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New Campaign: Long Beach Has 'Limitless' Opportunities For Developers And Brokers

By **BRANDON RICHARDSON**

SENIOR WRITER

In spring 2017, Long Beach Mayor Robert Garcia asked the city's economic development department what was being done to showcase the city's real estate potential – not only to

local developers and brokers, but regionally, statewide and even nationally. Now, the department is preparing to launch its new "Limitless" campaign to do just that.

"There are so many more opportunities, not just for brand new development, but also [for] repositioning existing assets," said Mayor Garcia. (Please Continue To Page 23)



Pictured during the recent groundbreaking ceremonies of the 2nd & PCH project in Southeast Long Beach is the team behind the city's new marketing effort with the tagline "Limitless" – Mayor Robert Garcia flanked by John Keisler, right, director of the Long Beach Economic Development Department and his deputy, Sergio Ramirez. The advertising campaign is initially targeting companies throughout California. (Business Journal photograph by Brandon Richardson)

Long Beach Transit, Other Agencies Power Forward To Improve Mobility

By **ANNE ARTLEY**

STAFF WRITER

Local agencies Long Beach Transit (LBT), Los Angeles County Metropolitan Transportation Authority (Metro) and Long Beach Airport are upgrading their

facilities to improve the traveling experience for their passengers. Some of the changes include renovating their facilities as well as providing more services to areas with high activity and traffic.

To meet the demand for transportation to special events, LBT has formed public-private partnerships with the Los Angeles Chargers, the StubHub! Center and Queen Mary owner Urban Commons. According to LBT President and CEO Kenneth McDonald, LBT started busing passengers from the Harbor Gateway Transit Center in Gardena and the Del Amo Metro Blue Line Station to the StubHub! Center for Chargers football and LA Galaxy soccer games last year. McDonald said the transit system made a three-

year agreement with the Chargers to cover the time the team will use the Carson facility.

"We look at where the centers of high activity are and what we can do to alleviate transit there," McDonald said. "There's very limited parking at the stadium."

Similarly, LBT formed a partnership with Urban Commons last year to provide a shuttle service on its AquaLink water taxis to Queen Mary events from the Aquarium of the Pacific parking lot. They provided transport to the CHILL and Dark Harbor events last year and to the One Love Cali Reggae Fest on February 10 and 11. McDonald said he'd like to continue the service for future events.

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REAL ESTATE QUARTERLY Prices Going Up Across The Board

By **BRANDON RICHARDSON**

SENIOR WRITER

All sectors of real estate should expect continued rent and sales price increases as vacancy continues to decrease while demand is on the rise, according to regional economists and local real estate professionals.

"We're entering 2018 on really solid footing – no sign of recession nationally or locally. Long Beach, L.A. County, California and the United States as a whole all are essentially at full employment, so growth is really going to be restrained by our ability to add workers to the labor force," Robert Kleinhenz, economist and executive director of research at Beacon Economics, said, noting that low unemployment rates boosted both

(Please Continue To Page 8)

Does Rent Control Work? Economists Weigh In

By **SAMANTHA MEHLINGER**

EDITOR

California has a housing crisis, one rooted in a demand for homes to rent and buy without enough supply to accommodate that demand. It's a story you've seen reported in this paper many times over the past several years, and one that has consistently been tied to rising apartment rental rates and increasing single-family home prices. So, it should come as no surprise to readers of the Business

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MILLENNIAL PULSE Is Glamor The Best We Can Do To Inspire Politically Disaffected Millennials?

By Editor Samantha Mehlinger

It's no secret that Hollywood is ruffled by the current political climate in this country – a phenomenon certainly not restricted to the glamorous elite, but one that they have the opportunity to express on a

more widespread and public stage (and miss no opportunities to do so, as evidenced by, oh, every award show since 2016). Apparently, though, Hollywood stars are self-aware (Please Continue To Page 30)

PortSide Keeping Up With The Port Of Long Beach

Rafael Delgado began working at the Port of Long Beach in 2006 as a temporary employee in human resources. He worked his way through a series of administrative analyst positions before landing in his current role as chief wharfinger. The wharfinger's office is an eight-employee section of the tenant services office within the port's commercial operations bureau. Delgado and his team of four wharfingers serve as direct lines for tenants to the port administration. As such, they are often in the field interacting with port tenants. The wharfinger's office is located in the One World Trade Center tower in Downtown Long Beach for quick access to the harbor. "We definitely have to be onsite and hands on," Delgado said. "Mostly, it's being out here at the terminals that develops the relationships." The remainder of Delgado's office staff are responsible for handling permit requests and damage reports. "Our goal is to keep cargo moving," Delgado said. His office deals with all sorts of daily issues that can affect the flow of goods. "For whatever reason, as one example, truckers are attracted to fire hydrants and they run over one, I would say, once a month at least," he said. "My favorite part of the job is watching port operations. I know containers are the busiest portion of the port, but I love all the other types of operations – the break bulk and bulk operations," Delgado reflected. "I never get tired of watching the ILWU working in the terminals."

– Samantha Mehlinger, Editor



MemorialCare Long Beach Medical Center Goes Red For Heart Disease Awareness

MemorialCare Long Beach Medical Center CEO John Bishop (center) was joined by hospital staff on February 2 to celebrate National Wear Red Day, an initiative that kicks off the start of American Heart Month. Bishop and hospital employees formed a heart outside the hospital to raise awareness for heart disease, which is the No. 1 killer of American women. "The fact is that women are equally, if not more, affected by heart disease than men," Cindy Peters, registered nurse and manager of the hospital's Center for Women's Cardiac Health & Research, stated. "This lack of awareness makes heart disease more deadly in women because the symptoms are often ignored until they become very serious." Traditional symptoms of heart disease include chest pain and heart palpitations, but women may experience additional symptoms including fatigue and muscle soreness in the arms, back and shoulders. Heart disease is 80% preventable with education and lifestyle changes, according to a statement from the hospital. (Photograph provided by Long Beach Memorial Medical Center)

Long Beach Business Journal

Vol. XXXI No. 3 • February 13-26, 2018

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

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Advertising/Editorial Deadlines
Wednesday prior to publication date. Note: Press releases should be faxed, mailed or e-mailed to: info@lbbj.com. No follow up calls, please. For a copy of the 2018 advertising and editorial calendar, please e-mail or fax request to 562/988-1239. Include your name, company and address and a copy will be sent to you. Distribution: Minimum 22,000.

Regular Office Hours
Monday-Friday
8:30 a.m. - 5:30 p.m.

Subscriptions:
25 issues – 1 year
Standard Bulk Rate: \$30.00
(add \$2 if paid by credit card)
1st Class: \$70.00
(add \$3 if paid by credit card)

The Long Beach Business Journal is a publication of South Coast Publishing, Inc., incorporated in



Almost everyone who visits the Aquarium has the opportunity to see an Aquarium staff member at work, whether it's a diver feeding fish, a vet tech examining an animal in the Molina Animal Care Center, or an educator answering questions at an exhibit. Those who take a Behind-the-Scenes Tour get an even better opportunity to see how the Aquarium operates, from the million-gallon water filtration system to the food prep room. But very few people get to see everything that happens at all hours of the day behind the scenes.

For example, the life support department is in charge of overseeing the systems that maintain water flow, filtration, and temperature in the exhibits. Security and life support staff members are on site at the Aquarium twenty-four hours a day. In addition, members of the education staff regularly travel offsite in the outreach vehicle, the Aquarium on Wheels truck. An Aquarium educator



is on board both daily whale watching cruises. A team of water quality lab technicians test water samples from each exhibit throughout the day. The house-keeping team ensures that all public areas of the Aquarium are clean and ready for visitors before the doors open.

There are also many more staff members and departments from finance to development that work countless hours to make the Aquarium of the Pacific a world-class institution.

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Dempsey's Sports Bar & Grill

Dempsey's Sports Bar & Grill Owner Joseph Adornetto stumbled upon the bar 12 years ago while his construction company was remodeling the shopping center where it is located. Adornetto met with the owners of each business to explain the remodeling process, and he found out the bar was for sale. "When I took the place over, it was close to bankruptcy," he said. "It was a total disaster. With my construction knowledge and design, I completely altered it. I took sales up 500% in 30 days, and the place has never gone backward since." General Manager Jennifer Lewandowski (pictured here with Adornetto) has worked at the bar since around 2003, before Adornetto became the owner. She started out as a bartender, and now manages the day-to-day operations. "I enjoyed getting to know people while bartending," she said. "I kind of made it seem like a little home and family. I enjoy the smiles on people's faces. Most of the time, when people come into the bar, it's to celebrate." The bar's specialty is a breakfast shot: a shot of whiskey with butterscotch, and a shot of orange juice with bacon pieces in it. The menu also includes hamburgers, sandwiches, wraps, salads and burritos. Dempsey's Sports Bar & Grill is located at 3583 N. Los Coyotes Diag. For more information, call 562/421-0111.

Sharrion James Salon

Sharrion James Salon Owner Sharrion Johnson started her career as a bookkeeper after she finished high school. "I did not like it," she said. "It just wasn't me." Johnson decided to make a change by earning a cosmetology license, and continued to work during the day while attending school at night. "I was always good at doing hair," she said. "Even in high school and junior high, I was always doing people's hair." Nine years later, Johnson and her sister-in-law bought a salon where Johnson worked full-time. She later took it over when her sister-in-law retired. "I love doing hair; it's a deep passion for me," Johnson said. "You meet people every day and get to make them feel special. It becomes like a big family." Johnson said hair painting and balayage, a style of hair coloring that aims for a blended look, are her most popular services. "Those were in style when I was younger, so it's funny to see how everything circles around," she said. "I've been doing hair since the 1960s, so I've seen everything evolve." One of Johnson's favorite services is styling older women. "My mother and I were very close and I always felt sad for the older ladies who thought that many salons didn't want to serve them," she explained. "That stayed in my heart. I luckily have a big enough salon to fit wheelchairs." Sharrion James Salon is located at 3587 N. Los Coyotes Diag. For more information, call 562/421-8958.



Center Stage Dance Academy

Center Stage Dance Academy Owner Leslie Clifford started tap dancing at age four. She performed in a tap company as an adult and now, as a teacher, introduces others to her passion. "The kids are my favorite part," she said. "Everyone asks why I teach, and it's the faces." The studio has been open for 25 years, and it is Clifford's first and only business. After working in several Orange County dance studios, she decided to open a studio in Long Beach with a friend. "We looked for a studio in a residential area that was close to a lot of schools," she said. Ten years into the operation, Clifford became the sole owner. Center Stage offers classes for students ages 3 to 18. In addition to ballet, jazz and tap, kids also have the opportunity to take hip hop and voice lessons. "A lot of people are here for ballet since ballet is the basis of dance," Clifford said. "We also have a preschool program where kids take ballet and tap together. That's pretty popular." The academy hosts one annual dance recital for all the classes. The more advanced students also perform a holiday show at Knott's Berry Farm. "We're really a family-oriented business," Clifford said. "We take pride in the fact that we know all of the kids and are interested in their lives." Center Stage Dance Academy is located at 3418 Los Coyotes Diagonal. For more information, call 562/497-1181 or visit www.csdalb.com.

Small Business Dollars & Sense

The Finances Of Remarrying



By NATASHA
MATA

February is the month of love, and small business owners fall in love too! As we approach Valentine's Day, many couples get engaged or married. In honor of this month of love, I have some tips on how to keep your finances on track, particularly if you plan on remarriage this month or in the future.

1. Put all of your financial cards on the table. It's important to share a full accounting of your assets and liabilities. Partners should share documents such as tax returns, pay stubs, bank and investment account statements. Discuss any financial obligations you have to your ex-spouse, children, or extended family. You each may want to run a credit report and share it so you both know what you are getting into financially before you marry.

2. Consider a prenup. Remarrying couples should consider a prenuptial agreement. Prenups don't just spell out how assets should be split if the marriage fails; they also come into play if one spouse dies. A prenup is especially advisable if you are bringing a lot of wealth or assets into the marriage or if you have children from a previous marriage you want to protect.

3. Discuss your financial goals and philosophies. Are you a spender or a saver? Do you want to be able to support your aging parents? At what age do you hope to retire? Do

you want to have children together? These are among the critical questions that play into the finances of remarrying. It's important to examine what money issues caused stress in your first marriage and what steps can you take to avoid them in the future.

4. Decide who will pay for what. Discuss whether you are going to have a joint account, keep your assets totally separate, or have both separate and joint accounts. If you decide to keep your premarital property separate, it's important not to co-mingle it with property acquired during your marriage. Be careful, for example, about how you handle dividends on equities that you owned before the marriage. In some states, earnings on separate property earned during the marriage are considered marital property. While the stock itself can stay in your original account, the dividends are technically being accrued by both of you and should be segregated in a separate account.

5. Change your account beneficiaries. Many people forget to change their beneficiary designations after divorce. That means your ex-spouse may inherit your IRA if he or she is still named as your beneficiary. So take the time to update the beneficiaries of your retirement plans, annuities contracts, investment accounts, and insurance policies. If you want specific benefits to go to your children rather than your new spouse, you may need to get a spousal waiver.

6. See your financial advisor. Your financial advisor can help the two of you work through the finances of remarriage and help to create a financial plan together.

7. Small business finances. Once you've had these conversations about your personal finances, you will need to apply these same considerations to your small business.

Just as in love, communication is the key to success!

(Natasha Mata, a 22-year veteran of Wells Fargo, is region bank president of the greater Central Los Angeles Area, which includes Long Beach and some North Orange County cities.)



Last Steel Beam Set On Aquarium's Pacific Visions Wing

The Aquarium of the Pacific celebrated the placement of the final steel beam (pictured at right) of its 29,000-square-foot Pacific Visions expansion project on January 30. More than 100 people signed the beam during a VIP ceremony, including Aquarium President and CEO Jerry Schubel, Mayor Robert Garcia, 2nd District Councilmember Jeannine Pearce, Aquarium Board of Directors Chairman John Molina, and Clark Construction's Western Region Senior Vice President Marc Kersey and Senior Project Manager Tom Farrar. One of the Aquarium's Magellanic penguins also 'signed' the beam by walking across it with paint on its feet. "Pacific Visions will provide an aquarium experience unlike any other and will help our visitors gain a deeper understanding of their relationship with our planet," Schubel said. Once completed, the new two-story, sustainable biomorphic structure will emulate the form of a whale while evoking "the size, depth, variability, luminosity and biological diversity of the Pacific Ocean." The development includes a state-of-the-art 300-seat immersion theater, an exhibition and art gallery space, and an additional live animal exhibit space. The \$53 million project, which broke ground last February, is the Aquarium's first major expansion since opening in 1998. Pacific Visions is scheduled to open to the public in spring 2019. Pictured from left are Pacific Visions donors: Bob Hoffman, Aquarium trustee; Val Hoffman, Aquarium volunteer and trustee; Steve Mayer, former Aquarium boardmember; Steve Conley, Aquarium trustee and former boardmember; Molina; Margaret and Jerry Schubel; Erik Wedin, manager of corporate relations for American Honda Motor Co., Inc.; Steve Center, vice president of Honda's Environmental Business Development Office; and Polly Escovedo, chief of bonds and grants for the California Natural Resources Agency. Top right: EHDD architects' Principal-in-Charge Duncan Ballash discusses the design of Pacific Visions, including the triple-layered glass facade that will cover the new buildings' exterior. (Photographs by the Business Journal's Pat Flynn)

FROGS

DAZZLING AND DISAPPEARING



Discounted Late Nights

.....

Visit the Aquarium of the Pacific in Long Beach for discounted late nights this President's Day weekend and see the exhibit, FROGS: Dazzling and Disappearing. On February 17th & 18th, the Aquarium will remain open until 8:00 PM, and after 5:00 PM, admission is just \$14.95 for everyone.

For details, visit aquariumofpacific.org/latenights

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Aquarium of the Pacific

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Long Beach Area Convention & Visitors Bureau (CVB) President and CEO Steve Goodling, left, recently paid a visit to the city's newest boutique lodging, The Cove Hotel at 200 E. Willow St.. Pictured in the hotel's lobby with Goodling are, from left: Noeleen Bette Taufete'e, general manager; Sanjay Patel, president and CEO of parent company MS Investments; and Michael Markarians, president of Tee Hospitality, a firm that provides sales and marketing services for the hotel. Marie Hawkins, below left, is the front desk clerk for The Cove. The beach-themed boutique hotel features 76 guest rooms, a heated pool, a bar, and a variety of in-room amenities such as Wi-Fi, 50-inch HDTVs and more.(Photographs at left by the Business Journal's Pat Flynn; large photograph provided by the CVB))

Former Comfort Inn Debuts As New Boutique Hotel, The Cove

The Cove Hotel, a 76-room boutique lodging at 200 E. Willow St., made its debut in January. The owner, MS Investments Inc., had operated the property as a Comfort Inn & Suites since 2006 before making extensive upgrades and rebranding the hotel this year.

"The past 10 years, business has been good," Sanjay Patel, president and CEO of MS Investments, said. "We had the occupancy demand, but we weren't able to move the ADR [average daily rate] needle, I felt because of the brand," he explained. "That was the vision behind putting more money into the project, putting in a bar, and having a food component so that we can basically increase the ADR."

The new hotel is described as having a "contemporary coastal style," with guest rooms designed in

a color palette of blues, creams and beiges. A variety of options are available for guests, including one-bedroom suites, two-bedroom suites, king junior suites, double queen rooms, king rooms and king rooms with a balcony. For groups, four interconnecting rooms with separate living areas are available.

The property's multiple buildings have been connected so that all rooms are accessible via the lobby elevator. Upgraded room amenities include high-speed Wi-Fi, 50-inch Smart HDTVs with HBO, rainfall shower heads, Keurig coffee machines, microwaves and more. The outdoor heated swimming pool includes new lounge chairs and cabanas, as well as a large fire pit. The property also features a lush courtyard, Patel noted. The hotel now includes a wine and beer bar and, while it does not have a full kitchen, is working on a menu of items such as sliders, pizza and sandwiches, according to Patel. There is more than 1,400 square feet of meeting space at the hotel, which is able to accommodate groups of up to 100.

Patel said he chose to rename the property The Cove Hotel to evoke a sense of tranquility, peacefulness and a place of shelter. ■

— By Editor Samantha Mehlinger

Aquarium of the Pacific's Aquatic Academy Spring 2018

Redrawing the Map of the World's Coastlines

Sea level is rising and will continue to rise through this century and probably much longer. The rate of rise is accelerating as the ocean warms and expands and as mountain glaciers, and particularly Greenland and Antarctica melt more rapidly than projected. The map of the world's coastlines will be redrawn well before the end of this century. Big chunks of some nations and U.S. states will be swallowed up by the sea. Low-lying islands will be drowned and hundreds of thousands of residents will have to find new homes. California will not be immune.

Join experts in exploring how rapidly and how much sea level might rise, the amount and causes of the uncertainty and how sea level rise will affect the world's and California's coasts and cities, the infrastructure we have built, as well as nature's infrastructure, and what we can do to adapt.

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13th Annual Amgen Tour Of California Begins In Long Beach On May 13



"I'm excited about the season ahead and will be working hard to make the 2018 season a hugely successful one," Mark Cavendish, a race veteran with 30 Tour de France stage wins, said of the event. "The Amgen Tour of California has always been an incredibly special race for me, and will once again be a priority in my race calendar this year in the lead-up to the Tour de France."

The first leg of the men's 2018 Amgen Tour of California begins in Long Beach on Sunday, May 13, as professional cyclists and their teams race along the city's waterfront from Shoreline Drive downtown, along Ocean Boulevard to the edge of Belmont Shore on the south eastern end, then adding a loop around 4th Street's Retro Row before returning downtown. Cyclists will complete 12 laps on the course, totaling about 83 miles. The seven-day, Tour de France-style road race then heads north to Ventura for Stage 2, followed by races in King City, San Jose, Stockton to Elk Grove, and Folsom to South Lake Tahoe. The final stage is in Sacramento on May 19. Cyclists are expected to travel 645.4 miles. The Amgen Tour of California is owned and presented by AEG, and is considered the largest cycling event in the U.S. To mark Long Beach's participation, a ceremonial bike ride was held February 8 beginning at Portfolio Coffeehouse at 4th Street and Junipero Avenue. Participants included City Manager Pat West, Vice Mayor/9th District Councilman Rex Richardson, 2nd District Councilwoman Jeannine Pearce, former Olympian and Long Beach Bike Ambassador Tony Cruz, and Kristin Klein, senior vice president of AEG Sports and executive director of the Amgen Tour of California. The Long Beach leg is expected to attract thousands of residents along the route to cheer on cyclists. (Photograph by the Business Journal's Pat Flynn)



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Aquarium of the Pacific

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Hector Cademartori Named Official Artist For The 2018 Toyota Grand Prix Of Long Beach

Buenos Aires-born artist Hector Cademartori has been named the official artist of the 2018 Toyota Grand Prix of Long Beach – the event for which he produced his first official race poster in the U.S. in 1984. That poster featured the #40 Indy Car of then-driver Chip Ganassi.

Cademartori, who lives in LaVerne with his wife, Florencia, started out drawing Lotuses, BRMs and Ferraris in his note pads at school, and his fellow students loved them, according to a statement from the Grand Prix Association of Long Beach. "Over time," the statement continued, "he learned to appreciate the history of racing in the 1930s, '40s and '50s, and the romance of those years which lend themselves to beautiful art."

"I just wanted to be in racing. I wasn't a mechanic or a fabricator, or designer, or driver, or sponsor, so I used my artwork to be in the racing business," Cademartori said. "I consider myself a racer with a brush. I hope this won't disappoint those who follow my work, but I used my art to be around racing . . . my priority isn't art but motor racing." He races his 240Z in two vintage racing associations.

Cademartori moved from Argentina to the U.S. in 1983 to specialize in motor racing art. His client

list includes racing teams, corporations, magazines and private commissions and his work includes art in Dan Gurney's All American Racers offices, Indy 500 yearbook covers, Lucas Oil, The Mitty, SVRA, La Carrera Panamericana of Mexico and Auto Club Speedway posters, national automobile and motorcycle magazines and book publishers, as well as manufacturers such as Kawasaki USA, American Honda, and Yamaha USA, Toyota Motorsports, TRD and many others.

Tickets to this year's race range from \$22 for a Friday General Admission ticket to \$147 for a three-day ticket that includes Saturday and Sunday reserved seating in grandstand upper levels. For more information about tickets, special packages and the events surrounding the race, visit: www.gplb.com.

Fans can also follow the Toyota Grand Prix of Long Beach on Facebook at GrandPrixLB, Twitter @ToyotaGPLB, Instagram at ToyotaGPLB and Snapchat at ToyotaGPLB.



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On February 1, hundreds gathered for the long-awaited groundbreaking ceremony of 2nd & PCH, a 220,000-square-foot retail development overlooking Alamitos Bay. No tenants have been announced for the project that is expected to be completed next year. Pictured from left: Ruben Perez of CenterCal Properties; Amy Lin and Wu-Lang Lin of Taki Sun Inc.; Jean-Paul Wardy of CenterCal; 3rd District Councilmember Suzie Price; Mayor Robert Garcia; Ray Lin of Taki Sun; and Steve Shaul and Eric Wilson of CenterCal. (Photograph by the Business Journal's Brandon Richardson)

Real Estate Overview

(Continued From Page 1)

residential and commercial real estate markets.

Office markets in the region have seen a steady decline in vacancy rates over the last several years, according to Kleinhenz. The L.A. County vacancy rate overall has been in the high 13% range and generally improving, he said. Long Beach and the South Bay have seen a slight decrease in vacancy to 15.2%.

Decreasing vacancy is causing upward pressure on office market lease rates, which have gone up 8% year over year in the South Bay area compared to a 2.5% increase in Los Angeles. While decreasing vacancy and increasing prices are positive signs for the office market, Kleinhenz noted several long-term challenges, including the decline in the amount of space utilized per employee and the rising demand for creative space in industrial settings. Despite these challenges, Kleinhenz expects steady improvement in the market.

In the case of industrial real estate, Kleinhenz said the greatest challenge in Long Beach and the South Bay is simply that there is not enough of it. Vacancy rates in the area are hovering around 1%, which has caused lease rents to increase by one-third year over year, compared to Los Angeles's 8% increase, he said.

"Whereas on the office side they are trying to figure out a way to increase occupancy, on the industrial side, the question would be is there any way Long Beach and its neighbors would be able to increase the available capacity?" Kleinhenz said. "I think the answer is probably no. So we need to be mindful of the fact that we have very limited industrial space that has to be devoted to what seems to be an increasing variety of uses."

The retail real estate market is a landscape in flux, as retail in general is changing due to e-commerce and the "Amazon affect," according to Jodie Poirier, South Bay managing director for CBRE Inc. For all commercial real estate sectors, Poirier

said a live-work-play environment is becoming more and more desired by residents. She explained that retail is a driving force in this trend, and that ample shopping and dining options within walking distance is essential in creating such an atmosphere.

To be successful, Poirier said retailers and restaurateurs must create an experience for customers, as conventional shopping can for the most part be done online, and chain restaurants are a dime a dozen. She explained that a live-work-play environment requires retailers to create activity in areas, such as downtowns, that have many office buildings and residential units.

"There's definitely a shift toward smaller businesses that offer experiences," Poirier said. "The big-box stores [and] the larger format type stores that are doing well are the ones that are able to incorporate the e-commerce aspect to fit the way that we buy and live. They are adapting to our new way of consuming. And the ones that are not [doing well] are the ones that are shuttering their stores."

Unique and experiential retailers draw new residents to areas, such as Downtown Long Beach, which has a "tremendous amount" of residential construction planned and underway, according to Poirier. As many projects are a year or more from coming online, the market will not see a meaningful impact for quite a while, but Poirier said the future impacts will benefit the city greatly.

Rents for residential units are expected to continue to rise in the region, and Poirier expects Long Beach to have greater growth than some surrounding areas. Poirier explained that CBRE research shows submarkets with higher live-work-play scores tend to have more substantial rent growth than those with low scores. Millennials are also playing a large role in the strength of the multi-family market.

"We still have this sort of shortage of housing, so young people can't afford to buy a house right now, facing these kinds

of high prices. They would rather rent, and we see rent is still rising," William Yu, an economist at UCLA Anderson Forecast, said. "We are going to see a lot of high-end apartments coming into the market this year and next. This is basic economic supply and demand – when you see a huge increase of supply, the price will probably be more moderate. The rent growth in the downtown area will be much slower."

The single-family market in the Los Angeles area has also experienced price increases over the past year – between 8% and 9% – while Long Beach had 7.2% growth, according to Yu. Low-tier homes, those priced below \$500,000, have been experiencing the more extreme price appreciation due to the fact that their values dropped more substantially than high-tier homes when the housing bubble burst at the beginning of the Great Recession.

Home prices are further exacerbated by a tight market with very little single-family product under construction in most areas, Yu said. This upward pressure on prices is forcing some families to opt for a lower-tier home than they previously would have considered in the past because moderate homes have become too expensive.

While Yu said the new federal tax law will put more money in the pockets of residents, if only temporarily, he explained reductions on the caps for mortgage interest deductions would likely have a negative impact on the housing market. These caps compounded with slowly increasing interest rates means homeowners are more likely to stay in their current homes, as opposed to selling to upgrade, further constricting the low-tier and moderate markets.

But it's not all bad news for the single-family market. "I don't see [the housing market] declining or turning over to a bear market because the whole economy and the nation and California are still doing OK. Especially with the new federal tax cut," Yu said. "So, I would say it will probably slow

down, slower than the previous years. But still probably in the positive territory in terms of price growth rate." ■

Low Inventory, Increasing Prices To Continue Dominating Single-Family Market

■ By **SAMANTHA MEHLINGER**
 EDITOR

For the foreseeable future, Long Beach should experience increasing home prices, according to local real estate agents. Buyer demand remains high and inventory remains low, which continues to drive up sales prices.

According to Geoff McIntosh, owner of Long Beach-based Main Street Realtors and outgoing president of the California Association of Realtors®, in January the median price of a single-family detached home in Long Beach was \$619,000, a 6% increase from the same month in 2017.

Although higher-end homes make up a larger share of current listings, McIntosh said that's not what's driving up prices – it's simple supply and demand. "I do believe that it is just the pent-up demand from entry-level [buyers] and maybe first-time move-up [buyers]," he said. "And the fact that there is just no inventory available has created this competitive bidding environment where, if something comes on the market, and it's in a decent location and it's in decent condition and it's appropriately priced, we're seeing multiple offers."

Phil Jones, broker and owner of Coldwell Banker Coastal Alliance, said homebuyers are having trouble finding properties to meet their needs. "The problem of course is inventory and affordable inventory," he said. The most active market in Long Beach for detached single-family homes is those priced between \$500,000 to

(Please Continue To Page 10)

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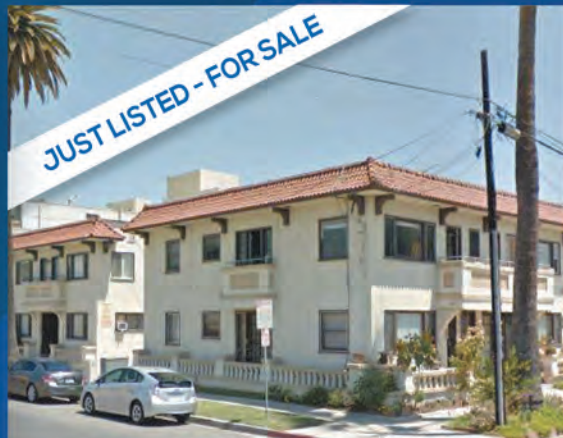
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Ten homes in the new housing community Riverdale have been completed and moved into, according to the developer. There are 131 homes planned for the community, which is being constructed just north of the Virginia Country Club adjacent to the Los Angeles River. The average sales price of the single-family homes in Riverdale is about \$650,000. (Photograph courtesy of Brandywine Homes)

(Continued From Page 8)

\$700,000, while for condos it is those in the \$300,000 to \$350,000 range, he noted.

The price of condos is appreciating at a faster rate than for detached homes, at about 11%, according to Jones. "I would say it's because of the demand in that price range is probably stronger," he said.

At the end of December – the latest data available – Jones said there were 448 properties listed for sale in Long Beach. "That is just remarkably low," he said. Due to the low inventory of homes for sale, sales transactions are decreasing. "The number of trans-

actions in December was down 9% in 2017 compared to 2016. And I would say that is largely tied to the shortage of inventory. It's really constricting sales," Jones said.

Both McIntosh and Jones noted that increasing interest rates for home loans would have some effect on buyer demand this year. "If you have been flirting with the idea of buying something for the last two or three years when the rates were like 3.25% and now you're looking at 4.25%, it seems like a big difference," McIntosh noted.

Confusion over the new tax law may cause some potential sellers to hold back,



Steve Bogoyevac, senior vice president of investments for the Long Beach office of Marcus & Millichap, is pictured in front of one of his newest multi-family property listings at 440 W. 5th St. The apartment complex features 21 units, with 12 two-bedroom and nine one-bedroom units. It was built in 1987 and is listed for \$8.5 million. (Photograph by the Business Journal's Pat Flynn)

McIntosh said. "I do think that we're kind of in the middle of an exploratory period where the public is waiting for the accountants to agree on what all of the new tax law means and how they will be affected," he said. "So I am cautiously hopeful that we may see a little bit of inventory increase as we move into spring and people better understand what the new tax law means to them."

McIntosh said current market dynamics are likely to be the "new normal" in Long Beach because housing is not being built at a rate to accommodate increasing demand. "We need more housing. We also need to be looking at higher density solutions," he said. Locals who live in single-family homes are "nervous about the idea of higher density coming into their neighborhoods," he observed.

The first houses in a new community of 131 single-family homes near Bixby Knolls have been completed, according to developer Brandywine Homes. Ten homes have been completed and moved into, with another 10 expected to be completed and ready for residents by the end of March. Fifty-eight homes have been sold for an average price of \$650,000 each, according to Brandywine Principal Dave Barisic.

Still, even with some new construction, both Jones and McIntosh expect current market dynamics to prevail. In California, about 180,000 housing units should have been built per year over the past decade to meet demand, according to Jones. Only about 80,000 were built per year, which he attributed to restrictions on building caused by the California Environmental Quality Act. "That leaves us with a shortfall of about a million housing units statewide over the last 10 years. It's insanity," he said.

Rent Control Proposal And Rising Interest Rates Could Curb Demand For Long Beach Multi-Family Properties

■ By **SAMANTHA MEHLINGER**
EDITOR

Although there is still strong demand to invest in Long Beach multi-family properties, two elements may dampen that demand in the coming months, according to local apartment specialists: rising interest rates and the specter of rent control.

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According to Steve Bogoyevac, senior vice president of investments for the Long Beach office of Marcus & Millichap, interest rates for five-year fixed rate loans to purchase multi-family properties ranged from about 3.5% to 3.8% last year. So far this year, they are hovering between 4% to 4.5%. “If you just take the price of a property and plug in the two [different] interest rates, the returns drop pretty dramatically on even that small of a hike in rates,” he said.

Bogoyevac explained that interest rate increases are tied to 10-year treasury note yields, which have increased by about 10 basis points since the start of the new year. “That’s going to have a pretty tremendous effect on the value of properties going forward,” he said. It is possible that prices for multi-family properties in Long Beach may be reaching a ceiling, he noted.

Both Bogoyevac and Robert Stepp,

principal of Stepp Commercial, have observed that more property owners in Long Beach are making moves to sell their properties to avoid contending with rent control. Efforts by a local housing advocacy organization are underway to collect signatures for a rent control ordinance to be placed on the November ballot.

“There is some uncertainty in the market because of what’s happening with the rent control ordinance,” Stepp said. “Certain owners are interested in selling now to hedge their bets, especially if they own several properties in Long Beach.” However, he added that some Long Beach property owners also own apartment buildings in rent-controlled markets and are comfortable with operating under those conditions.

Property owners are equally concerned by the concept of just cause eviction, which is included in the proposed rent control ordinance, according to Stepp. The ordinance

would require landlords to have proof that their tenants were causing disturbances in order to evict them, he explained.

“There are plenty of people who are actively still acquiring properties in Long Beach, but it’s going to have a pretty tremendous impact if it passes,” Bogoyevac said of the rent control initiative. “I have had some specific owners who are selling just because they don’t even want to take the chance.” Bogoyevac said he represents some property owners who specifically invested in Long Beach to get out of nearby rent-controlled markets like Los Angeles and Santa Monica. “They are now looking to where they can move next,” he said.

Bogoyevac said that, while the inventory of multi-family properties for sale in Long Beach is about the same as at the end of 2017, properties are sitting on the market for longer periods of time. “Last year I talked a lot about inventory being

low, but there were still a lot of transactions,” he said. “And what was happening was properties were going on the market and being sold so quickly that it always felt like there was no inventory.”

Rental rates are continuing to increase, according to Stepp. “There is still a lot of demand. We are still seeing a higher-end demographic moving into the marketplace that can afford these higher rents,” he said. “And we’re seeing institutional product trading at record-high prices.”

Bogoyevac speculated that rental rates in Long Beach may also be reaching a ceiling. “I think we are kind of hitting a number where it’s hard to continue increasing rents,” he said. The exception is in cases for property owners who are maintaining below-market rents. If those properties received tenant improvements, rental increases could be accomplished, he explained. ■

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Long Beach Heritage To Honor Local Architecture Firm Studio One Eleven

■ By **SAMANTHA MEHLINGER**
 EDITOR

At a time when Long Beach is experiencing an influx of investment and development, Long Beach Heritage is recognizing a local architecture firm for its philosophy of preserving the old while ushering in the new. At the nonprofit organization’s 30th Annual Preservation Awards ceremony on March 8, Studio One Eleven, a subsidiary of Retail Design Collaborative, will receive the Excellence in Architecture and Urban Innovation Award.

“Studio One Eleven understands the value of the combination of the old and the new architecture. It makes for an exciting, vibrant community,” Cheryl Perry, president of Long Beach Heritage, said in a joint interview with Studio One Eleven Principal Michael Bohn at the firm’s downtown headquarters, which is situated inside a former Nordstrom Rack. “It’s sort of like with metals — if you combine two different metals, you make an alloy that’s stronger than either one. And with the old buildings and the new buildings together, it’s a win-win.”

“Across the country, we’re finding that a lot of people, young and old, are moving back into downtown areas,” Perry said, noting that the National Trust for Historic Preservation calls this movement “reurbanism.” She said that the leadership of Studio One Eleven understands this concept, as exemplified in their local work.

Studio One Eleven has completed many projects throughout Long Beach, including several within downtown. “We find that adaptive use, particularly in downtown, just makes so much more sense from a socio-economic, sustainable value,” Bohn said. For example, Studio One Eleven designed the adaptive reuse of a former office building at 200 W. Ocean Blvd. into apartments — a project currently underway. “Converting it to luxury housing and preserving the original lobby with the marble and the glazing and the key elements of the building and bringing new life into it for residents is much better than tearing it down and starting from scratch,” he said of the project.

“Another project we’re very proud of is Fourth and Linden,” Bohn said of Studio One Eleven’s conversion of historic



Studio One Eleven Principal Michael Bohn and Long Beach Heritage President Cheryl Perry have a shared appreciation for preserving historic architecture and adaptively reusing existing structures. They are pictured at Studio One Eleven’s headquarters, a former Nordstrom Rack that the firm shares with parent company Retail Design Collaborative. Studio One Eleven is set to receive Long Beach Heritage’s Excellence in Architecture and Urban Innovation Award on March 8. (Photograph by the Business Journal’s Samantha Mehlinger)

buildings in the East Village Arts District into creative office and retail space about 10 years ago. The area is now bustling with activity, from popular retailers like Fingerprints to the well-trafficked eatery Berlin Bistro, and a new development (also designed by Studio One Eleven) by Sares-Regis under construction. “It was at a time when it wasn’t very fashionable to save older buildings,” Bohn said of the project.

Bohn and Alan Pullman, also a Studio One Eleven principal, personally invested in the buildings with two other local investors in order to preserve the structures, Bohn noted. “In uncovering the facades, we found what John Thomas [a local preservationist and historian] thinks is one of the oldest murals or Art Deco friezes in Long Beach,” Bohn said. “Those are the wonderful things about older buildings — as you kind of peel off the bad remodels that were done over time, you really can discover some great finds.”

Perry said that efforts to preserve Long Beach’s history, particularly in the downtown area where there are larger historic structures, is an “incredible” benefit to the community. She pointed out that even adaptively reusing non-historic structures, such as what Studio One Eleven did with the old Nordstrom Rack at the shopping center The Streets, can have a positive effect on the surrounding area.

structures on their properties into their designs. “I think that’s what makes Long Beach unique, is retaining some of its history and understanding we need greater density downtown to make it a more walkable, vibrant, viable area.”

Bohn has been volunteering with Long Beach Heritage for the past 30 years. The organization has about 400 dues-paying members and many volunteers who maintain and give tours at the historic Bembridge House in the Willmore City Historic District. The organization also regularly hosts walking tours in historic areas of the city.

At the March 8 annual awards ceremony, Long Beach Heritage is also recognizing several conservation and rehabilitation projects, including the adaptive reuse of the Immanuel Baptist Church into a senior living complex, the steeple restoration of St. Luke’s Episcopal Church and more. The organization is also celebrating the 40th anniversaries of the passage of the Long Beach Preservation ordinance and the establishment of the Long Beach Cultural Heritage Commission.

The awards take place at the Queen Mary’s Grand Salon at 5:30 p.m. For more information, visit www.lb-heritage.org. ■

“It attracts other businesses. I mean, look at all the new restaurants and breweries and stuff that are going in,” Perry observed. “It also encourages the adaptive reuse of some of the other buildings.”

Bohn agreed. “We invested about \$2.5 million in this building,” he said. “The first year we were able to associate another \$19.5 million [of investment] that followed us.”

When approaching any project, Bohn said his firm examines a block or two around the property to understand the character of the neighborhood. “One example was an affordable housing project or development on Pine Avenue, where we talked to the community,” Bohn said. “We saved four older buildings and the community said, ‘We have a parking problem. We have cars going too fast here.’ . . . We convinced the developer to put diagonal parking in and to put in a roundabout.”

Bohn said he hopes developers investing in Long Beach will consider incorporating existing

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Strong Demand And Increasing Rates Expected To Continue For Commercial Real Estate

■ By **BRANDON RICHARDSON**
SENIOR WRITER

Commercial real estate is expected to experience continued increases in rental and sale rates, as demand remains strong, according to industry experts. Vacancy rates have decreased year over year for office and industrial space, causing upward pressure on rental rates across the board. Vacancy and lease rates for retail space, despite perceived challenges, have remained relatively level.

Office

"I would say, overall, in Long Beach for 2017, there were a lot of positive signs," Dave Smith, senior vice president of CBRE Inc., said. "Rental rate growth was very good in both suburban and Downtown Long Beach. Overall absorption was OK in both markets, though I think we'd like to see better velocity in both."

According to Smith, Downtown Long Beach vacancy rates overall are 14.7%, with 11.2% in Class A space and 18.5% in Class B. However, he said, those numbers are expected to decrease significantly this year. During the fourth quarter of 2017, Smith noted large leases by Novogradac (15,000 square feet) and Pacific6 (9,000 square feet) at 211 Ocean, as well as two substantial leases by the State of California at Shoreline Square, which brought occupancy up significantly.

The suburban office market vacancy is "very healthy," Smith said, citing an overall vacancy rate of 8.3%. Class A space vacancy is at 5.9%, while Class B space



Shaun McCullough, left, and Jeff Coburn are principals at Lee & Associates Commercial Real Estate Services in Long Beach. They are pictured at 3200 Long Beach Blvd., where Starview Behavioral Health Group leased 14,866 square feet for a behavioral health urgent center. 2H Construction, a Signal Hill-based company, is the developer and owner of the property. (Photograph by the Business Journal's Pat Flynn)

sits at 10%. He said very few large blocks of space are available in the market and noted the uncertainty of Molina Healthcare's future at 1500 Hughes Way where the company occupies around 275,000 square feet of office space.

Rates in the downtown office market are at \$2.85 cents per square foot for Class A space and \$2.09 for Class B, according to Smith. Suburban office space rates are \$2.60 for Class A and \$1.93 for Class B; however, Smith noted that the Class B numbers are skewed due to some low-rent buildings that bring the average down.

"In Downtown Long Beach . . . everyone seems to want some form of that creative space, and the traditional Class A model of space is not really what is desired anymore," Smith said. "Suburban Long Beach . . . tends to be more of a tenant base that really desires mobility and

freeway access, so that is more of a traditional tenant type. I think the desire is definitely there for creative type space but they are more focused on it being functional."

Jeff Coburn, a principal at Lee & Associates Commercial Real Estate Services, noted strong demand for owner-user space but that supply is down for that product type. He cited The Terminal at Douglas Park, an office condominium development currently underway, and its success as evidence of the market's need for more owner-user space.

The Terminal project consists of four two-story, 25,000-square-foot buildings in which companies can purchase space. Coburn said phase one of the project, consisting of two buildings, is sold out. Phase two, which is still under construction and expected to come online in May, has an entire floor (about 12,500 square

feet) in escrow, with a full building very nearly under contract, which would leave only one floor unsold.

"It's just a tight market. You look at the way the economy is going and you look at unemployment being down," Coburn said. "I think in 2018 we're already seeing a lot of activity in our business, so I think it's going to be another strong year."

The most notable sale during the fourth quarter, according to Coburn, was office buildings at 6615-6695 E. Pacific Coast Hwy. totaling nearly 105,668 square feet, which sold for \$25.5 million. Other notable sales included the purchase of 7,000 square feet at 3447 Atlantic Ave. for \$7.7 million and 8,382 square feet at 3111 Long Beach Blvd. for \$3.885 million.

Industrial

Industrial real estate in the area continues with historical low vacancy at around

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Realty Views Home Mortgage Process Undergoing Changes



By **TERRY ROSS**

Things have not been the same in applying and qualifying for a home mortgage since before the financial crisis a decade ago, but the change isn't over yet as the Consumer Financial Protection Bureau (CFPB) undergoes change itself with a new philosophy and new leadership bent on making things simpler – and most likely making mortgages easier to obtain for many people.

There is a new acting director of the CFPB – Budget Director Mick Mulvaney – who most observers believe will review many if not most of the new regulations that have not been finalized, and who has already indicated that he will reconsider many of the regulations enacted during the Obama Administration.

One of the most meaningful changes

that has been debated and that could have a real impact on who does and who doesn't qualify for a mortgage is the qualified mortgage (or ability-to-repay) rule implemented in 2014. It requires most lenders to make a "good faith effort" to determine whether someone can afford a mortgage and eventually pay it back.

For at least two decades before this rule was put into the books, government policy was centered around trying to make home ownership more available to more consumers. So, we had a rise in limited and no-documentation loans – especially for the self-employed and other borrowers who had trouble documenting income – that took much of the blame for the financial bubble bursting in 2007. But the critics say the new standards have kept many people, including low-income individuals, from becoming homeowners, and the CFPB is required to review the ability-to-pay rule regulations within five years.

With the CFPB's change in leadership and the administration's stated goal of eliminating government red tape, there may be pressure to loosen lending requirements. There's already a Senate bill in the works aiming to give qualified mortgage status to loans offered by many banks and credit unions without requiring the lender to meet every condition under the ability-to-repay rule.

Supporters of the bill say it would give more consumers access to mortgages, while others argue that consumer protections will be eroded by eliminating verifications of income, debt-to-income ratios and employment history.

The most likely outcome is that these verifications will still be in place, but a more commonsense approach to applying them will be instituted to enable more consumers to qualify for a mortgage.

One of the other areas in which changes are expected is home mortgage disclosures. Even though the Home Mortgage Disclosure Act (HMDA) has been around since 1975, changes in the amount of data available has some officials alarmed about consumer privacy – especially since the act has no provision for a borrower or applicant to opt out.

"They expanded the data set so much that there was a concern that if it was all made public, at what point are borrowers able to be identified using HMDA data?" noted Alexander Monterrubio, director of Regulatory Affairs at the National Association of Federally Insured Credit Unions (NAFCU).

The latest HMDA disclosure requirements went into effect January 1 of this year, but the CFPB, the Federal Deposit Insurance Corp. and the Office of the Comptroller of the Currency announced that

lenders won't be penalized for mistakes made while collecting data in 2018 or reporting it in 2019.

The third major area that looks to face change this year is the so-called TRID Rule that was enacted in 2015, effectively combining the Truth in Lending Act Real Estate Settlement Procedures Act under the TILA-RESPA Integrated Disclosure (TRID) rule. One result of the TRID rule is that consumers preparing to close on a house have two documents explaining their closing costs and mortgage terms, rather than four. But even this consolidation has proved cumbersome for both lenders and consumers and has been blamed for long delays in closing on a property and disputes over fees between borrowers and lenders. Congress is expected to produce a bill that will clean this up.

These changes are expected to take some time to finalize, inasmuch as the CFPB is taking public and industry comments – then elected officials will have to rule on the outcome. But the goal is to produce new commonsense guidelines that are not "arbitrary or capricious."

(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.)

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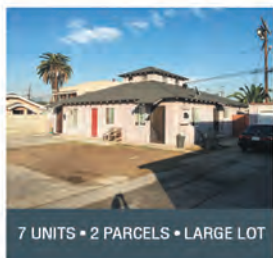
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John Eddy (pictured) and Becky Blair, executive vice president and president of Coldwell Banker Commercial BLAIR WESTMAC, respectively, recently closed a \$7 million deal at 2550 Orange Ave. The property is currently a golf ball driving range but the new owner plans on developing between 115,000 and 140,000 square feet of industrial space. (Photograph by the Business Journal's Pat Flynn)

(Continued From Page 14)

1% as demand remains strong, especially in Long Beach where medical marijuana growers, distributors and testers are seeking space.

"It's certainly difficult for the non-cannabis [tenant] to compete because the prices are much higher," Bill Townsend, president of INCO Commercial, said. "We're working with a number of clients looking in other areas for space that's going to work for them."

Townsend explained that non-cannabis tenant whose leases have come up for renewal are being denied, as property owners are opting for the higher rents offered by marijuana businesses. On the sales side within zones that allow cannabis tenant, Townsend said some deals have closed for as much as \$300 to \$400 per square foot. By comparison, Lee & Associates reports an average sales price of \$187.26 per square foot during the fourth quarter of 2017.

The marijuana craze is affecting not only the Westside of Long Beach, but also the Cherry Avenue corridor and North Long Beach as well, according to John Eddy, executive vice president of Coldwell Banker Commercial BLAIR WESTMAC. He explained that property owners that leased to marijuana businesses in 2012, before Long Beach banned the sale and production of the substance, had negative experiences.

"The experience that my clients had was that those type of tenants came in and made significant modifications to their buildings in both electrical power and plumbing, and the result for the owner was very harmful," Eddy said. "So most would not entertain leasing to that type of use again."

Outside of marijuana's impact on industrial real estate, Eddy said the sector is very fluid and booming. He and Coldwell Banker President Becky Blair recently closed a deal at 2550 Orange Ave. at Willow Street for more than \$7 million. Currently, the site is a driving range, Majestic Golf Land, but the buyer is planning to develop between 115,000 and 140,000 square feet of industrial space.

The strong demand for industrial space can be largely attributed to record-break-

ing activity at the ports of Long Beach and Los Angeles, according to Lance Ryan, executive vice president and COO at Watson Land Company. He explained that an increase of inbound containers through the ports due to the changes in retail and e-commerce have greatly increased the need for fulfillment and distribution centers.

The extremely tight market has resulted in tenants requesting early renewals on their leases for fear of being displaced. The results are high retention rates for Watson, Ryan said. In addition to increased sales prices, lease rates have also been forced up by high demand.

"[Lease and sale prices] have both exceeded peak levels, our prior peak being roughly 2007 and 2008 for leasing and sales, whether it's brand new product or stuff that was built 40 years ago," Ryan said. "All of them have reached higher lease rates than what we have ever seen historically."

Both newer and older product lease rates saw about a 10% year-over-year increase from 2016 to 2017. Ryan said newer product – buildings constructed in the last 10 years – have hit prices in the mid 80 cents-per-square-foot range. He explained that all signs point to continued increases in sale and lease rates, as it is impossible to develop enough industrial space to meet demand in Long Beach and the South Bay.

Retail

Vacancy rates for retail space in Long Beach are 4.7% in the downtown and 3.3% in the suburban market, according to Lee & Associates. Both markets have asking lease rates just above \$2 per square foot, though some areas, such as Belmont Shore, are up as high as \$4 and \$5 per square foot.

"It's always changing. There are definitely silver linings in the general sentiment of retail. You read the news and the sky is falling, but I think retail is pretty stable," Noel Aguirre, senior associate at Lee & Associates, said. "On a macro level, the bigger companies are the ones being hit more [with decreased sales]. But developers just reposition those bigger blocks and backfill with medical or



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New Long Beach Group Is Pushing Collaboration In The Real Estate World



Centennial Advisers, a new Long Beach-based investment real estate advisory firm, operates as a collaborative unit in an effort to bring clients a higher and more profitable level of service. Managing Director Justin White explained that real estate brokers often keep deals and information close to the chest, but that his philosophy is that teamwork brings the best results for both the company and the clients. Pictured from left: Kevin Green, research analyst; Eric Christopher, senior investment adviser and director; Jolene Vredenburg, operations analyst; Michael Alper, multifamily investment adviser; Ryan Rayburn, senior investment adviser; Stelios Zoumberakis, multifamily investment adviser; Doug Shea, director of commercial sales and leasing; Mark Beat, multifamily investment adviser; Peter Pappageorge, commercial sale and leasing adviser; White; and Anna Beckman, transaction analyst. (Photograph by the Business Journal's Brandon Richardson)

■ By **BRANDON RICHARDSON**
SENIOR WRITER

New Long Beach-based investment real estate advisory firm Centennial Advisers is changing the way its experienced brokers do business. Formerly employed by long-time local firms, the company's advisers are working in a more collaborative environment than ever before.

"I think it's the natural evolution of the business, really," Director Justin White said. "Historically, [at] the places I've been in the past, it was very siloed: you control your [own] information, you don't share, and ultimately it's a detriment to the client. Here, with how open we are and working together and sharing information, we can get more real-time information in the hands of these clients so they can make more profitable decisions."

White, a Long Beach native, has 18 years of experience as a salesperson, broker and office manager up and down the West Coast. He joined Investment Property Group, now Tricor, in 2014, where he stayed until undertaking the development of Centennial last November.

In January, with infrastructure and support in place, Centennial Advisers simultaneously opened offices in Tustin, Burbank and Long Beach, which serves as the company's flagship operation. In all, the company has 10 advisers and five support staff between the three offices, which all work together to create a unique and beneficial environment for clients.

At Centennial's office at 5508 E. Britton

Dr., above E.J. Malloy's Pub & Grill, all employees and advisers work in a common open space to promote teamwork and collaboration. Centennial Partner Doug Shea explained that this setup gives brokers better awareness of others' needs and information is shared more quickly.

"If one guy is hearing about a transaction that you're doing, maybe he can help and bring another client in," Shea said. "You're hearing other deals, you're hearing people say, 'Hey, I need this,' and, boom, right away you have it. Instead of hiding behind a closed door saying, 'Man, I wish I had another 20,000-square-foot retail center,' now you say it out loud and this guy over here has it. It's more collaborative and it works."

Centennial focuses on commercial real estate, including office, retail and industrial space, as well as multi-family residential. Shea is leading the commercial division, while the company has several brokers focused on multi-family. Adviser Pete Pappageorge concentrates on the niche market of self-storage facilities. He said Centennial's business model keeps him more motivated and driven by being able to collaborate with others. He added that White keeps the team on its toes and holds them to high standards.

The goal is to ensure that the Burbank and Tustin offices – as well as potential future offices in Los Angeles, the Inland Empire and San Diego – perform on par with the Long Beach office, according to White. He said the most difficult aspect of expanding is finding the right people for the job.

"The challenge with growth is making

sure you bring in great people who are aligned with the mission of the firm versus just trying to get as many different business cards and addresses as you can," White said. "It is a very siloed, very individual industry. But here you have to make the commitment that you are going to make your contribution for your clients to benefit from the collective expertise of our entire team."

After one month of operating, Centennial has 12 listings and is preparing to close its first deal. The group represented both the seller and buyer of a six-unit apartment building at 1501 E. South St. in Long Beach. White said Centennial competed with five other brokers from four companies for this opportunity and ultimately proved they could offer the best service.

The private seller from Washington put the property into a charitable remainder trust to benefit disabled veterans. Navy veteran and Centennial Senior Associate Eric Christopher brought in the buyer, who already owns investment properties in Long Beach, to close the deal at \$970,000. This equates to about \$300 per square foot and 18 times gross, which is a record for Long Beach in this cycle, according to White.

"I came in here on January 8. Mike [Alper, a multi-family adviser with Centennial,] had a listing, [and] I had a buyer I knew would be perfect for it. We got together . . . and in 17 days we had our first deal done," Christopher said. "We work as a team, we have better representation. It's actually really cool when you think about it compared to what everyone else does –

screw your neighbor, hide your listing, try to get both sides."

Centennial adviser Mark Beat, who has more than 15 years of industry experience, said the collaborative business model is "a breath of fresh air." Though he said the transition was scary at first – leaving a stable position for something new – the new environment is what he needed to re-inspire him in his work. Ryan Rayburn, senior associate at Centennial with 13 years of broker experience, said it is refreshing coming from a company some would describe as a "shark tank," to the collaborative environment of Centennial.

In a business where money is made through commissions on sales, White said that collaboration will not necessarily mean less money for Centennial's advisers. Commissions will be split based on the effort each individual put into a given sale, he explained. However, he continued, working as a cohesive unit will likely facilitate more deals and more money to go around. White said the number of listings Centennial accumulated in its first month is proof of the method.

"Through collaboration, the number of successful closings will increase compared to those places that are more siloed and individual. If there is a bigger pot of success to share, everybody ends up doing better," White said. "The clients do more deals because they have better opportunities, and the advisers end up making a little more in the long run because they did some deals that they never would have been able to do on their own." ■

New Retail Center For North Long Beach



Google Maps

Westland Real Estate Group announced the development of a 26,880-square-foot retail center at 6151 Atlantic Ave. Between Atlantic and Linden avenues and Harding and East 61st streets, the project will replace an existing center, as well as fill a vacant property formerly owned by the city. Most of the current tenants, including 7-Eleven and WaBa Grill, will remain in the center. The project will incorporate shipping containers and other modern building styles in its design, and is currently in the entitlement phase. “We are excited about The Uptown project. This side of Long Beach deserves a development like this one,” Westland President Yanki Greenspan said. “Sometimes neighborhoods just need a developer to come in and look past what is and see what can be.” (Renderings courtesy of Westland)



(Continued From Page 16)

food halls or residential – depending on how it’s laid out, there is always potential for that.”

On February 1, 2nd & PCH, a 220,000-square-foot retail center, broke ground at the former location of the SeaPort Marina Hotel. The project joins the 265,000-square-foot Long Beach Exchange development at the intersection of Lakewood Boulevard and Carson Street as a highly anticipated retail center at a previously underutilized location.

Orchard Hardware Supply has already opened at Long Beach Exchange, with other retailers such as In-N-Out Burger, Nordstrom Rack and Whole Foods 365 preparing to open this year. Tenants of the 2nd & PCH center have not been announced but developers are promoting an experiential shopping experience with an emphasis on dining with a view of Alamitos Bay.

Aguirre said developments such as The Uptown and a project by LAB Holdings will transform North Long Beach along the Atlantic Avenue and South Street corridors, bringing much needed

Mother’s Market & Kitchen Opening February 17th In Signal Hill

Eric Katz will serve as store manager of Mother’s Market & Kitchen – a natural foods market and restaurant – at 2475 Cherry Ave. in Signal Hill. The location is the brand’s first in Los Angeles County and will celebrate its grand opening with a ribbon-cutting ceremony on Saturday, February 17. The company is headquartered in Orange County where it has seven locations. (Photograph by the Business Journal’s Pat Flynn)



retail space to the area. He noted the success of SteelCraft as a hotspot for foodies in the historically bedroom community of Bixby Knolls.

“Belmont Shore, a lot of that is what the general public sees Long Beach as – beachy with walkability, restaurants and entertainment,” Aguirre said. “There has been some rollover but, historically, once a tenant leaves, you have a tenant to backfill it. It’s typically restaurants with some alcohol content to it.”

Paul Phillips, a broker associate with INCO Commercial, focuses his efforts on East Long Beach, and said space is very tight with prices “way up” from where they were previously. In the traffic circle area, at 4600 E. Pacific Coast Hwy., where he has 4,000 square feet available, the asking rate is \$3.50. However, at a recently vacated location at 3960 Studebaker Rd., the rate is \$2.25 per square foot.

“It’s hit or miss. It really depends on the

timing and who’s looking, but it still takes a couple months to get them full,” Phillips said. “It’s not like an apartment where you can backfill it in a few days.”

“The whole landscape of retail has changed – you can buy anything online through your phone,” Aguirre said. “You have to create an environment and a sense of community to drive the consumer [to a retail location]. The consumer has gotten more sophisticated. Brand loyalty and all that is not what it used to be.” ■

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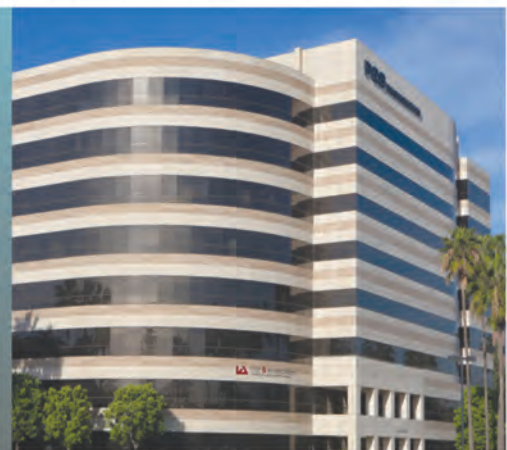
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Rent Control

(Continued From Page 1)

Journal, as well as of many other publications throughout the state, that rent control is being put forward as a possible solution to deteriorating housing affordability. In Long Beach, a local housing advocacy organization has initiated the process to put a rent control measure on the November ballot.

To find out about the effectiveness of rent control in creating more affordable housing

opportunities within communities, we began reaching out to economists, analysts and educators. More articles may follow this one, but for now we're presenting recent research alongside the viewpoints of economists from Zillow, a national online real estate company with millions of sale and rental home listings, and Los Angeles-based research firm Beacon Economics, which among its many other endeavors has assisted the City of Long Beach with a variety of economic and demographic research in recent years.

Rent Control Would Hurt California's Housing Market



■ By **STEVE WHITE**

PRESIDENT

CALIFORNIA ASSOCIATION OF REALTORS®

At a time when California struggles to build enough homes to satisfy the demands of an expanding economy and its 39 million residents, now is not the time to enact rent control, which won't fix the state's housing supply and affordability crisis.

California's high home prices – averaging \$550,000ⁱ – exacerbate an already tight housing supply, increasing the cost of renting a home.ⁱⁱ Long Beach mirrors California with average home prices skyrocketing to nearly \$495,000 and rents approaching \$1,600,ⁱⁱⁱ well above the statewide average of \$1,240. These conditions create an environment where government-imposed price controls like rent control may sound appealing, but actually harm the people they are meant to help.

Developers risk millions of dollars to build housing. Rent control hurts their ability to finance initial construction or maintain the properties once the dwellings are leased. Also, developers recognize that rent controls could be expanded, so they choose not to build in the first place. Finally, existing rental units are taken off the market because owners know they cannot afford to continue maintaining a rent-controlled property. Instead of providing more rental opportunities, rent control does the opposite.

Rent control disproportionately hurts low-income households, young families, seniors and increases overall costs for all renters. Tenancy in a rent control unit is not means tested. Therefore, many people who benefit from rent control do not need it. This is in part why rent control is prohibited in 27 states, including Washington, Oregon, Arizona and Texas.

A 2016 study from the independent research firm Beacon Economics confirmed that rent control reduces the existing supply of rental housing, deteriorates the quality of rental housing, and increases costs for all renters.^{iv} Beacon notes that, despite the good intentions behind rent control laws, they do little to address the root cause of the state's affordability challenge: the inherent undersupply of housing, which leads to high rents. Simply put, rents are too high because multi-family housing and the state's housing stock have failed to expand commensurately with the growth in population. The solution to this affordability problem is to expand the apartment stock in these cities, not introduce price ceilings.^v

Nobel Prize-winning liberal economist Paul Krugman and conservative economist Thomas Sowell probably agree on very little, but they both agree that rent control is terrible housing policy, does not make economic sense and is counterproductive. Krugman in particular opined the perils of rent control, and how polarizing the topic can be. In fact, the problems with rent control are so clear from an economic perspective that, as far back as 1990, a poll by the American Economic Review sounded the alarm bells when 93 percent of economists surveyed opposed rent control policies.

Yet despite the weight of clear economic evidence, efforts at imposing rent control persist. Assembly Bill 1506 would have greatly expanded rent control in California by repealing the 1995 Costa-Hawkins Rental Housing Act, which prohibits the most egregious forms of rent control. In January, California REALTORS® played an active role in voicing their concerns as the bill died in the Assembly Housing and Community Development Committee, preserving Costa-Hawkins.

The economic consensus is clear. Rent control is bad for California's future. The solution to California's housing crisis is increasing the supply of rental housing so that rental costs will stabilize and people will have a place to live.

Nobel Prize-winning economist Milton Friedman had it right 40 years ago when he said that "rent ceilings cause haphazard and arbitrary allocation of space, inefficient use of space, and retardation of new construction. The legal ceilings on rents are the reason there are so few places for rent." As someone who has been in the real estate business for more than 30 years, I couldn't agree more.

Now is the time to break the cycle of poor policy decisions of the past, reject rent control and instead focus on building a stronger and more vibrant rental market of the future.

ⁱ California Association of REALTORS®, Current Sales & Price Statistics, December 2017

ⁱⁱ California Association of REALTORS®, Current Sales & Price Statistics, December 2017

ⁱⁱⁱ Neighborhood Scout, January 2018, City of Long Beach Housing Market Data

^{iv} Thornberg, Christopher, et al. An Analysis of Rent Control Ordinances in California. Beacon Economics, 2016.

^v Thornberg, Christopher, et al. An Analysis of Rent Control Ordinances in California. Beacon Economics, 2016.

^{vi} Reckonings: A Rent Affair, June 7, 2000, The New York Times

Since its publication in November 2017, a research paper by three Stanford University professors about the effects of rent control in San Francisco has been widely cited in discussions about rent stabilization. The paper studied the impacts of rent control on tenants, landlords and the overall rental market in San Francisco, and produced a number of key findings. One finding was that landlords whose properties were covered by the policy chose to reduce their supply of rental housing by 15%, either by converting them to condos, selling them as owner-occupied units or redeveloping the buildings.

This reduction of rental housing stock caused a 5.1% increase in rental rates of non-rent-controlled properties at a loss of \$2.9 billion to renters, according to the research paper. However, renters who benefited from rent control saved between \$2,300 to \$6,600 per year, with their benefits also totaling \$2.9 billion. Effectively, this means that rental rates on non-rent-controlled properties were increased to make up for the loss of rent in controlled units.

Economists with both Zillow and Beacon Economics agreed that the issue of housing affordability in California is one driven by an inadequate housing stock – and that policies that discourage new housing or further reduce that stock exacerbate the problem.

"When you get down to the real nuts and bolts about how affordability works, housing is going to be more affordable if supply can keep up with demand," Skylar Olsen, senior economist for Zillow, told the Business Journal. "What that's going to do is it is going to keep prices growing at a steady pace that hopefully is commensurate with

how quickly income is growing. When we look at different areas across the country and who really struggles to keep rents affordable, these are the areas that find it very difficult to build in pace with the demand that they see."

Olsen said that a variety of factors can prevent supply from keeping up with demand. New construction can be discouraged if land or construction costs are too expensive, for example. "But what also matters are regulations," she said. "Now, these can range themselves in a lot of different ways, from how long it takes to approve a process to who gets to approve a project. . . . That could really slow things down."

Rent control discourages investors from providing funding to developers because increasing rental rates are a signal of demand – and by cutting off that signal, investors will choose to invest their dollars where they can get a better return on their money, Olsen explained. Once supply begins catching up with demand, rental rate appreciation organically slows down.

According to Robert Kleinhenz, economist and executive director of research for Beacon Economics, the Great Recession pushed many residents in California into rental units, and the rate of homeownership fell to its lowest point in decades. Increasing demand for apartments caused rents to rise, he explained.

"When a price goes up, the market response ought to be to supply more," Kleinhenz said. "And that has never been the case when it comes to housing in California over the last several decades. So, sure

(Please Continue To Top Of Next Page)

Signatures Are Being Gathered For Long Beach Rent Control Ordinance

■ By **BRANDON RICHARDSON**

SENIOR WRITER

Long Beach rent control advocates have begun collecting signatures to place an ordinance on the November ballot to stifle rent increases in the city.

"This is a chance for Long Beach renters to keep their communities and stay in their homes," Karen Reside, vice president of the Long Beach Grey Panthers, a group that provides education and advocacy for seniors, said in a press release. "Unaffordable rents are pushing generations of local community members out of our neighborhoods. It doesn't have to be this way. There are fair and common-sense ways to control rents and prevent unfair evictions."

The Rent Control NOW Coalition kicked off its efforts with a signature-collecting event at MacArthur Park on February 11. The coalition must gather approximately 27,000 signatures by late June to get the proposed ordinance on the November ballot for the chance to bring rent control to Long Beach.

Housing Long Beach Executive Director Josh Butler, who resubmitted the initiative to the city for approval on January 12, said the coalition does not have plans for a paid signature collection effort. He described the Rent Control NOW Coalition as a grassroots, community-led effort.

According to the initiative summary prepared by the Long Beach City Attorney's office, if passed, the rent control initiative would enact the following policies:

- Establish residential rent control and restrictions regarding how tenancies may be terminated.

- Establish "just cause for eviction" requirements to be enforced and administered by a new five-member Rental Housing Board.

- Establish and set maximum allowable rent on applicable residential units.

- Set maximum allowable annual rental increases for residential units at 100% of the percentage increase in the Consumer Price Index or 5%, whichever is less, with no more than one increase per 12-month period.

- Units exempt from rent control under the Costa-Hawkins Rental Housing Act are not exempt from new tenancy termination laws, including relocation payments to tenants under certain circumstances.

- Impose an annual rental housing fee on all landlords, which is to be set and may be adjusted by the Rental Housing Board.

Members and endorsements of the coalition include Latinos in Action, Educated Men With Meaningful Messages (EM3), Greater Long Beach Interfaith Community Organization, Long Beach Progressive Alliance, the Environmental 99% Coalition, Long Beach Area Peace Network, Long Beach Old Lesbians, Clergy and Laity United for Economic Justice, The Foundation for Economic Democracy, Eviction Defense Network, and California State University, Long Beach groups such as La Raza, Lobby Corps, Young Democratic Socialists of America, Black Student Union, and Students for Quality Education. ■

enough, we had more renters, and we had rents go up. But there was no supply [built] in response.” According to representatives from the California Association of Realtors®, the state has been underbuilding by about 100,000 residential units per year to keep up with demand.

“There is a significant amount of research and literature that says that new construction is forced to halt . . . by virtue of the imposition of rent controls,” Kleinhenz said. While existing rent control ordinances often apply to buildings already constructed or built before a certain date, he said that they “can have a chilling effect on future development” due to the potential for the policy to be extended to more recently built housing.

“In my estimation, rent control is a Band-Aid on a much bigger problem, which is an undersupply of multi-family housing for rental purposes,” Kleinhenz said. He acknowledged that rent control is “a reasonable response” by elected officials in local governments with high rents, because their constituents are concerned. “This is a rational response. But we just have to be aware of the consequences that are going to be forthcoming,” he said.

Adam Fowler, research manager for Beacon Economics, said that rent control works – for those who are lucky enough to be covered by it. Typically rent control does not apply to every housing unit in a jurisdiction, but only to properties built before a certain time period, as denoted by the local legislation. And once a renter moves out of a unit or enters into a new lease, landlords are typically allowed to increase the rent by a certain percentage. As a result, renters often hang on to their leases as long as possible. In San Francisco, rent control increased the probability of a renter remaining at his or her address by nearly 20%, according to the Stanford report.

“There is a lot of competition for available units. And they are just not available, and that continues to put the pressure on market rate rents,” Olsen said. “So once I am in, it’s good for me. But it’s not good if I ever need to move, and it’s not good for people who are not yet in the door.”

Rent control has also been found to disincentivize property upkeep. “If I am a landlord and I can’t get what I need in order to maintain my building, I am going to perhaps do fewer repairs and not get so quickly to it when my tenants tell me that the water has turned orange,” Kleinhenz said. Olsen made a similar observation. “If I can’t increase your rent, I can’t recoup my own expenses to update those things. And so I won’t,” she said.

When asked if rent control is effective in creating affordable housing opportunities, Olsen point-blank responded, “No.”

“I understand why rent control policies come about, because rent does increase very quickly if we’re not building apace. And that’s very painful,” Olsen said. “I have to pay more out of my pocket for my house, which means I’m not saving for emergencies, I am not saving for my future, I am not saving for retirement, or I am cutting back on a lot of my other expenses, or I am being forced to move. Any one of those options is very painful. But if we’re talking about how do you get out of this problem in the long run, it’s not rent control.”

Olsen continued, “If your big problem is we’re not adding enough housing to keep

housing affordable, then rent control is not going to help you add housing. It’s going to make it harder to add housing.” While Olsen views creating more housing as the solution, she noted that getting communities to accept greater density is a challenge.

Kleinhenz also pointed out that it is hard for local communities to accept the concept of increased density to solve the housing crisis. “I think we are looking at a very contentious issue at the local level where cities want to maintain control over their land use decisions. Elected officials want to do things right by their constituencies,” he observed.

Olsen pointed out that, in California, it is state law that cities cannot reject housing projects that comply with local code. “Well, that’s on paper. In practice . . . the city will reject these projects because there is so much neighborhood response,” she said. “Neighborhoods don’t want

these projects. They don’t want this extra density. Understandable, because they want to keep the parking, they want to keep the character of the neighborhood, they don’t want a lot of congestion.”

While she acknowledged that these are valid concerns, ultimately, she pointed to NIMBYism (Not In My Backyard-ism) as the source of the supply problem. “California does a pretty bad job of adding housing units. I think even if everyone wants housing to be affordable, NIMBYism is very real and something that is very hard to fight against,” she said.

Rather than rent control being the solution to the housing crisis, Olsen said it would be “anything that lubricates the process of adding greater density and housing to an area.”

Kleinhenz said this is not the first time he has witnessed this cycle come to such a head.

“I have been through three housing cycles in my career and I have spent a lot of time talking about rent controls in all three of those cycles,” he said. “Unfortunately, we have not found the magic bullet that takes care of this problem.”

“If you think about the classic famous cities with rent control – if you think about L.A., San Francisco and New York – these are all places that struggle with the worst rental affordability of most places in the nation,” Olsen said. “Now, it’s hard to say that’s due to rent control because they are all so popular for so many reasons. But from a dynamic about how housing works and how affordability works, rent control will certainly exacerbate that problem for anyone who is not an incumbent [rent control beneficiary]. And that’s the big part about rent control: there are some real winners and losers.” ■

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'Limitless' Campaign

(Continued From Page 1)

tioning or rehabilitating Long Beach in the downtown, along the Long Beach Boulevard corridor, North Long Beach and the Uptown area," Sergio Ramirez, deputy director of the economic development department, said.

The economic development department was given a \$100,000 budget for the development and purchase of the advertisement campaign. The department spent \$25,000 developing the "Limitless" concept with Newport Beach-based firm We The Creative, leaving the remainder of funds for ad placements.

On January 30, the department presented the ad campaign during an economic development commission meeting, according to Ramirez. He said the commission received it very well and gave its blessing, as it is in line with the city's Blueprint

for Economic Development goal of increasing business outreach by working to attracting investors to Long Beach.

The campaign consists of full-, half- and quarter-page ads to be placed in various publications in the San Francisco, Los Angeles, Orange County and San Diego markets to begin with, Ramirez said. Additionally, ads in online publications, such as Globe Street, Curbed and The Real Deal, will cast the net wider, as they can be viewed nationally, according to Ramirez.

"We're just painting a picture. The key image that we have [for the campaign] shows the Long Beach skyline with our cranes and the waterfront," Ramirez said. "A lot of people think Long Beach is just a port [city], but there is so much more, especially with the evolution of our downtown and the beautiful waterfront. . . . We don't want to particularly focus it on one site. What we want to try to do is raise the profile of the entire city."

To put the focus on the city as a whole and why it is a good area to invest in, Ramirez said the ads will focus on keywords and taglines such as "business friendly," "streamlined development" and "large market," in the hopes that they will become synonymous with the city. Once curiosity is piqued, Ramirez said he will give developers and brokers more specific

information tailored to their area of interest during face-to-face meetings.

Ramirez explained that consistent ad placements should catch the eyes of developers and brokers after they see them several times, which will hopefully cause them to send acquisition teams to the city to scope out investment opportunities.

"This past year, as I've been meeting with developers and brokers, just trying to draw them to the city, the one theme I hear time and time again is, 'I didn't know so much was happening in Long Beach and that there are these opportunities,'" Ramirez said. "There is so much happening. [We're trying] to make them aware of

all of the assets here and to highlight the fact that the city is very forward-thinking and has leadership that is very progressive."

The greatest asset the city offers developers and brokers, according to Ramirez, is its location. Being tucked between the

L.A. and Orange County markets – close to three airports, the San Pedro Bay ports and multiple freeways – will also serve to draw new businesses and developers once they are informed of the opportunities available in the city.

In addition to location, Ramirez said that his department's staff are business friendly and open to project concepts that are outside the box as long as they contain high-quality architecture and amenities that enhance the city for residents. He said the goal is to attract high-caliber projects that raise the bar for development in Long Beach.

The final touches are being put on the ad campaign, including creating a website that will allow the department to track the number of visits. Ramirez is the direct point of contact for inquiries made regarding opportunities in the city, which means he can ensure a quick response to any leads generated by the campaign, he said.

"It's something that we are proud of. We're excited to continue work with the development and the brokerage communities," Ramirez said. "I think now, with the Olympics coming to Long Beach with several events [in 2028], there's also something for the development community to look forward to. For the foreseeable future, it seems like there are going to be endless possibilities." ■

"We don't want to particularly focus it [the campaign] on one site. What we want to try to do is raise the profile of the entire city."

**Sergio Ramirez, Deputy Director
City of Long Beach
Economic Development Department**

Long Beach

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City Staff Is Satisfied With First Year Results Of Measure A Improvements

■ By **BRANDON RICHARDSON**
SENIOR WRITER

Initially passed by voters in 2016, Measure A allowed for much-needed progress on infrastructure and public safety improvements during its first year, according to Director of Public Works Craig Beck.

“I would have liked to have finished some of the projects. We had a little bit of a stumble but we’re catching up,” Beck said. “We kicked butt on slurry. I’m kind of proud of the team for what they were able to accomplish on that because they did it all. So, all the slurry work is done. The street team has really been doing some amazing work.”

Overall, the Measure A three-year plan cost estimates came out to just over \$150 million. For infrastructure, the city budgeted more than \$25.5 million last year and more than \$26.3 million this year. As of December 31, 2017, Measure A expenditures totaled about \$13.1 million; however, city staff noted a two- to three-month delay from the time invoices are received for services rendered and when the payments go through.

While a year three (2019) plan has not been finalized, Beck said initial project estimates have not been accurate overall. He explained that some projects are coming in over budget, while others are under budget.

The City of Long Beach estimates mobility improvements under Measure A are \$111.65 million for seven projects over three years, including street improvements, making it the most expensive improvement cate-



As part of Measure A-funded road work, portions of the gutters and curbs on Stevely Avenue at E. Mantova Street are being replaced. Public Works Director Craig Beck said the first year of Measure A was a success, will all street slurry projects being completed. (Photograph by the Business Journal’s Brandon Richardson)

gory. The city budgeted more than \$17.5 million last year, more than \$14 million this year and, as of December 31, more than \$11.5 million of budgeted dollars has been spent.

To decide what streets to invest in, Beck said the city has a pavement management plan (PMP), which gives every city street a grade from zero to 100 known as its pavement condition index (PCI). Money is not invested in the worst streets first necessarily, but rather the streets citywide that will have the greatest impact.

“When I took this position, the PMP said the city should invest \$430 million [over 10 years] to raise our average PCI to roughly 80. We were well below both the state average, which is 66 and the county average, which was about 64. We were at 59 when we did that last one,” Beck said. “We did the most current update and, while we’ve made significant investment, we haven’t yet pulled that number back. [The PMP estimate] grew to about \$510 million. Again, the PMP is looking at making a 10-year in-

vestment to raise [the PCI] to an 80.”
Upcoming street improvements include street reconstructions, making ramps and sidewalks Americans with Disabilities Act compliant and \$5 million to pave all unpaved alleys in the city.

Public safety facility improvements are estimated to cost nearly \$6 million of Measure A funds for 12 projects, and include upgrades to fire and police stations. The city budgeted \$1.25 million last year and just over \$2 million this year. Eight of the projects are underway, with two projects expected to be completed before summer, while three projects have not begun.

Initial estimates for community facility improvements under Measure A were \$7.165 million for 17 projects, including library and animal care facility improvements. The city budgeted \$1.216 million last year and just over \$2.5 million this year. Fifteen projects are underway, with 13 expected to be completed by July of this year, while work has not started on two projects.

Parks and recreation improvements, including community center construction, upgrades and repairs, new playgrounds, turf improvements and new park development, as well as maintenance at the city-owned ranchos, Los Cerritos and Los Alamitos, were initially estimated at nearly \$25.5 million. The city budgeted more than \$5.5 million last year and more than \$6 million this year. Of the 36 parks and recreation projects, 22 are underway, with 17 expected to be completed this year.

“We are focusing on the facilities we have. They are in challenging conditions,” Beck said. “So, instead of investing in new, we’re trying to save and reinvest and address some of our lacking maintenance.”

According to Beck, the city’s financial management team is preparing an update on Measure A, including an overview of funding, how it’s allocated and how it’s trending compared to revenue estimates, to be brought to the city council on February 20. The presentation will have more information related to public safety spending, which was unavailable at press time. ■

Mehlinger New Editor

(Continued From Page 1)

ues her regular column, Millennial Pulse, and ongoing coverage of the international trade and health care industries, among other topics. Mehlinger joined



the Business Journal as a staff writer in 2013, was promoted to senior writer in 2014, and became assistant editor in 2016. She holds a bachelor of fine arts in creative writing from Chapman University and a master of fine arts in creative writing from California State University, Long Beach. She was born and raised in Long Beach and remains a city resident. Mehlinger got her start in journalism as a contributing writer for LA STAGE Times, the former official publication for LA STAGE Alliance, a non-profit that supports Los Angeles-area theater. She may be reached at samantha_mehlinger@lbbj.com.

— Publisher George Economides



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Long Beach Water

City Budget Plan Identifies Sources To Address Shortfall

■ By **ANNE ARTLEY**
 STAFF WRITER

The Long Beach City Council approved a plan last week to achieve a balanced budget for fiscal year 2019, including sources to compensate for a \$11.3 million shortfall.

At the February 6 council meeting, Director of Financial Management John Gross gave a presentation on a projected budget shortfall for the new fiscal year beginning October 1, and possible ways to reduce the gap, which he attributed to pension costs and slow revenue growth.

Potential resources included a \$4 million increase in ambulance fee and parking fine rates. According to Gross, the Long Beach ambulance fees are lower than the rates in L.A. County, and parking fees are lower than those in the City of Los Angeles. Another opportunity is to apply the transient-occupancy tax (TOT), which travelers pay for hotel accommodations, to short-term rental services such as Airbnb. Gross said this could result in \$900,000 for the General Fund. He also suggested allocating \$7 million in Measure A revenue to public safety services. Gross said there are “strong indications” that more Measure A funds are available than he previously thought.

“We’re eliminating the deficit before we begin the budget process. I think that’s re-

ally smart,” Mayor Robert Garcia said at the meeting. He also emphasized the importance of extending the TOT. “I’m glad we’re finally getting the work done. Not just for the members of the community who are seeing these homes being used as small hotels, but also from the short-term rental community. . . . Cities have seen significant investments back into their funds because of these short-term rental increases. The sooner we do that, the better.”

Gross called the potential budget-balancing actions “great news” but warned that “budget issues are likely to continue into the future.” The projections do not take into account the revenue losses from two lawsuits concerning the water and gas utilities, he said.

In November 2017, the city settled a lawsuit with resident Diana Lejins, who claimed the water department was illegally charging customers inflated pipeline permit fees, then pouring the revenue into the city’s General Fund. Former City Councilmember Gerrie Schipske served as Lejins’ attorney.

The settlement agreement required a transfer of \$12 million from the General Fund to the water department over the next four years, resulting in an additional \$8 million budget shortfall for fiscal year 2019.

The city won a similar lawsuit involving the transfer of revenue from the gas utility fund, but that ruling is being appealed. A loss for the city may add \$10 million to the shortfall.

Councilmembers are considering putting the issue to a vote and allowing residents to determine whether to return the water utility rates to the amount they were before

(Please Continue To Page 26)



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City Budget

(Continued From Page 25)

the litigation. This would require an amendment to the City Charter.

Vice Mayor/9th District councilman Rex Richardson emphasized the importance of educating the public on the potential impact of the litigation.

“[The city] deals with these lawsuits all of the time,” he said. “Many folks don’t know the impact of the decisions we have to make. . . . I love the direction of trying to protect the quality services our city provides.”

The next budget update is scheduled for March, and a three-year projection will be included with the proposed budget in July. ■

Hotel Workplace Requirements Initiative Closer To Signature Gathering Phase

■ By **SAMANTHA MEHLINGER**
EDITOR

The Long Beach Coalition for Good Jobs and a Healthy Community is one step closer to gathering signatures for its proposed Hotel Workplace Requirements and Restrictions ordinance, which the nonprofit hopes to place on the November ballot. The measure would impose various safety and workload-related requirements on Long Beach hotels with 50 rooms or more. Hotels with collective bargaining agreements would be exempt from some of the rules.

Long Beach City Clerk Monique DeLaGarza sent the city attorney-authored ballot title and summary of the measure to the coalition on February 8. She told the Business Journal that the group is now required to publish this document and then submit proof of publication to her within 10 days. After that point, signatures may be collected to place the measure on the ballot. About 27,000 signatures are needed.

Victor Sánchez, director of the coalition, told the Business Journal on Friday, February 9, at press time that he hoped to publish the ballot title and summary on Monday, February 12. Ideally, the coalition would begin its signature-gathering campaign as soon as possible, he said. Sánchez also serves as the campaign director for the Los Angeles Alliance for a New Economy’s Long Beach hospitality campaign. The pro-labor group has been behind an effort to get some version of the currently proposed ordinance approved in Long Beach for the past few years. A similar proposal that applied to hotels with 100 or more rooms failed to pass the Long Beach City Council last year. ■

Council Authorizes City Attorney To Take BNSF Rail Project Case To State Supreme Court

■ By **SAMANTHA MEHLINGER**
EDITOR

After discussing the matter in closed session, the Long Beach City Council has au-

thorized City Attorney Charles Parkin to appeal a state Court of Appeal’s ruling on BNSF Railway Co.’s Southern California International Gateway (SCIG) project to the California Supreme Court.

On January 12, the Court of Appeal ruled that the environmental impact report (EIR) for the project, a \$500 million proposed intermodal railyard adjacent to Westside Long Beach and harbor communities, was sufficient with the exception of its assessment of air quality impacts. This overturned an earlier trial court ruling that found the EIR to have several other deficiencies, thereby making it less burdensome for BNSF to revise and correct the EIR to move ahead with the project.

Parkin told the Business Journal that he, and any other petitioners who wish to join in the effort, have until February 21 through 23 to file a petition for review with the California Supreme Court. He said he is in talks with other petitioners on the previous cases, such as the Long Beach Unified School District, some environmental groups and a handful of businesses in the area, to see if they would like to join in the effort. “We’re hoping that all of the petitioners will join and will be submitting a single petition to the Supreme Court. We think obviously that has more weight,” he said.

Parkin said the California Supreme Court accepts only about 10% of petitions, and that he is assessing how best to present the case. “We have to make a compelling argument to the court so that they would take this matter and review it,” he said. ■

Long Beach City Council Action

■ By **ANNE ARTLEY**, STAFF WRITER

The following items are up for consideration at tonight’s (February 13) Long Beach City Council meeting:

Council Discusses Fund Transfers To Support Neighborhood Safety Program – Councilmembers will vote on increasing appropriations in the General Fund for the City Prosecutor Department by \$18,000 for a Neighborhood Impact Prosecutor program. A one-time transfer from the 4th District infrastructure funds will offset the cost. They will also decide whether to use this funding source to pay for installing driver feedback signs around the 4th District. The total cost for the project is \$19,861.

Councilmembers Weigh In On Recycling Contract – City representatives will decide about entering into a contract with Homeboy Recycling to transport and dispose of electronic waste for a period of two years. Homeboy Recycling is owned by Homeboy Industries, a nonprofit organization that provides employment opportunities to the formerly incarcerated. A city selection committee determined that the organization was the most qualified based on its proven competence with e-recycling on a similar scale. The city is not spending money on this project; rather, the nonprofit will generate revenue by selling the electronic waste.

City Representatives May Request An Ordinance To Discourage Bike Theft – City representatives will discuss instating an ordinance to ban the dismantling and re-

CITY OF LONG BEACH

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TITLE	BID NUMBER	DATE
S-1 Sewer Lift Station Rehab Project (SC-0275)	WD-05-18	12/07/2017
Citywide Printing Paper	ITB LB18-016	12/08/2017
Citywide Printed Envelopes	ITB LB18-031	12/08/2017
Traffic Signal Work at Four (4) Locations	R-7066	12/13/2017
Dive Team Equipment	ITB FD18-046	12/14/2017
Comm. Rehab Program Anaheim St & Cherry Ave	ITB DV18-040	12/20/2017
Houghton Park Community Center	R-7113	12/21/2017
Pharmacy Benefits Manager	RFP LW18-050	12/21/2017
Radiologist Services	RFP HR18-045	12/21/2017
Design-Build Svcs for Phase II Terminal Area Impro.	RFP AP18-033	12/22/2017
Baggage Handling System Maintenance	RFP AP18-035	01/03/2018
Develop & Implement Traffic Calming Measures for	R-7053/R-7056	01/10/2018
Traffic Exiting the I-710 into Long Beach		
Qualification and Selection of Peer Reviewers	RFQ DV17-112	Continuous

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

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assembly of bicycles and the sale of their parts on public property. This action aims to address bike theft, as many bikes are taken apart and sold within days of being stolen.

It should be noted that reported bike thefts dropped 39.1% – from 507 to 309 – in 2017 compared to 2016, according to police crime statistics. In 2012, there were 828 bike thefts reported.

City Considers Contracts For Street-Design Services – The council will discuss awarding contracts to AndersonPenna Partners, Inc.; Atkins North America, Inc.; Kreuzer Consulting Group; Onward Engineering, Inc. and Psomas, Inc. to provide street design services for a total of up to \$6,000,000 for a three-year term.

The following items were voted on at the February 6 council meeting:

State Funding To Support Human Trafficking Victims – Councilmembers agreed to accept \$306,666 in grant funding from the state governor's office of emergency services for the My Sister's Keeper-New Victim Intervention and Empowerment for Women Program, to cover the period January 1, 2018, through December 31, 2019. My Sister's Keeper provides services for victims of human trafficking.

City Enters Contracts For Software Support – City representatives voted to execute contracts with Thinklogic, Inc. of El Segundo; Making Waves USA, Inc. of Chicago; and Fig Leaf Software, Inc. of Washington, D.C., for the design and development of the Episerver Content Management System, for up to \$500,000 over two years. In 2013, the city approved the purchase of this software

and debuted a new website in 2015. City staff is now working on moving nine departments onto the Episerver platform.

City Examines Pathways To Homeownership For Low-Income Buyers – The city council has requested the city manager to evaluate pathways for homeownership to low- and moderate-income individuals. The proposed strategies are: working with the county's neighborhood housing services and the Affordable Housing Clearinghouse to set up a counseling center for potential homebuyers, forming a dialogue with seven non-bank lenders, creating partnerships with private sector institutions to reconfigure second mortgage programs and evaluating different models of home ownership.

Grant Funding To Supplement Installation Cost Of Electric Vehicle

Charging Stations – The council voted to execute a contract with the Mobile Source Air Pollution Reduction Review Committee to receive grant funding of up to \$622,220 for a period of no more than five years. The funds will offset part of the construction costs for electric vehicle charging stations, as well as the cost of acquiring electric and hybrid-electric vehicles for city use.

Vehicle Occupancy Boards Slated For Construction In Downtown Parking Garages – The city awarded a contract to Crosstown Electrical & Data, Inc. for up to \$1,246,201 to install vehicle occupancy boards at four downtown parking structures, including one at the Aquarium of the Pacific. The boards will report the parking space availability in each garage. ■

Who's Who WOMEN IN BUSINESS

Barbara Irvine-Parker, Realtor Associate
Coldwell Banker Coastal Alliance

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

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Improving Mobility

(Continued From Page 1)

Other future projects include an expansion of a program with California State University, Long Beach in which students, faculty and staff can ride the bus system to and from the campus for free. “Cal State is planning an extension of student dorms into downtown. We’ve been talking about how we can support that,” McDonald said. “They expect to have 500 student apartments.”

LBT is also looking into increasing their water taxi services at Alamitos Bay Marina and Ballast Point Brewery due to limited parking in the area and the coming addition of the retail center on 2nd Street and Pacific Coast Highway. Two years ago, the transit system started a water taxi service to the Toyota Grand Prix of Long Beach in the spring, which is expected to continue this year.

The LBT bus fleet comprises 10 battery-electric buses, 89 gas-hybrid vehicles, 85 compressed natural gas (CNG) buses and 69 diesel buses. The organization’s goal is to phase out the diesel and gas-hybrid vehicles to create a fleet run completely by alternative fuels by 2020, McDonald said. LBT plans to add 40 CNG buses, with engines that produce close to zero emissions, by April 30. These will replace 22 diesel buses, and LBT plans to keep only 13 in service. The transit agency also plans to acquire 30 additional battery-electric buses within the next two years.



Long Beach Mayor Robert Garcia has served on the Los Angeles County Metropolitan Transportation Authority (Metro) board for the past year. He said he plans to continue to advocate for Long Beach and the southeastern part of the county. (Photograph by the Business Journal’s Pat Flynn)

LBT is in the process of evaluating the location and frequency of its existing bus stops, with the possibility of relocating some to ensure that there’s one every quarter mile. This will help make the stops more predictable and convenient to passengers, according to LBT External Affairs Manager Paul Gonzales.

Another way the agency aimed to maxi-

mize convenience was to form a partnership with Century Housing Corporation, which manages Century Villages at Cabrillo, to move a bus stop onto the complex. Century Villages in West Long Beach provides housing to veterans and the homeless. The bus stop was completed in November and begins operation March 1.

“As our community has grown from a

couple hundred residents to a little over 1,500, we thought it was important to improve the connectivity of our campus,” Brian D’Andrea, Century Housing senior vice-president, said.

The bus station was part of a new housing development called Anchor Place, which also opened last November. A variety of sources funded the improvements, including the state’s Affordable Housing and Sustainable Communities Program. According to D’Andrea, Long Beach Transit was part of the planning and design process from the beginning.

“The station is about 500 feet from where it used to be located, which was an alley,” D’Andrea said. “It’s now in a more secure location, which is well lit, well trafficked and in the heart of the campus. It’s closer to where people live and work. Some disabled people live in the complex so it’s easier for them to get to.”

Other initiatives that improve connectivity for Long Beach residents are the ongoing upgrades to the Metro Blue Line. The \$1 billion investment program includes replacing the rail cars from the 1990s and refurbishing the ones purchased after that time, according to Mayor Robert Garcia’s senior advisor, Sharon Weissman. This project is due for completion in 2019. The mayor has served on the Metro board for the past year.

Replacements to the catenary system, the electrical wiring powering the train, are

(Please Continue To Next Page)

Long Beach Transit Draws Up Plans To Improve Service Based On Community Feedback

■ By **ANNE ARTLEY**
STAFF WRITER

Long Beach Transit (LBT) is making changes to its transit services based on community feedback after a year-long comprehensive study. Its two most recent upgrades are the expansion of two bus routes effective February 11 and 12.

Route 22, which originates on 1st Street and Long Beach Boulevard, now connects to the Metro Green Line at Lakewood Station in Downey. “We were already going up to Paramount and Downey, but we found out people want to go farther and connect to the Green Line, which goes into Downtown Los Angeles,” LBT President and CEO Kenneth McDonald said. “We’re evaluating the rest of the recommendations and deciding how to implement them.”

Route 46 begins at the First Street Transit Gallery. It runs along Atlantic Avenue, Anaheim Street and Pacific Coast Highway. The route now extends to the California State University, Long Beach campus, whereas it used to end one mile west of the school and the Veterans Affairs Medical Center.

Long Beach Transit’s community-based study, known as the Systemwide Transit Analysis and Reassessment (STAR) Initiative, began November 2016. It measured factors such as on-time performance, ridership, route efficiency, staffing, and service amenities, according to LBT. It also aimed to anticipate future service needs based on employment opportunities and areas of growth.

The purpose of the STAR Initiative is to simplify service, schedule buses more often and for longer hours, improve rider experience at bus stops, provide better regional connectors and cut down on duplicate routes.

“We looked at the services we provide to make sure they’re meeting the needs of the people we serve,” McDonald said. “We looked to see if the travel pattern has changed, and if there are specific job and school centers people are going to. We want to make sure we are on point to be ahead of the trend so we can stay relevant in those corridors.”

According to Paul Gonzales, external affairs and public information manager for Long Beach Transit, the agency



Kenneth McDonald, president and CEO of Long Beach Transit, said the agency is developing changes to its bus system based on the results from a comprehensive study. The Systemwide Transit Analysis and Reassessment (STAR) Initiative was a yearlong process that began in November 2016. (Photograph by the Business Journal’s Anne Artley)

is considering extending route 22 to the Downey Transit Center as a long-term goal. The center is about another mile from the Lakewood Station in Downey. “There are a lot of advantages,” he said. “That’ll connect people to shopping and attractions in Downtown Downey. It’s a very vibrant community.”

LBT worked with Nelson/Nygaard Consulting Associates to conduct 15 community meetings and three online surveys, from which they received more than 1,363 written

responses. Representatives from Nelson/Nygaard and LBT also attended meetings with large turnouts. In addition to feedback from the public, LBT gathered input from a public action group made up of members of community groups, including the Downtown Long Beach Alliance, the Long Beach Area Chamber of Commerce and the Disabled Resources Center of Long Beach.

“These people know about the community we serve,” McDonald said. “When we got the first set of information from the public, we shared it with them. Now we’re evaluating the rest of the recommendations and deciding how to implement them.”

According to McDonald, people seemed most excited about a possible route connecting Long Beach to UCLA. Many also expressed a need for service to Santa Ana and Irvine. McDonald stated that he has not yet discussed these ideas with those municipalities.

During the STAR Initiative process, LBT representatives met one-on-one with councilmembers from Long Beach and the 13 other cities it serves, including Paramount, Los Alamitos, Carson, Compton, Lakewood, Bellflower and others.

Thomas Whitman, the consultant at Nelson/Nygaard who helped implement the STAR Initiative, said the completion of an elevated train project at Los Angeles International Airport will further improve the transit experience for Long Beach residents. The train will provide a direct link between the airport and Metro Green Line.

“People will be able to go directly from the [Los Angeles] airport via the Green Line and transfer to Route 22, which takes them directly to the transit gallery in Downtown Long Beach,” Gonzales explained. “There are lots of job centers at the airport and lots of disadvantaged communities along that route. It will provide access to the people who live there to great opportunities in education and employment. We’re going to have a stop across the street from Paramount High School that’ll connect directly to Long Beach City College. That connection does not currently exist.”

Some of LBT’s mid and long-term goals from the STAR Initiative include extending Route 90L between Lakewood and the Metro Green Line Norwalk station to serve Cerritos College, as well as providing 24-hour transit service. ■

Focus On Public Transportation

also slated for completion next year. And segments of the track and signs at stations will be replaced as needed.

"I've been really focused on making sure we fix the Blue Line," Garcia told the Business Journal. "There's been a focus on Long Beach since I've been on the board. I've been ensuring that the cities in the southeastern part of the county get representation."

As a long-term project, Metro is planning to reroute some of the Blue Line connectors. The goal is to transport passengers to Union Station in Los Angeles without too many train switches, Garcia said.

Long Beach Airport is another local agency upgrading its facilities to improve passenger experience. Although the projects are still in the early stages, proposed changes include the construction of a ticketing lobby and check-in area, as well as consolidating their three baggage screening facilities in a more central location. This measure aims to improve the aesthetics and efficiency of the airport.

“We’ve put out a request for proposals for a contractor,” Stephanie Montuya-Morisky, the airport’s public affairs officer, said. “We’ve received some proposals. The project will be going to council as soon as we award a contract.”

Montuya-Morisky said the changes are necessary to accommodate travel demands as well as the increase in different types of ground transportation over the past couple of years, such as ride-sharing companies Uber and Lyft.

“The Long Beach Airport has worked really hard to build a reputation of being comfortable, of being easy to travel through,”

Montuya-Morisky said. "If you're traveling for business, we want to be reliable. If you're traveling for pleasure, we want to make sure you're at your most comfortable. All of the projects are important in maintaining our image and customer service."

To that end, Long Beach Airport has extended its contract with Clear Channel Airports for the next five years. The media company has partnered with the airport since 2005, and plans to expand its program to attract more advertisers. Thaddeus Glenn, the airport development director, said the new program will feature an array of media – such as displays, banners, digital advertising – to appeal to advertisers at every budget level. The new agreement goes into effect on May 1.

"Our program will enable local and regional businesses to reach a very high demographic: business travelers and people who have money to fly," Glenn said. "This guarantees advertisers every dollar they spend on marketing a high level of return because the vast majority of passengers flying into the airport will have money to spend."

The Clear Channel program aims to create a sense of place and is tailored to showcase the city's assets, according to Glenn.

“Passengers will see the local, regional businesses that make the community tick. This also includes national brands that recognize the importance that Long Beach plays in Southern California,” Glenn said. “When you land, you know you’re in Southern California versus some generic airport with signs stuck to the wall. Our program is not only attractive, but reflects the community as well. We take great pride in that.” ■



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MILLENNIAL PULSE

(Continued From Page 1)

enough to know they are not the solution to quell what ails them. For that, they are turning to Millennials.

The problem is, they know we aren't too excited about it.

You see, at this point we're the largest living age cohort in the United States – but we're also politically disaffected. In the 2012 midterm elections, only about 12% of us turned out to vote, which frankly is just pathetic. We did better in the presidential election in 2016 but, still, not even half of us – only 44% – voted, according to NPR.

But never fear – Hollywood is here. On February 1, one of my favorite comedians, Billy Eichner (originally of “Billy On The Street” fame and subsequently “Difficult People,” among other shows), appeared on Jimmy Kimmel Live to launch a star-studded effort to get Millennials to vote, by, comically (but also seriously), “glamming up the midterms.”

Eichner launched the Glam Up The Midterms initiative by debuting a video on the show featuring himself, Kimmel, John Oliver, Conan O'Brien, Sarah Silverman, Seth Meyers and other comics on Kimmel's show. The bit, in a very tongue-in-cheek way, compared the midterms to glamorous Hollywood award shows in an attempt to get young people excited enough to get to the polls using words like ‘glamorous,’ ‘elegant’ and ‘sexy.’

It's a funny shtick, sure. But it's not going to work.

Eichner's initiative, while funny, also assumes that to inspire Millennials to vote, a bunch of celebrities need to tell them that by doing so they're engaging in something as glamorous as attending the Academy Awards. It's the same rhetoric that older generations often use about Millennials, which is best described by the moniker, “the selfie generation.”

But we're not voting because we don't think it's cool, or because we don't think it will make us look good on social media, or, in essence, because it isn't adding to our sense of self-worth. Millennials haven't had great election day turnout because we feel like our options are, well, crappy. The folks running for office often aren't in our age bracket (or anywhere near it) and often don't represent our values.

I know it sounds like I'm just blowing smoke with that assertion, but polling shows that I'm not. A survey of 1,876 Millennial adults aged 18-34 found that 71% feel that Republicans and Democrats aren't getting the job done, and that a third political party is needed. (I should note that a broader definition of Millennials would include those up to 36 years in age). Six in 10 Millennials surveyed said they disapproved of how Congress was doing its job. About 59% had an unfavorable view of the Republican party, and 42% had an unfavorable view of the Democratic party.

Kevin Shin, a 35-year-old Long Beach resident who is running for the 7th Council District, was not surprised that most Millennials desire a third party. Shin is an independent. “Over the last few years there have just been a lot of things about the political process and about our current political environment that have really turned me away from the two-party system,” he said. “I feel like neither party truly represents my values.”

Shin is applying for the endorsement of Run For Something, a nonprofit organization dedicated to encouraging progressive Millennials to run for office. He never foresaw running for office, but eventually his work as co-founder of the nonprofit Walk Bike Long Beach – which advocates for a safe and healthy transportation network – led him to it.

“It's one of those things where you start to realize that, no matter how much time and effort and heart you put into your advocacy work, at some point you're going to bump up against the folks who are on the inside of the system,” Shin said. “And there comes a point where . . . you can only do so much from the outside.”

Andrea Marr, a 34-year-old Navy veteran and city council candidate in Costa Mesa who has been endorsed by Run For Something, doesn't necessarily think that a third party is needed. But she does think Millennials are turned off by the current political climate, which she called “awful.”

“On one hand I think it turns off a group of folks from politics,” she said of the political climate in the U.S. “On the other hand, it motivates others to get involved to try to change that. I certainly consider myself part of that second group. So the worse it gets, the more determined I am to have a positive impact and talk to people about how we can be making our community better.”

While Marr, a Democrat, doesn't see a need for a major third political party, she does believe there should be more room for varying perspectives within the reigning parties. And she was not surprised to hear that Millennials were disengaged in the last major election. “I think that part of what we saw in 2016 was just really an obsession with a sort of cult of personality. It wasn't about policy,” she said. “It was about Hillary Clinton and Donald Trump. And neither of those people were figures that Millennials could relate to.”

Sofia Pereira, 30-year-old mayor of Arcata, California, is also the campaign manager of She Should Run – a nonprofit established in 2011 to encourage women to run for office. She believes that, to get Millennials to vote, the options need to better reflect their generation. “I think that the more we have candidates who represent and reflect the diversity of our communities, the more Millennials will be engaged,” she said.

“I think Millennials are innovative and deeply care about where our communities are going and where our country is going,” Pereira said. “And I think we now are opening up the doors for younger people to see that they can bring their talents and experience to the public sector and to bring that into government where we really need that diversity of perspective.”

While Pereira couldn't provide demographic data about the women who have decided to run for office with the assistance of She Should Run, she said, “I will say anecdotally we definitely have a lot of Millennial women in our community who we work with who are looking at running for offices, from the local to state level.”

Among the sampling of Millennials quoted here who have chosen to be politically active in their communities, not one of them ever came close to mentioning glamor as their source of inspiration, or as the key ingredient missing from America's political climate. Because glamming up politics isn't going to get Millennials to the polls. Candidates who represent their values – which apparently the two parties don't seem to be repping very well – will do the trick. The question should be, how do we encourage those people to run? The old guard has done plenty of good for this country, but is it still?

“Absolutely young people need to lead that charge,” Shin said. “But there also needs to be the older generation being willing to step aside and allow us to actually pursue that.”

Arts & Entertainment Calendar

■ By **ANNE ARTLEY**
STAFF WRITER

The following arts and entertainment events are taking place in Long Beach:

Performing Arts

- The musical “Daddy Long Legs” is running February 21 through March 11 and being presented by International City Theatre at the Beverly O'Neill Theatre, 330 E. Seaside Way: <http://ictlongbeach.org>
- The 2018 Contemporary Dance Concert is showing February 15-17 at the Cal State University, Long Beach Martha B. Knoebel Dance Theater, 6200 E. Atherton St. www.csulb.edu/dance
- The musical “Guys and Dolls” opens February 16 at The Carpenter Performing Arts Center, 6200 E. Atherton: www.musical.org
- Shakespeare's “King John” opens February 23 at the Richard Goad Theatre, 4250 Atlantic Ave. Tickets: <http://bit.ly/2FzByi9>
- “The Great American Songbook” is showing February 17 at the Long Beach Arena, 300 E. Ocean Blvd. <http://bit.ly/2np6tqS>
- The Long Beach Camerata Singers are performing February 25 at the “In Taberna” Winetasting Fundraiser at The Wine Country, 2301 Redondo Ave.
- “Live After 5” launches at The Loop on February 15, 100-180 E. Ocean Blvd. <http://bit.ly/2G3bGvt>
- International City Theatre is presenting “Let Them Eat Books” March 3 at the Beverly O'Neill Theatre, 330 E. Seaside Way. www.ictlongbeach.org

Visual Arts

- “Salvage: Marine, Terrestrial and Astral” is running through February 23 at ARTX Gallery, 356 E. 3rd St.: www.artexchange.lb.org
- New exhibits are opening at The Long Beach Museum of Art, 2300 E. Ocean Blvd. “Christy Matson: Rock, Paper, Scissors” and “Time and Space: Abstractions from the Permanent Collection” open February 16. “Cartomancy: The Seni-Horoscope Re-Imagined by Shay Bredimus” opens February 24. lbma.org/
- “Robert Irwin: Site Determined,” is showing until April 15 at the California State University, Long Beach University Art Museum, 1250 Bellflower Blvd. The exhibit's curator, Art History Professor Dr. Matthew Simms, is giving a talk February 21 at the museum. <http://bit.ly/2CaW9qU>
- The Michael Levy Gallery is hosting a fine art auction and wine reception February 18, 6226 E. Pacific Coast Hwy. 2-5 p.m. Includes more than 100 fine art works from Gallery collection. Proceeds are for the Long Beach Symphony Association and Ronald McDonald House.

Readings And Lectures

- A panel discussion “Unions and Labor Organizing” is taking place at Rancho Los Cerritos on February 24, 4600 Virginia Rd. <http://bit.ly/2FsPw5g>

Festivals And Expositions

- The Long Beach Mardi Gras Festival & Parade is taking place on February 17 at noon, 429 Shoreline Village Dr. LongBeachmardigras.com
- The Long Beach Comic Expo is on February 17 and 18 at the Long Beach Convention Center, 300 E. Ocean Blvd. Longbeachcomic-expo.com
- The Museum of Latin American Art is presenting “Carnaval!” on February 25, 628 Alamitos Ave. <http://bit.ly/2EcysN>

Dining And Delicacies

- A Valentine's Day Dinner is planned on February 14, from 7:30 to 9:30 p.m. at the Aquarium of the Pacific, 100 Aquarium Way. Aquariumofpacific.org/events/valentines_day
- A gnocci-making class is taking place at MADE by Millworks, 240 Pine Ave., February 15. Madebymillworks.com. The shop also hosts a pop-up brunch series every Sunday.

Sports And Fitness

- Registration is open for The Wrigley River Run & Tadpole Trot, which takes place on June 2. The race starts and finishes in the parking lot of Holy Innocents School, 2500 Pacific Ave. Register here: <http://bit.ly/2EvBbWI> ■



Local Painter John White Receives Jury Honors In National Competition

■ By **ANNE ARTLEY**
 STAFF WRITER

Long Beach-based landscape impressionist painter John White's work, "Good Times at Starling," was selected in the top 15% by the jury of the BoldBrush Painting Competition. Starling Diner is located on 3rd Street and Roswell Avenue, down the street from the artist's home. White said he had painted it previously, and that the owner commissioned him to paint it again for the diner's 10th anniversary after seeing the image online. "I recommended doing a night scene because I thought it would be more interesting," he said. White, who is also a full-time faculty member at Otis College Of Art and Design, has lived in Long Beach since 1975. Some of his other paintings of the city include gondolas on the canals of the Naples neighborhood and a light blue 1960s Ford Thunderbird car parked in Belmont Shore. White began drawing at the age of five, and his parents thought he had a gift so they encouraged him to pursue it. "There's nothing like painting," White said. "It's challenging and rewarding. I try to paint things that are challenging, that I haven't done before, because it makes things interesting. Those are the ones I look forward to doing." ■



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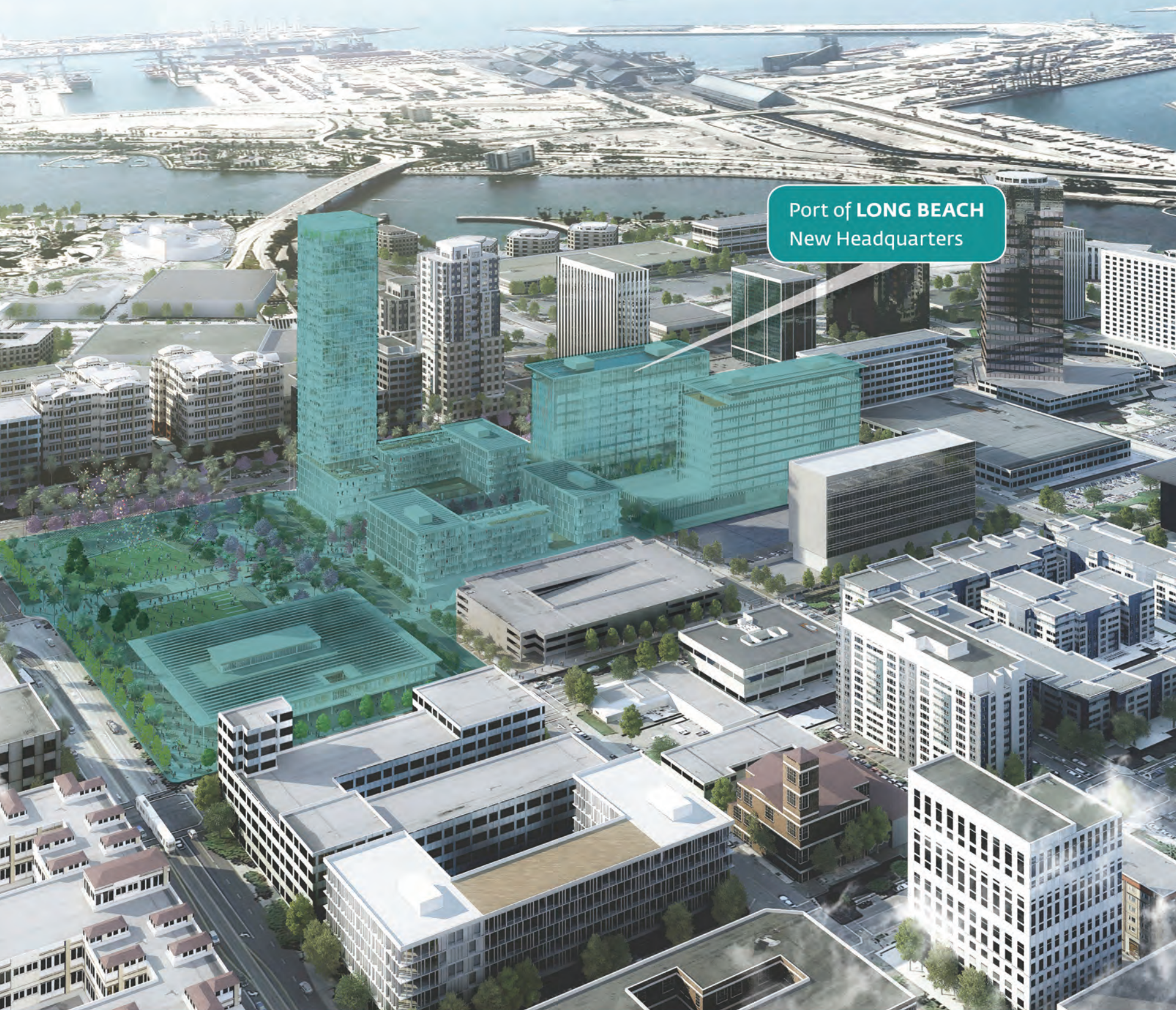
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