Long Beach Business Journal
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Unfinished Business

As 2016 Winds Down, Ongoing/Unresolved Long Beach Matters

By **Samantha Mehlinger**
Senior Writer and
Brandon Richardson
Staff Writer

As the end of the year approaches, there are a number of loose threads, ongoing projects and upcoming policies that stand to impact the City of Long Beach. The following items address unfinished business in Long Beach ahead of 2017, from city labor contracts to international flights at the Long Beach Airport to the sale of RDA properties and more, with the most up-to-date information available.

Feasibility Study For International Terminal Coming To City Council

The city council will consider the addition of a federal inspections facility at Long Beach Airport (LGB) following a presentation at its December 13 meeting, rescheduled from its November 15 meeting, which will include public input from two Long Beach Airport Advisory Commission meetings.

According to Long Beach City Manager Pat West, the delay was to "allow for additional time for review and collection of public input and to ensure all councilmembers can be in attendance."

The 697-page study conducted by Jacobs Engineering – "Feasibility Study for a Federal Inspection Service Facility at Long Beach Airport" – was released to the city and to the pub-

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Envisioning The Future Of The Convention And Tourism Industries In Long Beach

Steve Goodling, left, president and CEO of the Long Beach Convention & Visitors Bureau (CVB), is pictured with CVB Board Chair William H. Collier, Jr., at Virginia Country Club during Long Beach Camerata Singers Annual Holiday Gala on December 1. The event honored Goodling as the second recipient of the Beverly O'Neill Arts Leadership Award. This year he has led the renovation of the Center Theater, its renaming as the Beverly O'Neill Theater, and its new life hosting five-Long Beach arts organizations, including Camerata. O'Neill served as mayor of Long Beach from 1994 to 2006. (Photograph by the Business Journal's Larry Duncan)

"I have said for years that, if Long Beach were a stock, you would invest in it, because its trajectory is continually going up."

Steve Goodling, President & CEO, Long Beach Convention & Visitors Bureau

By **Samantha Mehlinger**
Senior Writer

Investments in the city's tourism, hospitality and convention industries stand to alter the landscape of Downtown Long Beach over the course of the next decade. New hotels, a new development around a repaired and refurbished Queen Mary, an expanded Aquarium and upgrades to the convention center are all in the works, plus there is the possibility of international flights at the Long Beach Airport. These investments, according to local industry professionals, represent unprecedented potential for the city as a meeting and tourism destination. If all unfolds as planned, the future, they believe, is bright.

When asked in an interview with the Long Beach Business Journal what the potential of these developments means for the future of the city's hospitality and tourism industry, Steve Goodling, president and CEO of the Long Beach Convention & Visitors Bureau (CVB), said he normally phrases that question in the form of a statement.

"I have said for years that, if Long Beach were a stock, you would invest in it, because its trajectory is continually going up," Goodling said. Following the interview, Goodling said he was set to meet with a group interested in buying an existing hotel in Long Beach – an indication that outside investors are taking notice of the city's momentum.

This year, the Long Beach City Council approved a deal to construct a new, 427-room hotel at the southeast corner of Ocean Boulevard and Pine Avenue. Another is currently underway at Douglas Park. Bruce Baltin, managing director of CBRE Hotels and a Long Beach resident, said he personally knows of two or three additional new hotels being discussed for Long Beach, although discussions are preliminary. Baltin said he expects the new hotels to help the local hospitality industry rather than dilute the market.

"One of the challenges that the CVB is having right now is getting hotels to commit enough rooms to conventions, because

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Business Owners Discuss Benefits Of City's Conventions And Special Events

By **Brandon Richardson**
Staff Writer

Tourism has reached an all-time high in Long Beach, with 2016 being its "best year ever," according to the Long Beach Area Convention & Visitors Bureau (CVB). And the greater the tourism, the greater the economic impact. The CVB estimates that in 2015 more than 6.8 million people visited the city for conventions, meetings, major attractions, festivals and annual special events.

Around 330 conventions and meetings with nearly 507,000 attendees have been held in the city this year, according to the CVB. This equaled 212,804 room nights, exceeding the annual goal by 12,804. However, the impact of conventions goes well beyond hotel room figures.

"Convention attendees usually are representing a company or an organization. Therefore, they travel with a corporate credit card. And, therefore, they want to take in the flavor of the city, and they want to enjoy the restaurants, and they want to enjoy the nightlife," Steve Goodling, president and CEO of the CVB, said. "There's less inhibition to spend.

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2nd & PCH To Transform Major City Gateway

See Story On Pages 14 & 15

Samantha Mehlinger Promoted To Assistant Editor

Samantha Mehlinger is being promoted to assistant editor of the Long Beach Business Journal, effective January 1. She joined the publication as a staff writer in April 2013 and was promoted to senior writer in August 2014.

Mehlinger holds a bachelor's in fine arts in creative writing from Chapman University and a master's in fine arts in creative writing from California State University, Long Beach. Prior to joining the Business Journal she served as a contributing writer for LA Stage Times, the official publication of the LA Stage Alliance.

As assistant editor she is responsible for coordinating and developing each issue's editorial and web content, assigning stories to the editorial staff and fielding pitches from public relations and communications professionals.

Mehlinger may be reached at samantha_mehlinger@lbbj.com, or by calling 562/988-1222.

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Please Note: The 2nd Annual Focus On Downtown Long Beach that publishes December 20, marks the final edition of the Business Journal for 2016. The entire publication – presented in cooperation with the Downtown Long Beach Alliance – is devoted to downtown, including the many real estate developments underway or planned, living downtown, the evolving music scene, profiles of small business owners and much more. To place an advertisement in this edition, please contact Heather Dann at 562/988-1222. The first edition of 2017 will be published January 17 and include the economic outlook for the new year.

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lic on October 4 for review. Jacobs began the study in January after being awarded the nearly $350,000 contract by the city council.

The prospect of building a U.S. Customs facility to allow for international flights has been controversial since JetBlue Airways first requested the study in early 2015. Many residents have voiced concerns that allowing international flights could possibly threaten the airport's noise ordinance. Others have claimed that the noise ordinance is in jeopardy only if the city does not move forward allowing international flights. The noise ordinance allows for 51 daily commercial flights from LGB. That number would not increase if the city council approves the facility.

Impact Of Hanjin Shipping's Bankruptcy

Bankruptcy proceedings for Hanjin Shipping, the world's seventh largest shipping line, are ongoing, according to Port of Long Beach Chief Commercial Officer Noel Hacegaba. The shipping line owns a majority stake in Total Terminals International (TTI) at the port.

After the shipping line went belly up in August, its ships were stranded all over the world. Thousands of containers sat idle on dock in Southern California, including in Long Beach. The bankruptcy caused reduced cargo volumes moving through the port in October.

"Hanjin's volume has been reduced significantly as a result of the bankruptcy," Hacegaba said. "However, TTI continues to operate and they continue to pursue business opportunities to keep the terminal moving forward."

A South Korean bankruptcy court approved the sale of Hanjin's Asia/U.S. trade network to Korea Line for $31 million on November 14, according to Hacegaba. He expects Korea Line ships will at some point begin calling the Port of Long Beach.

However, the court's decision did not include the transfer of hard assets like ships and terminals. "The status of Hanjin's ownership in TTI is under the supervision of the South Korean bankruptcy court. So we are awaiting further information as to the status of those assets," Hacegaba said. There is a possibility that Korea Line will seek to obtain Hanjin's stake in TTI, he acknowledged.

"Because TTI is such a valuable asset and because it is known internationally as one of the most valuable and advantageous assets, we have confidence that there will be a suitable outcome in terms of TTI's ownership," Hacegaba said. "And that will put us in a position to remain competitive and remain the gateway of choice for our customers."

In the meantime, the port has taken action to reduce the impacts of Hanjin's bankruptcy. "To give you one example, at one point there were as many as 10,000 empty Hanjin containers that were scattered across Southern California," Hacegaba said.

Hanjin Shipping 2013
(Port of Long Beach – Tim Rue)

"That number has since been reduced to approximately 4,000. The biggest dent to that number came recently when the Port of Long Beach and TTI partnered to charter a vessel that called at TTI in order to evacuate 4,300 Hanjin containers."

Sales Tax And Minimum Wage Increases Effective January 1

The state's new minimum wage policy starts taking effect on January 1, when businesses employing 26 employees or more must begin paying $10.50 an hour as a minimum wage. Businesses with 25 employees or fewer must begin paying the same amount on January 1, 2018.

Also on January 1, the City of Long Beach sales tax increase approved by voters in June is going into effect. The tax increases the city's existing rate by one percentage point for six years. For the following four years, the sales tax will be reduced by half a percentage point. After 10 years, the measure sunsets. The January increase will bring the city's sales tax rate to 9.75%. On April 1, the overall sales tax rate in the city will rise to 10.25% due to Los Angeles County's Measure M, a sales tax increase to fund transportation infrastructure improvements, which passed on November 8.

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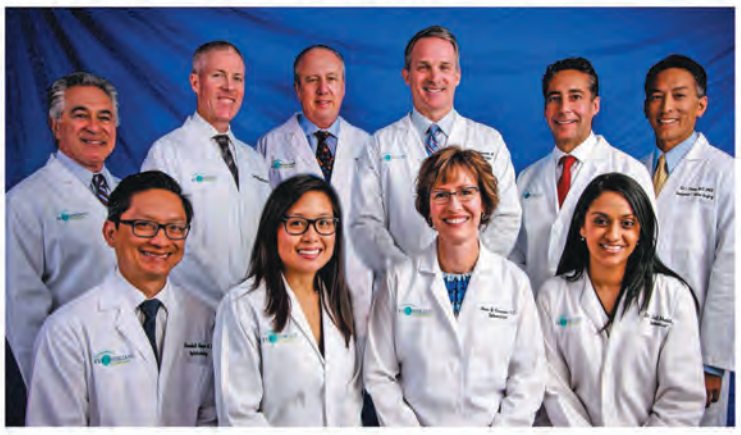

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City Labor Contract Negotiations Continue

Contract negotiations continue between the City of Long Beach and 10 of the bargaining units representing its employees, according to Ken Walker, manager of labor relations for the city. All city employee contracts expired in September 2015 with the exception of public safety contracts for firefighters and police, which expired in September of this year.

There were previously nine city employee bargaining groups, but earlier this year three employee groups elected to split from the International Association of Machinists and Aerospace Workers (IAM), the union representing the largest number of city employees. Refuse workers and skilled/general employees are now represented by the newly formed Association of Long Beach Employees, and supervisor employees are now represented by the Long Beach Supervisors Employees Association, Walker said.

A contract agreement with IAM was reached in September. It gives the 2,700 city employees represented by IAM a 2% wage increase in 2016, 2017 and 2018, or a total of about 6%, according to Walker. The contract expires in 2019. A press release from the city at the time of the agreement indicated health care reforms to the contract would create cost savings for the city.

The contract with the Lifeguards Association was recently extended through this December. Lifeguards received a one-time 3% bonus as part of the extension.

Former Redevelopment Agency Property Sales Continue

When the California Redevelopment Agency (RDA) was dismantled at the beginning of 2012, the City of Long Beach was left with hundreds of parcels of land to deal with on its own.

In the nearly five years since, the city, as the Successor Agency to the RDA, has marketed and approved the sale of more than 100 properties for millions of dollars. Kathryn McDermott, interim director of Long Beach Economic and Property Development Department, points out that many of the sales include multiple parcels.

One such sale was the purchase of more than 30 parcels along the Atlantic Avenue corridor in North Long Beach by Costa Mesa-based LAB Holding LLC. The company is well known for The LAB Anti-mall in Costa Mesa and the Anaheim Packing District.

The parcels were part of the city's for sale and future development property categories. Currently, the city is finalizing negotiations on the purchase and sales agreement with LAB Holding. Negotiations will be followed by opening escrow, at which time the company will create their site plan to present to the city and apply for entitlements and permits.

According to McDermott, to date the Successor Agency has sold 43 out of 53 for sale

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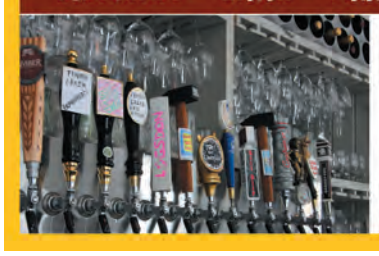

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properties, 15 of which have already closed escrow. Of the original 141 future development properties – which are larger parcels that McDermott said the city is focusing most of its energy on – 104 parcel sales have been approved, and 19 parcels are in the process of being rezoned for government use, leaving only 18 parcels to be sold.

Net proceeds from the for-sale properties to date is $4.86 million, according to McDermott. She explained that the city receives approximately 21% of the proceeds, which is just above $1 million, of which 75% is intended for use in the project area where the property is located. The other 25% is for citywide use.

"All in all, we're pleased by the development that we should see in the next several years that will come of the sale of these properties," McDermott said.

Belmont Aquatic Center Lurches Forward

Belmont Pool, January 2014 (Business Journal photograph)

Since the demolition of the Belmont Plaza Olympic Pool in 2013, the proposed $103 million replacement in the form of the Belmont Aquatic Center has been delayed several times.

The project is currently in the entitlement stage. After the October 10 approval of the Local Coastal Development Permit by zoning administrators, Belmont Shore resident Jeff Miller filed a complaint alleging the city did not receive proper approval to install story poles, which give residents an idea of the height of the new complex.

This is the second time story poles have delayed the project. In early September, a planning commission hearing was canceled because the poles were not installed 14 days prior to the meeting.

Due to Miller's appeal, the planning commission will hold a public hearing on December 15. Certification of the environmental impact report (EIR) and pool-related planning entitlements is expected early in 2017, according to city staff, and is "contingent upon planning commission approval on the Local Coastal Development Permit."

Once completed, the pool complex will consist of two 50-by-25-meter pools – with seating for more than 1,200 people by the indoor pool – a recreation pool, a diving well, whirlpools, locker rooms and landscaping.

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Willow Springs Wetlands Restoration	R-7063	12/07/2016
ERP Project Quality Assurance Services	RFP TI17-018	12/07/2016
Executive Coaching	RFP HR17-016	12/09/2016
Ford F550 CNG, Crew Cab, 39' Aerial Bucket Truck	ITB FS17-021	12/13/2016
Alamitos/J. Will Johnson Rsrvrs. Safety Imprv. Proj.	WD-36-16	12/15/2016
Development Environment Assessment	RFP DV17-026	12/21/2016
Electronic Patient Care Reporting System (ePCRS)	RFP TI17-028	12/23/2016
North LB Sewer Improvement Phase 1 (SC-0280)	WD-15-16	01/10/2017
Firefighting PPE for Airport	ITB FD17-017	01/10/2017

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

Bidder Registration

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

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AES Planning Battery Energy Storage Facility

AES Southland Energy, LLC is planning to build a 300-megawatt battery energy storage facility at its existing AES Alamitos Generating Station on Studebaker Road at the Los Cerritos wetlands. The company bills the facility as the largest of its kind planned in the world.

A report to the City of Long Beach dated October 2016 indicated that the plant would maintain the reliability of the electrical grid, reduce greenhouse gas emissions and air pollutants from the electricity sector and reduce the marine impacts caused by existing processes. It would also "support increased and new electricity demand from non-traditional users such as transportation."

The station would include three 50-foot high buildings, each containing 100-megawatt battery storage. An existing 8,815-square foot warehouse would be demolished to make way for a cooling plant for the new system.

A spokesperson for Long Beach Development Services told the Business Journal that the project is currently in the site plan review phase and is expected to come before the Long Beach Planning Commission in late January 2017.

East San Pedro Bay Ecosystem Restoration Study

The East San Pedro Bay Ecosystem Restoration Study, referred to by many as the "breakwater study," should take about another two years to complete, according to Diana Tang, manager of government affairs for the City of Long Beach. The process, spearheaded by the U.S. Army Corps of Engineers, is expected to take three years. It began this February.

The study will address alternatives to the current configuration of the San Pedro Bay to restore its ecosystem. It will also take into consideration the priorities of the community and the Port of Long Beach, according to Tang. Peninsula residents, for example, have concerns about the safety of their homes should the breakwater be reconfigured. The port, similarly, wants to protect its maritime assets. The Surfrider Foundation, a nonprofit organization, would like to see waves return to the shores of Long Beach.

"We have agreed on a finite set of measures [for the study]," Tang said. "What we're doing over the next year or so is playing with different iterations of those measures to come up with various alternatives."

Tang continued, "The draft alternative plans are going to be the different options for restoring the East San Pedro Bay, which could include modifications of the breakwater. It could not. We at this point have not decided yet."

Tang said she expects to have draft alternative plans available for public review by the end of next summer.

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SteelCraft Nears Completion On Long Beach Boulevard In Bixby Knolls

After two years, Kim Gros is nearly ready to open L.A. County's first permanent food lot built entirely from shipping containers – SteelCraft.

"It's been a long process, so I think everybody just feels anxious to get going," Gros, the developer and visionary behind the project, said. "The site looks beautiful. You go by it and it is definitely changing the look of the landscape."

Located on the southeast corner of Long Beach Boulevard and Bixby Road, which used to be a 14,500-square-foot dirt lot, Gros said SteelCraft's construction will be completed by December 9, followed by a two-week training period for employees. This timeline should allow for the communal outdoor space to open before the end of the year, with a grand opening celebration after the new year.

Seven vendors will take up shop in the complex comprised of 10 custom shipping containers. After several lineup changes, and with the project nearing completion, the list of vendors has been finalized by Gros: Smog City Brewing Co. out of Torrance; The Fresh Shave, which will be the first mainland location for the Hawaii-based shave ice vendor from Kaua'i; Nashville-based DeSano Pizza Bakery; "The Great Food Truck Race" finalist Waffle Love from Utah; Tajima, a ramen vendor from San Diego; Long Beach-local Steelhead Coffee; and one vendor that Gros said will remain undisclosed for now.

"The beauty of this is that we're bringing vendors from all over the U.S. that the community's never had the opportunity to indulge in," Gros said. "This is new for all of us, so it has been a learning process."

Though she did not want to disclose the exact amount, Gros said the project was not cheap, and expenses were a lot more than she had ever imagined. On top of the expenses, she said with the city approving ideas that have never been approved before, people are putting their names at risk on this project, as there has been nothing locally in the past to indicate the project will be a success.

"All I can say is, for the community, if they are looking for a place to enjoy really great food, sitting at a table with new friendships and old friendships, you can't have a better place to do that," Gros said. "A lot of creativity, a lot of sweat and tears, a lot of travel have made this possible." ■

Contractors work to complete the SteelCraft project on the southeast corner of Long Beach Boulevard and Bixby Road. SteelCraft, Los Angeles County's first permanent food lot built entirely from shipping containers, is expected to be completed before the end of the year, with a grand opening in early 2017. Vendors include Smog City Brewing Co. out of Torrance; Fresh Shave, which will be the first mainland location for the Hawaii-based shaved ice vendor from Kaua'i; Nashville-based DeSano Pizza Bakery; "The Great Food Truck Race" finalist Waffle Love from Utah; Tajima, a ramen vendor from San Diego; Long Beach-local Steelhead Coffee; and one vendor that project developer Kim Gros said will remain undisclosed for now. (Photograph by the Business Journal's Larry Duncan; Rendering courtesy of Kim Gros)

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Summary Of Key New California Laws For 2017: What Employers Should Know

■ By **Pascal Benyamini**
Guest Column

Gov. Jerry Brown has this year signed several new laws impacting California employers, some of which have already gone into effect and others that will be effective or operative in 2017 or later. A summary of key new laws follows. The effective date of the particular new law is indicated in the heading of the Assembly Bill (AB) and/or Senate Bill (SB).[1] The list below is in numerical order by the AB or SB.

ABX2-7 – Smoking In The Workplace

(Effective June 9, 2016)

By way of background, California law already prohibited smoking of tobacco products inside an enclosed place of employment for certain employers. This Bill amends Labor Code Section 6404.5 and expands the prohibition on smoking of tobacco products in all enclosed places of employment to all employers of any size, including a place of employment where the owner-operator is the only employee (i.e., owner-operated business). "'Enclosed space' includes covered parking lots, lobbies, lounges, waiting areas, elevators, stairwells, and restrooms that are a structural part of the building." There are, however, certain exemptions. "Place of employment" does not include: (1) 20% of the guestroom accommodations in a hotel, motel, or similar transient lodging establishment; (2) Retail or wholesale tobacco shops and private smokers' lounges; (3) cabs of motortrucks; (4) theatrical production sites, if smoking is an integral part of the story in the theatrical production; (5) medical research or treatment sites, if smoking is integral to the research and treatment being conducted; (6) private residences, except for licensed family day care homes; (7) patient smoking areas in long-term health care facilities.

A violation of this law is punishable by a fine not to exceed $100 for a first violation, $200 for a second violation within one year, and $500 for a third and for each subsequent violation within one year.

AB 908 – Paid Family Leave

(Operative January 1, 2018)

Paid Family Leave (PFL) provides short-term benefits to eligible employees who lose wages when they need to take time off work to care for a seriously ill child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner, or to bond with a new child entering the family by birth, adoption, or foster care placement.

This Bill revises the formula for determining benefits available to those eligible employees "for periods of disability commencing after January 1, 2018, but before January 1, 2022." This Bill provides "a weekly benefit amount minimum of $50 and increases the wage replacement rate to specified percentages, but not to exceed the maximum workers' compensation temporary disability indemnity weekly benefit amount established by the Department of Industrial Relations pursuant to existing law." Further, this Bill removes the existing seven-day waiting period for paid family leave benefits.[2]

AB 1066 – Wages, Hours And Working Conditions For Agricultural Workers

(Effective January 1, 2017)

Currently, agricultural workers who work more than 10 hours per day are to receive overtime pay at one-and-half times the regular rate of pay. This Bill, known as the Phase-In Overtime for Agricultural Workers Act of 2016, amends Labor Code Section 554[3] and provides that a gradual phase-in of overtime to agricultural workers. For employers with 26 or more employees,[4] beginning on January 1, 2019, and continuing until January 1, 2022, the phase-in provides for a reduction of half-hour per day per year until reaching 8 hours (or 40 hours per week). As such, beginning on January 1, 2019, agricultural workers working more than 9-½ hours per day or in excess of 55 hours in any one workweek are to receive overtime pay at one-and-half times their regular rate of pay. And so, until January 1, 2022, agricultural workers working more than 8 hours per day or in excess of 40 hours in any one workweek, are to receive overtime pay at one-and-half times their regular rate of pay. Further, beginning on January 1, 2022, agricultural workers working more than 12 hours per day are to receive overtime pay at twice their regular rate of pay. Finally, this Bill authorizes California to delay the implementation of the foregoing phase-in schedule if the governor also suspends the implementation of the scheduled increase in the California minimum wage.

AB 1676 & SB 1063 – Wage Discrimination And Application To Race And Ethnicity

(Effective January 1, 2017)

Under the Fair Pay Act, which went into effect on January 1, 2016, existing law generally prohibits an employer from paying an employee at wage rates less than the rates paid to employees of the opposite sex in the same establishment for equal work on jobs the performance of which requires equal skill, effort, and responsibility, and which are performed under similar working conditions. The Fair Pay Act provides for exceptions such as, the wage differential is based upon one or more of the following factors: (a) a seniority system; (b) a merit system; (c) a system that measures earnings by quantity or quality of production; (d) a bona fide factor other than sex, such as education, training, or experience.

AB 1676 amends the Fair Pay Act (Labor Code Section 1197.5) to provide that an employee's prior salary cannot, by itself, justify any disparity in compensation under the bona fide factors above.

SB 1063 amends Labor Code Sections 1197.5 and 1199.5 and expands the requirements of the Fair Pay Act to include employees' race or ethnicity, and not just gender.

AB 1732 – Single-User Restrooms

(Effective March 1, 2017)

Commencing on March 1, 2017, this Bill requires all single-user toilet facilities in any business establishment, place of public accommodation, or government agency to be identified as all-gender toilet facilities. This Bill would authorize inspectors, building officials, or other local officials responsible for code enforcement to inspect for compliance with these provisions during any inspection.[5]

AB 1843 – Criminal History In Applications For Employment

(Effective January 1, 2017)

In addition to existing laws that proscribe what an employer can or cannot ask applicants about their criminal history,[6] this Bill amends Labor Code Section 432.7 and prohibits employers from asking applicants to disclose, or from utilizing as a factor in determining any condition of employment, information concerning or related to "an arrest, detention, process, diversion, supervision, adjudication, or court disposition that occurred while the person was subject to the process and jurisdiction of juvenile court law."

For purposes of this Bill, "conviction" does not include "any adjudication by a juvenile court or any other court order or action taken with respect to a person who is under the process and jurisdiction of the juvenile court law." Further, this Bill contains additional restrictions and rights for employers of health care facilities.

AB 2068 – Talent Services

(Effective January 1, 2017)

This Bill amends Labor Code Sections 1703 and 1703.4 and provides additional protections to artists for their information or photographs to any form of communication such as "an online service, online application, or mobile application of the talent service or one that the talent service has the authority to design or alter." Further, this Bill requires, among other things: (1) the talent service to act, within 10 days, on requests of the artist made by any form of electronic communication, including text messages, to remove information or photographs from the talent service's website, online service, online application, or mobile application (collectively electronic medium") or an electronic medium that the talent service has the authority to design or alter; and (2) that the artist may cancel the contract within 10 business days from the above date of the contract or the date on which the artist commences utilizing the services under the contract, whichever is longer.

AB 2337 – Employment Protections For Victims Of Domestic Violence, Sexual Assault, Or Stalking

(Effective July 1, 2017)

This Bill requires that by July 1, 2017, employers with 25 or more employees provide specific information in writing to new employees upon hire and to other employees upon request of their rights to take leave under Labor Code Section 230.1 (relating to victims of domestic violence, sexual assault, or stalking). This Bill also requires that, on or before July 1, 2017, the Labor Commissioner develops a form that employers may elect to use to comply with these provisions and to post it on the Labor Commissioner's website. Employers are not required to comply with the notice of rights requirement until the Labor Commissioner posts such form.

AB 2535 – Itemized Wage Statements
(Effective January 1, 2017)

Existing law requires that employers provide their employees an accurate itemized statement in writing containing specified information as listed in Labor Code Section 226. This Bill clarifies that Section 226 does not require employers to include in itemized wage statements the total number of work hours by an exempt employee. An exempt employee is an employee who is exempt from the payment of minimum wage and overtime under the California Labor Code or other applicable Wage Orders promulgated by the Industrial Welfare Commission (a commission within the California Department of Industrial Relations). Employers must continue to include the total hours worked by non-exempt employees in the itemized wage statements for each pay period.

AB 2899 – Minimum Wage Violations
(Effective January 1, 2017)

This Bill amends Labor Code Section 1197.1 and requires that, prior to an employer appealing a citation by the Labor Commissioner against the employer for violation of wage and hour laws, the employer post a bond with the Labor Commissioner in an amount equal to the unpaid wages assessed under the Labor Commissioner's citation, excluding penalties. The bond must be in favor of the employee and will be forfeited to the employee if the employer fails to pay the amounts owed within 10 days from the conclusion of the proceedings.

SB 1001 – Immigration Related Unfair Practices
(Effective January 1, 2017)

Employers who are in the process of verifying that workers have the necessary documentation to work in the United States are prohibited from requesting of such workers more documents or different documents than are required under federal law, to refuse to honor documents tendered that on their face reasonably appear to be genuine, to refuse to honor documents or work authorization based upon the specific status or term of status that accompanies the authorization to work, or to reinvestigate or re-verify an incumbent employee's authorization to work. Under this Bill, which adds Labor Code Section 1019.1, applicants and employees may file a complaint with the Division of Labor Standards Enforcement. Any person who is deemed in violation of this new law is subject to a penalty imposed by the Labor Commissioner of up to $10,000, among other relief available.

SB 1167 – Heat Regulations For Indoor Workers
(Effective January 1, 2019)

By way of background, the Division of Occupational Safety and Health ("Division") investigates complaints that a workplace is not safe and may issue orders necessary to ensure employee safety. Under existing law, certain violations of that act or a standard, order, or special order authorized by the act are a crime. Under existing law, the Division has adopted regulations establishing a heat illness prevention standard for outdoor workers.

This Bill, which adds Labor Code Section 6720, requires that, by January 1, 2019, the Division is propose to the Occupational Safety and Health Standards Board ("Board") for the Board's review and adoption, a heat illness and injury prevention standard applicable to workers working in indoor places of employment. "The standard shall be based on environmental temperatures, work activity levels, and other factors." Further, under this Bill, the Division is not precluded from proposing, or the Board from adopting, a standard that limits the application of high heat provisions to certain industry sectors.

SB 1241 – Choice Of Law And Forum In Employment Contracts
(Effective January 1, 2017)

This Bill adds Labor Code Section 925 and prohibits employers from requiring California-based employees to enter into agreements (including arbitration agreements) requiring them to: (1) adjudicate claims arising in California in a non-California forum; or (2) litigate their claims under the law of another jurisdiction, unless the employee was represented by counsel. Any provision of a contract that violates this new law is voidable by the employee, any dispute arising thereunder shall be adjudicated in California under California law and the employee is entitled to recover reasonable attorneys' fees. For a more detailed discussion of this Bill, visit: http://laborsphere.com/house-rules-california-reigns-employers-use-forum-selection-choice-law-clauses-avoid-california-law/.

As a result of the foregoing new laws, employers should consult with legal counsel to ensure their policies are compliant and their employee handbooks are up to date.

[1]As a reminder, the minimum wage in California is increasing to $10.50 per hour on January 1, 2017 for employers with 26 or more employees based on previous legislation signed by Governor Brown in 2015. The minimum wage for employers with 25 or fewer employees will remain at $10.00 per hour for 2017. Also, please note that various cities and local governments in California have enacted minimum wage ordinances that exceed the state minimum wage.

[2]This Bill impacts Sections 2655, 3303 and 2655.1 of the Unemployment Insurance Code.

[3]This Bill also adds Chapter 6 (commencing with Section 857) to Part 2 of Division 2 of the Labor Code, relating to employment.

[4]For employers with 25 or fewer employees, the phase-in schedule begins on January 1, 2022, through January 1, 2025.

[5]This Bill adds Article 5 (commencing with Section 118600) to Chapter 2 of Part 15 of Division 104 of the Health and Safety Code, relating to restrooms.

[6]Under existing laws, an employer cannot ask an applicant about an "arrest or detention that did not result in conviction, or information concerning a referral to, and participation in, any pretrial or post-trial diversion program, or concerning a conviction that has been judicially dismissed or ordered sealed pursuant to law."

(Pascal Benyamini is a partner with the Los Angeles offices of DunkleBiddle, a national, full-service law firm with 11 offices in the U.S. and London. If you have any questions, Benyamini may be reached at: pascal.benyamini@dbr.com.) ■

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Feeding Those In Need – Reducing The Waste Stream

Food Finders, an organization that collects edible food that would otherwise be thrown away at grocery stores, schools and other facilities, is on course to collect and donate 8.5 million pounds of food this year. Pictured from left: Leigh Behrens, recycling specialist with the Long Beach Environmental Services Bureau (ESB); Patti Larson, executive director of Food Finders; Elisa Calderon, recycling specialist at the ESB; Steve Uhrinak, co-owner and operator of Grocery Outlet on 7th Street. (Photograph by the Business Journal's Larry Duncan)

■ By **Brandon Richardson**
Staff Writer

In February, France became the first country in the world to ban large grocery stores from discarding or destroying unsold food. Instead, stores are required to donate unsold edible food to charities or food banks.

For the last 27 years, Food Finders has been "rescuing food and ending hunger" as it works with grocery stores, schools and other facilities in Long Beach and all of Los Angeles and Orange counties to stop food waste.

"We work with as many grocery stores as are able to participate that are not already assigned to another program," Patti Larson, executive director of Food Finders, said. "We pick up from hospitals. We pick up from catering companies. Anybody that has food overages, basically. We're on course for 8.5 million pounds for the year."

Larson, who has been with the organization since 2009, said Food Finders is funded through grants, several fundraisers per year, donations and various private and corporate foundations. Food pickup for participating facilities is free and often handled by volunteers. However, Food Finders employs several staff drivers to handle larger pickups.

Leigh Behrens, recycling specialist with the Long Beach Environmental Services Bureau, said that California is

Your guide to a waste-less season

Holiday decorating, office parties and colleague gifts are all opportunities to waste less.

Buy beverages in large bottles & provide reusable mugs or glasses.

Serve fresh fruits, nuts or vegetables & avoid single-serving packaging.

Hosting a catered party? Donate the excess food: contact Foodfinders.org for info.

Use reusable or edible decorations so you'll have less to dispose of.

Buy gifts that use less packaging like movie tickets or gift certificates.

Wrap gifts in reusable items like scarves or cloth shopping bags.

Donate unwanted office equipment to local nonprofits: LB-exchange.org

CITY OF LONGBEACH

www.longbeach-recycles.org

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ENVIRONMENTAL SERVICES BUREAU
DEPARTMENT OF PUBLIC WORKS

Grocery Outlet donates around $500 of shelf-able foods, such as canned and boxed goods, and around $250 of perishable foods every Tuesday. (Photograph by the Business Journal's Larry Duncan)

on the same wavelength as France. Behrens explained that California Assembly Bill 1826, which saw the first phase implemented in April, requires businesses that generate certain quantities of food waste to utilize alternatives to remove it from the waste stream. Aside from donating edible food, spoiled food can be turned into compost or biofuels.

"This is the first step toward those same types of mandates that you hear about in other countries," Behrens said. "Approximately one-third of everything that is thrown away is food waste. Some portion of that is still able to feed people in Long Beach. That is a very important opportunity that we like to see happening here in the city."

Steve Uhrinak, co-owner and operator of Grocery Outlet on 7th Street, signed up his store for Food Finders' services in mid-September, three weeks after the location opened. Currently, Food Finders picks up donations from Uhrinak's store every Tuesday; however, he said he is in the process of working out a more frequent schedule to reduce spoilage of perishable food items and keep his backroom clear.

Uhrinak explained that he has an employee whose job is to check all inventory on the shelves, reduce prices as products near the sell-by date and remove items when the date is reached. Certain shelf-stable items, such as canned and boxed foods, are still consumable for months or even years, according to Uhrinak.

"We're probably donating upwards of $500 per week just for those types of commodities," Uhrinak said. "And, because they've been weekly pickups, the perishables have been less – probably $200 or $300 per week in perishables. We're not donating anything that's spoiled or anything like that."

Some larger chain stores, such as Albertsons, are able to use food donations as a tax write-off, but this is not the case for Uhrinak's location. He explained that his store sells product on consignment, which means he does not own the inventory and is therefore not entitled to write off his food donations. However, he pointed out that there are far better reasons for his store to donate unsold food.

"We realize that we have to give back to the community, and it's important for us to support people in need," Uhrinak said. "The worst thing I can think of is throwing away food. . . . So we want to be able to contribute our little bit, however much that is, to solve multiple problems."

Larson explained that Food Finders began working with a couple of schools four or five years ago by having them donate extra food from the cafeterias and lunch programs. According to Larson, these types of donations are typically given to programs for kids or seniors. The number of participating schools has increased greatly over the year, which is good because it is a great way to teach kids, and every little bit helps, she said.

"In the City of Long Beach, we have approximately 90 schools in our recycling program, meaning they can choose to go with their own private hauler to pick up their trash and recycling or the school district does their own hauling," Elisa Calderon, recycling specialist at the Long Beach Environmental Services Bureau, said. "So, when I go to the schools, I offer them the services of Food Finders so they can reach that next goal of not just recycling paper and cardboard but also the food."

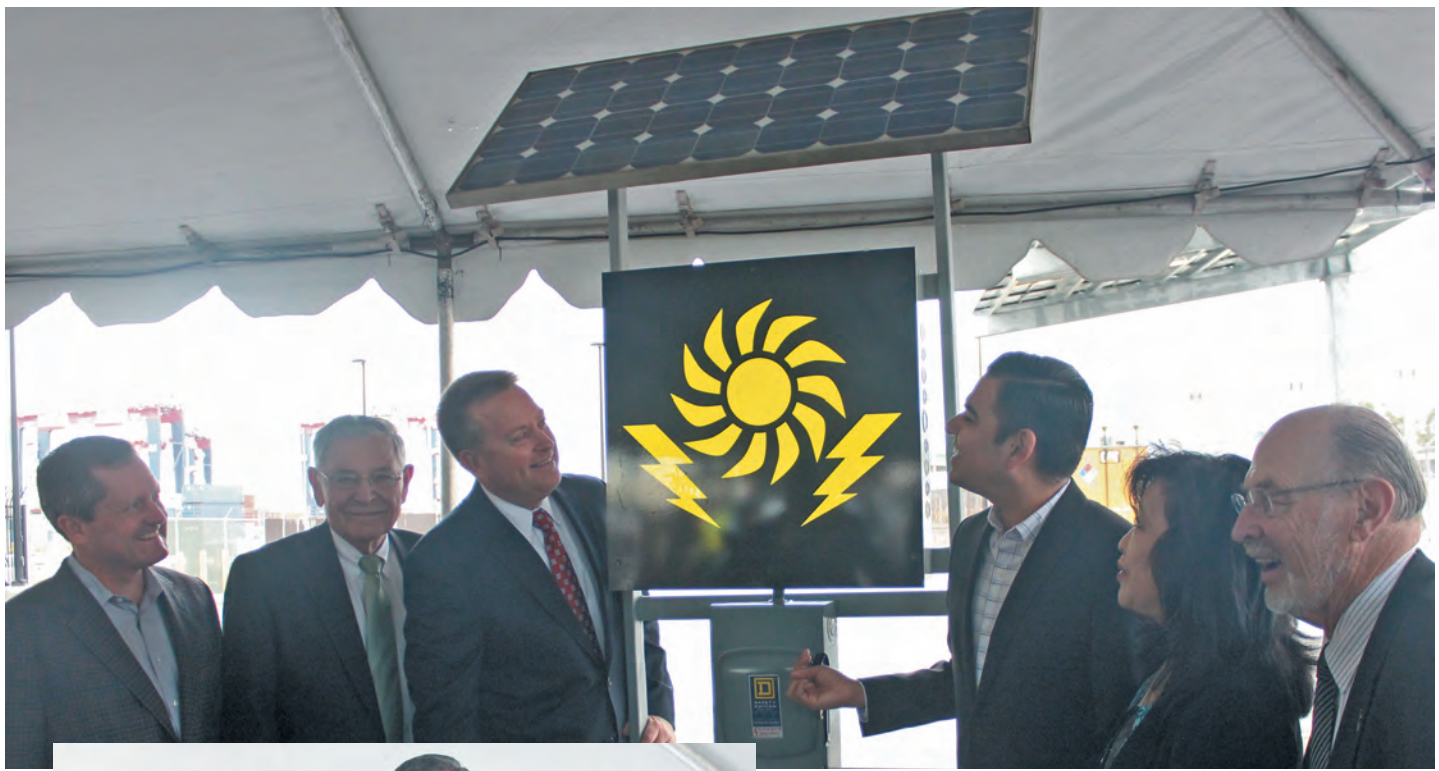
According to cafoodbanks.org, the California food insecurity rate is 12.6%, meaning 1 in 8 Californians do not know where their next meal will come from. Of the nearly 5 million people facing food insecurity in the state, more than 2 million are children, with a ratio closer to 1 in 4. Larson explained the ratios in Long Beach are slightly worse than state numbers.

These statistics are an example of the first tier of what Behrens calls the city's "triple bottom line" that spurs such strong support for programs such as Food Finders: to feed people in need by giving them food that would otherwise be thrown away. The other two reasons are to have a positive environmental impact by reducing the waste stream and to save Long Beach businesses money by reducing trash bills.

For more information about Food Finders, to donate or to volunteer, visit foodfinders.org or call 562/283-1400. For more information on the city's recycling efforts, visit longbeachrecycles.org. ■

Long Beach Container Terminal Just Got Greener

■ By Brandon Richardson
Staff Writer



Above, Mayor Robert Garcia flipped the ceremonial switch at Long Beach Container Terminal (LBCT) to commission a solar panel project that will generate more than 1.5 million kilowatt hours of energy annually. Pictured from left: Allan Schurr, president of Edison Energy; Doug Drummond, a member of the Long Beach Harbor Commission; Anthony Otto, president of the LBCT; Mayor Garcia; and Gina Heng, vice president and general manager of Mitsubishi Electric; and James Hankla, senior vice president of government relations for PFMG Solar. (Photograph by the Business Journal's Brandon Richardson)

Left, Gina Heng, vice president and general manager of Mitsubishi Electric, and James Hankla (left), senior vice president of government relations for PFMG Solar, presented Allan Schurr, president of Edison Energy, parent company to SoCore Energy, a plaque to commemorate the commissioning of the solar panel project at Long Beach Container Terminal at the Port of Long Beach's Terminal E. (Photograph by the Business Journal's Brandon Richardson)

Long Beach Container Terminal (LBCT) held a "solar celebration" to commemorate the completion of its solar panel installation project on what was, ironically, a gloomy November morning.

"Long Beach Container Terminal is taking a leadership role toward a more sustainable city," Mayor Robert Garcia said at the ceremony. "I applaud the efforts of all parties involved in this installation, making LBCT a shining example of environmentally friendly port operations."

The project, developed by PFMG Solar and installed by Rosendin Electric, consists of 3,290 solar panels made by Mitsubishi Electric on top of 12 carport structures at the Port of Long Beach's Terminal E. The project will generate approximately 1,532,418 kilowatt hours (kWh) and avoid the creation of 1,127 tons of carbon dioxide annually. To give an idea of the magnitude of the power that will be generated, the average annual electricity consumption in 2015 for a single home was 10,812 kWh, according to the U.S. Energy Information Administration's website.

James Hankla, senior vice president of government relations for PFMG, said there were many problems to overcome in order to see this project come to fruition. One issue was that solar projects within 500 feet of saltwater require special panels due to the corrosive nature of the salty ocean air.

"Solving those problems created the pathway to future port solar projects," Hankla said. "Indeed, in solving these problems, we have forged new friendships, alliances and partnerships which will endure. The project we're sitting in today has been a labor of love for PFMG and for me personally."

According to Anthony Otto, president of LBCT, the solar system at Terminal E has made it the first near-zero-emission container terminal in the world, which he hopes will be a model for ports around the globe.

Long Beach Container Terminal, a subsidiary of Orient Overseas Container Line, does not own the solar project, even though the equipment is on its property. Instead, the company hosts the project and entered into a 25-year power purchase agreement with SoCore Energy, a subsidiary of Edison Energy. SoCore paid for the development and installation of the project, and LBCT will purchase the electricity generated by the system.

"This is the kind of project that shows economic vitality, as well as environmental sustainability," Allan Schurr, president of Edison Energy, said. "The port is such an important engine for the region, and things like this allow it to continue to grow and expand and contribute to the economy while they do their part for clean energy and other sustainability initiatives."

(Please Continue To Next Page)

Gina Heng, vice president and general manager of Mitsubishi Electric, was in attendance at the ceremony and spoke on behalf of the company. She congratulated LBCT and SoCore for their decision to install the system that will benefit not only their bottom line but also the environment and the community and its health for years to come.

"So many people had to sign off on this project, starting with the port, the city, the purchasers," Paul Mikos, president of PFMG, said. "So it's a fun day. It took longer than anyone wanted it to, but it's another movement for the port turning green." ■

Sustainable City Commission Sets Policies And Programs For 2017

■ By Samantha Mehlinger
Senior Writer

The Sustainable City Commission of the City of Long Beach has submitted a work plan and policy priorities for 2017 to the city council, which is considering the objectives at tomorrow (December 6) night's meeting.

According to a report from Sustainable Long Beach staff, the work plan and policy recommendations were developed following public meetings, stakeholder feedback and an annual commission retreat.

"These policy priorities focus on initiatives that will guide the city in its efforts to improve the well-being of those who live, work, and play in the City of Long Beach," the report stated. "The commission asks that the city council endorse the goals outlined below, and direct the appropriate city departments to incorporate these commitments into their work. The Sustainable City Commission stands ready to support staff and provide our expertise in these policy areas."

Work plan items include the following programs and projects:

• An electric vehicle (EV) charger giveaway program (300 chargers to qualified residents)

• Installing 10 EV charging stations through a Southern California Edison program

• Finalizing a feasibility report for urban agriculture incentive zones

• Participating in the city's climate action and adaptation planning process in support of Mayor Robert Garcia's signing of the Compact of Mayors

• Completing the grant-funded restoration of 12 acres at Willow Springs Park, including a sustainability demonstration and signage

• Completing educational signage about turtles in the San Gabriel River

• Continuing a partnership with Southern California Edison to increase energy efficiency at city facilities and earn cash incentives for future projects

• Participating for the third consecutive year in the Cool California Cities Challenge and expanding resident and organization participation

Additionally, the commission would like to continue the following ongoing programs:

• Mulch delivery and pickup for residents and local organizations

• Planting trees on parkways in front of residences upon request

• The food-waste composting pilot program supporting The Growing Experience urban farm

• Continuing to operate a community edible garden after it is relocated due to civic center construction

Below are the policy priorities of the Sustainable City Commission for 2017, as outlined in the report to the city council.

Commitment to 100% Renewable Energy

• A commitment to utilizing only renewable forms of energy to power our future is imperative, and these resources are available to the city

• A growing number of cities are making the pledge to 100% Renewable Energy, and the City of Long Beach can be a leader in this effort

• Forming a Community Choice Energy program that focuses on local generation of renewables can help the city achieve this goal while boosting our economy by bringing green jobs to Long Beach and reducing utility costs to customers

Sustainable Waste Management

• Our waste management should be guided by a long-term plan centered on a zero waste policy

• This includes new sustainable infrastructure, as well as programs to meet the needs and expectations of our residents and businesses

• The city should continue to be a regional leader while collaborating with other agencies and partners

• Shifting our waste management system will likely require a public five-year notice

Sustainable Transportation

• The city should continue to facilitate and encourage the transition of moving goods and people using zero emission and sustainable means, including:

o Electrification of the Port of Long Beach, cold ironing, on-dock rail, etc.

o Bicycle infrastructure, amenities, incentives and education

o Encouraging zero emission vehicles, including cityfleet

o Zero emission mass transit such as Long Beach Transit buses

o Implementation of EV charging plan to encourage private EV use

Sustainable Buildings and Neighborhoods

• Update green building policy to incorporate "cool" roofs and pavement practices

• Require solar installation on large commercial properties

• Establish sustainable landscaping requirements that phase out toxic practices and equipment such as pesticides, two-stroke commercial lawn equipment, etc.

Water Resiliency

• Continue to be a leader in water conservation

• Identify opportunities to increase groundwater recharge

• Maximize the use of recycled water, increase education on greywater systems

A Connected Ecosystem

• Preserving and enhancing our remaining parks and open space; identifying and maximizing benefits of open space including exercise, recreation, habitat, etc.

• Establish a plan to mitigate drought impacts to our existing urban forest while growing it in future years

Commitment To Enhancing Quality Of Life

• Nourishing our residents with local, healthy food through promoting farmer's markets, urban agriculture, food recovery programs, etc.

• Continuing effort to make our communities more walkable and bikeable

• Addressing local sources of air pollution to improve health outcomes

• Push for investment in Long Beach to create local, green jobs

Commitment to Stakeholder Engagement

• Increase profile of commission meetings, promote topics in advance and encourage stakeholder engagement

• Host or sponsor events and activities to engage the community outside of staffed meetings (in partnership with other nonprofits to minimize city costs)

• Partner with local businesses to pilot and showcase new initiatives, develop findings and recommendations before programs are rolled out citywide. ■

Going Green Briefs

■ By Samantha Mehlinger
Senior Writer

The Current Is First Long Beach Residential Building To Earn LEED NC-Silver, LEED ND Gold Certifications

The Current, a 17-story luxury apartment tower at the northwest corner of Ocean Boulevard and Alamitos Avenue, was recently recognized as the first residential building in Long Beach to earn both a LEED [Leadership In Energy & Environmental Design] New Construction Silver and LEED Neighborhood Development Gold certifications. The tower, which was developed by Anderson Pacific LLC, Ledcor Properties and QUALICO, features energy-efficient lighting, heat absorption mechanisms, water-conserving low-flow plumbing and charging stations for electric vehicles, according to a statement from property management firm Alliance Residential Company. More than 50% of materials used to construct The Current contained recycled content, and about 80% of all construction waste was recycled. The 223-unit building's design takes full advantage of ocean breezes to minimize the need for air conditioning, according to the company statement. LEED certifications were created by the United States Green Building Council. To achieve LEED rankings, projects have to meet a list of requirements related to sustainable design and energy efficiency.

City Of Long Beach Recognized For Having One Of The Top 50 Green Fleets In The Country

The City of Long Beach Fleet Services Bureau was recently recognized as one of the top 50 green fleets in 2016 by Heavy Duty Trucking magazine. It ranked as the 12th-best government fleet in the country, according to a city statement. It was also among the top 50 in 2015, and earned the No. 1 spot in 2008. According to the city, more than half of its vehicles use alternative fuels, and more than half of city fuel purchases last year were for renewable fuels. Recently, the city converted its diesel and natural gas vehicles to renewable fuels, which it estimates will reduce carbon emissions by more than 6,000 tons per year. "We are doing everything we can to continuously lower our carbon footprint and become even more efficient," Mayor Robert Garcia stated. "Our fleet is a great example of how we save energy and save money in fuel costs." ■

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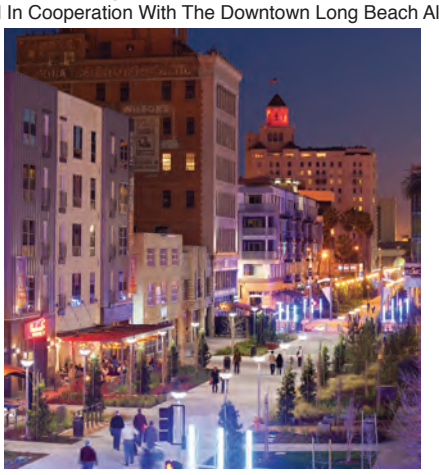

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Long Beach Business Journal

2nd & PCH To Transform Major City Gateway

Located on the southeast corner of 2nd Street and Pacific Coast Highway, 2nd & PCH will consist of 95,000 square feet of retail space, 70,000 square feet of restaurant space, a 25,000-square-foot fitness and health club and a 55,000-square-foot Whole Foods that will relocate from its current location at the Marina Shore Shopping Center. The project, which hopes to move forward next year and be completed by the fall of 2018, will replace the SeaPort Marina Hotel. (Rendering courtesy of CenterCal Properties LLC)

■ By **Brandon Richardson**
Staff Writer

One of Long Beach's major gateways will soon receive a facelift when the SeaPort Marina Hotel is razed to make way for a 245,000-square-foot retail center on the southwest corner of 2nd Street and Pacific Coast Highway (PCH).

The hotel, which opened in 1963, once hosted football and music stars in its rooms, but has long since lost its glory. More than 20 years ago, the Lin family of Taiwan purchased the site with the intention of demolishing the hotel for redevelopment. In 2011, Raymond Lin submitted a proposal for a $320-million retail, hotel and residential complex on the site.

"Having lived and worked all over the world, I have always felt that Long Beach is a true international city and can provide the community with the types of gathering places it deserves," Lin said.

Ultimately, his proposal was denied due to the controversy of a 12-story condo tower, which was well above the 35-foot height limit allowed by the Southeast Area Development and Improvement Plan (SEADIP), as well as traffic and environmental concerns.

Nearly six years and $5 million later, Lin's now joint venture with El Segundo-based developer CenterCal Properties LLC, called 2nd & PCH, has garnered the support of city officials and residents alike. Steve Shaul, senior director of development for CenterCal, said there was a lot of positive feedback at a recent open house where CenterCal unveiled renderings of the project to more than 200 attendees. Most of the positivity was because the proposal does not ask for any variances, as it falls completely within the parameters of the current SEADIP, Shaul explained.

"[Third District Councilmember Suzie Price] has obviously done outreach to the community, but she has been very supportive. And she was supportive at the open house, as was the mayor," Alex Cherin, senior vice-president of Englander Knabe & Allen, said. "We're just beginning our outreach to the other councilmembers."

Pictured is the ground-floor level site plan of the 2nd & PCH project provided by developer CenterCal Properties LLC. The project will include 1,150 parking spaces, primarily located on the second level and linked by vehicular bridges. The second level will include a series of restaurants overlooking the marina. The project is a joint venture with Raymond Lin, whose family owns the property.

"I talked to quite a few people, and it was very well received," Shaul added. "I think the threat of SEADIP [is because] people are really concerned about density and further hindering the infrastructure with traffic and other systems. So with this plan, it's kind of the right size for the area, so we're pretty happy about that."

Much of the project will consist of two levels of restaurants and retail stores, with plenty of outdoor seating, paseos and common areas. CenterCal is known for its placemaking and hopes to achieve a living room type, village-walk atmosphere within the complex.

To make the interior more pedestrian friendly, Jean Paul Wardy, president of CenterCal, said there will be streetlights and hanging pots in the hopes of slowing vehicular traffic. The goal is for the interior to be busy enough that traffic moves slow but not so busy that traffic is backed up. He said on weekends, they might even consider closing off the center of the interior to allow more free mobility by pedestrians and possibly host special events, such as concerts.

CenterCal has executed a lease with Whole Foods to relocate from its location a block south in the Marina Shores Shopping Center to a 55,000-square-foot space as the largest anchor tenant in the new development.

"They're . . . undersized, and this gives them the opportunity to do a flagship store with their little bar area, their outdoor seating, much more SKU [more shelf space] offerings. So they're really excited about this," Shaul said. "I think Whole Foods has talked about relocating and potentially leaving the area if they couldn't find a [bigger] store. We were able to find them a home and keep them in the area."

CenterCal looked into subterranean parking for the project; however, low water tables and other infrastructure issues would have made that difficult, according to Shaul. Instead, the company opted to put the majority of its 1,150 parking spaces on top of the project.

Ramps on each end of the 1,200-foot-wide site lead to the elevated parking. Near the Whole Foods space on the north end of the project, the ramp leads to the second-level parking atop the grocery store, 22 feet above the ground. On the south side of the lot are ramps within a three-level deck that reaches 32 feet. The rooftop parking lots are connected by vehicular bridges, allowing cars to pass from one side to the other.

"I think the customer would rather park outside than have to go in the dark, enclosed underground," Wardy said. "We're doing smart parking technology. So you can see how many spaces are on this deck, how many spaces are on this deck. And then every space has a light on it, so you can see red or green, which really helps move the traffic through the parking deck."

Since forming in 1998, CenterCal has developed numerous retail centers across the country, including California, Oregon, Utah and Washington. The last project the company completed was Plaza 183 directly across 183rd Street from Los Cerritos Center (familiarly known as the Cerritos mall).

Some of the retailers the company works with at its original developments include the Apple store, Anthropologie, J. Crew, Crate & Barrel and Saks Fifth Avenue OFF Fifth, to name a few. The company often features gyms and numerous restaurants within many of its projects.

According to city documents, in addition to the Whole Foods building, the project will consist of 95,000 square feet of retail space, 70,000 square feet of restaurant space and a 25,000-square-foot fitness and health club.

"I think, with the retailers, they are concerned with the quality of restaurant. If we're dealing with a certain caliber of tenant, they want to know the restaurants are going to bring their customer," Wardy said. "The nice thing about this site is that it's a hole [in the market areas] for a lot of tenants. We're very far away from any of the retailers that we're looking for."

Wardy explained that the restaurants will be utilized to activate Marina Drive on the backside of the development by offering diners marina views and outdoor seating on patios. He said that he hopes to have reached 90% occupancy by the time the project is completed and ready to open.

CenterCal has submitted the conceptual site plan review package to the city and hopes to have its 60-day environmental impact report completed by spring of 2017. The notice of preparation has been sent and the comment period ends on January 9. Shaul said the goal is for a grand opening in fall of 2018.

Lin explained that the SeaPort Marina Hotel will remain open until the development process progresses a bit further, at which point it will be closed and vacated to make way for 2nd & PCH. "CenterCal is a Class A developer. If anybody can deliver a great project, it would be them," Lin said. "This project is not going to solve all the problems, but it's the beginning of something great." ■

The staff of the Long Beach Convention & Visitors Bureau make it their business to bring business to Long Beach. Clients know them for their personable, high-touch approach to relationship building. Pictured in the front row, from left, are: Jennifer Kohatsu, Steve Goodling, Cindy Robbins and Jan Miller. In the second row, from left, are: Bob Maguglin, Loren Simpson, James Robinson, Jenni Pearl, Aristotle Marinas, Michael Mitchell, Barbi Ajemian. In the third row, from left, are: Jeff Forney, Blanche Campain, Kathy Ford, Lillian Olguin, Iris Himert, Claudette Baldemor, Erica Morris. And pictured in the back row, from left, are: Caribe Hourigan, Susan Valen, Pauline Taylor, Carolyn Derrico, Allison Lesser, Jamie Dominguez and Terrie Jackson. (Photograph by the Business Journal's Larry Duncan)

Envisioning The Future

(Continued From Page 1)

they are doing so well in other areas," Baltin said. Having additional hotels would allow the CVB to attract larger conventions, he noted.

In addition to investments in the city's attractions and hotels, Goodling pointed to various residential developments in downtown as a sign that the area is on its way up. "This downtown continues to emerge more as a great playground where visitors and locals are out on the street," he said. "We hear that from our clients."

Development Of The Queen Mary Site And Expansion Of Carnival Cruise Line

Urban Commons, a Los Angeles-based real estate development and investment firm, recently took hold of the lease for the Queen Mary and surrounding acreage. Guided by recommendations from a special task force assembled by the city, the company is working on a master plan that not only includes revitalizing the historic ship but also developing the surrounding land.

First on the company's list of to-dos is making necessary repairs to the ship – which are beginning right away – and improving amenities on board. "Those renovations include a $15 million plan to greatly enhance the guest rooms, restaurants and public spaces, as well as necessary structural renovations," Taylor Woods, principal of Urban Commons, told the Business Journal via e-mail.

In an August interview with the Business Journal, Woods had indicated that developments around the ship might include a marina, shops, restaurants, green spaces, a bike path and an amphitheater.

"Urban Commons is currently working with the City of Long Beach to develop the master plan based on the set of guiding principles set forth by the Queen Mary Land Development Task Force," Woods wrote in his e-mail. "Details on specific elements of the master plan will be released to the public as they are confirmed."

Woods continued, "Through a $15 million interior renovation plan and a first-of-its-kind entertainment destination developed on the surrounding land, we hope to enhance the draw of this special location and create an exciting entertainment destination in the heart of Long Beach."

Michael Bohn, senior principal of local design firm Studio One Eleven, led the Queen Mary Land Development Task Force created by Mayor Robert Garcia. He said he hopes Urban Commons' final plans will factor in community use as well as day visitors and overnight tourists.

Woods indicated his company intends to do just that. "The Queen Mary is the 15th most popular tourist attraction in the United States, and our visitors have long included locals as well as out-of-towners," he wrote. "The dynamic entertainment destination that we envision creating will be unlike anything else offered in Southern California, and most likely the world, and will appeal to a broad local, national and international audience.

"We also recently signed an agreement with Carnival Cruise Line to expand their terminal operations at the Port of Long Beach, thereby tripling the size of their footprint." Woods called Carnival "a tremendous asset for the Long Beach community and a huge traffic driver to the Queen Mary. Carnival's success will only add to the vitality and energy of what promises to be one of the top destinations in California."

Carlos Torres de Navarra, vice president of commercial port operations for Carnival, said his company is taking full use of the dome adjacent to the Queen Mary in March. The cruise line has been using a portion of the dome as its terminal and, through an agreement with Urban Commons and the city, is going to build out the rest of the dome to accommodate more passenger traffic. Eventually, Urban Commons will build Carnival a replacement terminal so the dome may be used for other purposes.

The company plans to replace one of its three ships operating from Long Beach with the Carnival Splendor, a larger vessel, by 2018. "We're going to have about

650,000 guests [per year] sailing out of Long Beach when the Splendor comes in," Torres de Navarra noted. That's about 100,000 more visitors than the cruise line already draws to Long Beach.

Also as part of the agreement, Carnival is gaining infrastructure to allow its ships to plug into shore power, which is cleaner for the environment than running its engines at dock. "We're in the process of finalizing our drawings and going to an RFP process to develop the expansion of the dome as well as the additional shore power," Torres de Navarra said. "We will be completing those projects by the end of 2017."

But the expanded terminal and larger vessel aren't the only ways Carnival is looking to enhance its Long Beach operations.

"There are various thresholds we need to overcome to grow the business. And it's not only in the next year or two years. I am talking about five, 10 or 15 years down the road," Torres de Navarra said. "If you look at the ports that we go to right now, it's not a lot. So certainly the diversification of the port itinerary is something that will drive the growth for the long term."

Currently, Carnival offers cruises to Hawaii; Baja California, Mexico; and the Mexican Riviera from Long Beach, with Alaska voyages planned for the future. But the ports Carnival ships dock at in Mexico – Ensenada, Cabo San Lucas, Puerto Vallarta and Mazatlan, for example – haven't seen improvements in decades, according to Torres de Navarra. "Those ports have been around since the days of 'The Love Boat,'" he said, referencing the 1977-86 TV series about a cruise ship and its crew and passengers.

"Our focus right now is not only to improve the experience at those destinations through investment, but we're also looking at potentially creating new ports along the Baja peninsula in Mexico," Torres de Navarra said.

"What we need to do now is work on diversifying the product," Torres de Navarra said. "Not only does that include new ports, but it's also creating new experiences at those destinations by being a lender or some type of partner in new ideas that can in some cases redefine what the port experience is in, say, the Port of Ensenada."

Creating new ports in Mexico is a complicated strategy for investment due to having to factor in the interests of local, state and federal governments, but Torres de Navarra sees it as key in growing demand for cruising from Long Beach and Southern California as a whole. "That's really our objective, to drive those new experiences and thus drive additional demand and more yield on the ticket price," he explained.

Working the City of Long Beach and local businesses is also key to Carnival's growth, according to Torres de Navarra. "The story is going to be played out as follows: it's all about developing a stronger partnership with the city and the businesses in Long Beach," he said. "We need to find a way to grow the demand for cruising out of Long Beach. And the only way to do that is to again work with the city and the various businesses there to sort of create an environment where people want to cruise out of Long Beach."

The Aquarium Of The Pacific Expansion

The Aquarium of the Pacific, the city's largest attraction in addition to the Queen Mary, plans to break ground on a new wing called Pacific Visions on February 2, 2017. The wing will extend out onto the lawn at the north side of the property, which is located south of The Pike Outlets on the waterfront at Rainbow Harbor.

Pacific Visions will feature unique architecture for the area, completely covered in glass paneling. Inside, the new wing will house the 300-seat Honda Pacific Visions Theater, which will include a digital projection wall that is 32 feet tall and 130 feet long with a 180-degree arc and a floor projection disc measuring 30 feet in diameter. Prior to entering the theater, visitors will walk through an art gallery related to the educational film presentation in the theater. Upon exiting, they will walk through an exhibit gallery featuring live marine animals relevant to the screening.

"That will change the landscape of Long Beach as a tourist destination, both because it will be an architectural icon and it will

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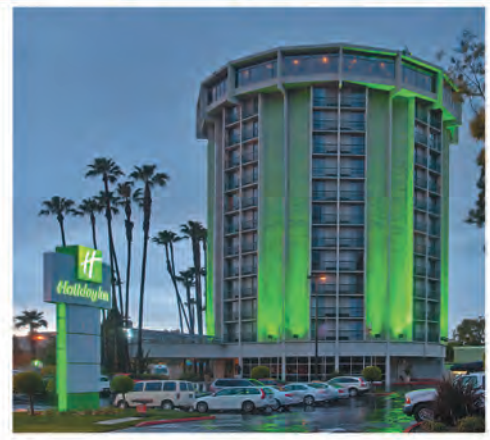

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Urban Commons, the master leaseholder for the Queen Mary and adjacent property, is working with the city on a master plan for development of the property. Plans may include a marina, shops, restaurants and an amphitheater. Carnival Cruise Line will be taking over the entire dome adjacent to its terminal next year, and by 2018 expects to accommodate another 100,000 passengers a year through its Long Beach facilities. (Photograph by the Business Journal's Larry Duncan)

Envisioning The Future

(Continued From Page 1)

be the most distinctive aquarium and informal ocean science center in the world," Aquarium President and CEO Jerry Schubel said. No other aquarium in the United States has created such a feature, he noted. "I think it will redefine what people think of as aquariums and what their roles are."

The theater will be used to inform visitors about human-caused changes in the environment and impacts to marine life. "Our feeling is that we have to provide a platform for people to be able to explore alternative pathways to the future and discover how our actions are determining what that future will be," Schubel said. "We hope at the same time after they have done this that they will look at our live animals in a very different way and understand that our fate as humans is very intimately intertwined with the fates of other living animals on this planet, both terrestrial and marine."

The expansion is increasing the Aquarium's capacity. "We're going to be increasing the number of visitors on a yearly basis by about 200,000 people," Schubel said. Most of these visitors will be from outside Long Beach, he noted. "It will have a big impact on the tourism in Long Beach." The expansion will be completed by the first quarter of 2018, Schubel said. He expects two million visitors in the first year.

Reflecting on the Aquarium's expansion as well as the Queen Mary site development and Carnival Cruise Line growth, Schubel said Long Beach has the potential to become "significantly more attractive as a tourist destination."

In the future, he hopes to see more attractions in Long Beach. "We need more attractions so people will come and stay overnight and go to the Aquarium and Queen Mary and MOLAA [Museum of Latin American Art] and the Long Beach Museum of Art and the ranchos," he said. "So I think we have to add more attractions and do a better job of packaging those attractions."

International Flights At The Long Beach Airport

While the jury – which in this case is the Long Beach City Council – is still out on whether or not a federal inspection services facility for U.S. Customs at the Long Beach Airport will be built in coming years, one thing is certain – the city's main airline, JetBlue, wants international flights.

Morgan Johnston, manager of corporate communications for JetBlue, wrote in an e-mail to the Business Journal: "We've long expressed our interest in serving a number of destinations south of the United States, including Mexico and Latin America. On the heels of our opening our 100th city and fourth in Cuba – Havana – JetBlue continues to demonstrate the value of international destinations, and after nearly two years and a very extensive study which showed favorable impacts on the city, we are eager for the council to finally move forward with the long-delayed request for a Federal Inspection Services (FIS) facility."

Asked if international flights would benefit Urban Commons' efforts at the Queen Mary site, Woods responded, "Bringing international flights to the Long Beach Airport would certainly add to the accessibility of the Queen Mary and aid in our efforts to draw more international visitors as Urban Commons prepares to introduce a world-class entertainment destination on the land surrounding the ship and implement $15 million in renovations onboard the ship to restore the Queen to her glory days.

"Long Beach is undoubtedly a growing commercial, cultural and tourism hub and a sought-after Southern California destination for many travelers and we believe that adding international flight offerings would have a tremendous positive impact on the entire City of Long Beach."

"I see no downside. This is a win-win for Long Beach," added Business Journal Publisher George Economides, a staunch advocate for international flights. "These flights will add an exclamation point to Long Beach being a destination city, an international city, a port city, a beach city, a burgeoning arts community and one of the most diverse cities in the country. I cannot imagine the city council not moving forward immediately."

The council is slated to hold a study session on an independent report about adding an FIS facility at its December 13 meeting.

Construction of a pedestrian bridge to provide better connectivity from the convention center's promenade to the Terrace Theater is underway. The bridge is designed to mimic the movement of waves. Its underside at the entrance to the center's Seaside Ballroom will feature lighting and installations to create an outdoor event space with an under-the-sea theme called The Cove. (Photograph by the Business Journal's Larry Duncan)

The Long Beach Convention & Entertainment Center

The Long Beach Convention & Visitors Bureau (the nonprofit organization that brings convention and meeting business to the city), the Long Beach Convention & Entertainment Center and the City of Long Beach continue to work together to improve the center and position it as a contemporary venue with built-in cost savings.

The biggest investment in the center – which comprises an arena, two theaters, ballrooms, meeting rooms and more – following the creation of the Pacific Room at the Long Beach Arena, is taking shape in the form of a pedestrian bridge that will connect the Terrace Theater Plaza to the convention center's promenade on South Pine Avenue. The bridge will not only make it easier for convention attendees and visitors to navigate the convention center, it will also create greater connectivity from Ocean Boulevard to the downtown waterfront.

In addition to serving as a walkway, the bridge has also been designed as an art piece in the shape of a wave. Its underside outside the entrance of the Seaside Ballroom at the convention center will create an outdoor event venue called The Cove through installed lighting and decorative features mimicking an undersea environment.

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Pacific Visions, a planned expansion of the Aquarium of the Pacific, is slated to break ground on February 2, 2017. The expansion features a new 300-seat theater, an art gallery and a live animal exhibit, and will be dedicated to education about the changing environment and the role of humans, and impacts to marine life. (Rendering provided by the Aquarium)

Envisioning The Future

(Continued From Page 18)

Additionally, outdoor stage lighting and speakers are currently being installed on the Terrace Theater Plaza, making it a ready-to-go event venue. Renting such stage lighting would typically cost an event planner $80,000 according to Goodling, but at the convention center, the equipment comes free. "It's designed to facilitate really cool parties which every association and corporation wants," he said.

The bridge, The Cove and improvements to the plaza should all be complete in March, Goodling said.

"Probably the next biggest thing is the fountain," Charlie Beirne, general manager of the convention center, who joined Goodling in the interview with the Business Journal at the CVB's office. "We hope we're going to make that fountain a focal point of the facility as well. We'll redo the whole thing. . . . We have done some research on it and have had some schematic videos done [showing] what it may look like."

The convention center is also in need of some "less sexy" improvements, as Goodling put it. For example, air conditioning units in the arena have to be replaced, as does furniture in the Seaside Ballroom pre-function area. "We're a busy building," Beirne said. "We had about 1.4 million visitors last year to the facility. That's a lot of wear and tear."

"For the city, it's important that the asset has been upgraded and enhanced and repositioned," Goodling said, referring to the $40 million in upgrades and renovations to the center in recent years. "Repositioned is a key word because it was designed strategically to foster and facilitate networking and to create 'wow' experiences. Those are two objectives of conventions when they choose a city. Our building now meets and is in line with helping to achieve those objectives.

"Going forward, we need to keep that momentum. At the same token, we need to take care of the mechanical needs of the building. So that's important. And the challenge when the resources are tight is, how do we keep that up?"

As a city asset on the waterfront, the convention center gets funding for improvements from the city's Tidelands Fund. Revenues flowing into that fund are dependent on the city's oil sales.

"Tidelands has been a wonderful benefactor. The city management team, the mayor and the council, and even back to Mayor [Bob] Foster and the council at that time have all been very supportive," Goodling said. "But with oil being down right now, it has been very challenging. Our hope is that oil will rebound here at some point in the near future so that we can continue taking care of the infrastructure of this facility," he said.

The convention center generates about $300 million in estimated economic impact each year, Goodling noted. "We know we are going in the right direction. It's just a matter of the oil economy supporting our needs," he said. ■

Managers of local hotels and attractions have observed more tourists visiting Long Beach this year. These tourists, coupled with visitors to town for business and conventions, helped make it one of the best years ever for the local hospitality industry. Pictured is Shoreline Village with its unique shops and restaurants nestled between Rainbow Harbor and the Queensway Bay. (Photograph by the Business Journal's Larry Duncan)

The Economic Impact Of The Convention, Tourism And Hospitality Industries In Long Beach

■ By **Samantha Mehlinger**
Senior Writer

This year has been billed as the "best year ever" for tourism in Long Beach by the Long Beach Convention & Visitors Bureau (CVB). Input from local hotels and attractions confirms that it has been one of the strongest years for the tourism and hospitality industries since the onset of the Great Recession.

When the city's tourism, convention and hospitality industries do well, the City of Long Beach and its businesses benefit. This year, overnight visitors to Long Beach generated an estimated economic impact to the city of $300 million. They also generated $26.2 million for the city's General Fund through transient occupancy tax (TOT), the hotel bed tax paid by overnight visitors. According to the CVB, this is the highest amount of TOT revenue in the city's history.

"In terms of the hotels and in terms of the city in collecting TOT, it really was a very strong year for us," Goodling said. He explained that some large conventions

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The Long Beach Convention & Entertainment Center features more than 400,000 square feet of exhibit space, ballrooms, meeting rooms, a restaurant, the Long Beach Arena, two theaters and more. Iris Himert, executive vice president of sales for the Long Beach Convention & Visitors Bureau, said 2017 is pacing ahead of projections for conventions and meetings. (Photograph by the Business Journal's Larry Duncan)

Economic Impact

(Continued From Page 23)

booked by the CVB played into the strong year, including the National Association of Counties convention, which generated 6,958 room night stays at local hotels.

Leisure travel also contributed to a strong 2016, according to Goodling. "The economy was strong. Long Beach is continuing to grow in its reputation as being a weekend getaway destination," he said, adding that the city saw an influx of leisure travel in the summer. "Summer was very strong for us this year. So all these factors came together and created a really vibrant year for us."

About 6.8 million people attended Long Beach attractions, fairs and festivals this year, according to the CVB. In addition to the city's established events like the Toyota Grand Prix of Long Beach and the ASICS World Series of Volleyball, several new events also came to Long Beach during 2016. The equestrian competition Longines Masters of Los Angeles, the music and culture convention ComplexCon and the weekend festival Music Tastes Good were just a few of the new events that brought visitors. And the city's largest attractions, the Queen Mary and the Aquarium of the Pacific, each draw more than one million visitors every year.

Jerry Schubel, president and CEO of the Aquarium of the Pacific, indicated 2016 was a landmark year for the number of visits to the Aquarium. "This year we will finish having the best year in our history. We'll be close to 1.7 million visitors," Schubel said. "We have increased our attendance by about 50% over the last decade."

According to CBRE Hotels, an international broker and market expert for the hospitality industry, Long Beach hotels experienced a 1.2% increase in room occupancy this year, bringing total market occupancy to 77.5%. "To put that in perspective, the nation will finish the year at 65% occupancy, which is an all-time high," Bruce Baltin, managing director of CBRE Hotels, told the Business Journal. In 2011, hotel occupancy in Long Beach was 68.4%, Baltin noted.

Average daily room rates (ADR) at Long Beach hotels increased 7.5% in 2016, a CBRE Hotels report found. The increase is due to the high occupancy rate, according to Baltin. "I have lived there for quite some time, and we have been doing this forecast for 20 years. And I don't remember Long Beach ever being this high," he said of hotel occupancy. He is forecasting local hotels will achieve a 77.9% occupancy rate in 2017.

"Long Beach is doing very well within the county," he said. "It's running higher occupancies than it historically has. It's getting a good mix of business, between leisure, group and commercial."

Baltin attributed the city's strong hospitality market to efforts by the city and CVB to book conventions, as well as an increase in leisure travel. "The city and the bureau have done a phenomenal job with the convention center in terms of what they have done with their renovations," he said. "They have made it a very enticing center. And that's helping in the meetings business."

Iris Himert, executive vice president of sales for the CVB, said 2017 is pacing "way ahead in bookings and room nights," and the Long Beach convention industry is the best she has seen in her 30 years at the organization.

The Hotel Maya, a DoubleTree by Hilton hotel located on Queensway Bay near the Queen Mary, experienced increased room occupancy and ADR last year, according to general manager and vice president of hotel operations Kristi Allen. "Last year, we grew 15% in occupancy. That's inflated because we have some rooms out of order due to renovation," she said. "But it's still pretty healthy growth." The Hotel Maya's ADR increased by about 5% in 2016, Allen noted.

"Next year I would anticipate 2% to 3% growth, not only at the Maya but in the market in total growth," Allen said. "It looks like occupancies are leveling off, and [room] rates that grew this year are probably leveling off a little bit as well."

Although Allen believes the rate of growth at local hotels is slowing, she noted that the ceiling for the overall occupancy rate for Long Beach hotels is about 80%. Baltin made the same observation, with both qualifying the current status of the industry as healthy.

The lobby at the Terrace Theater, part of the Long Beach Performing Arts Center within the convention center complex, recently underwent upgrades to make it an attractive venue for parties and events. The lobby now features artful chandeliers and built-in stage lighting, which provide cost savings to event planners who would otherwise have to rent the equipment. (Photograph provided by the Long Beach Convention & Visitors Bureau)

"Believe it or not, I do still think there was some growth coming out of the recession, even though it seems so long ago at this point in time," Allen said. "The end of last year was the healthiest I had seen it since pre-2009, and I have been here since before the recession."

Allen attributed strong business at her hotel and others to business travelers to the port and local firms like Molina Healthcare, more travelers taking Carnival Cruise Line trips, and improvements at the Long Beach Convention & Entertainment Center. Plans to expand the Aquarium and develop land around the Queen Mary will change the mix of travelers coming to Long Beach, bringing in more tourists, she speculated. "I think we'll get that longer-term leisure traveler coming to Long Beach," she said.

Mark Becker, area vice president and general manager of the Hyatt Regency and Hyatt Centric The Pike, said 2016 has been a good year for his hotels and the industry overall. Both hotels are located in downtown. "Obviously there have been some uncertainties surrounding business in general. And we feel like the year was very much what we expected it to be from a growth perspective," he said.

"We exceeded where we were from 2015. So we were happy about that," Becker said, who added he expects to see similar rates of growth in 2017. "We feel good about where we are from a group that is already on the books and also what our transient or local demand has been," he explained.

Becker looks forward to ongoing improvements to the convention center. "I am very proud of Steve [Goodling] and the team and what they have done to make changes to the building," he said, referencing a new event venue on Seaside Way called The Cove and the construction of a pedestrian bridge connecting the Terrace Theater Plaza and the center's Pine Avenue promenade.

"We are excited about the future here in Long Beach," Becker said. "The exciting part is that we have seen some improvements to the product . . . in other hotels downtown, and so we feel like we offer a great hotel package to our convention attendees."

The Long Beach Marriott, which is located near the Long Beach Airport and Douglas Park at the intersection of Lakewood Boulevard and Spring Street, has had a "phenomenal year," according to General Manager Imran Ahmed. "We did as good as 2007, which was a record-breaking year," he said. "We pushed occupancy and ADR both."

Both ADR and hotel occupancy increased by about 10% this year, Ahmed said. "We had a lot of conventions in Downtown Long Beach that pushed the overflow towards us," he said of the growth. JetBlue's move to use more of its flight slots at the Long Beach Airport plus the addition of service from Southwest Airlines also boosted hotel stays at the Marriott, Ahmed explained.

"I think the industry is going to do great next year," Ahmed said. "Because if you just look at the pace of the CVB bookings and you look at the pace of how our corporate business is doing, we are ahead by almost 15% for the months of January, February, March."

Pamela Ryan, general manager of the Renaissance Long Beach Hotel, is also optimistic about next year. In an e-mail to the Business Journal, she wrote, "2017 should be a good year for the hotel." Group bookings are ahead of last year's, so long as they hold to their estimated figures, she wrote. "With the recent election and economic uncertainty, we are cautiously optimistic."

The local tourism and hospitality industry is one of the top three industries in the city for employment, according to a recent report for the City of Long Beach by Los Angeles-based Beacon Economics. The firm includes food services and drinking establishments within this industry. "In 2015, more than 20,000 people were employed in different leisure and hospitality businesses in tourist-friendly locales like Belmont Shore," according to the report. Of these jobs, about 75% are in the restaurant sector.

Ahmed pointed out that hotels individually employ hundreds of people with all types of skill sets, from bartenders to accountants to managers to public relations professionals and more. Similarly, the convention center employs individuals with a wide variety of skill sets and expertise, according to Charlie Beirne, general manager.

Wages in the leisure and hospitality industry increased 3.4% on an annual basis in 2015, according to Beacon Economics. Wages related to food services and drinking places increased by 3.7% in the same time period. Baltin said strong convention bookings should support the addition of new restaurants to the downtown area. ■

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The Long Beach Convention & Visitors Bureau's High-Touch Approach To Client Relations

■ By Samantha Mehlinger
Senior Writer

Barbara Ajemian is a 31-year employee of the Long Beach Convention & Visitors Bureau. As vice president of convention services, she ensures that convention and meeting clients have everything they need to make their events successful. She and her staff go above and beyond what's required to make their clients feel comfortable. (Photograph by the Business Journal's Larry Duncan)

It can take years of relationship building with a trade organization, government association or corporate entity before the Long Beach Convention & Visitors Bureau (CVB) seals the deal and books a group for a convention. And once it does, the relationship-building process is far from over.

Led by Barbara Ajemian, vice president of convention services and 31-year employee of the CVB, the convention services staff at the CVB takes a high-touch, collaborative and accessible approach to making sure every need of their clients is met above and beyond what is expected.

"It could be years and years of building a relationship with a group or a client to book that business," Ajemian said. "So, once it becomes definite, it really is important that we, as convention service people, understand what it took to book the business. . . . And then, once we understand that, it's [about] simply providing the general, top-of-line services for any of our groups, whether they are a 30-person board of directors or a 5,000-person annual convention."

Prior to meeting with a client's event planner, the CVB's convention services team researches the organization's past events in other cities, according to Ajemian. "We do research on the group to try to find out what they did in cities before us and kind of have a better understanding of what this group is about and to provide resources before they even ask," she said. This effort also helps clients see that the CVB takes seriously what they are trying to accomplish with an event, she noted.

If a group books a convention in Long Beach a few years in advance, members from the CVB will often go to the organization's convention the year prior to its stop in Long Beach. "We have a booth and a brochure, and we pass out little beach balls," Ajemian said. Attendees of conventions in other cities might not be familiar with Long Beach, so the CVB finds it is helpful to give out information about the city and answer any questions, she explained.

While the end goal for the CVB's convention services staff is to make sure an organization has a successful event, there are many steps along the way, including a preliminary site visit to Long Beach. "We help them facilitate that entire site visit," Ajemian said. The CVB arranges airline travel and accommodations, visits to local hotels to determine which ones to contract with for the upcoming event, and site visits to other contracted venues like the convention center for planning purposes.

"We are with them the entire time they are here," Ajemian said of site visits, adding that she has gotten feedback that this isn't necessarily a usual practice of other CVB organizations. "Even though I have walked those hotels a million times, they might say something that is really key to their attendees or their event. And if I am not there to hear it, I am not necessarily going to know," she said. "It might not make or break it, but I think it's important."

While clients are in town, Ajemian and her team pay attention to their preferences – an attention to detail that can make a difference to clients during what is often a time of pressure and stress, she noted. "I have a client who just loves Dunkin' Donuts iced tea," she said. "When they were here for their last convention, I went to Dunkin' Donuts and brought her four iced teas. And you would have thought I brought her the Hope Diamond or something."

If a client mentions a particular fondness for something – for instance, Diet Coke rather than Diet Pepsi, or a penchant for a certain kind of fruit – the CVB will contact their hotel to offer up a little surprise and gesture of goodwill. "We will call the contact at the hotel and say, 'She just said she is nuts for strawberries. Could you do chocolate strawberries for a turndown this evening?'" Ajemian said. "[Or] something that we know will be really appreciated because it is unexpected. And that way, it just helps us to shine a little bit brighter than other locations."

Ajemian described the CVB's philosophy to client relations as a "high-touch" approach. "To us in services, we're all about jumping in and helping. And if that means we get our hands dirty, then we get our hands dirty – and I mean it metaphorically and in reality," she said.

"We are a 24/7 operation," Ajemian said. "For the most part, clients are good about stuff like that. But they know if they need something that they can call us anytime, day or night. They can text us. They can reach out to us."

The CVB serves as a liaison between their clients and various other entities in the city, including city management, the mayor and city council, as well as the police and fire departments. "We know all of these entities that can accomplish something should it be necessary, especially when an event is going on," Ajemian said. "When something pops up, we know who to call and say, this has to be resolved and resolved right away."

During power outages last summer, a performing arts group hosting a world championship at the Terrace Theater was staying at the Westin across the street. The traffic lights went out, making it difficult for attendees to cross the busy intersection, Ajemian explained. "We made a call immediately to [the police department]," she said. They sent over a couple of officers to regulate traffic and help attendees safely cross the street, she recalled.

The CVB's high-touch approach did not go unnoticed by EEM World, the event planners for the recent Longines Masters of Los Angeles, an equestrian championship that was held at the Long Beach Convention & Entertainment Center for the first time this year. The event moved from Los Angeles to Long Beach in part because of the CVB's persistence, according to Shannon Yates, accounting and partnerships coordinator for EEM.

"I can't emphasize enough how pleasant the experience has been in working with them and really what a difference that made in considering Long Beach for the event, and then making the decision to move here," Yates said. Moving the event to Long Beach was not an easy feat, as the entire event had to be restructured, she noted, adding that the CVB was key in assisting in that transition.

"They really did become a part of our team," Yates said. "We knew that we could rely on them in a way unlike any other organization we had worked with in L.A. or any of the other cities that we plan events in. We are part of a global series of events in Paris and Hong Kong, and even our teams in Belgium and Paris [and] Hong Kong were astounded by the level of support that we got from the CVB here in Long Beach."

Yates described the CVB's approach to client relations as highly collaborative. "Whenever we made a call, they would answer right away or get back to us as quickly as they could," she said. "It was always immediate, always a quick response. And they were always jumping at the chance to help."

By the time the event wrapped up, Yates said EEM's team felt like a part of the Long Beach community and felt that the CVB was almost like family. "Within just a couple of months of working with the CVB and deciding to move the event to Long Beach, it was clear that they were enveloping us in this sense of community and really bringing us in," Yates said. "It really helped us to have confidence in our decision to move the event and to know that we had support to make it succeed." ■

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More Than Just A Job: How The CVB's Iris Himert Rose Through The Ranks And Channeled Her Passion Into Long Beach

■ By Samantha Mehlinger
Senior Writer

Iris Himert is retiring from the Long Beach Convention & Visitors Bureau after 30 years on the job. She started her career in Chicago at the age of 18 typing menus for a hotel. Now, she is retiring as executive vice president of sales. She attributes her success in part to her drive to provide for her family, as well as her passion for Long Beach. (Photograph provided by the Long Beach Convention & Visitors Bureau)

Iris Himert is not one to wait around for opportunity to fall into her lap. Since the German native came to America as an 18-year-old, she has sought out, fought for and earned promotion after promotion. She believes her passion, persistence, integrity and determination are what got her to where she is today – and, by nature of her work, have also played a hand in boosting Long Beach's success as a tourism and convention destination. After three decades at the Long Beach Convention & Visitors Bureau, Himert is retiring from her position as executive vice president of sales.

Himert began her career in the hospitality industry when she arrived in America in the 1960s. She jumped at the chance to type menus for a hotel. "I started a job as a menu typist at The Drake in Downtown Chicago. I had no idea how to type," she recalled. "I learned how to type in 48 hours."

She worked her way up to the position of receptionist and then became the youngest-ever reservation manager at The Drake Hotel in Oak Brook, Illinois, just a few years later. Shortly thereafter, she got married, had two children, and moved with her husband to Warsaw, Poland, where he pursued a career opportunity and she continued to work in hotels.

When her children were around the ages of four and five, Himert became a single mother and moved to California, where she took on a job at the front desk of a hotel in Irvine. "To tell you the truth, when I first became single and I started back in the hotel business, I was a front desk clerk and I knew I couldn't make a living at the front desk," she said. The vice president of the hotel gave her an opportunity to apply for a sales position, but when she applied he decided to pass her over.

"He was going to bypass me. I said, 'Look, unless you give me an opportunity, I can't prove to you I can do this,'" Himert recalled. Her persistence paid off – she got the position. "I was scared to death to go into sales, knowing that sales has a lot of stressors," she said. But, regardless of her nerves, Himert jumped into the job, with supporting her family as a strong motivator.

"There were three of us [in sales], and I worked harder than anybody else around me," Himert said. She spent her days driving a car full of boxes and jars of candies for potential clients, making cold calls and chasing leads. "It was noticed that I brought in the most leads, and then I got into group sales. And that's really where my career began," she said.

"I believe that being a single mom made me work a lot harder and made my drive a lot stronger to provide for them and give them a good life, a good education," she reflected. "So I think I have always worked a lot harder than anybody else around me, and it was noticed. And thus, I kept getting promotions and ended up where I am at now."

In 1983, Himert took a job at the Long Beach Convention & Visitors Bureau (CVB), but she left after three years to take the position of assistant director of sales at the Disneyland Hotel. "I realized pretty quickly I wanted to be back at the beach," she recalled. "At the time, I used to call my old boss probably once a month [asking about] any openings."

It was the passion for the job that drew her back to Long Beach. "Passion for a job equals and spells success," Himert said.

In 1989, Himert returned to the Long Beach CVB as national sales director, and she has been bringing conventions and meetings to Long Beach ever since. "I quickly then was promoted to associate vice president of sales . . . and then senior associate vice president, and vice president of sales, and senior vice president of sales and then executive vice president [of sales]," she said.

"I will tell you, in the early 1980s, Long Beach was a tough sell. There wasn't a whole lot that was happening downtown," Himert said, "The Hyatt [Regency] was here and not much else. We had a convention center with 88,000 square feet, and we really only solicited state and local business at the time."

After the U.S. Navy left Long Beach in the early 1990s, then-Mayor Beverly O'Neill and City Manager Jim Hankla spearheaded the expansion of the convention center.

"Mayor O'Neill always used to say there are three economic engines here in town, and they are the three T's: trade, tourism and technology. And she was absolutely right and spot on," Himert said.

"I think the toughest time was by far when we went through the recession in 2008 and 2009," Himert said of the convention industry. "Long Beach fared better than a lot of the other cities because we were diversified on what we booked." Other convention cities focus primarily on corporate business, but the CVB's efforts to bring in business from professional and government organizations helped the industry weather the recession, as it will if another occurs in the future, she explained.

Post-recession investments in the Long Beach Convention & Entertainment Center, as well as capital improvement investments by the City of Long Beach and new projects by real estate developers, have helped catapult the city into what Himert describes as the best time in the industry she has seen in her entire career here. "Long Beach has gone through such a renaissance. I know that's why I stayed here as long as I have, because I feel such a passion and love for the city," she reflected.

"Right now, business is booming," Himert said. "We're looking forward to a 2017 that is going to be amazing. We're pacing way ahead in bookings and room nights."

CVB President and CEO Steve Goodling, one of four CEOs Himert has worked for at the organization, is one of the forces behind this renaissance. "I have immense respect for Steve Goodling. He is a visionary," she said. "I have learned so much from him. And the city has blossomed because of his vision."

A primary motivator in Himert's work bringing big business to Long Beach is the impact it makes on the local economy. "One of the driving forces for me personally is . . . all the people that have employment because we're doing a good job," she said. "It's the maids. It's the doormen. It's the waiters in the restaurants who, without conventions, are not going to be able to bring home paychecks and feed their families."

Himert reflected, "Obviously after 30-plus years, it's not just a job, it's part of my heart."

There is no official last day at the CVB for Himert, who will assist during the transition period for the new vice president of sales, who started yesterday, December 5. She plans to spend some of her newfound free time as a volunteer for the Court Appointed Special Advocates for Children program. "All that passion I have had over the 30 years [at the CVB], I know I can transfer that to this particular mission, as my heart has always been very much open to children and their well-being," she said.

Asked about his thoughts on Himert's role at the CVB, Goodling told the Business Journal, "The city has been very fortunate to have someone of Iris's caliber here in our city for the 30 years that she has represented selling the City of Long Beach."

He continued, "Her time in selling the city has helped her to learn much, and in turn, she has imparted that learning to new staff and helped them in selling the city. She has been intimately involved in all of the major deals that have come in to our city: the TED conference, for example, and other programs. . . . She has made a difference. And we're fortunate to have someone that has been so dedicated in selling the city." ■

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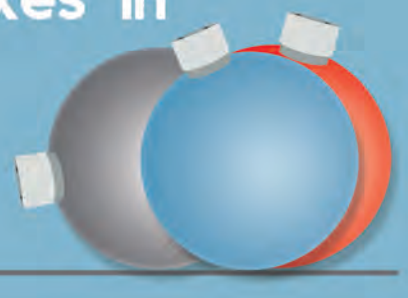

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Eric Johnson, co-owner of the Auld Dubliner, said its proximity to the convention center and the customers they would gain as a result was a primary factor when he and his business partner, David Copley, decided to purchase the location on South Pine Avenue. (Photograph by the Business Journal's Larry Duncan)

Maxie Viltz, owner of Village Treasures, a gift shop and boutique in Downtown Long Beach that focuses on African art and clothing, said tourists are her best customers, many of whom are in town for conventions. (Photograph by the Business Journal's Larry Duncan)

Benefits From Conventions And Special Events

(Continued From Page 1)

That's one of the reasons that conventions are so dynamic, because it's not attached as much to your personal income as it is to your budget."

Businesses in close proximity to the convention center, such as the Auld Dubliner, benefit greatly when conventioneers decide to explore the town. Eric Johnson, co-owner of the Dubliner, said 25% to 30% of his business at the Irish pub and restaurant located across the street from the convention center is a direct result of conventions.

Johnson said the added density helps fill what are typically off-times at the pub – lunch and early evening. He added that some conventions are better for business than others, depending on the schedule of events. A loosely scheduled convention may give attendees more time to venture out into the city for lunch or dinner, rather than more strictly scheduled ones that provide meals at designated times.

"It's definitely something we considered when we were selecting a location," Johnson said. "We like The Pike. We like downtown. But the proximity to the convention center is definitely a primary factor in why we chose to put it in that South Pine location."

DDR Corp., the property management company for The Pike Outlets, works with the CVB to provide conventioneers with coupon booklets for stores and restaurants on their property. Lauren Provence, marketing coordinator for The Pike, said retailers and restaurants definitely see an increase in foot traffic and sales when a convention is in town.

"The Pike Outlets is fortunate to be located directly across Pine Avenue

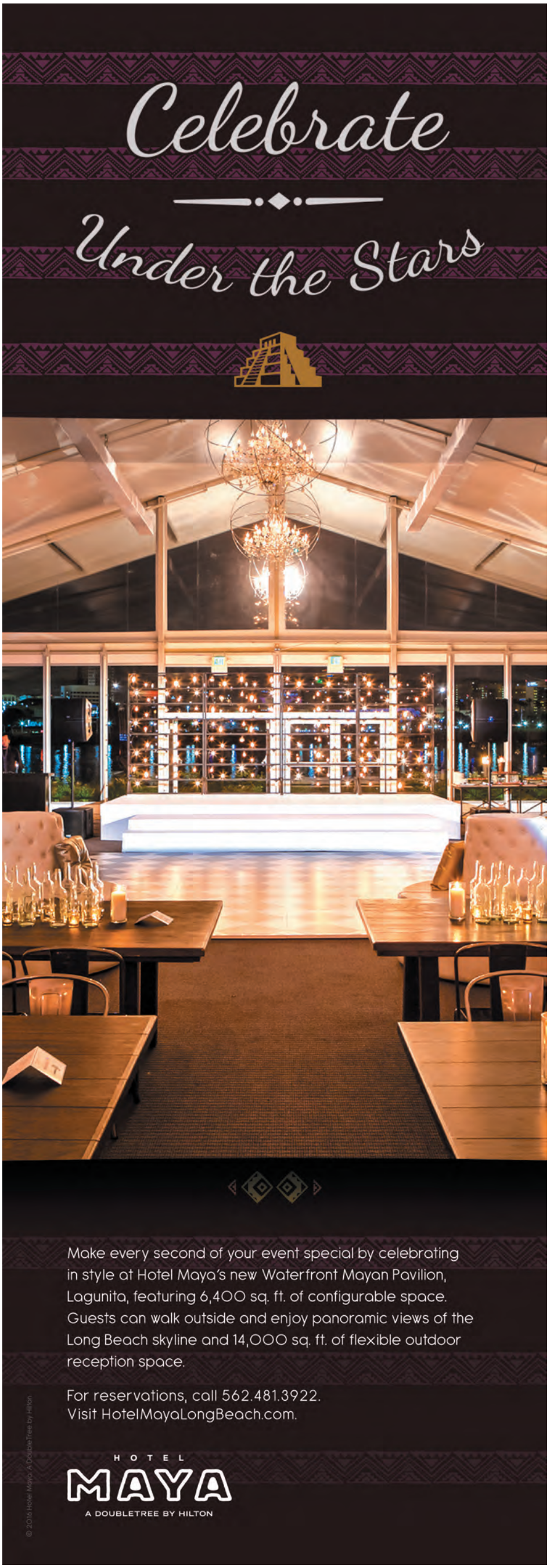
The extreme diversity in Long Beach is one of the reasons music festivals and other special events are so successful in the city, according to Jon Halperin, talent buyer for the Music Tastes Good festival. (Photograph by the Business Journal's Larry Duncan)

from the convention center. The Pike is a member of the convention and visitors bureau . . . [and] participates in expos at the convention center when appropriate, such as the Grand Prix and Long Beach Marathon, which contributes to the overall brand awareness of the shopping center."

Debra Fixen, property manager for Shoreline Village, said her shops and restaurants also see an uptick in business when conventions are in town. Last year, Fixen said her tenants enjoyed a 17% increase in overall sales. This year, however, with increased convention and tourism activity, she said overall business is up 22%.

Shoreline Village is home to several iconic Long Beach locations, such as Parkers' Lighthouse, the original Yard House restaurant and Queen Mary Couture. Fixen explained that the management company is a member of the CVB

(Please Continue To Page 32)



Benefits From Conventions And Special Events

(Continued From Page 31)

and that she encourages all of her tenants to become members as well.

"It's affected the sales, and in addition, it also exposes more people to Long Beach as a destination," Fixen said. "The tourists like one-of-a-kind gifts and Long Beach souvenirs and the restaurants – it's all about the waterfront dining."

Retailers within prominent complexes are not the only beneficiaries of conventions in the city. Small independent shops in the downtown and surrounding areas also thrive off of the business they receive from conventioneers. Kimberly Latham, owner of Anneise, a boutique in the East Village, said conventions drive her business.

Latham explained that, because of the size of her business and her budget, she is not currently a member of the CVB. However, she acknowledges the CVB's work in promoting the city and bringing conventions and tourists.

"I always talk to my customers. I'm always, like, 'Oh, what brings you to town?' And that's when I know whether they're in for a convention or not," Latham said. "I would say maybe 40% of my business is tourists who are here, a lot of them for conventions."

Being located between hotels, Latham said people walking to and from the convention center or other parts of downtown from where they are staying really adds to her foot traffic. Maxie Viltz, owner of Village Treasures, a gift shop and boutique that focuses on African art and clothing, said she sees similar patterns of conventioneers and other tourists stumbling upon her shop when walking to their hotel or car parked nearby.

Viltz said that she will regularly have a convention attendee visit her shop and say they are going to tell others at the convention to visit the store. This, mixed with some loyal locals, keeps the doors of Village Treasures open. And Viltz said she hopes business continues to improve.

Steve Sheldon, director of events and entertainment at the Queen Mary, shows off the re-creation of the caterpillar scene from Lewis Carroll's "Alice In Wonderland" with a wintery twist. It is part of the Queen Mary's CHILL event Alice In Winterland interactive experience, which runs through January 8. (Photograph by the Business Journal's Larry Duncan)

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"Tourists have been my best customers for the most part," Viltz said. "I'm a member of the convention and visitors bureau, so I try to keep up with what events are coming to town and so forth. Hopefully, people are starting to see my postcards that have information about the business."

Some businesses, such as Caught in the Moment Photography, experience the benefits of conventions a little differently. Nearing their 17th year in business, Salvador and Lana Farfan quickly discovered that they wanted their photography business to focus on conventions. In fact, Lana estimates that 60% of the company's business is convention related.

For years, the pair have been working with the CVB, which recommends Caught in the Moment to clients. Through working so many conventions of all types – some that are in Long Beach annually and some that are in town every couple of years on a rotating schedule – the Farfans have built relationships with many event organizers.

Nowadays, it's not uncommon for Caught in the Moment to be hired by event organizers for conventions out of state after having worked together at a convention in Long Beach. "In other cities, they bring us with them because they know the quality of our product and also the personality and attitude," Sal said.

"So not only do we get that business for the next year but we also get to see a new place and stretch our creative muscle and photograph that convention in different cities," Lana added. "The CVB was the best thing we ever joined as a company, not only for the connections and the added business for our company but for the great relationships we've built. We've made a lot of lifelong friends through the CVB. . . . It definitely goes a layer deeper than the business relationship."

Auld Dubliner's Johnson said that he thinks the CVB does a fantastic job at promoting not just the convention center, but the downtown area and Long Beach in general as a destination. Not only do the numbers of conventions per year speak to this, according to Johnson, but the number of repeat conventions that come back year after year.

"It seems to be getting better and better," Johnson said. "We'd like to see more and more. And we'd like to see the convention center expanded so we can get larger conventions in."

Special Events

Aside from conventions, Long Beach is host to many large-scale, and sometimes international, special events. The Toyota Grand Prix of Long Beach, an international event which celebrated its 42nd year in April, for example, had an estimated 182,000 attendees over three days, according to race officials. Long Beach Pride, with a weekend of activities, frequently achieves around 80,000 attendees per year, according to Pride officials.

Last year, the City of Long Beach Bureau of Special Events and Filming issued 373 permits for special events on city property, according to Tasha Day, bureau manager.

"If you're doing something big like Grand Prix, that's like every hotel room in the city booked," Day said. "That's at least five days of every restaurant on Pine Avenue filled. They eat, sleep and drink here. The economic impact is pretty high."

Second only to the Grand Prix, the Long Beach Marathon's economic impact is also substantial. Bob Seagren, CEO of Run Racing, which is the marathon organizer, said the last economic impact report for the event was conducted after its 25th anniversary seven years ago. Seagren explained that the event brought $12.5 million in revenue to Long Beach alone and another $12 million to the surrounding area, numbers that he believes have increased since.

The last seven years have also seen the number of marathon participants exceeding 20,000 for all events. Seagren said the event requires about 2,000 volunteers to operate and brings about 75,000 spectators, based on the national marathon attendance average. However, the marathon does not only have an economic impact on Long Beach businesses; nonprofits also benefit greatly from the event.

"We have a lot of charities that benefit. We're somewhere between $300,000 to $600,000 raised for various charities every year. And we try to bring in as many local, Long Beach-based charities as we can, but some are national in scope."

The Queen Mary has been home to numerous special events since being relocated to Long Beach in 1967. From expensive and elegant New Year's Eve and 4th of July parties with fireworks to hot, grungy music festivals, the ship is a seasoned veteran in the special events business.

Dark Harbor, the spooky event around Halloween, and CHILL, the winter and holiday-themed event, keep the Queen Mary staff and seasonal employees busy from September to the new year. Steve Sheldon, director of events and entertainment at the Queen Mary, said around 500 seasonal workers are hired for each event and estimates that 50% are Long Beach locals.

Sheldon explained that these two events bring about 320,000 visitors to the Queen Mary each year and generate more than $15 million annually. He added that revenue does not take into account the money those visitors spend on hotels, restaurants, parking, retail and attractions around the city.

"One of the reasons that we, here at the

(Please Continue To Page 35)

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Benefits From Conventions And Special Events

(Continued From Page 33)

Queen Mary, have focused so intently on building and developing our event program is that we believe very strongly in the residual impact that events have for us as an attraction, and also for the city as a whole," Sheldon said. "The more that we develop live entertainment and reasons for people to come to the Queen Mary and to Long Beach, the more awareness is raised about the activities and attractions and restaurants and amenities that we have here in our city."

This year saw the introduction of several special events that were able to showcase the city in new ways, including ComplexCon and Music Tastes Good – events that attracted first-time visitors to the city.

Aaron Levant, senior vice president of Reed Exhibitions US, the organizers of ComplexCon, began conducting business in Long Beach with his first Agenda trade show nearly six years ago. Since then, Agenda has taken place at the Long Beach Convention Center every January and July, with more than 12,000 attendees from 49 states and 60 countries ready to show off the latest fashions and styles.

"Between the hotel rooms that are booked, the money that is spent at local restaurants, bars, on the show floor, concessions, parking, all of the above – even if you want to get into all the labor that's used on the show, all the rentals, everything – the impact is significant," Levant said.

The inaugural ComplexCon in November attracted around 30,000 people, according to Levant. He said next year he expects attendance to increase to a minimum of 40,000 people, adding that he hopes to expand the footprint of the event by utilizing more venues around the city.

"[With] something like ComplexCon, our aim in the future is to make it something like South by Southwest in Austin, Texas, where it really becomes a citywide event – taking over all the venues, whether they be officially sanctioned events or non-official events," Levant said. "We really want that to be something that, when you step foot in the city, you know that ComplexCon is going on, and it affects the whole thing and is a downtown takeover."

Music Tastes Good, the three-day music festival that made its debut in September, brought thousands of music and food lovers to the city. Jon Halperin, the talent buyer for the event, said visitors came from around the country to see acts like the Specials, the Melvins, Warpaint, De La Soul and Iron & Wine.

The festival closed down streets in the East Village, but businesses were given the option to remain open during the festival. And they did.

"They were packed – especially the restaurants," Halperin said. "What I heard was from friends who were going in and having drinks at these places, or even band members who were going in, and saying that it was packed and that they had a great time and that they were so happy that these places were open. You could go into a proper bar or restaurant and order the drinks at the same cost it would be any other day and have a wider selection."

Steve Sheldon, director of events and entertainment at the Queen Mary, sits atop what he claims is the "World's Largest Rocking Horse." The 15-foot-tall, 24-foot-long, 8-foot-wide rocking horse can accommodate four people at a time and is free for those attending the ship's CHILL event. CHILL runs through January 8 and includes ice skating, ice tubing, the North Pole Village and live entertainment. (Photograph by the Business Journal's Larry Duncan)

Halperin said the best part about Long Beach, the reason festivals and other special events work so well here, is that it is composed of every socioeconomic bracket, every ethnicity, every sexual orientation, every religion – and everyone just lives together. He said that atmosphere, along with the general vibe and the city's beauty, makes it a great destination.

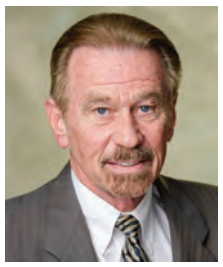
Being a resident of Long Beach, Halperin acknowledges that large-scale special events can be an inconvenience to those living nearby. He said events like the Grand Prix and the marathon can be tricky when they close down major streets downtown, and inconvenient when he has to wait an extra 20 minutes for food due to long lines filled with tourists.

"But you just turn a blind eye because the good it's doing the city and the amount of people it's bringing out to see this city outweigh not being able to move my car for a couple hours in the morning," Halperin said. "I think you'd be hard-pressed to find somebody who disagreed. Who would say it doesn't have a great financial impact?"

So despite the occasional inconvenience, Halperin hopes to see more festivals and events in the city because they help drive local businesses. He explained that these types of events have a long-term effect that goes much deeper than people visiting for the couple days the event is occurring – an idea that the CVB shares.

"The great thing about special events is they bring people into the city who normally wouldn't come to the city on their own," Goodling said. "It's a chance for the city to showcase itself and encourage these new attendees to come back to the city beyond the special event that they came for. Special events add to the flavor of a city so that there's always something fun, new and different going on. And special events keep a city vibrant." ■

Dr. Rod White
Long Beach Memorial



Dr. Rod White, considered among the most important endovascular surgery pioneers, has been named medical director of vascular surgery for MemorialCare Heart & Vascular Institute at Long Beach Memorial. According to a hospital statement, Dr White "is recognized globally for significant contributions in endovascular surgery, an innovative, less invasive procedure for conditions affecting blood vessels, such as an aneurysm, which involved swelling or 'ballooning' of blood vessels." He spearheaded testing and first human deployment of an aortic stent graft with Dr. Thomas Fogarty in 1996. Stenting has since replaced open surgery as the most common method of aortic intervention. "We are honored to have Dr. White help lead our Institute team where innovation and excellence is at the heart of everything we do," said Gregory Thomas, M.D., MPH, MemorialCare Heart & Vascular Institute medical director at Long Beach Memorial. "Dr. White joins specialists who continue to gain prominence for innovations, discoveries and first-in-class adoption of the newest tests, treatments and technologies in cardiovascular care."

Amy Osterbeck
Keller Williams Pacific Estates

Keller Williams Pacific Estates has appointed Amy Osterbeck to the position of team leader of its Long Beach office on Spring Street. She takes the reins from David Culen, who is moving up to the position of operating principal. Osterbeck previously served as a realtor and team leader of Keller Williams Great Lakes in St. Clair Shores, Michigan. She has been in the real estate industry since 2004, and formerly taught at East Detroit High School. In the past five years, Keller Williams Pacific Estates has become the No. 1 Keller Williams franchise in the state, according to a company statement.

Pamela Young Lee
Rancho Los Alamitos Foundation

The Rancho Los Alamitos Foundation Board of Trustees recently named Pamela Young Lee to its new position of associate director. She will provide support to the foundation's executive director as the "institution moves through Phase III of the seismic strengthening of the ranch house, organizational development and other projects." Lee worked for the Rancho from 1986 through 1995, and returned in 2005 as site curator at Rancho Los Alamitos Historic Ranch and Gardens.

Tony Jones
Diversified Technical Systems

Diversified Technical Systems (DTS) in Seal Beach has named Tony Jones its vice president of finance. DTS is a manufacturer of data recorders and sensors for occupant safety and product testing. Jones, who has more than 15 years of experience in finance, will focus on developing strategies, budgets and forecasts that help direct and expand DTS growth. He holds a bachelor of science in business adminstration from Berea College in Kentucky, and a master's in business administration management from the University of Saint Francis in Fort Wayne, Indiana.

Alan Lowenthal
Congressman

Recently elected to his third term in the U.S. House of Representatives, Congresman Alan Lowenthal has been named co-chair of the bipartisan House Ports Opportunity, Renewal, Trade and Security (PORTS) Caucus. His co-chair is Congressman Ted Poe of Texas. The mission of the caucus is to promote the importance of the nation's ports to the economy and the security of those ports. Lowenthal's 47th District represents more than 718,000 residents of the cities of Long Beach, Signal Hill, Lakewood, Avalon and eight West Orange County cities. ■

Century Villages At Cabrillo Receives Check From Wells Fargo Housing Foundation

The Century Villages at Cabrillo (CVC) in Long Beach, whose aim is to break the cycle of homelessness, is one of 56 recipients of grants issued nationwide by Wells Fargo Bank through its Wells Fargo Housing Foundation Priority Markets Program. The program provides grants for neighborhood stabilization projects to stimulate growth, stability and investment in distressed areas. The CVC used the $100,000 grant toward restoring the Social Hall and Career Center at the 27-acre campus. Pictured are from left: Ronald M. Griffith, president and CEO of Century Housing Corporation (CHC), the financing arm for the CVC; Brian D'Andrea, senior vice president for CHC; Keith H. Kobata, Wells Fargo area president for Long Beach and Greater Orange County; Kimberly Wee, director of residential services at CVC; and William Brennan, board chair for CHC. (Wells Fargo photograph)

Miller Children's & Women's Hospital Long Beach Marks World AIDS Day

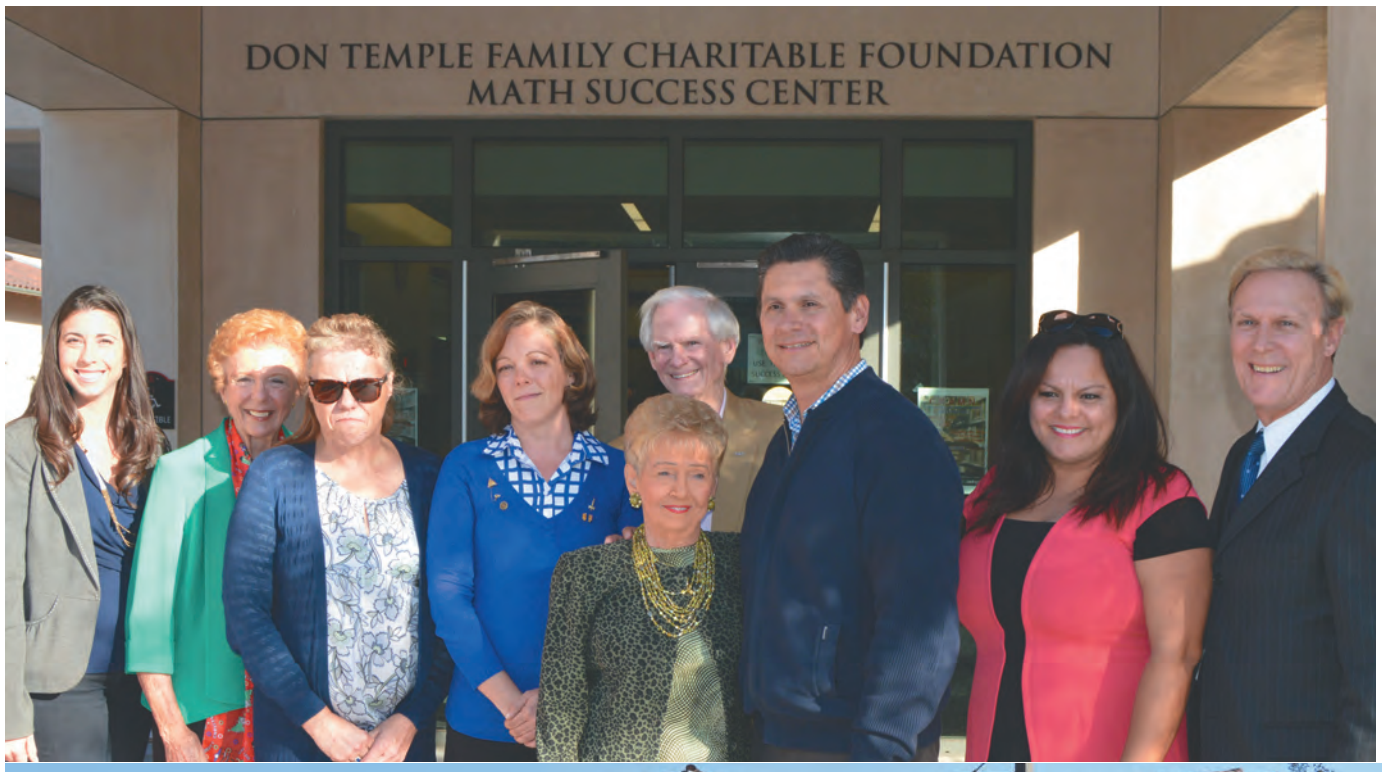
On World AIDS Day, December 1, patients, community members and employees of Miller Children's & Women's Hospital Long Beach gathered to "celebrate the progress that is being made for those affected by HIV/AIDS." The event was held at the Bickerstaff Pediatric Family Center at Miller Children's, which cares for infants, children, adolescents and pregnant women who are at risk for, or infected with, a variety of disorders, including HIV/AIDs. According to a hospital statement, "The event promoted hope for better treatment options and, one day, a cure. Participants signed posters of a giant red ribbon with their own personal messages of hope for the cause." Free rapid HIV screenings were offered throughout the day utilizing a mobile testing van. Pictured: Assemblyman Patrick O'Donnell, far left, presented Bickerstaff employees with a certificate recognizing the work they do in the community to support families affected by HIV/AIDS. (MemorialCare Health System photograph)

ALDI Grocery Store Opening December 15 In Bixby Knolls

ALDI, Inc., will celebrate the grand opening of its Long Beach grocery store at 4580 Atlantic Ave. on Thursday, December 15. The ribbon-cutting ceremony, scheduled for 8:45 a.m., will be followed by giveaways of ALDI reusable eco-friendly bags, a produce-for-a-year sweepstakes and product sampling. The first 100 shoppers will receive a golden ticket, which will contain ALDI gift certificates. ALDI operates nearly 1,600 grocery stores in 34 states and services more than 32 million customers each month, according to a press release. (Photograph by the Business Journal's Larry Duncan)

Retail Center At Clark And Spring Closing For Renovations For Six Months – Baja Sonora Is Sticking It Out, Other Businesses Are Packing Up

On January 1, the shopping center at the southeast corner of Clark Avenue and Spring Street is closing down for six months for renovations, according to Mike Mendelsohn, who owns and operates Baja Sonora at the center. Wolff Properties, which took ownership of the property five years ago, has been in touch with the other tenants about plans to renovate for years. But plans recently changed, according to Mendelsohn, who had previously only expected to close his doors for four months. He has two other Baja Sonora locations, but this is his flagship restaurant that he opened 19 years ago, and it's also his most profitable, he said. While he has no choice but to sign a new lease at the location to retain his customer base, other businesses have chosen to relocate or shut down. Pop's Burgers is now permanently closed, Mendelsohn said. An accounting firm already relocated. New England Divers plans to open a new store in Los Alamitos. University Trophies also has relocation plans. Mendelsohn is unsure of the plans of other tenants, which include the restaurant Miyako and a liquor store. During the renovation, Mendelsohn plans to operate a taco truck in front of the shopping center. "I intend to put it right in front of where we are located for as many hours a day as I can do that and do it profitably," he said. "My intentions are to protect our brand, to serve our customers, to protect my employees and hopefully make a dollar." (Photograph by the Business Journal's Larry Duncan)



Don Temple Family Charitable Foundation Math Success Center Dedicated At L.B. City College

On December 2, Long Beach City College (LBCC) dedicated and renamed the Math Success Center at the Liberal Arts Campus after receiving a donation from the Don Temple Family Charitable Foundation. The center is located on the southeast corner of Carson Street and Clark Avenue in Building V, the campus's newest addition. According to a press release, the $750,000 donation is one of the largest in the 89-year history of the college. "The funds will be used for Long Beach College Promise scholarships and to create an endowment for innovative success initiatives in the Mathematics Department," according to the announcement. Pictured from left: 5th District Councilmember Stacy Mungo; former Long Beach Mayor Beverly O'Neill; Becky Temple, daughter of the late Don Temple; Sumer Temple, granddaughter of Don Temple, third-generation operator of Don Temple companies and an LBCC alumna; Doug Otto, LBCC Board of Trustees; Marlene Temple, president of the Don Temple Family Charitable Foundation (also pictured below); Eloy Ortiz Oakley, superintendent-president of LBCC; Vivian Malauulu, LBCC Board of Trustees; and Jeff Kellogg, vice president of the Board of Trustees. (Photographs by the Business Journal's Larry Duncan)

Inside City Hall

Maybe We Should Just Break Up: Is It Time For An East Long Beach? Part II

By Gerrie Schipske

Last column I raised the question of how we can address the growing dissatisfaction of some East Side residents. Many voters will tell you that they feel disconnected with "city hall." That they don't feel those elected really listen to the people or, more pointedly, that elected officials only listen to "some people," particularly those who give big money through independent expenditure political action committees.

East Siders are tired of seeing their property taxes and sales taxes spent in other areas of the city for things that do little to improve the quality of life where they live. They are tired of not having a voice for their concerns.

Would a smaller-sized city be more responsive and effective? Should the residents of the East Side break away from the City of Long Beach and form the City of East Long Beach?

The breaking up of large cities is not a new idea. Voters of San Fernando Valley attempted to tackle the monolith, Los Angeles, and failed in 2000. But the argument for smaller government remains true today because it is rooted in common sense. The closer the people are to their government the more likely that their government will be more responsive.

There is little evidence that bigger government is more efficient government. In fact, the opposite is true. Take public safety for instance. The overall number of public safety personnel in our city is at an all-time low.

While East Long Beach remains relatively safe from violent crime, property crimes and auto thefts have risen dramatically. Concerns about quality-of-life issues such as a growing homeless population continue to be unheard.

To the frustration of residents, the response time from Long Beach police to these property issues and crimes has increased because public safety resources remain reduced and primarily focused on the areas of the city experiencing violent crime. Today, Long Beach employs only 19 officers for every 10,000 residents while the City of Los Angeles employs 25 officers per 10,000 residents. The City of Long Beach was recently ranked 92nd out of 104 cities in terms of per capita spending for police, which is $582.

There are also fire stations without complete equipment; and, in the city's "Comprehensive Annual Financial Report" (CAFR), the fire department shows a steady and deadly decrease since 2006 in "fire on-scene arrival for emergency calls within six minutes" from its high in 2006 of 73.6% of the time, to an all time low in 2015 of 43.6%. Its response times for medical services are no longer published.

A larger Long Beach creates barriers that keep the people who live here from getting the response they need from their elected officials. As the city has grown, so have public employee staffs and their organizations, which can collect and spend large amounts of money to affect the outcome of local elections and ballot measures. When you add those who do or want to do business with the city and who gladly make political contributions, the average voter has little impact on the outcome of an election compared with the clout of organized and well-financed special interest groups.

At some point, if things do not change, East Side voters just might take their property taxes and sales taxes someplace else. After all, they deserve better.

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

Small Business Dollars & Sense

Small Business Year-End Financial Checklist

By Ben Alvarado

In my last article I wrote about some important year-end assignments that can help you with success for next year. I'd like to add to those thoughts. Planning is very important to the success of a business. I encourage you to allow yourself the time to think deliberately about where you want your business to go. It will pay off and strengthen your future position. Following are some steps to help get you started:

• **Develop an actionable 2017 financial plan.** From establishing your annual business budget to updating your sales projections, creating an actionable plan with defined business goals will help you stay on target in the coming year. Start by reviewing the list of goals you hoped to achieve in your business this year and document your progress. Are you on track to achieve each one? Based on your progress, adjust expectations and forecasts for the year to come.

• **Review expenses.** Check all of your business accounts to make sure you have categorized expenses correctly, and take a look at how your costs compare monthly and yearly. Remember that many expenses are tax deductible, and an efficient expense tracking process will not only save you time, it could also save you money at year end. There are a number of these tools for business owners available online, and possibly through your business bank, which may track your expenses, making bookkeeping much easier.

• **Prepare for year-end tax reporting.** Meet with your accountant to review your business profits and expenses. There can be benefits to doing this before the end of the year, so make your appointment as soon as possible. Evaluate your business tax records to ensure that everything is in order and be aware of tax filing deadlines so you can plan ahead. Having this conversation may help give you ideas to minimize the taxes you'll owe before the end of the year and in 2017.

• **Meet with your banker.** It's a good idea to organize an annual review meeting with your banker to discuss your current business needs and review your accounts. Before you go into your meeting, have a conversation with your banker as to how you can be prepared. Your banker will help you review your small business loan accounts, track payment progress, and reconcile your bank and credit card accounts so you can head into the new year in good standing.

• **Analyze cash flow.** One of the most important things for a business owner to track is cash flow: how much cash your business earned and how much you spent. If you have trouble maintaining steady cash flow to cover expenses, make sure your financial plan includes specific actions to remedy the issue, such as cost reductions or new revenue sources. Take time to ensure that you fully understand and can forecast cash flow, especially if you have a seasonal business.

Setting aside time now to create a strong financial plan for 2017 is important for every business owner. Visit WellsFargoWorks.com for more free tips, tools and guidance that will help take your small business to the next level.

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

Effective Leadership

Caution: You Are About To Enter The Spin Zone

By Mick Ukleja

2016 has been quite an election year. The *spin zone* has been in full operation! We have witnessed a lack of civility along with an inability to speak the truth, especially by those in power. But rather than point our finger at the political landscape, let's look at some personal applications to our home space and workplace.

Speaking Truth to Power is a principle that must work its way into all of our relationships.

"I don't want any yes-men around me. I want everybody to tell me the truth, even if it costs them their jobs!"

– Samuel Goldwyn, American Film Producer

Truth-telling is never easy and can become a daunting challenge, especially in the face of *"groupthink"* which values consensus over reality.

And even more, we see rudeness and a lack of civility disguised as truth-telling. Facebook (and other media) is often a depository for comment without thought. Soren Kierkegaard put it well: *"People demand freedom of speech as a compensation for freedom of thought which they seldom use."*

Truth should never outrun civility or compassion.

The following six principles will help us in our quest to speak the truth:

1. Be intentional in developing a truth-telling culture. It's one thing to say you want your people to speak the truth. It's another thing to eliminate both seen and unseen barriers that make it difficult to do. A toxic culture can (subtly or not so subtly) punish people for telling the truth. Unofficial sanctions, peer acceptance, avoidance of embarrassment, and promotion are some potential barriers.

2. Fear the lie more than the mistake. Everyone makes mistakes. But *more* destructive than the error is the lack of self-correction, which often leads to cover up. Lying to others is harmful. Lying to ourselves is even more destructive. The #1 focus should not be damage control, but honest analysis. In the long run this IS the best damage control. The truth always finds its way out. The more you assist it, the better off you'll be.

3. Be a wisdom worker, not just a knowledge worker. Wisdom looks for the truth. Today, we are no longer *"hired hands."* We are *"hired heads."* And our brains work best when they are committed to the truth. Giving our best efforts includes giving our best thoughts. This transforms our knowledge into wisdom.

4. Speaking the truth takes (personal) courage. In 1932, Winston Churchill saw the future menace of Germany that was rapidly rearming. It was obvious to him that the Nazi Party under Hitler was growing into a worldwide problem. France's government was *corrupt*. America's government was *indifferent*. Britain's government was *pacifist*. Yet as unpopular as it was, he referred to his own country's position as *"mush, slush, and gush."* Nobody wanted to hear that. It takes courage to say what is needed in the midst of the powerful attraction of *peer acceptance*.

5. Receiving the truth takes (personal) humility. As a leader, listen to the truth. The difference between *alarms* and *alarmism* is more discernable when we are committed to the truth more than our idea or plan.

6. A commitment to the truth leads to action. Success depends on correcting a plan or pattern as early as possible. Prior to the 2008 Financial Crisis, there were those who seemed to understand the gravity of the situation before it happened. They saw warning signs. However, they waited too long to act. I am not minimizing the difficulty of the situation. The point is that receiving the truth requires action. Without a commitment to action, the continual delay only makes the situation worse.

Truth-telling combined with civility form a powerful partnership of equals.

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

Realty Views

Will New Leadership Bring Real Estate Changes?

By Terry Ross

Next year will bring a new administration to Washington, D.C., following one of the most contentious elections in American history, but what does it mean for real estate, financing and the economic climate necessary for growth in these industries?

As the saying goes, there is a new sheriff in town, and, with Republicans set to take over the White House and keep their majorities in Congress, it is safe to assume that changes are on the horizon. The question is,what will the changes be and how will they impact these industries that are so vital to the American economy?

The election season that just ended saw little detail from either side on a vision for real estate and financial regulation moving forward, and now, just weeks after the voting, it's still too early to say a lot about what is in store in '17.

Some industry organizations and analysts have made statements and tepid predictions, but there has been very little in terms of hard opinion as to what will be in store in the coming year because simply, no one is sure.

And it is probably a safe bet that those who have been elected to lead the country aren't even sure at this point what they want to do.

According to Fannie Mae, which published its own economic forecast, economic growth is predicted in the same range for 2017 as what we saw this year – in the 1.8% range, and they are noncommittal as to how President-elect Donald Trump will impact the economy.

"We haven't changed the general tone of our forecast at this time, but we will incorporate new policy assumptions as they become more concrete," Fannie Mae Chief Economist Doug Duncan said in a news release. "Depending on the incoming President's policy priorities, our forecast for 2017 is subject to both upside and downside risks. For example, we expect near-term growth would get a boost from any tax cuts and spending increases that are made, but if new policies result in sharply higher tariffs on China and Mexico, rethinking the Trans-Pacific Partnership, and renegotiating the North American Free Trade Agreement, it would likely drag on growth."

For housing, Fannie Mae is predicting more of the same – better sales, higher prices but an affordability problem.

"Demand from first-time buyers has increased with household formation and is outpacing supply, leading to significant price increases and affordability challenges for entry-level buyers," Duncan added. "Home purchase affordability will be constrained further if the recent pickup in mortgage rates persists, which would present a downside risk to our forecast of housing and mortgage activity."

One economic aspect that was touched on in this report – and something that almost never gets heard during an election – is the timing of the economic cycle. Economies always have up and down cycles, and politicians love to blame the other guy or take credit for something that pretty much happens in the natural course of things. Fannie Mae's economists noted that with the October jobs report being positive that the Federal Reserve could hike short-term rates, and some of the early post-election stock market euphoria may spur the Fed to put a lid on inflation with higher rates.

The reduction of regulation that was enacted during the Obama Administration is also an area of speculation. The Dodd-Frank Act that heaped regulations and reform on the banking industry and has taken much of the blame for the tough lending market post- recession has been a target for Trump throughout the election and now is continual fodder for the question, will he or won't he dismantle it? The consensus is that the new president will face some substantial political barriers in trying to roll the law back – although he may try to just peel it back in pieces and loosen things up.

The one big reality is that big banks have only gotten bigger since the law's implementation, with the Big Four – JPMorgan Chase, Citigroup, Bank of America and Wells Fargo – now controlling about 45% of total bank assets.

With at least some deregulation likely to occur under the new administration, the mood among real estate and finance executives as to what they expect in their industries in terms of growth and profitability seems to be on the upswing.

A post-election poll by the John Burns Company of Irvine of its major clients – consisting of home builders, private equity investors, land developers, lenders and landlords – looks for more slow, steady growth with 36% of them projecting that single-family home volume will increase by greater than 20% in 2019 and 68% of them expect homeownership to be higher than today in 2020.

Even though we have not even seen a new administration seated, it appears that the real estate and finance industries are charting a course with changes and growth in the near future.

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

Third Sector Report

Nonprofit Financials: Governing The Complexities

By Jeffrey Wilcox

If you serve on a board or committee for a nonprofit organization, there's one topic that's more likely to stymie you than most others, and that's the financials. Unless you have a CPA after your name, finance is typically the least understood aspect of nonprofit governance. And yet, the fiduciary responsibility of a board is among its most important legal obligations.

While BoardSource, the nation's repository for all things about nonprofit board leadership, reports that boards generally give themselves high marks for their financial oversight abilities, the number of boardmembers who admit to actually understanding the finances is one in five. For many boards, the financial report is a spectator sport for some and the singular focus for others.

Nonprofit financials can be complex. Exempt organizations, as nonprofits are known as in the accounting world, generally have more restrictions placed on their revenues. More and more contributors want their donated dollars to be used only in certain ways. Other funding sources may limit amounts that can be applied to their own unique definitions of overhead. Government agencies may require their own audits in addition to an annual organizational audit. The truth is that most nonprofit organizations have a financial reality that would make most small businesses of similar size cringe.

A new study released by Abila, Inc. of Austin, Texas, underscores the challenges of nonprofit financial management. Of the more than 400 nonprofit organizations that participated in their "2016 Nonprofit Finance Study," almost a third reported that managing the complexities of multiple revenue sources tops their list. Nearly two-thirds of nonprofit finance professionals think compliance has become more burdensome and costlier during the last three years. One in three are questioning their capabilities to face new rules and regulations.

A major challenge that doesn't show up in the financials themselves is the organization's ability to weather finance staff turnover. Forty-six percent of the respondents say their organizations are unprepared if a key finance person were to leave suddenly.

Fully a third are concerned about current activities that could put the organizations at risk of potential fraud. These risks include such things as not having or following policies and procedures that separate important duties, respect conflict of interest, perform due diligence in sub-contracting, provide for consistent reporting of overhead, and follow protocols for handling charitable contributions by staff and volunteers.

While it would be easy to recommend more training for boardmembers, the truth is that evolving a group of concerned and intelligent citizens into a financially savvy body requires an ongoing and deliberate pursuit.

It begins by not segregating financial people and financial committees from the masses. In order for learning to occur and for finance-speak to develop a wider understanding, the fundamental committee structures of board governance should be populated by both financial and non-financial volunteers.

Financial experts should sit on other committees of the board to be involved in discussions about their cost-effectiveness and the financial considerations associated with their respective planning and programs.

It's especially important that some financial experts not sit on the financial committees so that these individuals offer a "check and balance" system in the boardroom. These volunteers will ask the questions that the rest of us won't think to ask when the financials are presented.

Equally important is that every financial statement presented to the board and senior management is accompanied by a cover memorandum that clearly states a fair interpretation of its content and is stated in plain language. This means that a financial report must be viewed as a learning opportunity as well as a reporting obligation.

Mixing up the players and asking for some extra steps is guaranteed to create some pushback. For some boardmembers, their financial expertise occupies a significant, if not secure, position in the board's power structure and is a major contributor to their own self-identity regarding board service. For others, they chose to volunteer on the board for reasons unrelated to the fiduciary obligation of governance.

Governing the complexities of a sustainable tax-exempt organization well is the name of the game for nonprofit boards as we head into a new federal administration and a deeply divided nation. Resting on the idea of "business as usual" when it comes to the finances could be a costly mistake.

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

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Office
2599 E. 28th Street, Suite 212
Signal Hill, CA 90755
Ph: 562/988-1222
Fx: 562/988-1239
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