving Downtown Alliance For ETA Advertising**



Adam Carrillo, economic development manager of the Downtown Long Beach Alliance, has accepted a position with Long Beach-based firm ETA Advertising, he announced in a letter e-

mailed to friends and associates on August 23. Carrillo's last day with the DLBA, the nonprofit association that runs downtown's business districts, is September 4. During his three-year tenure with the DLBA, Carrillo helped launch more than a dozen business-centric programs, including the Entrepreneurship Education Series, the Woman-Owned Business Accelerator Program, 1 Million Cups Long Beach and others. Carrillo stated that his experience at the DLBA, during which time \$130 million in private investment poured into downtown, has been rewarding.

### **Austin Metoyer Named Economic Development & Policy Manager For Downtown Alliance**



Downtown Long Beach Alliance (DLBA) employee Austin Metover is taking over the role of economic development and policy manager for the organization, DLBA President and CEO Kraig

Kojian announced. In this role, he is to serve as the liaison between downtown investors, developers, businesses and brokers as they tackle city entitlement and permitting processes. Metoyer has served as research and policy manager for the DLBA since February 2016. In this role, he leveraged data collection to help the organization analyze policies and take positions on issues such as the minimum wage, housing and density,

according to a DLBA statement. He also produced information for the DLBA's quarterly reports on commercial real estate sectors, and provided data for the annual Downtown Economic Profile publication.

### Suja Lowenthal Selected As **City Manager Of Hermosa Beach**



The Hermosa Beach City Council is expected to appoint former Long Beach Councilmember/Vice Mayor Suja Lowenthal as city manager of Hermosa Beach today, August 28.

Lowenthal, a Long Beach resident, has served as senior advisor to Santa Monica's city manager since 2017. In this role, she has overseen issues related to the Santa Monica Airport, according to a statement from the City of Hermosa Beach. She previously oversaw transit planning and community engagement for the City of Santa Monica from 2012 to 2017.

Lowenthal was a member of the Long Beach City Council from 2006 to 2016. In her 20-plus vears of public service, she has also held positions with the California Coastal Commission, the Long Beach Unified School District Board of Education, the City of Los Angeles and multiple water districts.

"We are thrilled to have found such a great fit for our city at such a pivotal time in our development," Hermosa Beach Mayor Jeff Duclos stated. "Suja's extensive knowledge of all the various facets of local government, her experience as a coastal commissioner, her work in the fields of transportation, education and water management, and her experience in business development and public/private partnerships will be of great benefit to us."

### ong Beach Business

executive director of planning and

development, and Hacegaba as the

deputy executive director of ad-

ministration and operations. This is

the first time the port has had co-

deputy executive directors.

Cameron has held a variety of positions since

joining the port staff as an environmental spe-

cialist in 1996. He was selected as acting man-

aging director of planning and environmental

affairs in 2013, and was promoted to the position

permanently in 2014. Cameron has overseen the

port's environmental programs, such as the

Green Port Policy, Clean Air Action Plan, water

Hacegaba joined the port in 2010 as a senior

executive overseeing business development

strategies for revenue and cargo volume growth.

In 2013, Hacegaba stepped in as acting deputy

executive director and chief operating officer.

The board of harbor commissioners appointed

him to the role of managing director of commer-

cial operations and chief commercial officer in

2014. In this position, he managed the port's

commercial activities during a period of major

industry shifts, including changes in shipping al-

liances and the bankruptcy of the port's largest

quality programs and others.

terminal operator.

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### **Talking Business With The City Council**



### Councilmember Suzie Price

### **3rd District**

■ By Samantha Mehlinger, Editor

**LBBJ:** Do you feel that business owners in your district are happy with the direction the city is going?

**Price:** In general they are. Our district is unique because we have a position on staff that no one else has: we have a specific business liaison, Lisa West. Lisa works directly with businesses from the time they apply for their permit. . . . In that sense, for our specific district, we are a little more business friendly. [Businesses know] that we will advocate for them [and] that we'll make sure we're responding to people in a timely manner. Generally speaking, they love the direction the city is headed. There are some policy decisions that frustrate them as business owners. . . . Some of the concerns and frustrations they have aren't necessarily with our district

per se, but might be the direction of state policy or even consumer trends. But again, in terms of our district, we're very responsive. If ever any issues are identified, we immediately try to make it right with our business leaders. I'm very proud of the relationships that we've built.

When we work with businesspeople who have businesses throughout the country . . . [they] tell us how business-friendly Long Beach really is. Sometimes with the local folks who might only have one shop, a small business, they don't have the context from other cities. They might get frustrated. We do our very best to address their needs, even though we know that compared to cities around us we're doing pretty well.

**LBBJ:** In your four years on the council, how have you worked to build relationships with businesses in your district?

**Price:** In the beginning, we sent out a newsletter to businesses with information they might find helpful . . . basic information for our business community to get them up to speed. We also do a small business forum once a year where we have a featured speaker come and talk about a specific aspect of running a small business.

Lisa attends every single business association meeting, including [for] the chamber of commerce. She is the only councilmember representative who consistently attends that chamber meeting. That's good because it gives us a citywide perspective. She also attends the COBA [Council of Business Associations] meetings, and most of the BID [business improvement district] meetings in the 3rd District. We have our field deputy who has in the past attended the Zaferia [Business Association] meetings. . . . I meet regularly with business leaders. Aroma di Roma is kind of my office away from my office. I know everyone in here. In fact, the guys sitting by the front door there I call my 'old white guy focus group.' I have meetings here every Sunday morning and they have a lot to share. They read the paper and they have a lot of opinions. Most of them are business owners as well as residents. I try to have a lot of business meetings here or wherever anybody wants to meet with me. . . . Also, when there is a hot issue that involves businesses like the minimum wage or the Styrofoam ban, I will meet with businesses. We'll do roundtable meetings in my field office, or I'll go to their business because a lot of times small business owners can't really get away.

**LBBJ:** What are businesses in your district telling you are their biggest challenges?

**Price:** My husband and I are actually opening a business on 2nd Street, so we now are part of that business community. We will be part of the Belmont Shore Business Association in a short while. The biggest concerns for small business owners are increases in wages. Minimum wage was a major issue for a lot of small businesses. [Also] changes in environmental policy that might impact the materials they use, like banning Styrofoam or straws. Again, [the challenge] for them is trying to figure out how to not raise their prices in responding to those changes, because when they raise their prices

they become less competitive. Also [a priority is] streamlining the process for permitting, whether it's building permits or additions permits, or even liquor licenses. We've really listened to them and have brought forth many changes through the council that allow for a more streamlined process.

For example . . . in the budget they are adding another person [to the fire department] to do permit checks. People can get their building permits faster because they have an additional body to go out and do the checks. . . . If we really were to look at every department that touches businesses and think about what improvements they have made over the last four or five years, the theme has been supporting our businesses in every way that we can to incentivize growth and allow them to stay afloat.

We have a small business incentive program that Councilmember [Stacy] Mungo and I initiated in 2014. When our businesses have concerns about not being able to stay as competitive, we will offer them small business incentive packages. We're now doing a lot with small business loans. . . . When our businesses express concerns, we're trying to come back with solutions to help them stay competitive.

**LBBJ:** As the elected representative for businesses in your district, what have you done to make Long Beach more business friendly?

**Price:** The theme of our administration has been incentivizing business establishment, business retention and business growth in the city and specifically in the district. Our sales tax revenues in my district from our BIDs remains high. A large part of that has to do with the fact that the economy is doing well. . . .

The other thing we do is we take a very active role when we see vacancies. In the 3rd District, when we had the Ralph's close in the iron triangle . . . we met with the property owners and expressed some concern. They were going to bring an Orchard Supply Hardware in there, and I said, 'We don't need a hardware store right here. . . . We need a store that people can run into quickly to get things they need.' And now we have the mini-Target, which is great. We had similar discussions with the shopping center where Whole Foods is currently located. Whole Foods is moving. We talked to [the property owners] and gave them ideas about what would do well in that shopping center. So we bring a very human consumer touch to our businesses, and that has made a really big difference. . . .

Best Buy is about to close, but that's the thing. Consumer trends are changing. This is going to present an ongoing challenge for us. People like to go into the actual store to look at the different options, and then they want to go buy it online because it's free delivery. We had the same issue with a [now closed] sex shop, The Rubber Tree, on 2nd Street. . . . They'd come in, they'd see what she has, and they'd order it online. That's just the reality.

**LBBJ:** What businesses do you feel your district has a need for, and do you have a plan to attract such businesses?

**Price:** Men's clothing. 2nd & PCH will hopefully have a men's clothing retailer. . . . Other than the Banana Republic and Gap on 2nd Street, there are no boutiques dedicated to men's clothing.

**LBBJ:** Is there anything you would like to add?

**Price:** One of the things our office prides ourselves on is we're always willing to listen to suggestions. If we have business leaders who have done business in another city and there is something they like about the other city, they bring it to our attention. Usually within a week or two, we have an agenda item that asks the city manager to look at implementing that in Long Beach. . . . And Lisa is really great at that because she goes to every meeting, she hears what every business owner is thinking and saying. So she'll often come forward with ideas for policy changes based on what she's heard. ■

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### **Millennial Pulse**

(Continued From Page 1)

the CD the next day, and I told him it wasn't my thing. I hadn't listened to enough of it to realize they were all love songs.

Later, in English class, I raised my hand to answer a question about one among the myriad of dystopian novels they made us read that year (seriously, why did they all have to be read in ONE year?). "Oh look," he said loudly, "the virgin queen has something to say."

Virgin queen? I looked questioningly at my peers. Should this upset me, who was, in fact, a 16-year-old virgin who had only been kissed twice and who had no intention of having sex until she was darn well ready?

It dawned on me that this would-be Lothario was trying to make me look bad because I didn't like him. It was the inverse of slut shaming, which apparently was meant to deal just as hurtful a blow. Luckily, I had a strong enough sense of self not to care.

Why am I reliving this incredibly tame tale of high school rejection for you, Millennial Pulse readers? Well, while I personally reflect upon this as a silly incident, it does remind me of a wider trend among our generation that, in its extreme form, has engendered some tragic, violent incidents.

I am talking about entitlement. But not the kind you think.

Millennials are often labeled entitled when it comes to finances or career expectations. Whenever I hear that, my knee-jerk response is to tell whoever's talking to go take a hike and reflect upon the recession they caused. You know, the one that ultimately resulted in our stalled financial independence and made us the

butt of basement jokes for years to come?

But there is another form of entitlement I've noticed among my fellow Millennials, and even, at times, myself.

I'm talking about emotional entitlement.

When I was growing up — both in Catholic school and later, public school — our teachers were very perceptive of the emotional kid stuff we were all going through. They encouraged us to talk out our feelings and, in the event of a co-kid dispute, to relent to whoever was more upset. They were so attuned to these instances, and took such care to call attention to them, that now as an adult I wonder if by doing so they might have bred some unrealistic expectations about the value and validity of our emotions.

I am not faulting teachers, don't get me wrong. I'd argue that the issue is rooted in a trend that occurred in child rearing when Millennials were growing up. More so than previous generations, Baby Boomers took a more sensitive approach to parenting and child rearing, perhaps as a reaction to the detached style of parenting they experienced as kids (picture the Drapers in "Mad Men," if you don't get the gist).

We were the generation subjected to helicopter parenting, and – as has been observed by publications such as Time, Huffington Post, the Los Angeles Times, Forbes, and on and on – we were coddled more than prior generations. Our feelings were of paramount importance. Obviously, I don't mean that every single Millennial experienced this, but more of us did than children raised in prior decades.

But here's the thing about feelings. Some-

times they're not valid. Sometimes they don't make sense. Sometimes they are hormone-fueled, or immature, or exaggerated and complicated by mental illness. Most of us who are adults now know this. But when we were going through the growing pains of our teenage years, maybe not so much.

When you tell a whole generation they're entitled to their feelings, and that, essentially, so is everyone else, you're not preparing them for reality. And when you give kids a mythical perception of the validity and power of their own emotions, guess what happens when those emotions are rejected? Entitlement rears its head.

This can come in the form of something as innocuous as a kid publicly insulting another kid for not liking him, as Mr. Smashing Pumpkins did to me my junior year. But when you throw in complicating factors – say that person is bullied him/herself, or has an untreated mental illness – more dangerous reactions can occur. And they are occurring, it would seem, increasingly.

If we think about school shooters, the thing they typically have in common (other than being white and male) is that they feel they have been victimized and are misunderstood. And they want revenge. A 2002 study by the U.S. Secret Service found that about 70% of school shooters perceived themselves in some way as victims, either because they have been slighted, persecuted or bullied in some way.

In addition to a host of complicating factors, one of the things these incidents have in common is that they were fueled in varying degrees by emotional entitlement. The problem continues today with older members of Generation Z. In May, a teenager murdered 10 people at a Texas high school. The mother of 16-year-old victim Shana Fisher told several media outlets that her daughter had rejected the shooter's advances, which persisted over the course of months and became increasingly aggressive after each rejection. Why was he so angry? Why did he feel entitled to her affection, and to respond so violently when spurned?

A young woman in Iowa was recently murdered by a 24-year-old man after she demanded he stop following her while she jogged. Some politicians argue that it wouldn't have happened if he hadn't immigrated illegally. But is where he came from the problem? Or is the root of the issue that he felt entitled to follow her and, likely, entitled to her body? Isn't the issue that this young man was so enraged by her rejection that he responded by murdering her? Isn't the issue that this is not the first such incident we've heard of, but one among an unending stream?

Emotional entitlement isn't the only reason for violence among young people. It is one of many complicating factors. But it is an important one, and one, I'd wager, that deserves serious contemplation. How can we better teach future generations to deal with their emotions, and the emotions of others? How can we teach them to recognize when emotions are unhealthy, unwarranted, and entitled? How can we recognize and put a stop to unhealthy emotional entitlement patterns before they get out of hand?





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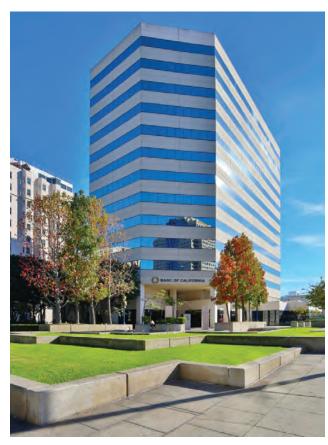
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### Real Estate & Development



The Salvation Army sold its 12-story, 199,156-square-foot office tertainment, features lendbuilding at 180 E. Ocean Blvd. in Downtown Long Beach to an af- ing well to a live-work filiate of Santa Fe Springs-based Thrifty Oil Co. (Photograph pro-environment. vided by Cushman & Wakefield)

**■** By **Brandon Richardson** SENIOR WRITER

### **Salvation Army Sells 12-Story Downtown Office Building; Moving Headquarters To Rancho Palos Verdes**

The Salvation Army has sold its 199,156-square-foot office building at 180 E. Ocean Blvd. to an affiliate of Thrifty Oil Co., a Santa Fe Springs-based company, Cushman & Wakefield announced on August 23. The building has served as the Army's Western Territorial Headquarters since 2000. The new headquarters will be located at the organization's Crestmont Campus in Rancho Palos Verdes in the fall.

### **Realty Views**

### **Regulations Driving Up Housing Prices**



By Terry Ross

lenges facing residential real estate are affordability and the number of housing units available to consumers in this country. The National Associa-

Two of the biggest chal-

tion of Home Builders recently announced that

rising home prices and interest rates had pushed housing affordability to a 10-year high in the second quarter. During the period ending June 30, 57.1% of new and existing homes sold between the beginning of April and end of June were affordable to families earning the U.S. median income of \$71,900. This is down from the 61.6% of homes sold in the first quarter that were affordable to median-income earners and the lowest reading since mid-

"With the phased departure of The Salvation Army from the building, this property offers a rare repositioning opportunity of one of the most recognizable office assets in Long Beach," Jeffrey Cole, Cushman & Wakefield's Vice Chairman, stated. "180 E. Ocean Blvd. was sold at a significant discount to replacement cost and proved an ideal investment for the buyer."

Cole, along with Cushman & Wakefield's Robert Garey, Ed Hernandez and Nico Napolitano, represented the seller. The transaction represents the largest Class A office building sale in Long Beach this year, according to a press release. The office building offers ocean and city views, as well as walkable amenities such as restaurants and en-

"We are excited to participate in the revitalization

of Downtown Long Beach," Moshe Sassover, co-CEO of Thrifty Oil, stated. "The revitalization is well underway with substantial investments by the City of Long Beach, addition of numerous quality retail and restaurant establishments, as well as the ongoing construction of thousands of new residential units."

Territorial Commander Kenneth G. Hodder announced the headquarters relocation in April through the organization's newspaper, New Frontier Chronicle. He stated, ""This is not a move back; this is a move forward for our territory. It is not only a move for increased financial stewardship, but one that will allow greater exchange in a campus environment. The possibilities for interdepartmental collaboration will only improve the delivery of

2008 - when the Great Recession was hitting full steam.

The fact that many owners are electing to stay in their homes and not sell is well documented in today's housing market. But, by the same token, nearly every statistical survey shows that the housing stock is not keeping up with population growth. Scarcity brings more demand for fewer dwellings, which results in rising prices and less affordability - unless wages increase, or mortgage rates decrease - two things that simply are not happening in today's economy.

New research by the giant real estate portal Zillow shows that strict-land use regulations and zoning are key culprits in limiting the building of new housing and pushing prices to unaffordable levels in

Zillow analyzed data from the Wharton Residential Land Use Regulation Index to compare job growth and home value appreciation in major U.S. markets from 2010 to 2017. During that time, home values increased by 14 percentage-points for every 10 percentage-point increase in jobs. In the markets with the most restrictive regulations, home values grew a whopping 25 services that Territorial Headquarters offers in service to the territory.'

The article went on to say, "The decision comes on the back of a wide-ranging study designed to assess the financial strength of the territory. Known as Project 180, the three-year, three-prong effort aims to reduce costs, increase income and develop ministry. Due to high maintenance costs associated with the current THQ facility, the Board of Directors determined the headquarters move would be an appropriate cost-saving measure to reduce administrative costs without impacting effectiveness."

### **All Orchard Supply Hardware Locations To Close**

On August 22, Lowe's Companies Inc. announced that it would close all 99 Orchard Supply Hardware (OSH) locations by February 1, 2019. An exact closing date for the location at Long Beach Exchange (LBX) in East Long Beach, which opened in March, has not been announced, according to Scott Burnham, founder and CEO of Burnham USA, the company behind LBX.

"The lineup of retailers at LBX is impressive to say the least, and the tenants are achieving very formidable numbers in sales," Burnham said in an e-mail to the Business Journal. "This pending vacancy has nothing to do with the LBX location or Long Beach itself, but rather has all to do with Lowe's corporate strategy to close OSH stores altogether. Thus, the OSH closure provides for an incredible opportunity for another great tenant."

The 40,000-square-foot space is likely to be filled by another full-building occupant, Burnham said, adding that his company would work closely with Lowe's to facilitate the changeover. The decision to close OSH locations came with a report of Lowe's second quarter sales and earnings results. In the announcement, Lowe's President and CEO Marvin Ellison said the company's goal is to focus on retail fundamentals by limiting projects and initiatives.

percentage-points for the same 10 percentage-point increase in employment over that same period. In San Francisco, for example, where strict regulations are combined with physical land limitations, home values rose 58.8% between 2010 and 2017 as employment grew 23.2% during those years. In the Los Angeles-Long Beach-Anaheim metro area, where regulations are likewise labeled as "Most Restrictive" for statistical purposes, values rose 39.6% during this time, while employment increased by 13.9%. The housing stock increase was on the low side, with an increase of only 3.3%. On the East Coast, Miami had a similar situation with home values growing by 62.5% as jobs grew 19.2% – and housing stock grew by only 2.9%.

"As the housing market has recovered from the Great Recession and the concurrent collapse in home values, a new challenge emerged that is driving market dynamics: the shortage of homes for potential buyers," Zillow Senior Economist Aaron Terrazas said. "We've seen inventory falling on an annual basis for more than three years now. Because of job and population growth, housing demand has overwhelmed the inventory of pre-existing

"The decision by Lowe's to close all [OSH] stores made for national news, and I know that retailers across the country are already evaluating the entire OSH portfolio of stores," Burnham said. "The LBX store is a very strategic location that will undoubtedly receive much attention."

### **City Council Approves Housing** Tract In Northeast Long Beach; **40 Single-Family Homes Planned**

During its August 21 meeting, the Long Beach City Council approved the final tract map and accepted the environmental impact report for a gated, single-family residential community development at 3655 N. Norwalk Blvd. in northeast Long Beach. Michigan-based Pulte Home Company LLC plans to build 40 single-family homes on the 5.8-acre parcel as part of the housing community, dubbed Dorado. According to the company's website, the project includes three floor plans ranging from 2,465 to 2,901 square feet. The homes are already available for presale and range in price from \$903,990 to \$974,990. Each floor plan has four to five bedrooms, three to four bathrooms and a two-car garage.

### Marcus & Millichap: **Long Beach Apartment Rental Rates Increased Nearly 5%**

The average rent for apartments in the South Bay and Long Beach increased to \$2,175 per month in June, a 3.8% increase year-over-year, according to a third quarter market report released by Marcus & Millichap. Long Beach rents increased 4.9%. According to the "Multifamily 2018 Outlook," the combined average rent for Long Beach and the South Bay is \$2,217, a 3.8% year-over-year increase. The outlook also anticipates a vacancy rate of 3.4%. The outlook for average rents in Downtown Los Angeles is \$2,565, up 8.5% over last year, while average rents in Westside cities such as Beverly Hills and Santa Monica are estimated to reach \$3,163, up 7.4%.

(Please Continue To Page 8)

homes and builders are facing several challenges in adding new supply, including regulatory costs. In hot job markets with some of the strictest laws about building new residential housing, home values experience the most pressure. It's helped home values recover and exceed their previous highs, but leaves many home shoppers unable to break into the market."

It is no secret that regulation for land use, acquiring building permits and the whole entitlement process has become the bane of builders and developers in this state. There have been attempts to streamline these processes within the state legislature, but progress has been slow with months of talk in Sacramento – with little concrete action.

Producing more housing – especially in this state – will be the key to many things - including jobs, a robust economy and quality of life for its residents. It is time for our legislators in Sacramento and local governments to make this a priority so that this state can get back on track.

(Terry Ross, the broker-owner of TR Properties, will answer any questions about today's real estate market. E-mail questions to Realty Views terryross1@cs.com or call 949/457-4922.)





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### Real Estate & Development



Conceptual renderings (including adjacent page) for Big E Pizza owner Jimmy Eleopoulos's new concept Jimmy E's Sports Bar & Grill. The new eatery is taking the place of the now-defunct Delius Restaurant on Cherry Avenue across from the Signal Hill Auto Center. (Renderings courtesy of Architects Orange)

(Continued From Page 6)

### **New Signal Hill Restaurant Coming To Former Delius Site**

Big E Pizza owner Jimmy Eleopoulos is opening a second concept in January at the site of the now-defunct Delius Restaurant in Signal Hill, he told the Business Journal. The new eatery at 2951 Cherry Ave., dubbed "Jimmy E's Sports Bar & Grill," will be a sports lounge with a familyfriendly environment, Eleopoulos said.

"I believe family dining is the new trend. It'll be a more open feel. I'll get away from the bar feeling," Eleopoulos said. "Even though we'll have a bar, we're focusing on more seating."

The menu will include steaks, seafood and gourmet burgers, as well as pastas, sandwiches, salads and calamari. Eleopoulos said he is involved with the new Port Town Brewing Co. in San Pedro and plans to feature the brewery's craft beers on tap.

Delius Restaurant, which operated at the location for 11 years before closing its doors in June, focused on the dinner crowd with a prix fixe menu. Eleopoulos said the location is not ideal for upscale dining, and that his new joint will be better suited to serve the surrounding community - from workers on their lunch break to families at dinner time.

"The City is very happy that Jimmy Eleopoulos will be opening a new restaurant at the former Delius location. His Big E restaurant is well known for its pizza and Italian food – my favorite is the lasagna," Signal Hill City Manager Charlie Honeycutt stated in an e-mail to the Business Journal. "Jimmy has a successful track record, has always been a stellar member of the Signal Hill community, and his new

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### Real Estate & Development



restaurant continues the trend of Signal Hill being the place to open new and cool places to eat and hang out."

Sports is an important part of Eleopoulos's concept, and TVs will be mounted throughout the restaurant, including on the outdoor patio, he said. Despite having a bar, Eleopoulos said the restaurant will close at a "decent hour." He has owned and operated Big E in Signal Hill for 32 years.

#### **Recent Transactions**

Following is a list of real estate transactions that were closed in the last month by local agents:

- Outlook Resources Clark Avenue Holdings LLC purchased the Marco Plaza retail property located at 1710-1772 Clark Ave. from Parker Family Trust for more than \$6 million. Lee & Associates' Shaun McCullough, Jeff Coburn and Jeff Bischofberger represented the buyer.
- R.O.A.D.S. Community Care Clinic signed a new lease at 4800 E. Los Coyotes

Diag. Automobile Club of Southern California owns the 7,002-square-foot office space. The 10-year lease is valued at \$2.389 million. Lee & Associates' Shaun McCullough, Jeff Coburn, Jordan Mannisto and Gary McArdell represented the landlord, while Paul Forman of Forman Associates represented the tenant.

• Keller Williams Coastal Properties renewed its lease for 11,762 square feet of office space at 6621 E. Pacific Coast Hwy. The lease is valued at \$1.835 million. Lee Associates' Shaun McCullough, Jeff Coburn and Scott Romick represented the tenant, while George Thomson of Newmark Knight Frank represented the landlord.

Information about local transactions is welcomed and may be e-mailed to: brandon\_richardson@lbbj.com. Please provide complete information, including names of buyer/seller, lessor/lessee, square footage, cost, names of agents handling transaction, etc. ■



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### Newswatch

### Grand Prix Seeks New Title Sponsor After Toyota's Exit

■ By Louis Casiano Jr.

Contributing Writer

Toyota ended its title sponsorship with the Grand Prix of Long Beach, race officials announced last week, closing out a 44-year relationship that produced the city's biggest event.

The exit of Toyota Motor North America now leaves race officials with the task of finding a new title sponsor after the Japanese automaker's North America division opted to not renew its contract, Jim Michaelian, president and CEO of the Grand Prix Association of Long Beach, told the Business Journal.

"It was an extraordinary relationship," Michaelian said. "It's unheard of to maintain that kind of partnership for that many years. In sports especially."

Laura Pierce, general manager of motorsports for Toyota Motor North America, said the decision to pull its sponsorship after four decades was a difficult one.

"Toyota has had an incredibly successful 44-year run as the entitlement sponsor of the Grand Prix of Long Beach," Pierce said in an e-mail. "We value the relationship we've built over those years. Toyota evaluates our sponsorships on a regular basis, and although it was a difficult decision, it was a

strategic decision based on those evaluations not to re-new our entitlement sponsorship."

Mayor Robert Garcia said he wasn't surprised, given that Toyota had already moved its North American headquarters from Torrance to Texas. He added that he doesn't believe the Grand Prix will be negatively impacted.

"A lot of us suspected that possibly Toyota would move on," Garcia said. "Title sponsors come and go. We know that the Grand Prix is looking for a new major sponsor... and we're looking forward to a good race next year."

Pierce said the relocation of company headquarters did not play a role in its decision, noting that Toyota still sponsors the Monster Energy NASCAR Cup Series at the Sonoma Raceway and the company's partnership with the Auto Club Speedway in Fontana. In addition, the carmaker also sponsors the Olympics.

"Toyota operates globally and, when it comes to the United States, Southern California is and will continue to be an extremely important market," she said. "We have many customers and dealerships in California and will continue to sponsor events and actively engage with our customers there."

The Grand Prix – formerly the Toyota Grand Prix of Long Beach – will move forward until a title sponsor is found.

Toyota began its title sponsorship with the Grand Prix in 1980, but its affiliation with the event began in 1975 as a pace car provider. A year later, the company created the "Race for Youth" charity match race, which eventually became known as the Toyota Pro/Celebrity Race before it was canceled in 2016.

Michaelian said the association has met with mostly non-vehicle manufacturers – and some automakers – about filling the major sponsorship role. "That whole market, we have not had a chance to explore," Michaelian said of his talks with companies outside of the vehicle industry.

"It's a lot easier for us to be doing this with the backdrop of the success that we've had," Michaelian said. "Ever since coming out of the recession, the event continues to grow." The 2018 Grand Prix drew 185,000 people, he noted.

Excluding Toyota, the annual three-day race has 34 sponsors, he said. Michaelian and Toyota each declined to say how much the automaker paid for its sponsorship.

It is not known how much the association paid to put on the 2018 race. However, the city charges the Grand Prix Association a \$91,757 permit fee and \$47,524 for reimbursements for administrative costs, and services such as police, fire, traffic, refuse, sweeping, sewer and inspections, according to a December staff report presented when the city council approved an agreement with the association through 2023.

In the name of transparency, Michaelian said the association sent notices to other sponsors about Toyota's move and will send out ticket renewal letters to customers.

The Grand Prix's attraction to potential sponsors stems from its popularity and geography, Michaelian said.

"The Southern California market is hard to reach with a singular event and we're one of the events that afford that opportunity," he said, adding that the race has become a generational affair.

The 2019 Grand Prix will be held April 12-14. ■





### New City Tax To Fund Homeless Services May Appear On 2020 Ballot

■ By Samantha Mehlinger Editor

In 2020, Long Beach residents may find themselves voting on a new bond or tax to fund homeless services and affordable housing.

On August 21, the Long Beach City Council forwarded a recommendation to its budget oversight committee to allocate \$50,000 in Fiscal Year 2019 to go toward examining potential revenue sources for homeless initiatives and affordable housing opportunities.

Prior to the vote, the council received a presentation from Assistant City Manager Tom Modica outlining several potential revenue sources that would eventually need to be placed on a ballot. Assuming that analysis moves forward in a timely fashion, the soonest the council could place a proposal on a ballot would be March or November 2020.

Suggested sources of funding included a general obligation bond, a new parcel tax, or increasing existing taxes such as the utility user tax or transient occupancy tax. Modica provided projected revenues for each suggestion. For example, a new residential parcel fee of \$50 would generate \$13.8 million, and a \$150 fee would generate \$41.4 million. Alternatively, a 1% increase to the existing 5% utility user tax would generate \$7.7 million annually, according to Modica's presentation.

### City Crafting Smoking Ban On Long Beach Restaurant Patios

■ By Samantha Mehlinger Editor

At the direction of the Long Beach City Council, the city attorney is drafting an ordinance that would ban smoking on public and private eateries' outdoor patios. The proposal put forward by 3rd District Councilmember Suzie Price and co-sponsored by Councilmembers Lena Gonzalez and Rex Richardson would exempt businesses in which smoking is the primary purpose, such as cigar or hookah lounges.

The council voted 8-0, with Councilmember Al Austin absent, during its August 21 meeting to direct the city attorney draft the ordinance. During the meeting, Richardson requested that the attorney look at an option to allow smok-

ing during "adult" hours when children would not be present and affected by secondhand smoke, for example, after 11 p.m. Price requested exemptions for special events if a special permit is obtained, and for establishments that have designated smoking patios where no food is served.

"The gist of the item is to provide healthier spaces at food or eating establishments," Price said. "We did do extensive outreach to the business community and have received extensive support from the business community in favor of this."

The Long Beach Area Chamber of Commerce has not yet taken a stance on the proposed policy, according to Jeremy Harris, the organization's senior vice president. "As the issue moves forward and they try to craft this ordinance, we're happy to have a seat at the table, if so invited, to help understand the issue a little bit better and then reach out to our members to see how they feel," he told the Business Journal.

Eric Johnson, who is the co-owner of several restaurants and bars in Long Beach with outdoor patios, said no one had reached out to him on the proposal, but that he was supportive.

"More and more of our customers are not smokers and, if they are, they are definitely responsible in stepping outside and moving away from the entrances, anyway," he said. "I don't think that's really going to affect our business model at all." In Long Beach, Johnson co-owns Legends Sports Bar, K.C. Branaghan's Irish Pub & Restaurant, Auld Dubliner, Boat-

house on the Bay and the yet-to-open The Ordinarie.

Long Beach restaurants are already required by city ordinance to restrict smoking to one-third of outdoor seating space.

City Attorney Charles Parkin hopes to return with the ordinance to the city council within one to two months. He plans to meet this week with the health department, which he said has already conducted thorough research on the subject, to discuss next steps.

Because councilmembers asked for provisions outside of their original agendized proposal — such as Richardson's "adult hours" exemption — Parkin noted that he may have to send a memo to the mayor and council for further direction as the drafting process moves forward. ■

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### **Business Owners Should Consider the Benefits of Purchasing Versus Leasing Commercial Real Estate**



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Often, savvy business owners need to evaluate if the existing property they're located in is right for their long-term business needs. This can certainly be the case if the business has recently experienced growth or needs additional locations in order to do so. Since all situations vary, each business owner must determine if renting or owning a commercial property makes sense for them.

Although many may realize it's preferred to purchase a home rather than rent, many may not realize that paying a commercial mortgage can also be more reasonable than renting. In fact, in a recent analysis, it was estimated that

it could cost 86.6% more to lease vs. purchase a commercial real estate property over a 15-year occupancy period\*.

In fact, one of our valued clients, a retail store with the same location for the past seven years, consistently grew each year. Of course, with each passing year, they were outgrowing the space they needed. As this growth was occurring, the landlord was concurrently raising the rent each year. They were forced to take on an additional location, due to limited space. But, it wasn't until the end of 2017,

they had a reality check. Their landlord suddenly decided to put a shopping center where the store was located.

During this time, the business owner was already a First Bank client. As with all of our clients, we regularly reached out to see if we could be of assistance in any way. The store owner indicated their situation, and we suggested they consider owning their property versus paying over \$140k a year or more in rent. Surprisingly, owning a building never crossed their mind as they weren't familiar with the process and questioned if they would even qualify to purchase a commercial property. Fortunately, they found the ideal property to

purchase, and First Bank was quickly able to assist in their financing needs.

While renting, they paid over \$140k annually; however, their mortgage is now approximately \$69,000 a year. The new, purchased space is more than enough to grow with them. Not only will this client enjoy the upside

of building equity and the potential tax advantages, but also increasing their assets under the business.

If your business is poised for growth, and you're ready to purchase the right property to help make that happen, consult your trusted advisory team. With First Bank, we'll work to assess your specific long-term needs, your financing options, and help determine if purchasing instead of leasing makes sense for your business. After all, a good business starts with a great foundation. Let's start building.

Always consult a tax advisor. \*Source: Fitsmallbusiness



Frank Tapia, Vice President/Business Banking at First Bank, possesses over 13 years of experience in community and commercial banking. Contact Frank for your lending needs in the Southbay and Greater Los Angeles area.

### Long Beach Harbor Commission President Tracy Egoscue

(Continued From Page 1)

velop a list of their own priorities, Egoscue said she prefers to facilitate crucial projects and enhance existing efforts by the port. "We have a lot on our plate. We have the civic center, we have the bridge and middle harbor that we're finishing, and we're getting ready to sort of roll out what we're doing on Pier B. That's enough," she said.

Egoscue brings a breadth of experience in environmental litigation to the commission, which is often tasked with creating or updating policies meant to progress the port's efforts toward greener operations. She studied law at George Washington University and took her first position shortly after graduating with the Connecticut nonprofit Save the Sound, where her work mainly pertained to Clean Water Act-related cases. In 2001, Egoscue and her husband moved back to her home state of California, where she accepted a position as a deputy attorney general. "I was in the natural resources division," she said. Egoscue represented departments such as parks, and fish and wildlife, in environmental cases.

In 2004, Egoscue was recruited to lead the Santa Monica Bay Waterkeeper, now known as the Los Angeles Waterkeeper, an organization dedicated to protecting the Santa Monica and San Pedro bays. Three years later, she became executive officer of the Los Angeles Regional Water Quality Control Board, one of nine such boards overseen by the state water commission. Due to pay cuts and furloughs spurred by the recession, Egoscue went into private practice in 2010 and started her own firm two years later.

Egoscue is a Long Beach resident, and has raised her family in the Bixby Knolls area where her law firm is also located. She focuses on air quality, wetlands permitting, water quality and other areas of law related to the environment.

"If you think about it, why is a water lawyer at the port instead of at the water department, for example?" Egoscue said in an interview at the port's satellite office in the World Trade Center downtown. "I shared this vision with the mayor and he shares this vision with me, too: That we can do both – we can have a flourishing business at the port and we can also have a sustainable environment and community."

Although Egoscue has served in the public sphere in various capacities in her career, her involvement in the harbor commission is her first foray into public service in Long Beach. "It's really an amazing [way] of giving back to the community that sustains me and sustains my children," she said. "It was a great way for me to reconnect back into where I originally was with my intentions as an attorney and a professional, which was to be a public servant."

Harbor commissioners are paid \$100 to attend two meetings per month. They also participate in port-related events and trade missions to foreign countries. It is a demanding role, according to Egoscue. "We can typically spend 20 to 40 hours a

"Something that's difficult to translate is why we're doing these trade missions. There was a perception for a while that the harbor commissioners were traveling all over the place. [Customers] really appreciate seeing not just staff, but also the commissioners. It shows the importance of our efforts and that we take their business seriously."

### Tracy Egoscue, President, Long Beach Board Of Harbor Commissioners

week getting ready for meetings and trying to be informed on decisions," she said. "This is a major enterprise, and a very important enterprise for the City of Long Beach. Every single commissioner takes that very seriously."

One of Egoscue's priorities on the commission has been to expand upon the community mitigation grants program, which provides funds to organizations that work to address the impacts of port operations for community benefit. "What I noticed right away was that there were some very simple procedural fixes that we could work on," she said. For example, in 2016, the commission worked with staff to expand the mitigation grants program to benefit areas that are not directly adjacent to the port but are still impacted by its operations, she noted.

Egoscue said she works well with her fellow commissioners, and is appreciative of their unique perspectives. "We listen to each other," she said. "We're not always in agreement about a particular decision, but we are always in agreement about what's best for the port and for the city."

Egoscue has taken part in trade mis-

sions to visit port customers in Asia and in South America, although she noted that she hasn't done much traveling due to her responsibilities at home and at work. "I am the primary breadwinner, so the travel takes away from client work," she explained. As commission president, she expects to do more traveling.

"Something that's difficult to translate is why we're doing these trade missions. There was a perception for a while that the harbor commissioners were traveling all over the place," Egoscue said. "[Customers] really appreciate seeing not just staff, but also the commissioners. It shows the importance of our efforts and that we take their business seriously," she explained. "Also, we get feedback that we wouldn't necessarily get if we weren't meeting [in person]."

Egoscue noted that, on the occasions that the mayor takes part in these trips, customers are extremely appreciative. "It is an international asset in our city and the mayor has shown it that respect, for sure," she said.

Asked about her experience on a majorityfemale harbor commission in a male-dominated industry, Egoscue responded that,

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TITLE BID OPPORTU	JNITIES BID NUMBER	DATE
Heartwell Park Central Irrigation Renovation	R-7096	08/30/2018
On-Call Consulting Svcs for Street Design Projects	RFP PW18-106	08/30/2018
City Place Parking Structure C Improvement	R-7127	09/05/2018
Sales, Use, and District Tax Auditing, Projection	RFP FM18-126	09/05/2018
Recovery, and Consulting Services	- 0	
Furnish and Deliver Four (4) Service Rig Trucks	WD-28-18	09/06/2018
Tape Products	ITB GO18-128	09/06/2018
Alley Management	ITB PR18-133	09/11/2018
West Seaside Way Storm Drain Project	R-7104	09/19/2018
RFP for Drought Tolerant Landscaping & Maint.		09/20/2018
Westside Storm Drain Phase 3	R-6751	09/26/2018
Regional Training Center Security Gate	ITB FD18-134	09/26/2018
Siphon Replacement at Cedar Ave & 52nd Street	WD-35-18	09/27/2018
Rubber & Paint Removal Svcs - Airfield Pavements	RFP AP18-127	09/27/2018
Pump Maintenance and Repairs	ITB PR18-122	10/09/2018
Qualification and Selection of Peer Reviewers	RFQ DV17-112	Continuous
**Some of the listed projects have sched which may have already occurred du		

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## Aquatic Academy Fall 2018 How will we feed an additional 2-2.5 billion people by 2100?

A new evening course at the Aquarium this fall will examine how we can feed an additional 2-2.5 billion people by 2100 and reduce our human impact on the environment. The course will also examine how climate change is impacting global agriculture and productivity. In this new normal, the Anthropocene, scientists and farmers will need to identify new crops that can withstand higher temperatures, drought, and, in coastal areas flooding as a result of sea level rise. Speakers will discuss how agriculture and food systems around the world need to change over time, what agricultural innovations are being developed, the role of genetically modified organisms and gene editing technologies like CRISPR, and how farming the sea will become an increasingly important source of animal protein. With limited class size, attendees will have the opportunity to interact with speakers and learn the latest science directly from scientists and researchers studying these topics.

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ametz@lbaop.org or visit aquariumofpacific.org/aquaticacademy

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through her work as a lawyer, she is accustomed to working in such an environment.

"The mayor making the appointments that he has made has sent a message that one of the most important seaports in the world can change the dynamic, the culture and the impression of what this business is," Egoscue said, referring to Garcia's appointments of women to the harbor commission. "I would say that there are countless girls and women who are right now thinking about their futures and looking at the example of trade differently because they're seeing that example that we're providing."

Egoscue noted that the culmination of the new bridge and redevelopment of the port's middle harbor will be the result of decisions made years ago by former harbor commissioners. "What I always like to remind my colleagues, the public and our staff is that we are enjoying the fruits of the labor from 10 or 20 years ago, and sometimes longer," she said. "However, we are now making decisions about the next 20 years. . . . And that's an immense responsibility and a continuation of the legacy of this port."

A current challenge for the port is the shifting of shipping alliances – partnerships between shipping companies that share assets to distribute goods – which has caused changes in which ports and terminals certain shipping lines visit. "Instead of saying it's a challenge, I would say it's an opportunity for the commission and the staff to

really consider what we think the future of the port will look like," Egoscue said of the situation. "Will there always be six terminals? Will they look like they do now? . . . Would there be a benefit to having more on-dock [rail] facilities in existing terminals now if we had the opportunity? Those are the kinds of opportunities that the [shipping] alliances, and the shifting in how that business is run, are providing for us."

Egoscue continued, "We have some competition. We have other ports on the West Coast that have been hungry for more business. So we also need to keep an eye on what are the decisions that will allow us to leverage what we have now. What's our 20-year plan and what are

. . What's our 20-year plan, and what are the decisions that we're making now so

we can remain agile to keep the business and grow the business?"

The most rewarding aspect of her role on the commission is representing community members of Long Beach, Egoscue said. "The idea is that you live in this community, so hopefully you are making decisions that are benefiting the community you live in. And there is definitely a responsibility to do that," she said.

"I'm committed to the port, I'm committed to the city," Egoscue reflected. "I live here, I own a business here, I am raising children here, and I own a home. I really believe in the integrity of public service, and I believe in that aspect of it [in regards to] what am I bringing to the port, not what the port is giving to me."





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### Newswatch

### 4 A.M. Bar Bill Vote

(Continued From Page 1)

"I am voting no for a variety of reasons – mainly an interest in public safety. SB 905 to me is like chasing fool's gold. I just don't see much good coming out of it," O'Donnell told the Business Journal. "Remember, this is an Irish guy talking to you, too," he quipped. "This is a threat to public safety and to the quality of life."

No cities in the direct vicinity of Long Beach are included in the bill. As a result, O'Donnell believes people forced to stop their reveling in nearby cities at 2 a.m. would then come to Long Beach.

"What we would see after the 2 a.m. hour is a flood of people coming into our community desiring to drink till 4 a.m. That poses a lot of problems from the public safety perspective, [and] also a neighborhood perspective," O'Donnell said. "Remember, we can control the bar hours, but we can't control how a patron gets home after sitting in a bar till four in the morning. I drove a tow truck for many years in my college days. And in the post-2 a.m. hours, most of the calls were alcohol related in one way or another."

### **H**EALTHWISE

### Mako™ Partial Knee Provides A Solution For Chronic Joint Pain

By Peter R. Kurzweil, M.D.

ith more than one million joint total knee replacement surgeries performed each year in the United States, the procedure has become one of the most common surgeries. A study by

Mayo Clinic revealed that 7.2 million Americans are living successfully with joint replacements.

Joint replacement surgery has allowed people to regain their quality of life by allowing for better mobility. Consider the word "replacement." The knee is not actually "replaced" in surgery. It is actually a resurfacing operation, much like a dentist crowning a tooth. Very little tissue — and only the damaged, arthritic surfaces — are removed and replaced (resurfaced) during the procedure. Many physicians prefer to call the procedure a total knee arthroplasty, which means "resurfacing."

Each patient is unique and they can experience joint pain for different reasons, although the cause is often osteoarthritis. If you suffer from hip or knee pain and have not experienced adequate relief with conservative treatment options from pills or injections or alternative options, you may be a candidate for joint replacement surgery. A thorough evaluation by an orthopedic surgeon can help explain the reasons for your joint pain. Once that is determined you can discuss the best treatment options for you with your surgeon.

One of the latest advancements in joint replacement technology is Mako<sup>TM</sup> Robotic-Arm Assisted Surgery and its applications, bringing a new level of precision to treating patients with knee and hip pain. Mako Technology provides a 3-D model of your unique anatomy to assist your surgeon in pre-planning and precise placement of knee and hip implants. Mako allows balancing of the soft tissue to provide the best range of motion and stability of the joint. This information is determined prior to the actual resurfacing.

For many patients, only half of the knee is arthritic and the rest is normal or near normal.

The Mako Partial Knee procedure allows the surgeon to resurface only part of the knee damaged by osteoarthritis, sparing the healthy bone and ligaments surrounding it. Patients that may be considered candidates for Mako Partial Knee may experience these symptoms:

- Knee pain with activity, which can be typically pinpointed to just one side of the knee
- Startup knee pain or stiffness when activities are initiated from sitting position
- Failure to respond to non-surgical treatments such as nonsteroidal anti-inflammatory medication and injections

Mako Partial Knee is typically performed through an incision that is significantly shorter than the one used for a total knee. The preservation of the normal bone and cartilage and the ligaments, along with precision positioning of an implant may also result in a more natural feeling knee. Later in life, since healthy bone is preserved, patients who undergo Mako Partial Knee procedures may still be a candidate for a total knee replacement, although this is rarely necessary.

Other potential benefits of Mako include:

- Less implant wear and loosening
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- Less scarring
- Reducing blood loss
- Minimal hospitalization

Advancements in joint replacement surgeries, such as the Mako Technology, are allowing more people to become candidates for joint replacement surgery. Speak with a physician to determine if Mako Partial Knee (resurfacing) surgical procedures are right for you.

(Peter R. Kurzweil, M.D., is with the MemorialCare Joint Replacement Center at Long Beach Medical Center.)

O'Donnell said most feedback he has received from constituents related to SB 905 has been to cast a "no" vote. "I have personal relationships with many restaurant and bar owners, and none of them have called me and said this is a good idea," he said.

Other Long Beach elected officials support the bill. State Sen. Ricardo Lara, for example, is a co-author of the legislation. Mayor Robert Garcia supports the concept of allowing alcohol sales until 4 a.m., but with certain restrictions.

"I don't support 4 a.m. hours citywide," Garcia said in a statement e-mailed to the Business Journal. "I don't think that would work for us because we have many neighborhoods that are adjacent to bars across the city. However, I think giving the city local control to permit special events in the downtown entertainment district, for example on New Year's Eve, could work as long as we worked with local law enforcement."

Jim Foster, president of the Long Beach Police Officers Association, did not take a hard line for or against SB 905. "We are supportive of business opportunities in the city and the mayor's vision," he said. "We do know that opening bars later into the night will bring new police problems that will require more police officer staffing. We look forward to balancing the needs between the business community and public safety to make sure everybody has a safe experience in Long Beach."

The police department currently sees a spike in incidents when bars close at 2 a.m., according to Foster. "That's why there is extra staffing in those places when that happens, to make sure we can keep the peace and have good public safety. So if we are extending it deeper into the night, we just want to make sure we have the resources and staffing available to handle anything that may happen."

Foster noted, "We just caution that consumption of a lot of alcohol in the wee hours of the night is a public safety concern."

Jeremy Harris, senior vice president of the Long Beach Area Chamber of Commerce, said the chamber was an early supporter of SB 905. "Let's just put aside the actual content of the bill applying to 4 a.m. bars. We took it as a policy decision — as in any time local control can be gained from Sacramento, i.e. the state, we think it's typically a good piece of legis-

lation," Harris said. "As we understand it, even if this bill passes, it still needs to come back at the local level and have a discussion there to see where this would make sense, if at all, in the City of Long Beach. . . . Our support position is really rooted in the local control component of the bill."

Ron Hodges, owner of Shannon's On Pine and Shannon's At The Top in downtown, and Shannon's in Belmont Shore, supports 4 a.m. alcohol sales in downtown. "I think it would be good for this area, frankly," he said. "We have a lot of people who come here because of the convention center and the hotels, and I think they would like that. Overall, it's a good plan for the downtown entertainment district."

Eric Johnson, co-owner of several restaurants and bars in the Greater Long Beach area – including downtown's Auld Dubliner, Legends Sports Bar in Belmont Shore, Boathouse on the Bay at Alamitos Bay Landing and others – said that, if SB 905 passes, he would support 4 a.m. alcohol service in downtown. In addition to operating the Auld Dubliner in downtown across from the convention center on Pine Avenue, Johnson and his business partners are preparing to open a new bar, restaurant and venue called The Ordinarie on The Promenade.

"I support it, but I think it has to be in the appropriate districts and corridors," Johnson said. "For example, I think downtown is definitely worth looking into. I think that's a great candidate. It's an entertainment zone, number one." With hotels and "thriving and robust convention center," downtown is a hub for visitors, he added.

Although Johnson is a part of the business community in Belmont Shore as coowner of long-time sports bar Legends, he doesn't feel that area is the right fit for 4 a.m. bar service. "Second Street I don't think is a good corridor for it," he said, noting that the street is surrounded by residential on both sides.

If SB 905 passes the assembly without amendments this week, it will go to Gov. Jerry Brown's desk for a signature or veto. Individual cities named in the bill may then move forward with crafting their own pilot programs.

The other cities are: Los Angeles, Sacramento, Oakland, San Francisco, West Hollywood, Palm Springs, Cathedral City and Coachella. ■



### Newswatch

# CALIFORNIA CHAMBER ALERT Limit On Use Of Settlement/ Arbitration Agreements Passes

(Editor's note: The following was written by Jennifer Barrera, senior vice president, policy, for the California Chamber of Commerce.)

A California Chamber of Commerce-opposed job killer bill to limit the use of settlement agreements and arbitration agreements for labor and employment claims passed the Senate this week on a vote of 26-12 and is on its way to the Governor.

The CalChamber has tagged AB 3080 (Gonzalez Fletcher; D-San Diego) as a job killer because it will create more litigation, significant delays in the resolution of disputes, and higher costs for employers and employees.

Besides interfering with and essentially eliminating settlement agreements for labor and employment claims, AB 3080 exposes employers to criminal liability regarding arbitration agreements and essentially prohibits arbitration of labor and employment claims as a condition of employment.

AB 3080 is likely preempted under the Federal Arbitration Act (FAA) and will

only delay the resolution of claims. Banning such agreements benefits the trial attorneys, not the employer or employee.

#### **Delays**

AB 3080 interferes with and will essentially eliminate settlement agreements as it prohibits an employer from requiring an applicant or employee to waive any right, forum, or procedure, or the right to pursue any claim in court under the Fair Employment and Housing Act (FEHA) or the Labor Code as a condition of any "contractual agreement."

Precluding the informal resolution of civil claims would simply overwhelm California's judiciary system by forcing all claims to be tried by a jury or judge, creating significant delays that would harm individuals who have suffered a wrong.

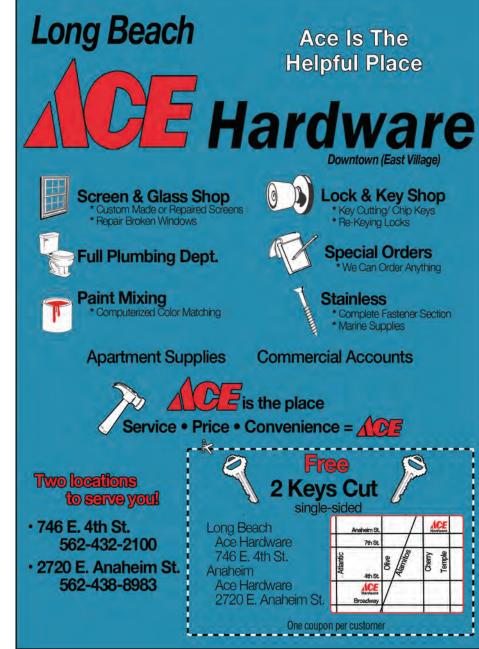
### **Criminal Liability**

Given where AB 3080 provisions have been placed in the Labor Code, any violation will be a misdemeanor. Accordingly, an employer will face not only civil liability for any violation of the various provisions of AB 3080, but can face criminal charges as well.

### **Pre-empted By Federal Law**

AB 3080 prohibits arbitration agreements made as a condition of employment for any claims arising under the Labor Code or FEHA and/or including class action waivers. Arbitration is a less formal, less costly, and less time-consuming forum to resolve a dispute. The cost savings is not in the compensation paid to the employees; it is in the fees paid to attorneys.

(Please Continue To Page 17)















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### **Newswatch**

### **Arbitration Limits**

(Continued From Page 15)

Although studies demonstrate that employees generally win the same percentage of cases in arbitration, if not more, the trial attorneys may not recover as much in fees. The ultimate beneficiaries of an arbitration and class action waiver ban are trial attorneys, not the employers and not the employees.

AB 3080 is also likely preempted, and therefore will create significant litigation without actually providing any benefit to employees. AB 3080 is very similar to AB 2617 (Weber; D-San Diego), passed and signed into law in 2014, which prohibited as "a condition of entering into a contract for the provisions of goods or services" the waiver of a forum for the resolution of claims, i.e. an arbitration clause. On March 14, 2018, the Second District Court of Appeal held in Saheli v. White Memorial Medical Center that AB 2617 was preempted under the FAA. The court stated:

"The above legislative history clearly shows the motivating force behind the enactment of AB 2617 was a belief that arbitration is inherently inferior to the courts for the adjudication of Ralph Act and Bane Act claims. In accordance with this dim view of arbitration, the Legislature placed special restrictions on waivers of judicial forums and procedures in connection with such claims. In practice, such restrictions discourage arbitration by invalidating otherwise valid arbitration agreements. It is precisely this sort of hostility to arbitration that the FAA prohibits."

Similar to AB 3080, the "special restrictions" at issue in AB 2617 was that arbitration clauses could not be created as a condition of the contract. The court in Saheli deemed such restrictions as preempted under FAA.

The decision in Saheli is consistent with a long history of cases on the issue of FAA preemption. To the extent that AB 3080 will undoubtedly be challenged as preempted under the FAA if passed and potentially invalidated, it will serve only to create additional litigation and not necessarily benefit employees as intended.

### Business Journal's BizBriefs

(Editor's note: The following articles first appeared in the Long Beach Business Journal's daily BizBriefs – a FREE e-mail blast sent to subscribers. BizBriefs is sent out around 4 p.m. every other Monday and every Tuesday through Friday, providing a quick glimpse of local news of the day. To sign up, visit: lb.journal@verizon.net and type your e-mail in the box provided on the right-hand side.)

### Google Grant To CSULB To Encourage Women To Pursue Computer Science

California State University, Long Beach (CSULB) is partnering with Google and three University of California (UC) campuses to offer a workshop aimed at encouraging women to pursue careers in computer science. Faculty from CSULB, UCLA, UC Irvine and UC San Diego were awarded a \$35,000 grant from Google to implement a research-focused program to help young

women interested in computer science learn about the field and its career opportunities. The program is meant to address a gender imbalance in the computer science sector, according to a CSULB press release.

### Dwell Time Of Containers At Local Ports Reached High Point In July

The average dwell time of containers at the ports of Long Beach and Los Angeles reached 3.14 days in July, the longest average dwell time in more than a year, according to the Pacific Merchant Shipping Association (PMSA). In June, the average dwell time was 2.7 days. Dwell time measures how long a container sits on a terminal after being unloaded from a vessel before it is picked up by a truck. Longer dwell times create inefficiencies at terminals, such as when several containers must be moved before a truck is able to pick up its cargo and leave the terminal, a statement released today by PMSA explained. While the average dwell time was at its highest point this year in July, a similar spike occurred in July 2017, PMSA noted.

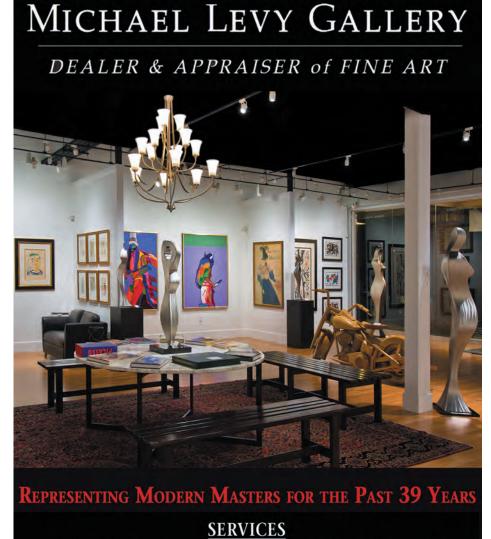
### Long Beach Medical Center Ranked No. 1 In Southern L.A. County By U.S. News & World Report

U.S. News & World Report has recognized MemorialCare Long Beach Medical Center as one of the best hospitals in the nation and No. 1 among all hospitals in Southern Los Angeles County. The hospital was also identified as one of the top five hospitals in Los Angeles County, one of the top eight hospitals in Los Angeles and Orange counties, and among the top 14 hospitals in California. The magazine's "Best Hospitals" ratings are issued annually to help patients "make informed decisions about where to receive care," according to a statement from Memorial-Care Health System, which operates the hospital. The hospital also received recognition for its orthopedics program and "high performance" designations in 11 areas of care, including coronary artery bypass surgery, congestive heart failure, colon cancer surgery, geriatrics, nephrology and other medical specialties.

### City's Unemployment Rate Up From May's Low

Long Beach's unemployment rate increased to 5.2% in July, according to the California Employment Development Department. The city's unemployment rate hit a low of 4.1% in May, and increased to 4.9% in June. Countywide unemployment remained stable at 4.5% in July. A press release from the EDD indicated that between June and July, employment in local public education decreased by 37,500 jobs due to the summer break. This decrease accounted for nearly 90% of joblessness during this time period. Although no analysis specific to Long Beach was provided, a decrease in public education employment would have an impact on the city as its largest employer is the Long Beach Unified School District, with Long Beach City College and California State University, Long Beach serving as other large employers. ■





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### **Long Beach Minority-Owned Businesses**



Deidre Norville is the owner of Our Essence Beauty Supply, a shop that caters to African-American women, located in North Long Beach. She is in the process of raising funds for her business through the Kiva loan program. This allows entrepreneurs to seek out their own lenders through an online crowdfunding platform. A national nonprofit then matches the funds up to \$5,000. (Photograph by the Business Journal's Pat Flynn)

(Continued From Page 1)

owners in the city that represent an ethnic minority. According to the leaders of the city's business improvement districts, the Long Beach Economic Development Department and the Long Beach Small Business Development Center, virtually all entrepreneurs face the same two challenges: obtaining access to capital and developing a business plan. By providing opportunities for funding and education, these local entities are striving to ensure that entrepreneurship is accessible for all.

In May, the city partnered with the Los Angeles Local Initiatives Support Corporation to offer the Kiva loan program. Through a microfinance lending platform, this initiative provides access to capital for small business owners who do not qualify for traditional, commercial loans. The program allows aspiring entrepreneurs to raise funds online, while the national nonprofit, Local Initiatives Support Corporation, matches the contributions up to \$5,000.

A few weeks ago, Norville, whose business is located in North Long Beach, was approved to start fundraising through Kiva. She plans to use the funds to purchase a new point-of-sale system for tracking inventory (the last one was stolen during a burglary), maintain her current staffing level, and expand her marketing and advertising.

"I'm one of the first to be able to access [the loan]," Norville said. "That's important because, as more people access it, the guidelines will get more stringent." Norville's eventual goal is to franchise her shop. "We want to help other low-income people own beauty supply stores," she said.

Tasha Hunter, the executive director of the Uptown Business Improvement District (BID), helped guide Norville through the fundraising approval process. In June, the Uptown BID became a Kiva loan trustee, which means they work directly with the borrowers and vouch for them. The BID also connects business owners to city resources and provides free education classes.

"The majority of our businesses in North Long Beach are minority owned. That's what the population is," Hunter said. "Even though there's nothing specifically targeted to them, that's what my businesses are comprised of."

The Uptown BID recently finished a workshop series called Business 101, taught by California State University, Fullerton

professor Jeff Rowe and Urina Harrell, owner of marketing agency Vox Pop Branding in North Long Beach. Hunter said she is planning another series on financial literacy taught in both English and Spanish.

"We accept people where they are. Some are very knowledgeable in investments and how to manage money, and some need help with just budgeting," she said. According to Hunter, many of the businesses in her district do not use social media, which makes outreach challenging.

"We still meet them where they are, which requires word of mouth and passing out flyers," she said. "To have longevity, they'll have to embrace social media marketing. We're going to have a lot of big, new developments coming in, and we also have a lot of mom-and-pop shops. How do we project into the future what will help these businesses survive?"

Hunter provides one-on-one help to business owners and said that she is available at any hour on her cell phone. She is trilingual, able to provide services in English, Spanish and Portuguese. Hunter also makes a point to patronize the locally owned stores in her district.

The Downtown Long Beach Alliance (DLBA), another business improvement association that recently became a Kiva trustee, also provides free programs and services to area businesses. The DLBA partnered with the Institute for Innovation & Entrepreneurship at California State University, Long Beach to produce a free business education series. The curriculum, which took place over six weeks, covered the process of developing a business and marketing plan, as well as the basics of accounting and human resources.

"The question came up as to why businesses are closing," Adam Carrillo, the DLBA's economic development manager, said. "When you start digging in and identifying what those elements are, it comes down to what they were doing before they signed a lease. As opposed to trying to plug holes in a sinking ship, we wanted to be proactive and put potential business owners through courses that provide the basic tools."

Carrillo said that, when the series launched last year, more than half of the attendees were women, and, of those, most were ethnic minorities. Through its Woman-Owned Business Accelerator grant



Married couple James Pham and Mai Le are the owners of Baguette De Paris, a café that combines Vietnamese and French cuisine. Located in the Cambodia Town corridor of Long Beach, the city is working on conducting more outreach to immigrant and minority communities about programs to help small businesses. (Photograph by the Business Journal's Anne Artley)

program, the DLBA offers up to a total of \$10,000 to two women entrepreneurs based in the downtown area. This year's recipients will be announced on September 13.

Carrillo said another partnership is in the works with Shopify, an e-commerce platform, to launch sessions in expanding online sales. "When you look at who's successful downtown, they're successful online, and their retail aspect establishes the brand," Carrillo said. "So how do we get business owners to utilize e-commerce in a greater capacity? It's going to be to their benefit if they could sell product 24/7 rather than just when their doors are open."

Radhika Chougule, the owner of Cuppa Cuppa Artisan Coffee Bar in downtown, is a minority business owner who has taken advantage of the DLBA's services. Through Carrillo, she was able to take part in the Taste of Downtown Series, where different eateries convene to offer samples of their specialties. Chougule, who is Indian, also applied for the Woman-Owned Business Accelerator.

"It's always a challenge getting started. Patience is key," Chougule, who opened two years ago, said. "We faced challenges during the construction phase. The city helped us out because we're in a historic building. There were additional restrictions that came up. [The city's] historic team helped us get through the approvals, and answered questions."

For Mai Le, the Vietnamese owner of Baguette De Paris, one of the biggest challenges she faced when setting up her shop was the fear that customers would not like her food. "We just do our best," she said. "I love to cook." Le immigrated from Saigon when she was 17. "It was hard because English is my second language," she commented.

But Le's cuisine, which features a blend of Vietnamese and French food, received a positive reception. "I think this community is great," she said. "It's a good adventure. People are very friendly." Le's specialty is the banh mi, a Vietnamese-French sandwich made on a baguette with meat, pickled carrots, onions and daikon, a type of root.

Le, whose business is located on Anaheim Street in the midtown area, has not received any help from the city or a BID. Seyed Jalali, an economic development officer for the city, said he has experienced challenges connecting with some immigrant communities about resources for businesses.

"Immigrants have a difficult time asking for help," Jalali said. "Maybe because of their background or mistrust of the government. It has always been a challenge for us to reach out to those communities. A lot of immigrants, whether they come from Asia or Central America, come from backgrounds where the government is not necessarily on the side of the people or business."

Jalali has seen some immigrant business owners fall into predatory lending schemes, which he aims to help them avoid. To combat mistrust, the city works with other organizations as an intermediary, such as Centro CHA, a nonprofit that advocates for Latinos, and United Cambodian Community, another nonprofit that supports the advancement of Cambodians. The city also partners with the Small Business Development Center (SBDC), run by Long Beach City College.

"SBDC serves as the first point of contact for our clients to help put a business plan together, fine-tune it, finalize it and get it ready for our client to help present it to a lender," Jalali said. That's when it comes to us. We do our own financial analysis, and loans are then reviewed and approved by the sub-committee of the economic development commission."

SBDC Director Brad Pollak said his organization provides services in two ways: through one-on-one advising and teaching workshops about business fundamentals. According to Pollak, more than 20% of his clients are African-American, more than 10% are Asian and 30% to 35% are Hispanic. All of the SBDC advisors are business owners themselves, and many are fluent in Spanish.

Pollak said minority entrepreneurs are eligible to receive government contracts, as a certain percentage are required to be awarded to minority-owned businesses. This is a process that he helps his clients through. "The biggest challenge businesses face, minority or otherwise, is being clear about their roadmap, and access to capital," he said. "The main reason we lay down the fundamentals is that, once you have that, then you know how much cash you need. . . . To see somebody start a business, and get that loan or government contract, is extremely satisfying. This of course results in the creation and retention of jobs."





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### Focus On The City Of Signal Hill

(Continued From Page 1)

2020. Those are structurally balanced budgets, meaning our ongoing expenses are paid for by ongoing revenues and we're able to fund an extensive capital improvement program."

The 2018-2019 and 2019-2020 fiscal year general fund budgets are balanced at roughly \$22 million each. Sales tax accounts for more than \$15 million, or about 68%, of the estimated revenue. Police is the largest general fund expenditure at about 43%, with public works being the second largest at 22%.

Honeycutt is part of the League of California Cities' City Managers Sales Tax Working Group that is against Senate Constitutional Amendment (SCA) 20, which would alter current law to transfer online sales tax revenue to the point of delivery rather than the point of purchase. For example, if a person or company located in Long Beach purchased items online from Home Depot in Signal Hill, Long Beach would receive the tax revenue. SCA 20 is held in committee and is under submission at the state senate as of August 16.

"SCA 20 would reduce our sales tax revenue [by] 15% to 20%," Honeycutt said. "The group of city managers is working with the League of California Cities to come up with an alternative, something that may be a little bit more fair."

In the upcoming March election, the city council seats of Tina Hansen and Larry Forester will be open. The positions of city clerk and city treasurer, which are currently held by Keir Jones and Larry Blunden, respectively, will also be open. According to



Honeycutt, Forester, who has been on the council for more than 20 years, has indicated he will not seek reelection.

"It hasn't been formally announced yet, but Forester has been public about not seeking another term," Honeycutt said. "He's proud of his achievements and is ready to let the new generation come in – new energy to lead the city into the future."

During fiscal years 2019 and 2020, more

than \$27 million in capital improvements are planned in Signal Hill, including development projects, water operations, street maintenance and repair, environmental mitigation and landscaping.

The city has a new \$12 million library under construction adjacent to city hall on East Hill Street. Plans are in the works for a new park on Cherry Avenue south of Mother's Market. Honeycutt said Signal

Hill is working with the City of Long Beach, which owns a piece of property that is likely to become part of the new park. The space is planned as an extension of the city's trail system and would feature an electronic reader board for residents to view city information and event details.

"All of this with no new taxes. When you come to Signal Hill, you have a built-in competitive advantage because we don't





### Focus On The City Of Signal Hill

have utility users tax," Honeycutt said. "I mean, right off the bat, you're going to save 5% just on your utility costs alone. Our sales tax is lower than everybody else and the business license fee is very low."

Retailers in the city are continuing to perform well, with auto dealerships, Costco, Office Depot, Home Depot and In-N-Out Burger among the city's top sales tax generators, Honeycutt said. He explained that there has been a noticeable shift away from material goods purchases to entertainment and experiences, including food. This shift has caused year-overyear revenue increases to slow, he added.

"I would suspect that our Best Buy will benefit from the closing of the Marina Pacifica store in Long Beach," Honeycutt said. "We keep a close eye on Best Buy because for a while there we kept hearing about the demise of Best Buy, but our store is pretty consistent."

Current Signal Hill business owners have indicated that the strong police presence and fast response times are a big draw for the city, Honeycutt said. Last year, Signal Hill recorded one homicide, up from zero in 2016, according to Signal Hill Police Department data. Reported rapes decreased from nine to four, robbery increased from 29 to 33 and aggravated assault increased from 33 to 39. Total property crimes, such as residential and commercial burglary, larceny and shoplifting, vehicle theft and arson, decreased from 85 instances in 2016 to 71 last year.

Though founded as an oil town, tax revenue from oil production only makes up 3% of the city's general fund revenue. Honeycutt

explained that oil revenue has been flat for years, with Signal Hill Petroleum choosing not to drill new wells due to low oil prices. There are permits for 350 wells in the city and 35% are inactive, Scott Charney, community development director for Signal Hill, said. Signal Hill Petroleum operates 83% of the production wells in the city. David Slater, vice president and chief operating officer of Signal Hill Petroleum, said the company will begin drilling new wells this year as a result of higher oil prices.

"We're down to the last developable properties in the city. The reason they are still vacant is because of the constraints caused by abandoned oil wells, pipelines, contaminated soil – things that are left behind due to our legacy of oil from companies that aren't around anymore," Honeycutt said. "It just adds an extra challenge to any developer that wants to come in and do something in Signal Hill."

Despite challenges, Signal Hill is experiencing a high level of development activity, with a number of projects already completed this year, others currently under construction and more in the pipeline. Projects include retail, a new auto dealership, office and at least 320 single- and multi-family residential units.

One of the most recently completed projects is Zinnia, which consists of 72 fully leased affordable residential units at 1500 E. Hill St. Under Senate Bill 35, which was signed by Gov. Jerry Brown in September of last year, the state determined how much housing each city and county must build in the coming years in order to ease the statewide housing shortage. At the beginning of the year, the state's housing depart-

ment released data showing that more than 500 cities and counties are not on track to meeting development requirements for market-rate housing, affordable housing or both. Signal Hill has issued permits to meet 70% of its required housing allocation. The Zinnia project accounts for 100% of Signal Hill's very-low and low-income housing development requirements.

"We're only one of seven jurisdictions in the state that has met that allocation," Charney said. "Even with all the constraints to development we have here in Signal Hill, we're still following through with our commitment to actually do the best we can to ensure that residential development gets provided."

Nearly 50 single-family residential homes are under construction or planned between several projects. The Crescent Square development on the northeast corner of Walnut Avenue and Crescent Heights Street consists of 25 three-story homes that are being sold for \$1 million, according to Honeycutt.

The City of Signal Hill and the Business Journal prepared the following list of Signal Hill development projects recently completed, underway or planned:

### Completed In 2018

- 1136 E. Willow St. Ten-Mile Brewery is a 3,800-square-foot tap house where the beer is brewed on site. The brewery is owned and operated by Dan and Jesse Sundstrom.
- 1500 E. Spring St. A Long Beach Honda renovation added 802 square feet of showroom, 262 square feet of office area, 1,300 square feet of service space, and new facade and signage. The developer was The Garff Group.

(Please Continue To Page 22)



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### Focus On The City Of Signal Hill



Heritage Square is a proposed mixed-use development project by Signal Hill Petroleum on a 7.72-acre site adjacent to Mother's Market on Cherry Avenue. The proposal includes retail, restaurant, single- and multi-family residential and community space. (Rendering courtesy of Signal Hill Petroleum)

(Continued From Page 21)

- 2475 Cherry Avenue Mother's Market opened in the former Fresh & Easy market location. The conversion included new facades, along with seating for outdoor dining and a completely renovated interior developed by Signal Hill Petroleum.
- 3100 California Ave. The City of Signal Hill Dog Park opened in March 2018 and features areas for small and large dogs.
- Zinnia, 1500 E. Hill St. This fully leased multi-family residential develop-

ment consists of 72 affordable housing units developed by Meta Housing.

#### **Under Construction**

· Crescent Square, northeast corner of Walnut Avenue and Crescent Heights Street – This detached, three-story, single-family, for-sale residential development consists of 25 units developed by Far West Industries.

#### **Conceptual Plans**

• 700 E. Spring St. – A mixed-use development is envisioned for the 16-acre site on Spring Street between Atlantic Avenue and

California Avenue to 29th Street. The successor agency entered into an exclusive right to negotiate agreement with Vestar LLC. The proposed project would be completed in multiple phases and would include retail, hotels, mixed-use medical and administrative offices, as well as residential uses and open space.

- 1375 E. 23rd St. This is a proposal for 16 single-family dwellings.
- 2599 Pacific Coast Hwy. Seven single-family homes are proposed.

- 2650 Cherry Ave. The city's successor agency to its former redevelopment agency entered into an exclusive right to negotiate agreement with Signal Hill Properties LLC, also known as the Shelly Group, to develop the Cherry corridor property for a new pre-owned automobile dealership facility. This 3.13-acre site would expand the Signal Hill Auto Center.
- Heritage Square This proposed mixed-use development on 7.72 acres adjacent to Mother's Market would consist of retail, restaurant, single- and multi-family residential and open community space. The city's successor agency entered into an exclusive right to negotiate agreement with Signal Hill Petroleum, Inc.
- Walnut Avenue Corridor Xebec Realty, as the authorized agent for Signal Hill XC, LLC, is proposing the development of nine industrial buildings totaling 151,075 square feet on eight acres consisting of two vacant sites fronting on Walnut Avenue between Gaviota and Gundry avenues. The property previously housed the ChemOil refinery, and consists of a six-acre parcel on the west side of Walnut Avenue and a two-acre parcel on the east side of Walnut Avenue.

#### **Public Investment**

- 1770 E. Hill St. The development of a new, 12,000-square-foot public library is
- · Corner of Burnett Street and Cherry Avenue - View Park, which will take advantage of views of the Long Beach skyline, will include a new digital sign and reader board, as well as benches and a hilltop walking trail. ■

### Mayor Tina Hansen On Signal Hill's Momentum, Business Focus

■ By SAMANTHA MEHLINGER **EDITOR** 

With municipal and commercial developments underway and in the pipeline, the 2.2square-mile City of Signal Hill is proving it still has opportunity for growth. Mayor Tina Hansen, a member of the city council since 1994, is focusing her fifth, nonconsecutive, term as mayor on closing out the development of the Signal Hill Library, ensuring the city's revenue sources and finances are stable and keeping the city business friendly.

The new 14,000-square-foot library currently under construction next to Signal Hill City Hall is a municipal project many years in the making. The facility is replacing a 1931 structure originally built as a firehouse and eventually converted into a library. "My number one priority is for the library to be completed and to do the grand opening, because that's been a pet project started designing it back in 2000." The mayor cil in 1994. (Photograph by the Business Journal's Pat Flynn) said that she has taken a hands-on approach to the library project, suggesting names for its rooms and ensuring that elements of the city's history are incorporated in the design.

Also on Hansen's priority list is ensuring the stability of city revenues. "We're always concerned about our tax base - the fact that we're 70% reliant on sales tax," she said. "There's constantly movement in the state to redistribute tax.'

For example, a hot topic among legislators, regulators and the business sector is whether or not to change California's current origin-based sales tax structure to a destination-based structure. This change would mean that, if someone purchased an item from Office Depot to be



of mine pretty much since I got onto the coun- Signal Hill Mayor Tina Hansen is pictured outside city hall as construction continues on nia, a workforce housing project on Hill Street cil," Hansen told the Business Journal. "We first the city's new library, a project she has been devoted to since she first joined the city councompleted this year. "That has always been a pas-

shipped from its Signal Hill facility, Signal Hill would no longer receive sales tax for the transaction. Instead, the destination city would be the beneficiary. "If they change the tax structure from where the order takes place versus where it goes to, that will be an impact," Hansen said.

"Every year we always put more into our reserves. But we are always aware of the fact that we're so reliant on sales tax," Hansen said. "We're always aware of the fact that [the loss of] one large auto dealer, one large business, [or] any change in the redistribution [of sales tax revenues] will have a big impact on us."

Because Signal Hill is a small municipality largely dependent on sales tax revenues, the city has worked to de-

velop a reputation as a business-friendly destination. Hansen noted that Signal Hill has a low business license fee compared to surrounding municipalities. "We try to make people feel welcome here," Hansen said. "Customer service is always a big deal with us. When businesses need help and they call in, they always feel like they get good customer service. And they love our police response, too." Signal Hill operates its own police department, a plus for businesses that are most concerned with security, according to Hansen.

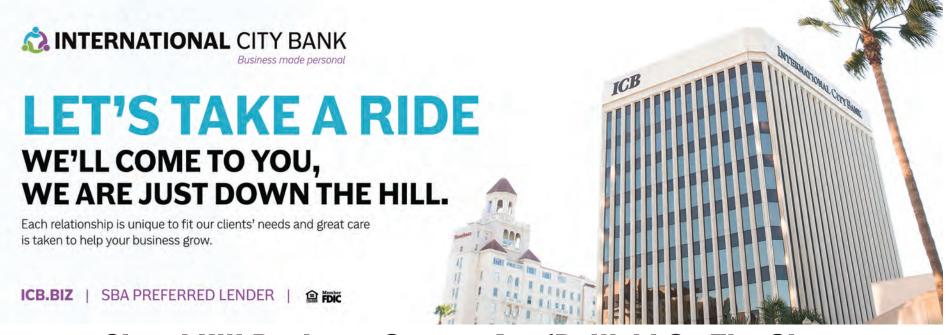
Over her years as an elected representative of Signal Hill, Hansen said she has seen the city position itself as a destination for those seeking active lifestyles and high-end housing. "We have positioned ourselves as a city that grows but that grows carefully," she said. "We have positioned ourselves as being business friendly, as being an active lifestyle city, as being high-end residential.'

Hansen noted that the city has also prioritized affordable housing with the development of Zinsion of mine, is providing safe housing for people. I told staff before I leave council, I hope that we can put another affordable workforce housing

project together," she said.

The next step for the city is to create a community gathering place for its residents, a prospect Hansen expects to be fulfilled with Signal Hill Petroleum's proposed Heritage Square development at Cherry Avenue and Burnett Street. In addition to the existing Mother's Market, the development will include retail, eateries and housing. "We still feel like we don't have that true community center. . . . We really want that," Hansen said. "We really see Heritage Square as something that will be a community gathering place where people will say, 'Let's go out in Signal Hill.'" ■

### Long Beach Business Journal • August 28-September 10, 2018 • Page 23 Focus On The City Of Signal Hill



### Signal Hill Business Owners Are 'Bullish' On The City

### ■ By Brandon Richardson SENIOR WRITER

Signal Hill is home to numerous corporate chains, including Best Buy, Costco, Office Depot, Home Depot and In-N-Out, and small, local businesses such as Curley's Cafe, Marketink XL and LB Walker Automotive. Because much of the city's budget relies on sales tax revenue, retail, food and service businesses are a backbone of the Signal Hill economy.

The city is known for its businessfriendly environment, according to local business owner and Signal Hill Chamber of Commerce President Melissa Guy.

'The business climate in 2018 has con-

tinued to grow. Honestly, the attitude of the business owners is very optimistic," Guy said. "They are receiving great results. We all generally have the consensus that doing business in the City of Signal Hill is one of the reasons that we're all succeeding."

Low crime, easy accessibility off the 405 Freeway and its location at the heart of Long Beach between Los Angeles and Orange counties are great advantages for businesses in the area, Guy said. Continued development in Long Beach and surrounding areas is also a boost for the Signal Hill business community, she added.

Within Signal Hill, numerous development projects were recently completed, are underway or are planned. These developments include retail, office and industrial space, as well as at least 320 residential units. These projects will bring new residents and workers to the city, which should increase business, Guy said.

"I'm finding that many people who are opening businesses here are looking to move here. Because the business experience is so great, they want to live here," Guy said. "And vice versa - folks that are residents moving into the city who are [already] business owners are looking at the business opportunities within Signal Hill at future developments."

As president of the chamber, Guy speaks with many business owners about their experiences working with other city governments. She said businesses that have relocated to Signal Hill from other cities note that the city has less red tape, allowing them to open up shop quicker, and thrive.

The Signal Hill Chamber of Commerce has nearly 300 members, and its mailing list has grown to 700 subscribers, Guy said. The city has in the neighborhood of 1,200 businesses, she noted, which equates to around an impressive 25% business participation rate for the chamber.

"I believe that one thing our business owners pride themselves on is active engagement in our community," Guy said. "If you look at the percentage of active mem-

(Please Continue To Page 24)



### Focus On The City Of Signal Hill



Sal Lombardi, left, and Brian Lee, owners of LB Walker Automotive on Wardlow Road and California Avenue, said they hope to open a second shop within the next year to keep up with business growth. (Photograph by the Business Journal's Brandon Richardson)

(Continued From Page 23)

bers in our chamber and compare it to other local chambers, some cities have about a 3% to 5% engagement rate. Those are the high-performing chambers. Typically, it's around 2% for the average chamber."

### **Service Businesses**

al Lombardi, owner of LB Walker Automotive, said business has been booming all year, with not a single slow day. This year's success is a continuation of a strong 2017, he noted. In addition to his



Ship & Shore Environmental is in the process of establishing a permanent presence in China and expanding operations to the Middle East, according to President and CEO Anoosheh Oskouian, pictured at the firm's Signal Hill headquarters. The company designs industrial air pollution capture and control systems. (Photograph by the Business Journal's Brandon Richardson)

basic car services, Lombardi said his fleet services and classic car restoration business continues to be strong.

"Our classic car business has just gone through the roof. Not a lot of people like working on [their cars] because it takes a lot of time, and parts are hard to find," Lombardi said. "I just embrace it. Right now I've got a '54 Cadillac, a '51, a '39 and it keeps on going. I have at least one or two a month. I'm living the American dream right now."

### **Higher Oil Prices Means More Investment And Drilling Coming To Signal Hill**

■ By Brandon Richardson SENIOR WRITER

After oil prices plummeted in 2014, eventually falling below \$30 per barrel, Signal Hill Petroleum (SHP) sidelined its two drilling rigs. The rigs have sat dormant for four years waiting for oil prices to recover and spur renewed investment. With oil prices rebounding - an average of around \$70 per barrel for West Texas Intermediate (WTI) crude oil during August – one of the company's drilling rigs will likely begin drilling new wells this year, according to SHP Executive Vice cer David Slater.

very robust this year. When we have and Slater. (Photograph by the Business Journal's Brandon Richardson) strong cash flow, we reinvest in the infrastructure for our business," Slater said. "We've been busy primarily upgrading and replacing our surface facility equipment like pipelines and tanks. We are working to bring one of our two drilling rigs out of mothballs and we anticipate drilling some new wells in the fourth quarter." At this time, Slater said the company has plans to drill two or three wells this year.

SHP is currently in the process of re-permitting all its water injection projects, which is required by a mandate from the California Department of Conservation Division of Oil, Gas and Geothermal Resources. Slater described the process as "daunting." However, he added that SHP's primary need is to operate its injection wells to increase efficiency. Once the re-permitting process is completed, Slater said the company could drill up to a dozen wells, primarily injection wells. Water injection is the process of introducing water into an oil field to increase pressure in order to stimulate production.

Currently, SHP has around 250 active wells and around 140 inactive wells. However, inactive wells can be brought online to replace another if mechanical issues arise, Slater explained. SHP operates 83% of the oil wells in Signal Hill. Within the last 10 years, the company has abandoned 100 wells and drilled or re-drilled 48 wells.



President and Chief Operating Offi- After almost four years of inactive drilling rigs, Signal Hill Petroleum is preparing to remove one of its drilling rigs from mothballs to drill new wells in the fourth quarter of this year, according to Executive Vice President and Chief Operating "Our oil and gas business has been Officer David Slater. Pictured from left: Richie Diaz, rig hand; Pat Hurley, drilling coordinator; Steve Clavijo, rig hand; research scientists who are working

Due to the nature of the oil industry – namely its reliance upon an ever-declining resource - and a lack of drilling, production has decreased slightly. However, Slater said SHP has been successful in minimizing production decline by investing in its current wells through repairs and maintenance. He expects 2018 production to be similar to last year, which was around 1.1 million barrels.

"There's plenty of oil here, it's just keeping maintaining the wells because they degrade over time," Slater said. "We've got 50 to 100 more years of oil here."

Signal Hill Petroleum maintains a strict schedule of routine checks for its operations, particularly those in the direct vicinity of homes and businesses. Slater said the company's goal is for zero defects in all of its equipment at all times, which is why complete tear-down inspections of beam pumping units (pumps used to mechanically lift oil out of a well when pressure is low) are conducted every 18 months. These inspections are much more frequent than the industry standard, he added.

SHP tests its pipelines more frequently than required by state or federal law, Slater said. To test the lines, they are first flushed and cleared of all oil and gas. Then pressure above normal operating levels is applied using clean water to check for leaks. In the last 15 years, Slater said almost all

instances of pipeline issues were caused by third-party damage, often during road work and construction.

The Southern California oil industry has experienced a wave of pushback from anti-oil groups claiming that living near oil operations is adverse to a person's health, Slater said. The oil industry, including SHP, is collecting air quality data around its operations in an attempt to counter these claims. All of SHP's systems are sealed to ensure little to no impacts on air quality, Slater added.

"We're fighting innuendo with facts and also working closer with SCAQMD [South Coast Air Quality Management District]," Slater said. "In the last year, we've worked with with new remote monitoring tech-

nologies. Our west unit facility has had virtually every technology in the world parked at our fence line beaming into the facility, as SCAQMD wants to get a track record of running these new technologies."

SHP has tested real-time sensor technology in and around its facilities to identify leaks. On a quarterly basis, the firm tests 75,000 different components through a third-party technician to ensure there are no leaks and that all systems are functioning properly. Slater said the company will continue to experiment with new technologies to ensure as much data is being collected at its facilities as possible.

The latest technology introduced to SHP operations is called FLIR (short for Forward-Looking Infrared), Slater said. This thermal-imaging instrument allows operators to identify micro leaks. Slater said SHP has used the FLIR system to conduct a full audit of its facilities to scan for micro leaks. Several micro leaks were found, which Slater said were the equivalent of the small amount of gas expelled when a lighter fails to ignite.

"Now we're doing an ongoing sweep of our facilities using this technology," Slater said. "Our goal is to be 100% sealed and leak free – keeping all of our product where it should be, in the tanks and the pipeline so we can sell it."

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Signal Hill business owners have told Melissa Guy, president of the Signal Hill Chamber of Commerce, that they enjoy conducting business in the city because there is no red tape. Guy and her husband own Asset Media Group, a video production firm. (Photograph by the Business Journal's Brandon Richardson)

The auto shop recently added its third fleet service account, Emerald Metal Products Inc., which is joining C.S.I. Patrol Services Inc. and B&I Construction. Lombardi said he would like to open a second shop within the next year.

Business for PIRTEK Long Beach, a hydraulic hose maintenance company, has been up, according to owner and principal Paul Martin. The strong economy has led to increased infrastructure spending, development, and oil operations, all of which utilize hydraulic systems, Martin explained.

"The first six months this year [revenues] were up approximately 15% over last year. It's been nice and steady, and things are looking up," Martin said. "I don't see any real problems arising in the next 12 to 18 months, but once you get that far out it gets a little hazy.'

Trade conflicts could have a negative impact on his business if operations slow down at the Port of Long Beach or if construction declines as material costs increase, Martin said. But for now, the business outlook is good, he said.

Much of Martin's business is delivered to clients in the field, be it replacement hoses or maintenance on existing hoses. Signal Hill's central location between L.A. and Orange counties, as well as its proximity to the 405 Freeway and the port, are extremely beneficial for business, Martin noted.

For Ship & Shore Environmental Inc., an industrial air pollution capture and control (Please Continue To Page 26)

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### Focus On The City Of Signal Hill



GD Bro Burger is approaching its third year operating in Signal Hill, having opened in early 2016. The concept began in 2013 as a food truck in Orange County. Pictured from left: Harmony Harp, cashier; Kirk Casem, line cook; Bruno Galvan, lead captain; Vanessa Escareno, cashier; and Managing Partner Hue Nguyen. (Photograph by the Business Journal's Brandon Richardson)

(Continued From Page 25)

system design firm, Signal Hill's proximity to the Long Beach Airport is convenient for clients flying to the area, President and CEO Anoosheh Oskouian said.

Recently, Ship & Shore diversified to include services related to groundwater and soil remediation. Despite ever-present concerns about the Trump administration's stance on environmental issues, Oskouian said her business is likely to be unaffected.

"The states, as well as the local agencies, are still staying on top of the important [environmental] issues," Oskouian said. "That gives us opportunities to constantly come up with new ways to handle these issues and increase our workforce as a result."

Business growth has been between 10% and 15% for the last couple of years, Oskouian said, adding that she expects this vear to be about the same. Oskouian is in the process of forming a joint venture under the Ship & Shore banner with a Chinese company. In the past, Ship & Shore has worked on projects in partnership with the Chinese firm, but a joint venture would give her business a permanent presence in China, Oskouian explained. The firm is also working to expand to serve the Middle East, she added.

Ron Kleijn, owner of Rossmoor Pastries since April 2016, said business is up double digits over last year. Kleijn's business comprises three divisions: a retail shop, a cake studio and a wholesale operation. The wholesale division serves A-list customers in L.A. and Orange counties, he said.

"From our perspective, the business is healthy, it's vibrant, it's growing. We're investing heavily in it and will continue to do that," Kleijn said. "Our wholesale business is accelerating at a faster pace, and that speaks to a couple of trends happening in the market: there are fewer suppliers producing fresh baked goods; there are fewer skilled people, making it harder for food service companies to make their own products; and the labor market is getting tighter and tighter."

Rossmoor Pastries' product portfolio is reevaluated and tweaked every year to keep it fresh and new. Recently, the company launched a new website for its wholesale business under its parent company name, Matt & Nat Bakery Group. The retail shop will continue operating as Rossmoor Pastries, while business-to-business sales will be conducted under the Matt & Nat name.

After completing a major expansion last year, Encore Welding Supply is pushing almost 30% growth year over year, according to President Ben Anderson. With growing business comes a growing staff, which now consists of 24 employees, Anderson said. In 2019, the company is expanding to additional cities and states, which Anderson said are to be announced at a later date.

Encore produces and distributes around

### **Boulevard Dealership: Nearly 60 Years Of Car-Selling History**

### ■ By Brandon Richardson SENIOR WRITER

After serving in the United States Navy, James "Jim" Willingham moved from Missouri to Long Beach in 1950, "chasing a girl, I think," his son Brad said jokingly. Jim quickly found a job selling shoes. That same year, the owner of Ed James Studebaker visited the shoe store, told Jim he would be better off selling cars and offered him a job.

Jim worked at several dealerships in the coming years, including C. Stanlee Martin Oldsmobile and Masters Pontiac. Eventually, he ended up at Campbell Buick on and became business partners with (Photograph by the Business Journal's Brandon Richardson) owner Charlie Campbell in 1961.

"They started off thinking the dealership would be named Campbell Willingham, but they couldn't afford that many neon letters at the time," Brad said. "American Avenue had just changed to Long Beach Boulevard. So, they came up with the name 'Boulevard,' and it's been Boulevard Buick ever since."

Jim went on to buy out Campbell and continue operating the dealership with the help of Brad when he was old enough. The father-son team ran the business in Long Beach through the early 1990s. Brad said his dad loves Long Beach and was very dedicated to the city, including civic involvement as president and/or chairman of Rotary Club of Long Beach, the Long Beach Area Chamber of Commerce, American Red Cross Greater Long Beach Chapter, the Long Beach Board of Water Commissioners, Memorial Medical Center Foundation



American Avenue, which would be Boulevard Buick/GMC Cadillac has operated in Long Beach and Signal Hill since the early 1960s and is currently renamed Long Beach Boulevard, experiencing 15% and 5.4% year-over-year growth for its Buick/GMC auto sales and collision center, respectively. Buick Pontiac GMC opened. Brad

and the Long Beach Area Convention & Visitors Bureau.

The development of the Cerritos Auto Square began in the late 1980s and it quickly became one of the largest auto centers in the world. The center's high visibility off of the 605 Freeway made it a powerhouse - tough competition for Long Beach auto dealers on Long Beach Boulevard, Brad said. Around the same time, construction began on the Blue Line.

"We had done a lot of work with the local politicians. They had an option to use some existing tracks down by the Los Angeles River, and we lobbied hard for that," Brad said. "The night of the city council meeting, we didn't go because we thought we had the vote in the bag, but somebody changed their vote at the last minute. They decided to bring the [Metro] Blue Line right down the middle of the boulevard, and we knew what that meant for us."

The Blue Line opened in 1990, and the Willingham's

dealership struggled due to decreased visibility, no parking and less sidewalk space. The City of Long Beach had never shown any interest in creating an auto center, Brad explained, and many of the dealerships had already moved on to Signal Hill. Jim did not want to leave Long Beach, but, with business way down and the bowling alley next door being turned into a welfare office, it was time. Boulevard was one of the last dealerships to vacate Long Beach Boulevard for the growing Signal Hill Auto Center.

Jim partnered with Michael Salta, who owned as many as 24 dealerships throughout his career. Salta had built two side-by-side dealerships in Signal Hill, and, in 1993, Boulevard oversaw day-to-day operations as general manager, while partners Jim

and Salta oversaw the business end.

Ron Charron was brought on as general manager around 1998, while Brad was working at another Salta dealership. In 2000, Brad came back to Boulevard, where he and Ron bought out Jim and Salta. The new partners have run the dealership together ever since. In 2010, the company bought Coast Cadillac, which now occupies the space adjacent to Boulevard Buick/GMC as Boulevard Cadillac. Charron's son Chad became the third partner at Boulevard earlier this year and continues to serve as general manager of the dealerships.

"That's pretty much the story. Chad is running things, while Ron and I try not to be here quite as much as we used to be," Brad said. "We've had two stores running side by side for years and they've been very successful. It's been going really well." ■

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### **Focus On The City Of Signal Hill**



Fernando Goncalves assumed the role of store manager at Signal Hill Town Center East's Home Depot location about one year ago. He said the location gets a lot of repeat customers and that he views it as a mom-and-pop Home Depot. (Photograph by the Business Journal's Brandon Richardson)

50,000 cylinders of welding and specialty gases annually, Anderson said. The total cubic feet of gas depends on the size of the cylinders, he noted. The Encore executives enjoy operating in Signal Hill, which is evidenced by the fact that they opened their second location just blocks away from the first.

"Signal Hill is just an extremely user-friendly place to operate. I recently prompted another company [Louisiana-

based Specialty Welding and Turnarounds] to do a long-term lease of a building here because of that," Anderson said. "They wanted to open a West Coast office, so they asked me where, and I said, '100%, Signal Hill."

Mitch Kron, CEO of Big Studio Custom Apparel, said business has increased about 8% over last year, which has been an ongoing trend for several years. Kron has of-(Please Continue To Page 28)



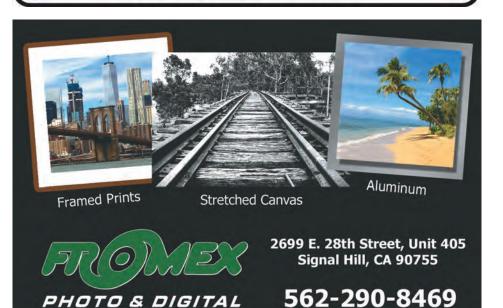


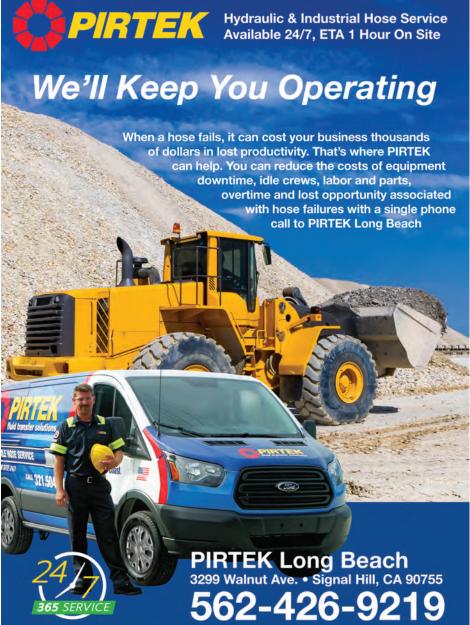
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### Focus On The City Of Signal Hill

(Continued From Page 27)

fered screen printing services in the area since 1988 and has operated out of Signal Hill for the last 19 years. Today, the company offers screen printing and embroidering services for apparel and accessories. In the past year, Kron has hired several employees, bringing the total to 30.

"We have what I would call a very eclectic mix of clients. We do some national accounts, but we still cater a lot to local business," Kron said. "Our school business in and around the Long Beach area is growing really fast."

Big Studio screen prints items for Longfellow Elementary, as well as Hughes and Rogers middle schools and Lakewood, Polytechnic and Wilson high schools. According to Kron, 60% of his business is local, while 40% comes from national accounts.

Business for Marketink XL, which specializes in large format and events graphics

### Signal Hill Auto Dealers Continue To Experience 'Strong' Sales

### ■ By **Brandon Richardson**

SENIOR WRITER

Sales tax is the key economic driver for the City of Signal Hill, making up 68% of the city's general fund revenue – around \$15 million annually. Each of the city's six auto dealerships appears on the list of Top 25 sales tax generators for the Signal Hill.

"The city is business friendly; they want to help. They want to see [auto dealers] do better, so they're always reaching out and seeing what they can do to help us take care of our customers and sell more cars for their tax base," Bob Davis, president of Glenn E. Thomas Dodge Chrysler Jeep Ram, said. "We've enjoyed our relationship with the city, and the police department's great. It's a good place to do business."

Compared to last year, Davis said the dealership has experienced a slight uptick in sales, particularly for the Jeep product. Used car business is also up, he said. The last several years have been exceedingly strong for the industry in general, he noted. When the market is hot for an extended period of time, a plateau or even a decline in business is expected, he explained. For now, Davis said business is holding. With increasing interest rates and gas prices, he said it will be interesting to see what 2019 has in store for the auto industry.

While it is not in the dealership's immediate plan, Davis and other Signal Hill dealers would like to expand. A lack of space, however, makes expansion difficult, he said. Despite the lack of space for existing dealers, the City of Signal Hill recently entered into an exclusive right to negotiate agreement with Signal Hill Properties LLC, also known as the Shelly Group, to develop a 3.13-acre pre-owned auto dealership on a vacant Cherry Avenue site.

At Glenn E. Thomas, 80% of inventory that is sold are Jeeps and Ram pickup trucks. The remaining business is for cars, such as the Dodge Charger and Challenger, the Chrysler 300, among other models. Increased sport utility vehicle and truck sales is an industry-wide trend, Davis said.

"Our parts department is number one in California in Chrysler parts. So we have a real large department. We do a lot of wholesaling of parts to garages, body shops and other vendors," Davis said. "We have a lot of service customers and we have a lot of fleet accounts too. Our parts and service business is up probably 15% from last year."

Boulevard Buick/GMC Cadillac has had a strong year, according to co-owner Brad Willingham. While Cadillac sales have been flat year over year, Buick/GMC and the dealership's collision center are up 15% and 5.4%, respectively.

Over the past year, the Buick brand has continued its comeback after years of industry concern that it would go out of business like Oldsmobile and Pontiac, Willingham said. Since surviving the GM bankruptcy in 2008, Buick has become popular in China, which saved the brand, he said. Buick's momentum is also due to a push to appeal to Millennials, Willingham added.

"When I was a kid growing up, there was nobody my age . . . who ever thought about buying a Buick," Willingham said. "So it's really refreshing to see that now. My son's 24-year-old fiancée, for example, just came in and bought a Buick Encore. That doesn't happen unless the marketing is strong and appealing to younger people. And that's something I never thought I'd see in my lifetime."

The Cadillac comeback started around 2009, Willingham said. With each passing year, he said the brand has gotten stronger, following the upswing of the economy. Recently, Cadillac has been trying to change the way its vehicles are marketed and sold at local dealerships, a strategy which could detract from the localized approaches dealerships use to reach residents, Willingham explained. Because of this push by Cadillac, there has been some friction with dealerships – but that hasn't made the brand any less successful, he added.

The Boulevard Collision Center handles many insurance company claims, and the body shop continues to do well, Willingham said. He explained that many dealers gave up on their body shops because they thought they would not be able to compete with independent shops. However, Willingham said Boulevard has proven that notion wrong, as it successfully competes in the body shop arena.

Overall, Willingham said the city has always been helpful when the dealership has a project, such as its 2011 remodel. He added that operating in Signal Hill is "terrific," but not without its challenges.

"We continue to struggle to attract people to this auto mall. It's a tough deal. There's no visibility from the freeway, except the beautiful freeway sign to let people know that we're here," Willingham said. "Residents of Long Beach don't typically come up Cherry Avenue to get to the freeway, so even our own local residents don't always know that we're here. So we're always trying to get the word out."

production, has been strong and steady, according to owner and Principal Mercedes Sepko. The company's growth rate peaked last year, but business from existing clients continues to swell, accounting for a large percentage of increased revenue.

"As a Latino woman-owned small business, we are all too familiar with pushing through the hard times, and are definitely grateful for the improved economy that we are currently experiencing in Signal Hill," Sepko said in an e-mail to the Business Journal. "Last year's growth led us to expand our floor space to twice its size [and] invest in upgrading our printing equipment with newer technology, which allowed us to improve product quality, offer additional services to our customers, and continue defending our position in the local market as its fast and reliable resource for large graphics."

Sepko is in the process of hiring two more employees, and noted that both Signal Hill and Long Beach have a great talent pool to pull from. She explained that she prefers to hire local, as it allows for an overall better experience and quality of life through shorter commutes, better work and family balance and a "higher sense of camaraderie."

Inclement weather at the start of the year slowed business for Allied Refrigeration, according to CEO Robert Nichols. However, during the spring, business began to pick up. Record-setting heat this summer gave the company its two most successful months ever in June and July, with business up 20% year over year.

Nichols' great uncle moved to Long Beach from Iowa in 1912 and founded Allied Electric in 1914. In 1934, the company formed the refrigeration division. At the end of World War II, the company dropped its electric division to focus on Allied Refrigeration. The company had three locations in Long Beach before moving to Signal Hill in 1970. The Signal Hill location was at the site of the 1958 Hancock Oil Co. refinery fire, which killed two and injured eight, making Allied the first company to move to the site following the blaze.

"[The reason] we moved there was to escape the bureaucratic entanglements of the City of Long Beach," Nichols said. "Signal Hill is much more business friendly, and we enjoy being here. I'm born and raised in Long Beach. I still live there. I love Long Beach, but Signal Hill is great for business."

### **Food Establishments**

urley's Cafe has been a Signal Hill institution since 1932, and John Toman has owned the restaurant and bar for more than six years now. Toman said business has been solid, with a strong breakfast, lunch and dinner crowd. The eatery is currently working on a new dinner menu that will include steaks, fish and chicken options, as well as more greens and fruits for its health-conscious patrons, Toman said. But patrons needn't worry about the demise of Curley's favorites, such as its chili, he added.

The dinner menu items will be served up in a newly remodeled back room, which is currently in the planning stages, Toman said. Menu changes and renovations will not lead to price increases, he noted.

"Curley's has great bones. No matter what we do and remodel, we always try to keep Curley's, Curley's, so when the old timers who have come here for generations walk in it's still the same friendly place on the hill," Toman said. "I love Signal Hill and we're looking for somewhere to expand in the city."

Toman said there are a couple of different restaurant concepts he and his wife have in mind. They are hoping to take over an existing restaurant site and to keep on that establishment's existing staff.

GD Bro Burger opened its doors in February 2016 in Signal Hill. The concept began in 2013 as a food truck in Orange County, and placed third on the sixth season of Food Network's "The Great Food Truck Race" in 2015. After the first year and a half of business in Signal Hill, managing partner Hue Nguyen said business has dropped off slightly. To combat business decline, Nguyen said the company has been making efforts to reach out to the community in Signal Hill and the surrounding Long Beach area.

"We've been working with a lot of festivals . . . to keep our brand awareness out there. Not only in L.A. County and Long Beach, but Orange County as well," Nguyen said. "We've definitely had to continue to hustle to keep our brand out there. If we continued to keep marketing just for folks coming to our storefront, it'd be challenging. I've spent a great amount of time focusing on adding value to our community and being entrenched in all activities in Signal Hill."

Nguyen is a member of the Signal Hill Chamber of Commerce and is on the advisory board of Signal Hill Rotary. He said he is working to bridge the gap between organizations and business so that owners are not operating in silos, but are instead collaborating and enriching the community together. Nguyen has also partnered with Browning High School's culinary program to garner support in preparing future chefs for the real world, he said.

### **Retailers**

F ernando Goncalves, store manager of Home Depot at Signal Hill Town Center East, said business has been great and continues to grow since he took over the position about one year ago. Prior to becoming store manager, Goncalves was working at the same location for five years.

### Signal Hill's Top 25 Sales Tax Generators

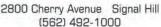
A & A Ready Mix Concrete Inc. Allied Building Products Altair Gases & Equipment Bakersfield Pipe & Supply Boulevard Buick/GMC Cadillac Cherry Market & Gas Enterprises Encore Welding and Industrial Supply Financial Services Vehicle Trust Food 4 Less Glenn E. Thomas Dodge In-N-Out Burgers Long Beach BMW/Mini Cooper Long Beach Honda Mercedes Benz of Long Beach Nissan of Long Beach Office Depot Power Trip Rentals RENO Hardware and Supply Inc.

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When the economy is strong, residents and business owners are more likely to undertake renovation projects at their homes or businesses, Goncalves explained. Signal Hill and surrounding areas are currently experiencing a high number of projects, which is boosting business for his Home Depot location and its sister store in northwest Signal Hill, he said.

"We get a lot of repeat customers, a lot of homeowners who are here daily, and we know their faces. This a neighborhood store. I like to consider our store a momand-pop Home Depot," Goncalves said. "We help people with problems or issues that they're having at home, and they come back to show us pictures, show us solutions, progress, their gardens - there are a lot of relationships that we created."

Home Depot also receives a lot of business from local contractors and property management companies. The current development and renovation boom in Downtown Long Beach, specifically, has brought a lot of businesses to the store, Goncalves said.

Ryan White, retail manager of Liberty Coin in Signal Hill, said continued uncertainty in the financial markets has caused his business to perform well. He explained that gold and silver are traditionally "safe-haven commodities," meaning that, even if the U.S. economy declines, metals retain their value.

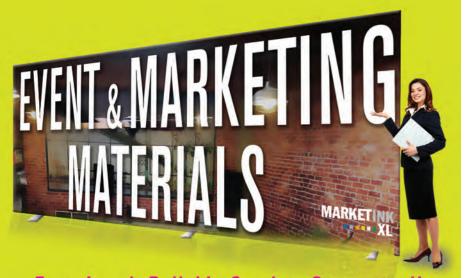
"The physical location is great. We're central to the South Bay, Orange County, Long Beach and Lakewood. People come here from as far away as Manhattan Beach and Costa Mesa," White said. "In addition, there's a large coin show three times a year that takes place in Long Beach, so we get a lot of customers coming through Signal Hill for that as well."

White said most of his interaction with the City of Signal Hill is through the police department. He added that the department is always prompt, courteous and helpful, which is important to business owners.

Business growth for Batteries Plus Bulbs, which opened two years ago, has been in the single digits but is steady every month, owner Tim Quinlan said. Fifty-five percent of sales come from residents, with 45% coming from commercial contracts, according to Quinlan.

Word of mouth is important to business growth, Quinlan explained, because batteries and bulbs are the types of products no one thinks about until they need them. Much of the business Quinlan does is for batteries - from AAAs to batteries for cell phones, boats or cars, the store has batteries to power just about anything. Quinlan's franchise location also does more cell phone screen repairs than any of the company's other 750 locations nationwide, he said.

"Signal Hill is a very comfortable place. We have steady traffic, good neighbors and we're conveniently off the 405 Freeway, which helps," Quinlan said. "I'm very happy to be here in Signal Hill and I'm very bullish on it." ■



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### Support Local Small Businesses



### Big E Pizza

Big E Pizza owner James Eleopoulos built and started running his own business when he was 19 years old, in 1986. Eleopoulos's parents immigrated from Tripoli, Greece, and opened a few American restaurants and coffee shops in the area. "My family had been in the restaurant business since the 1950s. I had worked for another pizza store in Long Beach, and I decided it was a good time," Eleopoulos said. "I built it myself with my own hands." In the mid-1980s, Eleopoulos saw the popularity of pizza deliveries start to rise, so he decided to capitalize on the opportunity. Big E also delivers wine and beer, a rare service, according to Eleopoulos. In addition to pizza, menu options include calzones, salads, sandwiches and barbeque. Big E is open until 3 a.m., and Eleopoulos said the meat lovers' pizza is the most popular late-night choice. "All of our recipes are from my mom and dad," he said. "Our crust is my mom's bread recipe." Eleopoulos described his business as a "very family-run restaurant," with employees who have been with him for 30 years. "Some of my employees now have grandkids who are working here," he said. "I love coming to work every day." Eleopoulos recently purchased the property of the former Delius Restaurant on Cherry Avenue, which he plans to turn into a sports lounge called Jimmy E's. Big E Pizza is located at 3225 E. Pacific Coast Hwy. #C. For more information, call 562/498-8788 or visit bigepizza.com.

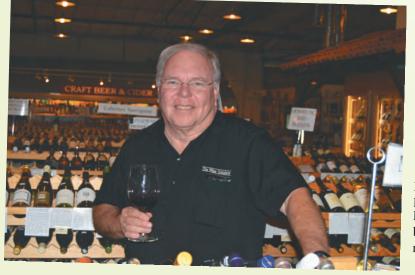
### Pete's Plumbing

Pete's Plumbing owners Patty and Tony Hillis are continuing the legacy of the late Pete Hillis, Patty's husband and Tony's father. Pete Hillis started the business out of his Lakewood home in 1972 and ran the business until he passed away in 2014. A plumber by trade, Pete branched out on his own because he didn't like the fact that most plumbers were paid by commission, Patty Hillis said. "He didn't like that there's a tendency to oversell a job, or just find more [to be repaired] than what the need is at that time," Hillis said. "Pete wanted to establish a relationship so, if you needed a big job done, he would be the first person you would call because you have history with him. You would know that he wasn't just trying to do one big job and move on." Pete's Plumbing specializes in both plumbing and heating. Hillis said she receives the most requests for gas, drain or water repiping and water heater installation. "We're not into air conditioning or forced air," Hillis explained. "In Long Beach, there are lots of older homes with wall and floor heaters, so we work on those." Hillis said her favorite part is helping her customers maintain a safe home environment. "I don't think a lot of people get what a plumbing contractor is all about," she said. "It's really about safety for our customers. That gives me satisfaction." Pete's Plumbing is located at 3099 E. Pacific Coast Hwy. For more information, call 562/599-0106 or visit petes-plumbing.com.



### **Greenly Art Space**

The guiding principles of nonprofit Greenly Art Space are "creativity, contemplation and community," according to Director and Curator Kimberly Hocking. The nonprofit partners with both international and local organizations to produce art shows. For one exhibition, entitled "Home," artists imagined their own conception of what that word means to them. The show raised funds for Rebuilding Together Long Beach, a nonprofit that provides free home repairs to those who cannot afford them. Hocking also featured the work of orphans from India in a show called "Everyday Joy," for which they took photographs of the things that bring them pleasure. "I like to get people to look at life in a deeper way," Hocking said. "So much of our daily lives is busy: always go, go, go. My goal is to provide a space of peace and beauty." The nonprofit also employs two art therapists who encourage patients to work through their issues by creating art. Hocking, whose background is in nursing, used to work at The Village in Long Beach, an organization that serves adults with a mental disorder diagnosis who are struggling to afford treatments. "I wanted to further my learning on how art can help people transform and find their way," she said. An artist herself, Hocking applies her organization's mission to her own life. "I take trips up to a local monastery. I take time to read, write and create work." Greenly Art Space is located at 2698 Junipero Ave., Suite 113. For more information, call 562/533-4020 or visit greenlyartspace.com.



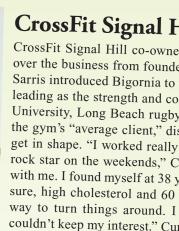
### The Wine Country

The Wine Country owner Randy Kemner started out as a professional piano player in a variety of different bands. He became interested in wine when he saw it served in a lounge where he was performing in 1970. "To me, it was very sophisticated looking," he said. "I wasn't yet 21 [years old] and, as soon as I turned 21, I couldn't wait to find out what that was all about." Learning about wine became a hobby for Kemner, which he turned into a job when he was 34 years old. "I went to a wine store in Long Beach and told them I wanted to learn about the wine business, and they could pay me anything they wanted," he recounted. "It was right before Christmas, and they guaranteed me two weeks of work." Kemner stayed for almost a year before he received an offer to manage another wine store. He then went on to start a wholesale business with a partner in which they represented small wineries in California. At his partner's suggestion, Kemner opened The Wine Country in 1995. In addition to both domestic and imported wines, the shop also offers a selection of beer and cider, as well as cheese, chocolate and gift baskets. "I love showing people how wine transforms with certain foods," Kemner said. "It isn't just flavored booze, it's an agricultural product that's alive." The Wine Country is located at 2301 Redondo Ave. For more information, call 562/597-8303 or visit thewinecountry.com.

### Small Business Showcase — Signal Hill

Articles and photographs by Staff Writer Anne Artley





9148 or visit cfsignalhill.com.

over the business from founder Phil Sarris, who had started it in 2011. Sarris introduced Bigornia to the practice through the workouts he was leading as the strength and conditioning coach for the California State University, Long Beach rugby team. Curtis, who described himself as the gym's "average client," discovered CrossFit when he was trying to get in shape. "I worked really hard during the week and partied like a rock star on the weekends," Curtis said. "That lifestyle just caught up with me. I found myself at 38 years old diagnosed with high blood pressure, high cholesterol and 60 pounds overweight. I was looking for a way to turn things around. I tried a bunch of different stuff and it couldn't keep my interest." Curtis found his way to CrossFit on the recommendation of a neighbor, who he described as "one of the most inshape people I knew." CrossFit incorporates elements of gymnastics, aerobic exercise and weightlifting to mimic functional movements, Bigornia explained. "Everything you do here translates into real life," he said. "We can help you play with your kids longer, make fewer trips to the car to bring in grocery bags, or run a marathon." Each workout is different for every class. Bigornia's favorite part of the business is

"being able to change someone's life for the better." CrossFit Signal Hill is located at 3262 E. Willow St. For more information, call 562/621-

### The Wood'N Carr

SIGNALHILI

Husband and wife team Doug and Suzy Carr, co-owners of The Wood'N Carr, met in an art class during their senior year of high school. They started their business, which specializes in wooden auto parts, when they were 21 years old. "I originally worked for a man who owned a shop in Paramount called The Wood Guy," Doug Carr explained. "He did woodwork on antique cars. He was in business for three years, and then he closed up shop. He put some of his equipment and patterns in a storage facility, and we ended up purchasing them. There was a need for this type of work, and we were trained." Repairing or building new wood parts for cars of every make and model, the Carrs have customers from as far away as Sweden, Australia, New Zealand and London. "We might find customers who had a grandfather who owned the car, so there's a sentimental attachment," Suzy Carr said. The couple also runs a side business renting out their own wood-bodied station wagons for TV and movie appearances. Their cars have appeared in commercials for Coca-Cola, Mc-Donald's, Burger King and Cool Whip. One of them was also featured in the music video for The Beach Boys' song, "Rock 'n' Roll to the Rescue," released in 1986. They are pictured with finish foreman Brett Asolas, on the left side of the car. The Wood'N Carr is located at 2345 Walnut Ave. For more information, call 562/498-8730 or visit woodncarr.net.



### Business Dollars & Sense

### **Small Business Optimism Hits Record High Amid Strong Economy**

By Natasha

t's a great time to be a small business owner! According to latest quarterly Wells Fargo/Gallup Small Business Index, conducted July 11-18, 2018, small business optimism is at an all-time high. The survey, which measures small business optimism, had an overall Index score of 118, 12 percentage points higher than last quarter and the highest level in the survey's 15-year history. The current Index score was driven by high indicators from small business owners on their overall financial situation, cash flow and ability to obtain credit.

#### Positive financial outlook

Confidence in the economy was reflected in small business owner attitudes about their current and future financial situation. The survey showed that 78% of small business owners believe their financial situation today is very or somewhat good, and 84 percent of business owners expect the same trend a year from now.

Additionally, small business owners reported on their ability to obtain credit when they need it, with 49% saying they expect it will be very or somewhat easy to obtain credit over the next 12 months. That's up five percentage points over last quarter and the highest reading on this measure since 2007.

Lastly, both current and projected future cash flow were key drivers of small business optimism, with 69% classifying their cash flow over the past 12 months as very or somewhat or good, an increase of 6 percentage points from the previous quarter and the highest reading in the history of the survey.

### Challenges in hiring and retaining staff remain

For the second consecutive quarter, survey respondents said hiring and retaining staff was their top challenge, at 18%. It could remain a challenge in the year ahead, as 35% of firms said they expect an increase in the number of jobs at their company in the next year. Other top challenges cited by business owners include taxes (9%) and attracting new business (9%), which have been consistently reported among the top issues of small business owners.

### Companies see limited competition from online retailers

The vast majority of small business owners (80%) noted that their business did not currently compete with large e-commerce companies and retailers. Additionally, about two-thirds of business owners said the shift from brick-and-mortar stores to online retailers does not impact their business.

Some small business owners, however, are continuing to increase their digital presence to compete in an increasingly digital marketplace. While only one quarter of business owners said they currently conduct 25% or more of their business online, the number of respondents who expect to conduct at least this much business online in the next five years was 37%. Additionally, 54% of respondents said they are at least somewhat likely to increase their online and social media marketing efforts over the next 12 months.

Small business owners continue to feel confident about their business current and future financial situation as the economy continues to show positive growth. We are hopeful the unprecedented optimism among business owners will translate into an increase in business investments, and more Main Street small business growth.

(Natasha Mata, a 23-year veteran of Wells Fargo, is region bank president of the greater Central Los Angeles Area, which includes Long Beach and some North Orange County cities.)



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