THIRD SECTOR REPORT

Firing A Board Member: Strategic Leadership In Action

By Jeffrey Wilcox **EXCLUSIVE TO THE BUSINESS JOURNAL**

ne of the defining attributes of the Third Sector is its reliance on volunteers. Without question, it is volunteered ingenuity, combined with volunteered generosity, that makes it possible for a small group's cause to eventually evolve into a community's cherished nonprofit organization.

For business leaders unaccustomed to leading a workforce comprised of both paid and unpaid people, the challenge can be overwhelming. Nonprofits generally operate in a dynamic work environment that most business folks would consider messy. Their operating structures pair employees and volunteers to get things done; but, because there are highly diverse motivations and roles at play, the nonprofit landscape holds great promise for misunderstandings to occur.

Unlike corporations, nonprofit boards and their members are generally more closely integrated into the overall workforce infrastructure. Directors have specific roles and are given responsibilities that have direct impact on the people, resources, and processes involved in serving the community.

A very telling question to ask any board chair is, "What hap-(Please Continue To Page 33)

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Pictured outside city hall, Signal Hill City Manager Charlie Honeycutt said the city's finances are "solid," adding. "Our business environment seems to be pretty strong; our auto center, which is our bread and butter revenue for this city, is doing well." (Photograph by the Business Journal's Larry Duncan)

The Council Of Business Associations: A Unified Resource And Voice For Businesses

By Samantha Mehlinger Senior Writer

bout eight years ago, city staff brought together the leaders of local business associations and business improvement districts to begin a dialogue. At the time - as recalled by Blair Cohn, executive director of the Bixby Knolls Business Improvement Association - the city was pushing

Developer And CSULB Partner On Downtown **Mixed-Use Project**

By Brandon Richardson Staff Writer

n a unanimous vote at its July 12 meeting, the Long Beach City Council approved the sale of the property at 200-232 Long Beach Blvd. to Broadway Block LLC, a development partnership between Ratkovich Properties

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for the groups to work together to promote shopping locally and advance the idea of Long Beach as a network of unique districts and neighborhoods.

The result was the formation of

the Long Beach Council of Business Associations (COBA) - an organization including the city's business improvement districts, as well as business groups like the

(Please Continue To Page 8)

BIDs Key In Revitalizing Business Corridors

By Samantha Mehlinger Senior Writer

ince 1973, 10 business improvement districts have been formed in the City of Long Beach. These districts, run by nonprofit organizations, provide services beyond those of the city with the intention of improving business corridors. The leadership of the more established BIDs speak of revitalization and renaissance as they tell it, their efforts have created safer and cleaner streets, attracted new and unique businesses, and encouraged visitors to patronize these areas.

There are two types of BIDs one in which property owners pay an annual assessment for services and another format where business owners pay the assessment. Each district has its own fiscal year and its own assessment for-

(Please Continue To Page 11)

Young Design Firm Commune Communications Makes Local Business Districts A Point Of Focus

■ By SAMANTHA MEHLINGER Senior Writer

t was in the bustling "Mad Men" advertising world of Manhattan's Madison Avenue that Ryan La Rosa and James Whale co-founders of local design firm Commune Communications, honed their skills and became friends with a common dream: to escape the bloated bureaucracies of big agencies and start a small firm of their own in

a place they could make a real impact.

By way of the heart, they chose Long Beach.

While La Rosa is a Long Beach native and Whale hails from New (Please Continue To Page 10)



Co-founders of Commune Communications Ryan La Rosa, seated, and James Whale, standing at right, began their design firm by cold-calling local businesses and organizations. Their first call was to the Bixby Knolls Business Improvement Association, and ever since, one of their focuses has been working with local business improvement districts. The firm is located in downtown's East Village. (Photograph by the Business Journal's Larry Duncan)

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Southwest Airlines Adding Flights From Long Beach Airport

■ By Samantha Mehlinger Senior Writer

Southwest Airlines, which began operating from the Long Beach Airport in June, has been granted some of JetBlue Airway's unused flight slots, according to a July 13 statement issued by the City of Long Beach.

A spokesperson for Southwest told the Business Journal that there are "no new service details" about potential new destinations at this time. Currently, Southwest flies four daily flights to Oakland from the airport.

Under the city's Flight Allocation Reso-

aren't used by an airline - in this case, Jet-Blue - may be temporarily reassigned to another airline, according to the city.

"Southwest Airlines has reserved three unused flight slots for use Sunday through Friday and two unused flight slots for use on Saturday, beginning September 18 through December 31, 2016," the city statement said.

"We are delighted that Southwest is putting these unused slots to use at the Long Beach Airport," Mayor Robert Garcia stated. "This will attract new customers and bring additional revenue to our airport."

According to the city, all air carrier operators at the airport must submit a 180day outlook on a monthly basis, "which forecasts the availability of temporary flight slots." Once Southwest's temporary allocation period ends, continued use of those flight slots is contingent upon the information in the outlook reports.

An earlier version of this article appeared on the Business Journal's website, www.lbbizjournal.com, on July 13. ■

2017 Fiscal Year Long Beach Budget Process Underway

■ By George Economides Publisher

Earlier this month, Long Beach City Manager Pat West presented Mayor Robert Garcia city staff's proposed budget for Fiscal Year 2017, which begins October 1. The mayor has been reviewing the budget and is expected to forward it with his recommendations to the city council during the first week in August.

When the FY 16 budget was approved by

FDIC FDIC

the city council last September, the city had estimated an approximate \$7.5 million deficit for FY 17 and \$7.8 million a year later. Most of the deficit for the next two budgets is due to city pension contributions. But the city also projected oil revenue at \$55 a barrel, which has not materialized, further straining the revenue side.

Several factors are expected to impact the new budget, including ongoing negotiations with city unions for new memorandums of understanding (MOU) that are likely to include pay increases. The MOUs of seven of the city's nine unions have expired, and the city's police and fire contracts end September 30. Any salary increase also pushes pension costs higher.

Another major factor is that budget revenue will be boosted on January 1 when the one percentage point increase in the city's sales tax goes into effect (from the current 9% to a rate of 10%). The voter-approved increase should generate about \$4 million a month in new revenue to the city's General Fund. However, the mayor and councilmembers have pledged to use the additional funds strictly for infrastructure improvements and to beef up public safety, including the reopening of the police department's south division.

The public will have an opportunity to weigh in on the budget during city council sessions held around the city and at several council meetings held at city hall. A schedule of meetings is expected to be announced soon. ■

City Council Tables Minimum Wage Ordinance For A Month

■ By Samantha Mehlinger Senior Writer

The Long Beach City Council has tabled reviewing the proposed Long Beach Minimum Wage Ordinance for 30 days pending the completion of a meet and confer process on the matter with the International Association of Machinists (IAM) and Aerospace Workers. The union represents the largest number of city employees.

City Attorney Charles Parkin had placed an item on the July 12 agenda requesting further direction from the council on the proposed ordinance that the council had ordered his office to draft in January. Further direction was needed because the ordinance would be applicable to city employees, and IAM had not yet completed its meet and confer process on potential impacts to its members.

Parkin also requested more input because of variances between the ordinance and the state's new minimum wage law, including the city's more expeditious timeline (see chart).

Vice Mayor and 2nd District Councilmember Suja Lowenthal kicked off the discussion with a four-part motion to address these concerns, including removing city employees from the ordinance to "allow the city and its employees to negotiate MOUs [memoranda of understanding] outside of the ordinance."

Lowenthal also proposed maintaining the existing schedule for implementation of a higher minimum wage as originally approved by the council, aligning the city's



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Small Business & Nonprofits (25 employees and under)

January 1, 2018 wage increase \$10.50 January 1, 2019 wage increase \$11.00 January 1, 2020 wage increase \$12.00 January 1, 2021 wage increase \$13.00 January 1, 2022 wage increase \$14.00 January 1, 2023 wage increase \$15.00

Once the minimum wage hits \$15 an hour, state legislation calls for future increases tied to the Consumer Price Index (CPI However, if the state economy is stagnant, the increase can be delayed. The city ordinance is not tied to the CPI.

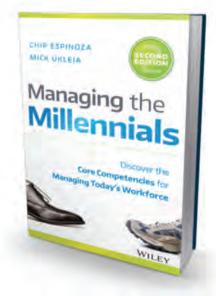
minimum wage with the state's after it reaches \$15 an hour, and amending the ordinance to make a learners' exemption consistent with existing labor code.

Her proposal was met with dismay by a representative for IAM, Richard Suarez, shortly thereafter. "I don't know how you circle this. You purport that every other employer in the city must pay a Long Beach minimum wage, but you exclude yourselves from paying that minimum wage," he said. "We're speaking about the folks that I represent here in Long Beach, who is the only unit really that is affected by this. . . . And to exclude people in this manner is just simply wrong."

Suarez indicated that the city manager

has suggested Suarez or IAM would bring litigation against the city if IAM employees were included in the ordinance, and he called this notion "preposterous." He suggested tabling discussion of the ordinance for 30 days to allow IAM and the city to meet and confer. "After we waited from January to now to get the ordinance – we waited seven months – we seem to be in a real hurry to pass something this evening that in reality does not go into effect until January of next year," he noted.

Lowenthal rescinded her proposal and instead made a motion, as Suarez requested, to delay drafting the ordinance for 30 days until the IAM meet and confer process is completed. The motion passed unanimously.



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Current and past city officials gathered July 8 at the site of the now-razed county courthouse at Ocean Boulevard and Magnolia Avenue to celebrate the groundbreaking of the \$520 million Long Beach Civic Center complex. Former mayors Beverly O'Neill and Bob Foster joined Mayor Robert Garcia, Los Angeles County Supervisor Don Knabe, State Sen. Ricardo Lara, city councilmembers, harbor commissioners, city staff and the development team to mark the occasion. The project includes the 270,000-square-foot city hall, the 237,000-square-foot Port of Long Beach headquarters, a 92,000-square-foot main library, a 73,000-square-foot civic plaza, a revitalized 4.9-acre Lincoln Park and underground parking for 469 cars. The mix of uses will eventually include residential, retail and hotel facilities. Under the public-private partnership (known as P3) agreement, the City of Long Beach will not have to finance or take risk on the project. Once construction is completed – estimated to be 2019 – the city will begin making payments to the developer over a 40-year period. Pictured with shovels are, from left: Craig Beck, director, Long Beach Public Works; Amy Bodek, director, Long Beach Development Services; Jon Slangerup, CEO, Port of Long Beach; Pat West, Long Beach city manager; Foster; Knabe; Garcia; Lara; Vice Mayor/Councilmember Suja Lowenthal; Councilmember Lena Gonzalez; Harbor Commission President Lori Ann Guzmán; Dale Bonner of the developer, Plenary Edgemoor Civic Partners; and Lou Anne Bynum, vice president of the harbor commission. (Photograph by the Business Journal's Larry Duncan)

Mayors Dig The New Civic Center

With shovels in hand, Mayor Robert Garcia, center, is joined by former mayors Bob Foster (2006-2014) and Beverly O'Neill (1994-2006) to celebrate the groundbreaking of the Long Beach Civic Center complex. (Photograph by the Business Journal's Larry Duncan)

New Civic Center Will 'Change People's View Of The City,' Former Mayor Foster Says

■ By **Brandon Richardson** Staff Writer

After 10 years of discussion and planning, city officials broke ground on the \$533 million Long Beach Civic Center on July 8, in what Mayor Robert Garcia called a "historic" day for Long Beach.

Speaking about initial talks for a new civic center 10 years ago, former Mayor Bob Foster said, "I knew we needed one, and we didn't have the funds for it. I knew all about public-private partnerships, so I was interested to see if we could put this together."

Located at the site of the old courthouse on Ocean Boulevard in Downtown Long Beach, the new center is being financed through a public-private partnership with Plenary Edgemoor Civic Partners and will house the new city hall, Port of Long Beach headquarters and a main library. Combined, the three main structures totally nearly 600,000 square feet.

Also included in the project are \$400 million in residential units, a hotel, retail space and Lincoln Park restoration and expansion.

According to Foster, one of the problems of public buildings is "when it's being taken care of by a public entity. As soon as there are budget problems, the first thing to go is maintenance. It starts eating buildings alive."

He went on to say that through the design-build-finance-operate-maintain agree-

ment, Plenary Edgemoor would be in charge of maintaining the properties for the duration of the 40-year contract.

Along with Foster, Vice Mayor Suja Lowenthal spearheaded the project and became emotional during her speech at the groundbreaking ceremony. "A development of this magnitude provides tremendous opportunity that speaks to human interaction and truly reflects the vision of an incredible city and its residents," she said. "A lot of chance and a lot of magic has to happen for this kind of project to take place."

Clark Construction is overseeing construction of the development project, which, according to its website, is estimated to "bring 1,000 new residents to Downtown Long Beach and generate 8,000 direct, indirect and induced new jobs."

During the ceremony, Garcia presented Foster with a ceremonial gold shovel for his key role in seeing the project realized. Foster said that he did not know or expect that Garcia was going to call him up to the stage, as he initially was not going to be able to attend the event.

"He's a very gracious person, and I think he meant everything he said," Foster said. "I feel like I did have a significant role in this, and it's nice to see him acknowledge that"

feel like I did have a significant role in this, and it's nice to see him acknowledge that."

Construction of the city hall, port head-quarters and the main library is scheduled

for completion in 2019.

"This is going to be just marvelous for the city," Foster said. "I don't think we yet understand how impactful it's going to be once this thing is open. I think it's going to change people's view of themselves and their view of this city. This city is in a renaissance, and this is one of the final touches. You're going to be proud to be a Long Beach person."

Queen Mary Task Force Shares Progress, Receives Positive Response

■ By **Brandon Richardson** Staff Writer

At a special meeting on July 9, the Queen Mary Land Development Task Force shared its progress with the public, including ideas for outdoor entertainment, a promenade and other amenities. More than 50 people attended the event.

a promenade and other amenities. More than 50 people attended the event.

Task force chair Michael Bohn said the meeting was a success and that there was great diversity in those who attended. From residents and to members of the business community, to union representatives wor-

ried about their workers, Bohn said the

group was very respectful when voicing its concerns and comments.

"I do a lot of outreach in my profession, and I've probably done a couple hundred of these, and I have to say this was one of the best," Bohn, a senior principal of Studio One Eleven, said. "The audience provided a lot of great and thoughtful ideas . . . very positive, and presented concerns and questions."

Some of the concerns regarded sustainability, the importance of not overpowering the Queen Mary and why the task force did not focus on ship improvements, which, as Bohn pointed out, was not the reason the task force was formed.

"I think what we got out of it was elaborating a little more on the incorporation of art, sustainability, fitness and events," Bohn said. "A lot of us are beginning to ask what is going to be unique about this area and I think the ability to have multiple and many events over there could be great."

Bohn also noted that many people were intrigued by the idea of the project engaging with the water. He said the task force is open to the idea of a floating hotel or restaurants, or even a pool that floats in the bay.

Right now the sidewalks in the area are five-feet wide with light poles and trash cans that make it difficult to walk side by side with one another, Bohn said. The new walkways will be wider and continue over the rock formation that is the breakwater for the Oueen

Mary on the water side, allowing guests to view the ship from a new perspective.

"I'm most excited about creating a grand promenade along the waters edge that is accessible to all people," Bohn said. "If you choose to walk over or bike over, you won't have to pay for parking and you can enjoy it for free."

Bohn envisions the promenade going right up to the waters edge and possibly even having large steps that lead down to water level.

The next step for the task force is to update the guiding principals and incorporate public comments and concerns from the meeting. After amendments are made, the task force will present its draft to the mayor's office and to the city council.

The next task force meeting is Wednesday, July 27, at 5:30 p.m. at the First Congregational Church, 241 Cedar Ave.

Developer And CSULB

(Continued From Page 1)
LLC, Urbana LLC and The Owl Companies, for \$7.85 million.

"We couldn't be more excited for the opportunity to transform this idle space into an active and celebratory place," Ratkovich, president of Ratkovich Properties, told the Business Journal. "We envision the Broadway Block as the heartbeat of the city, a place that brings together unique pieces to create a one-of-a-kind culture and spirit. It will connect downtown to the East Village Arts District and become the epicenter of culture, food, living, art, creativity, academia and more."

The 50,000-square-foot space on the southeast corner of Long Beach Boulevard and East Broadway is currently being used as a temporary parking lot and is adjacent to land previously purchased by Broadway Block, including the Acres of Books site.

Broadway Block has partnered with Cal State Long Beach's graduate school of fine arts and will provide affordable housing for students and teachers, as well as creative office space, and an adjacent "academia court" for student galleries, performing arts, receptions and other university-related activities.

The development proposal includes 141 residential units, 10% of which are designated for CSULB, in a seven-story structure. The project will also contain 3,200 square feet of university space, 5,212 square feet of retail space and 3,873 square feet of flex space. Also included in the proposal is 6,200 square feet of outdoor networking and meeting space and 190 parking spaces.

Broadway Block will integrate the development into an adjacent proposal by a series of pedestrian paseos and courtyards. When combined with the adjacent proposal, the development will include 375 residential units, 5,773 square feet of creative office space, 3,873 square feet of flex space, 6,012 square feet of loft space, 1,311 square feet of ArtExchange space and 3,200 square feet of university space.

Total parking requirements for the site are 511 spaces; however, 524 spaces are included in the current proposal.

In June, five proposals were received by the city. Of the five, Broadway Block's proposal had the highest development investment at \$154 million.

"Together with the affordable [housing] component and the creative synergy achieved through assembly and joint development, the review panel believes the proposal submitted by Broadway Block LLC offers the best value for the city," Michael Conway, Long Beach's director of economic and property development, said during the council meeting.

During public comments, frequent meeting attendee Larry Goodhue questioned the project's lack of an endorsement by the city auditor and asked for approval to be postponed until it has an endorsement. Jenna Kingkade, a law student at University of California, Berkeley, questioned the legality of the sale in light of the California Surplus Land Act, which states affordable housing developers must be given priority when accepting proposals for surplus land sales.

"All of the [former Redevelopment Agency] properties were processed through the Surplus Land Act to assure that we would be able to proceed with these sales," Conway said in response to Kingkade's questions.

Prior to her last council meeting, Vice Mayor Suja Lowenthal took a tour of the property and said, "I can see the potential. . . in those buildings. I know there is something down the road that will be absolutely beautiful. I'm happy to see this project moving forward." ■



cil approved the sale of property ocated at 200-232 Long Beach Blvd. to Broadway Block LLC for \$7.85 million. When combined with Broadway Block's previous proposal for a 21-story building, the project will include 375 residential units, flex space and . loft space. (Rendering provided by . Cliff Ratkovich, president of Ratkovich Properties)

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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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Long Beach Council Of Business Associations

(Continued From Page 1)

On Broadway Business Association and the Long Beach Area Chamber of Commerce.

In an interview at Berlin Bistro in the East Village, Kerstin Kansteiner, the restaurant's owner and board chair of the 4th Street Business Improvement Association, and Kraig Kojian, president and CEO of the Downtown Long Beach Associates, joined Cohn to reflect on how COBA has evolved and its direction moving forward.

Before COBA was formed, the three knew each other, but not in a formal context related to their positions in the business community. "We maybe ran across each other, but we had never met as entities and compared notes and talked," Kansteiner recalled.

The organization began holding fairly informal meetings where members of the business community could come share their experiences and identify common interests and problems.

"In the beginning, we were focused on smaller things, like advertisement," Kansteiner said. "We were given the opportunity to meet, and we had to find our mission." In the early days of COBA, city staff members were often invited to meetings to explain processes relating to business operations, she explained.

"It was pretty open in the beginning," Cohn said. "Just a what's going on kind of a thing. It was: How are you doing with the planning department? How are you doing with [the] health [department]?"

Now, the group has agendas for its meetings, and it has evolved to serve as an influencer with the City of Long Beach and to offer guidance to the greater business community, Kansteiner explained. For example, COBA's members, particularly its long-time ones, are a resource to communities trying to establish business improvement districts, she noted.

Kojian said part of the organization's purpose is to maintain communication between business districts and associations to understand what individual areas are experiencing and how that affects businesses throughout the city. "[We're] trying to make Long Beach truly business friendly – and not just use that term as a catchall phrase but truly elevate the discussion so we understand what we're doing to make it business friendly," Kojian said of the association's focus.

"We have the red phone. The red phone [means] we can call the departments directly or the city manager directly and get [a business] dislodged from the pile," Cohn said. "But we say, it shouldn't be like that. . . . Mrs. Jones should be able to open a shop and be able to get answers and accurate information, and not the run around. Things should be timely. We're trying to push that."

COBA's relationship with the city is an open one, according to the three business leaders. "They have a seat at the table. They understand what we're doing and why we're doing it, and they're part of that conversation," Kojian said. "And I don't think anything we do catches them off guard."

Cohn agreed. "We can't bite the hand that feeds. There have never been witch hunts. It's just been trying to have dialogue." he said.

One of the first issues COBA tackled for its constituents was advocating for reform within the city's health department. "We re-

ally went after the health department early on," Cohn said. Restaurant owners and vendors for events were frequently given a curt negative response to requests, rather than receiving an explanation of alternatives, he said. Permits and fees from the health department were also too costly, he added.

"Their goal should not be to punish us, but to be an educational tool," Kansteiner said of the health department.

"Since the conversation, they've changed the pricing for nonprofits and across the board," Cohn noted. Kansteiner, who owns both Berlin Bistro and Portfolio Coffeehouse on 4th Street, experienced the transition personally. "They have changed their staff from the top down. Everyone has a completely different agenda," she said. "We see it as a benefit now. . . . We actually sit down at a table and have a long visit. So it's very educational."

The city also listened to COBA on one of the largest issues it has ever tackled – one that is still ongoing – raising the minimum wage. When the City of Los Angeles raised its own minimum wage, COBA's members realized Long Beach would likely be next and went to work surveying local businesses for their input and to put together their own proposal.

"From the very beginning, we said we weren't going to say no to minimum wage," Kojian said. "We felt as though it was time to have a very earnest and open discussion to determine what is really good for the city economically. We never said, no, we don't want to talk about it or listen. In fact, we encouraged the open conversation."

COBA's recommendations were included in a report by the city's economic development commission – of which Cohn is a member – to the city council. Ultimately, however, the city council passed a proposal asking an ordinance to be drafted that would put the city on a pathway to a \$15 minimum wage by 2021.

Although COBA was heard, there were wealthy interests with strong numbers involved in the discussions who distracted from the conversation the organization was trying to have, interjecting unrelated issues like wage theft into the equation, the three leaders explained. "The topic of discussion was kind of hijacked and issues are being brought up that have nothing to do with it," Kansteiner explained.

"Long Beach is a city of lots of small businesses," Kansteiner said. "Is that something that small business can sustain or not? We're not talking about the McDonald's or the Burger King that have a large machinery [in place]. . . . And that conversation was difficult to have with forces that wanted to present a different story."

Cohn recalled how at economic development commission meetings he would keep track of the types of businesses scrutinized by the long lines of public speakers advocating for a minimum wage increase and noted that they were almost entirely fast food chains.

As a business owner herself, Kansteiner was unhappy with the outcome of the council's vote in January and is now left wondering if her businesses' model will continue to work with a higher minimum wage.

"My thing is the left hand versus the right hand," Cohn said. "The city says [it wants] economic development. We want business here. We want to be business friendly. And then they overcharge for an event or for a li-

(Please Continue To Page 10)

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- Belmont Shore Business Association [www.belmontshore.org]
- Bixby Knolls Business Improvement Association [www.bixbyknollsinfo.com]
- Midtown
 [www.cambodiatown.org]
- Downtown Long Beach Associates [www.downtownlongbeach.org]
- East Anaheim Street Business Alliance [www.zaferia.org]

- 7 East Spring Street [www.facebook.com/eastspringstreetlb]
- 8 Magnolia Industrial Group [www.magnoliaindustrialgroup.com]
- 9 Naples Island Business Association [www.naplesislandbusiness.com]
- On Broadway
 [www.onbroadwaylb.com]
- Uptown Business District [www.uptownlongbeach.com]

Long Beach Council Of Business Associations

(Continued From Page 8) cense or to open [a business].... So which one is it? Are we, or are we not?"

The council voted on July 12 to delay drafting the minimum wage ordinance for 30 days after the city attorney cited complications related to city employee labor group negotiations, as well as conflicts with the state's new minimum wage law.

Although COBA is still discussing how it can play a role at this point, Kojian said

the easy solution would be to scrap the city ordinance in favor of the state's new rules. "Long Beach's timeline is more expeditious than the state's. So from a business standpoint, I feel as though we could continue to remain competitive if, in fact, all playing fields are equal," he explained.

Moving forward, COBA is continuing to work with the city's Innovation Team, funded by Bloomberg Philanthropies, on its development of an online tool called Biz-Port that is designed to help businesses through the process of starting up in Long Beach, according to Cohn.

COBA is also advocating for the city to create a department or division to market itself. "We're talking about a promotional arm selling itself to itself. Reaching the far east corner of the city so they know what's going on here," Cohn said.

"The city itself is doing, at least in our eyes, a poor job of marketing to its own folks that live here," Kansteiner said. "Let's not even talk about the folks on the outside [of the city]. . . . Until we can look at ourselves and be proud of it, then how can we promote the city to somebody else?"

Ultimately, the role of the BIDs, and of COBA, is to "provide a customer service to our stakeholders," Kojian said. "When a business owner is making the decision of where to open up their establishment, we have to first realize that they have a lot of choices. So how do we make those choices easier for him or her? Are there barriers, or are there doors that are open?" he reflected. "We can't control the economy. But when that economy starts to squeeze business out, we want to leave that window of opportunity open as long as possible."

Commune Communications

(Continued From Page 1)

Zealand, for both, the International City is their chosen home.

"I was born here. My whole family is from here for generations, so we're Long Beach folk," La Rosa said. After living in Arizona for a period of time following college, La Rosa and his wife picked up and moved to New York City "for the adventure." It is there, during his five years working at a major advertising firm there, La Rosa met Whale.

"I ran a small digital agency and was recruited by Ryan's huge agency to do some stuff for them," Whale recalled. "We immediately hit it off. I wasn't ready to move, but we were certainly talking about the idea. I'm a small town guy. I like the beach. . . . So we started talking about the idea of maybe moving to California," he said.

La Rosa always knew he would move back to Long Beach, but he was surprised to find that Whale was so willing to adopt the city as his own. In fact, as Whale told the Business Journal, he regularly invites his Los Angeles friends to stay in his Belmont Shore home so he can show them the city and convert them to his new hometown. "This is my home now," Whale said. "I had a conversation on the phone with my mother about a month ago and she said, 'Are you coming home?' And I said, 'No, I think I'm home now."

Shortly after the two moved to Long Beach, they started up Commune Communications, which is approaching its two-year anniversary. The business takes its name from a gag Facebook group La Rosa and Whale made while in New York, where they and common friends would fantasize about running away and starting a commune in California.

Whale said the decision to base the business in Long Beach in part had to do with the evolution of the city. "It feels like Long Beach is going through a renaissance right now. There's a lot of growth, and [we felt] it would be a great place to start a business," he said.

"We want to be a Long Beach agency. First and foremost, that's who we are," La Rosa said. "Our strategy has been [to] take care of home first."

The two got started by cold-calling potential clients. They began with the city's business improvement districts – corridors where property or business owners pay a fee to an organization that provides services outside of those the city can offer.

The first person La Rosa and Whale called was Blair Cohn, executive director of the Bixby Knolls Business Improvement Association (BKBIA), which oversees the business improvement district on Atlantic Avenue and Long Beach Boulevard in Bixby Knolls.

"Our strategy was: Blair knows everybody. Do right by Blair and then Blair is going to tell everybody," La Rosa said.

As with subsequent business districts Commune Communications has worked with, the company provided branding and design expertise to the BKBIA. La Rosa is the firm's brand strategist, while Whale is the creative director, or as he put it "the coloring-in guy."

The challenge in creating a unifying brand identity for a business improvement district is that they "have a lot of stakeholders with different sets of needs, different tastes [and] different desires," La Rosa said. To ensure the final



Commune Communications' Ryan La Rosa, left, and James Whale, pictured at their East Village office, make it a point to develop close, long-term relationships with their design and branding firm's clientele. (Photograph by the Business Journal's Larry Duncan)

brand identity and the associated design concepts are reflective of everyone in the district, Commune takes an intensive, on-the-ground approach.

"The first thing we do is start to figure out what the problem is," La Rosa said. Once a problem has been identified, then La Rosa and Whale conduct an "intense research session." Typically, this involves having an intimate sit-down with a group of stakeholders, which is often the board for the organization, La Rosa explained. Surveys and one-onone interviews are also sometimes employed.

The Commune team, which includes four other staff members, then develops a strategy that satisfies the competing needs of all the stakeholders in a unified way. "We don't move forward until everybody agrees and goes, 'you guys nailed it.' And that's hard," La Rosa said.

Whale said this process removes any subjectivity from the design process. "We've proved out that it's the right color, the right shape or the right slogan for the right reason," he said. Commune is so focused on strategically led design because, as Whale put it, "Good design on its own is not enough to solve the problem."

In the case of BKBIA, "while they thought they needed a new logo, what they actually wanted to do was start taking credit for all of the events they're doing," La Rosa explained. The association puts on more than a dozen regular events, including First Fridays, Kidical Mass Bike Rides, a supper club and more, he noted.

To solve the issue, Commune developed a branded icon system for the BKBIA. Each event has its own icon. They're designed uniformly so that eventually, when people see one of the icons, they will automatically associate it with the BKBIA, La Rosa said.

Cohn has since referred Commune to other clients, who have referred them to others – and the business has grown from there. One of those referrals was Kerstin Kansteiner of the 4th Street Business Improvement Association, which oversees the area known as Retro Row.

Like the BKBIA, 4th Street was having some issues developing a unified voice or brand. Each business within the district has a distinct personality. Developing a marketing campaign involved showcasing the diversity within the collective district in a unified way, according to La Rosa.

"We came up with this campaign called 'I Am 4," La Rosa

said. In addition to being a social media hashtag and campaign, the concept also appears in the form of decals on 4th Street business windows. "You give them a little marker, and they'll write 'I Am 4' whatever they want to be for: diversity, surfing, good food. It doesn't matter," La Rosa explained. "When you walk down the street, each of the businesses are unified in their support and idea in this campaign ... [that] the notion for 4th Street is the sum of all of the different parts."

Business improvement districts typically work with limited resources, Whale noted. For that reason, when Commune works with these districts, the firm creates a set of tools that are ready to use with ease. "Don't overdesign, don't stretch it, because if you give them something they can't use, they'll fail," Whale said.

Recently, Commune began working with one of the city's largest (both in terms of geographical area and budget) districts – Downtown Long Beach. The area is overseen by the Downtown Long Beach Associates, which

Commune is helping to rebrand as the Downtown Long Beach Alliance with a new logo and website.

"We haven't needed to do any SEO or SEM [search engine optimization or marketing], or traditional advertising or marketing," Whale said of Commune Communications' growth. "We've purely relied on the strength of our work and word of mouth."

As La Rosa and Whale tell it, the firm's success is driven not only by the backgrounds of its co-founders but also by its work culture. La Rosa's background includes work for big names like Toyota, Dos Equis, Odwalla and Adidas. Whale has 16 years of experience and has worked all over the world, including in Berlin, Barcelona, the United Arab Emirates, Australia and other locations.

"It's an advantage for us that we left and came back, versus sort of staying here and being influenced by our community," La Rosa said. He and Whale noted that they think it's important to continue to take time to travel. A recent trip to Alaska led Whale to come up with numerous concepts for their work for the DLBA, for example.

Commune is also focused on long-term relationships with clients, Whale said. "Because of our big agency experience . . . we wanted to create a business where we could in essence pick and choose who we wanted to work with because we wanted to come to work happy and leave happy," he explained.

"As ambitious and misguided" as the concept of being friends with clients might be, it has worked, La Rosa said. "We're buddies with most of our clients. We go places. We hang out with them. . . . That's the kind of company we want to be."

Locally, Commune Communications has also worked with Councilmember Lena Gonzalez to develop branding for the city's 1st District, and also recently assisted the Long Beach City Clerk's office. And while the firm wants to be known for working in Long Beach, a quick look at its list of clientele reveals national names like Taser, PGA, Aflac and many others.

"Honestly, we try not to do much dreaming about the future, because I think it does a disservice to the mission that we're on in the present," La Rosa said. "Our idea is to always maintain that we're a Long Beach agency – a small to midsized shop. Our main focus is to be regarded as the best design firm in Long Beach." ■

BIDs Key In Revitalizing **Business Corridors**

(Continued From Page 1)

mula. Businesses may be charged a flat rate or may pay different amounts based on the type of establishment and number of employees. Similarly, property owners may pay a flat rate based on square footage, but in some cases, owners of larger parcels pay more.

The nonprofit organizations running the BIDs range in size and structure. Some, like the 4th Street Business Improvement Association, are run by unpaid volunteer boards. Others, like the Uptown Property and Community Association, employ an executive director to oversee operations.

To form a BID, a group of business or property owners must form an association and develop a management plan identifying geographic boundaries, assessment fees, proposed services and a budget. This plan must be submitted to the Long Beach City Council for a public hearing. For property-based districts, a petition signed by at least 50% of the property owners must be submitted with the management plan. Approval of at least 50% of the business or property owners is required to form a BID.

The city's business-based assessment districts are Belmont Shore, Zaferia (formerly referred to as East Anaheim Street), Bixby Knolls and 4th Street. The property-based improvement districts in Long Beach are known as the Magnolia Industrial Group, Uptown and Midtown/Cambodia Town. The latter two are the city's newest BIDs.

Downtown Long Beach is unique in that it has both a business-based assessment zone and a property-based assessment zone, both of which are overseen by the Downtown Long Beach Associates.

Another unique case is the Long Beach Tourism Property and Business Improvement Area, which assesses 17 hotel property owners located downtown and near the Long Beach Airport. Those funds contribute to the marketing, promotion and economic development efforts of the Long Beach Area Convention & Visitors Bureau (CVB). This BID is not profiled in this section, as it differs so greatly from the others.

"At the time the BID was formed, the city was in a position where financially it didn't have additional monies for the CVB, and we had been rather static for several years," Steve Goodling, president and CEO of the CVB, told the Business Journal. "We had cut and cut. The next cuts were going to be sales people and trade shows."

The general manager for the Hyatt Regency at the time told Goodling, "If that happens, I might as well just put chain links around my doors and close," he recalled. She proposed creating a BID to save the efforts of the CVB, and the district was quickly formed. "We had the support of city management. We had the support of [former Mayor] Beverly O'Neill and the council," Goodling said.

The tourism BID pays for the CVB's sales efforts, marketing and special events. The district's assessment constitutes about 52% of the CVB's funding, according to Goodling. "If it weren't for the BID, the CVB would not exist. That would greatly

impact room nights at the hotels, conventions in the city, the bed tax and the \$300 million a year in economic impact," he said.

Aside from the tourism BID, Long Beach BIDs represent business thoroughfares and corridors. The services provided by their governing nonprofit organizations typically include some combination of security, clean teams, marketing and promotion, special events, beautification and economic development.

Some districts are newer than others, and are still getting off the ground in terms of creating a clean and safe environment, like the Midtown BID. Others, like Downtown or Belmont Shore, are further along in their evolution and, having created appealing environments, are now more focused on economic development matters.

Overall, the goal of each BID is largely the same: to create a welcoming environment for businesses and their patrons and to attract and retain businesses.

Jim Fisk, project manager overseeing BIDs for the City of Long Beach, indicated that corridors along Broadway, Wardlow Road and in the Wrigley neighborhood have expressed interest in forming BIDs, but nothing is official at this time.

Learn About Long Beach Business Improvement Districts Beginning On Next Page



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Belmont Shore Business Association

■ By **Samantha Mehlinger** Senior Writer

The Belmont Shore Parking and Business Improvement Area, which covers the 2nd Street shopping and dining corridor between Bay Shore and Livingston drives, was one of the first areas to seek designation as a business improvement district, according to the city. Officially formed in 1983, the district now has about 240 businesses paying an annual assessment for marketing, events and other services.

The area is known for its shops, restaurants and bars, but there are also professional and service businesses in the area, including photography studios, hair salons, travel companies and others.

Although the district's annual total assessment is \$140,000, its total budget is closer to \$400,000 due to funds earned from events and other sources, according to Executive Director Dede Rossi. Businesses in the district pay a different fee based on type. Retailers, for example, pay an annual assessment of \$548.73, plus \$8.25 per employee. Contractors pay the lowest rate of \$194.80, plus \$16.50 per employee, and financial institutions pay the highest rate of \$1,646.22 plus \$16.50 per employee.

About one-fourth of the total budget (beyond the assessed funds) for the Belmont Shore Business Association – the organization that runs the district – goes toward administrative costs, including Rossi's salary, rent for its office, insurance, office supplies and other necessities.

Unlike many of the other business im-



VP Finance David Shlemmer,
Shlemmer Investments
VP Promotions & Marketing Heather Duncan,
Blue Windows

Although the BSBA does r
added security, Rossi does kee

Secretary Matt Peterson, Legends Sports Bar Treasurer Cory Peters, Chase Bank Executive Director Dede Rossi

Boardmembers Alexis Rabenn, Quinn's Pub & Grill; Bill Lorbeer, Lorbeer Equity Management, Inc.; Joy Starr, The Rubber Tree; Tula Trigonis, Salon Soma; Eric Johnson, Legends Sports Bar & Restaurant; Lisa Ramelow, La Strada; Marsha Jeffer, Shore Business Center:

Stacia Samaritan, Frosted Cupcakery

provement districts, Belmont Shore's BID doesn't have to fund cleaning and beautification efforts thanks to the existence of the Belmont Shore Parking and Business Improvement Advisory Commission run by the city. The commission oversees funds collected through the district's parking meters and determines how to spend them. "They pay for cleaning, trash pick up [and] beautification," Rossi said.

The BSBA is working with the commission to identify opportunities for median improvements, including new landscaping and lighting, Rossi said. Discussions also include replacing old cement trash cans with new ones that can't be rummaged through and replacing ashtrays with a new design that hides cigarette butts, she noted.

Although the BSBA does not pay for added security, Rossi does keep track of phone calls about crime and homeless people in the area. The organization works closely with the police department to report and address these issues, she said.

Marketing and special events account for the majority of the BSBA's spending, according to Rossi. Belmont Shore holds events year-round, with many in the summertime. The annual Stroll & Savor summer series, for example, highlights local restaurants, which provide food and beverage samples in exchange for purchased tickets. The annual car show on September 11 – about to enter its 27th year – is a big draw to the area, as is the annual Christmas Parade.

Funds earned through these events go right back to promotional efforts, Rossi said. The BSBA also promotes the area through advertising in area newspapers and other sources, she noted. The organization used to have brochures about the district printed and distributed to area hotels but has since ceased the effort. Rossi is considering revisiting that strategy, although perhaps in the form of a one-page brochure or flyer.

While the BSBA has successfully pro-

moted local shopping amongst residents, the organization is now examining how to attract more tourists to the area. "We feel like we need more of that tourism, especially in the summertime. That's number one," Rossi said. One avenue to accomplish this might be upping social media strategy and coordinating with other Long Beach entities like the Long Beach Area Convention & Visitors Bureau, she explained.

Turnover of businesses in the area is normal, at least in terms of what's historically been the case on 2nd Street, according to Rossi. Every few months, a business leaves and a new one comes in, she said. "People leave for a lot of reasons. It could be because they're not making it. It could be because the rents are too high," she reflected. "It's hard being a small business." While Rossi assists businesses looking to move in to the area, she said the BSBA doesn't have much control over which tenants move into the properties.

Rossi said one of the standout successes of the district is that it has many businesses that have been there for decades – Herman's Shoe Fashions, Legends Sports Bar, Sweet Jill's Bakery, Luna, Shear Pleasure and Seaside Travel House are just a few of these.

Midtown Property & Business Owners Association

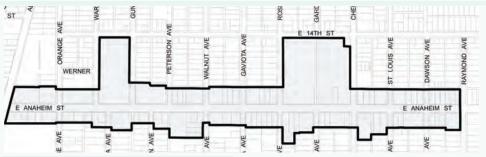
■ By **Samantha Mehlinger** Senior Writer

Long Beach's newest business improvement district (BID) was approved in August 2015 for an area known as Cambodia Town, named for having the largest population of Cambodians outside of their home country, and for the businesses they have established there. The district, called the Midtown BID, is still in the process of getting off the ground, according to Board Chair Kenneth McDonald, president and CEO of Long Beach Transit.

The Midtown BID is property-based, with property owners paying \$0.0836 per square foot of buildings on-site and for the total parcel square footage. The district runs along Anaheim Street, including some side streets, between Raymond Avenue and Alamitos Avenue. The estimated annual total assessment is \$161,230.

"Where we are right now is we have established a nine-member, volunteer board of directors. I have been elected chair of the board," McDonald said. Long Beach Transit's headquarters is the largest property in the district and has 750 employees.

The BID is still in the formative and planning phases, and an executive director



Midtown Property & Business Owners Association Board of Directors

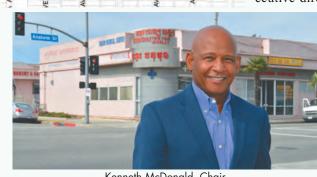
Chair Kenneth McDonald, Long Beach Transit Vice Chair Danny Vong, Retired Secretary Peter Kong, State Farm Treasurer Lisa Patton, Long Beach Transit

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Pasin Chanou, Cambodia Town, Inc.; Sakphan Kean; Laura McMillin, The Maye Center; Monorom Neth, Cambodia Coordinating Council; Gary Ung, Accountant

has not yet been hired. "You have to get insurance for the BID before you start conducting business. And we just got our insurance maybe 30 days ago," McDonald explained. "Insurance was one of the most important parts of establishing our budget and bank account."

Now that the insurance has been obtained, the board will begin the process of forming committees at its next meeting on August 11. Committees will be focused on: finding an executive director; establishing clean, safe and beautification services; and marketing and promotion of the district, McDonald said.



Kenneth McDonald, Chair Midtown Property & Business Owners Association

"The way we have it structured now, we have estimated maybe 60% of our budget going to the clean, safe and beautiful [efforts]," McDonald explained. "Marketing and communication, about 17% of our budget will go to that area. And then management, we are estimating about 23% of the budget."

The district's management plan identifies walking and bicycle patrols as methods for crime prevention and dealing with "inappropriate conduct in the district." Services for beautification and cleanliness would involve sidewalk pressure washing and sweeping, graffiti and trash removal, and landscaping.

Initial marketing and communications strategies as outlined in the management plan include creating a website and banners for the district, establishing a social media presence, planning events, attracting customers and focusing on business retention and recruitment.

McDonald's first goal is to have an executive director within 90 days. "That's

Ken McDonald, the head of Long Beach Transit, who wants everything done on time," he said.

"Each of the programs are designed to improve safety of each individual parcel, increased building occupancy—these are the goals we have established," McDonald said. These efforts are aimed at attracting new businesses and developments, he noted.

Once an executive director is hired, Mc-Donald said he hopes to start tracking turnover of businesses in the area. "We would know exactly what the challenges are and the turnover and what we can do to help," he said.

Right now, McDonald and the board are focusing on identifying the state of the district and establishing a baseline for improvements.

"The message we want is that we're working towards building this Cambodia Town BID," McDonald said. "We want to make it a vibrant area in the city." ■

Bixby Knolls Business Improvement Association

■ By **S**AMANTHA **M**EHLINGER Senior Writer

With historic neighborhoods, professional offices and services, boutiques, specialty stores and pretty much any kind of eatery you can think of, the Bixby Knolls Parking and Business Improvement Area is home to more than 800 businesses. The district has two major corridors – Long Beach Boulevard and Atlantic Avenue – and it extends northward from the 405 Freeway to 46th Street.

The Bixby Knolls BID was founded in 1989. Its annual assessment, collected from business owners in the district, is \$161,000. The base assessment fee is \$250 for businesses and \$150 for nonprofit organizations. Beginning in 2016, \$20 is being added annually for a period of seven years to make up for a gap between redevelopment agency funds and assessment fees. Also beginning this year is a percentage adjustment based on the consumer price index.

Executive Director Blair Cohn and Project Manager Cait Yoshioka are the only full-time employees of the Bixby Knolls Business Improvement Association (BKBIA), although assessment dollars also



Bixby Knolls Business Improvement Association Board Of Directors

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Long Beach Boulevard Representative Katherine Galanty, goFETCH Wardlow Road Representative Jane Ho, Baskin Robbins Bixby Knolls Shopping Center Representative Lourdes Valles, Gems & Jewels Atlantic Avenue Representative Michelle Jouvence, Lucy's Boudoir Long Beach Boulevard Bill Larson, Sonnocco Investments Member At Large Representative Anthony Puente, Digital Revolution Atlantic Avenue Representative Cheryl Jacobs, Mark Hawkins, Roy Robbins and Andrea Testa **Community Liaisons**

fund part-time coordinators for the district's clean team and First Fridays events.

The number one goal and priority of the association is to "make our boundaries and borders as clean, safe, attractive and vibrant as we can," Cohn told the Business Journal. "We have private security patrols that go through the area to make sure it's safe."

Beautification and maintenance services include weeding, tree and plant trimming, pressure washing, litter removal and graffiti abatement. The BKBIA also has a facade improvement program for local buildings and businesses. All of these efforts, which make up the largest portion of the organization's budget, make business patrons comfortable and "raise the profile of the neighborhood," Cohn said.

Another major focal point for the BKBIA is marketing and promotion. One of the key ways the association promotes the district is through a regular series of events and clubs, including a supper club, a book club, bike rides for kids, a "good spirits" cocktail hour club and more. The largest of these efforts is First Fridays, a monthly event where businesses keep their doors open later, special promotions are offered, drinks and food are available and attendees are entertained with music.

"Since we're a bedroom community that surrounds the business corridors, we want to make sure that the neighborhoods are engaged by our monthly programs," Cohn said. "First Fridays had existed for a year before I said, let's co-opt it and let the association take it over," he recalled. "I was able to raise money to get a coordinator – somebody who works on it all month," he said. "The crowds are big and steady, and I think it's leaving a mark."

The BKBIA also promotes the district and businesses within it through social media. Its new online campaign, Discovered In Bixby, provides a platform for visitors to talk about the area online. "Discovered In Bixby promotes [the concept of] 'hey, everybody, whatever you see and like and find in the neighborhood, share it," Cohn said. "We push it all the time for neighborhood pride but also for people to share their discoveries."



Blair Cohn, Executive Director Bixby Knolls Business Improvement Association

"We have to work harder at marketing and promotion because it's not like we have the foot traffic of Belmont Shore," Cohn noted. "The challenge is to become a destination, be unique and provide a great experience for people to come. That's why here we have to push a little harder on the marketing piece, both individually for businesses but also for us... trying to promote the whole area."

The association is also there to help as a liaison between the City of Long Beach and businesses. Cohn assists with issues as minor as businesses being billed twice by the city – "It may have been an error, and we can call and get that straightened out," he said – or assisting a new business through the city's planning and building processes. "We're there to get on the phone and see what we can do to help. . . . And I think the businesses appreciate that fast at-

tention so they don't feel they're left in no man's land."

The BKBIA tries its best to keep track of vacancies, but with limited staff the effort is a challenge, Cohn said. The association's relationship with local commercial real estate brokers has grown in the past few years, so Cohn said he often checks in with them to discuss vacancies in storefronts and office buildings. "We have had more businesses coming in than leaving," he observed. "Those that have had to close, someone has been right behind them to take the space."

When there is a vacancy, the organization "puts out feelers" to find new tenants. "If we get a lead from someone, we'll try to reach out to the broker and say this would be perfect for that space," Cohn said.

"For instance, Luis from Lola's [Mexican Cuisine on 4th Street] came up here. I know he was looking in other places," Cohn recalled. "He came in, and we met for an hour or more. And I gave him the whole speech about what we do, how we can help. . . and I just gently twisted his arm and made him an offer he couldn't refuse, which is like, this is the promised land. We don't want you going anywhere else. So here he is."

Moving forward, Cohn intends to remain focused on clean and safe efforts, as well as promotion of the district to "keep raising the profile [of the district] and spreading our wings even a little wider." ■



Downtown Long Beach Associates

■ By **Samantha Mehlinger** Senior Writer

Long Beach's downtown is unique among the business improvement districts (BIDs), not only because it spans a much larger geographical area and has a significantly higher budget than the others, but also because it includes both a property-based BID and a business-based BID. The Downtown Long Beach Associates (DLBA) – soon to be rebranded as the Downtown Long Beach Alliance – oversees both assessment zones.

From south to north, the total area spans from the waterfront to 10th Street at its northernmost point. From east to west, it runs from Alamitos Avenue to West Shoreline Drive.

"The difference between the downtown and all the other business nodes throughout the city is that downtown is made up of a series of neighborhoods," Kraig Kojian, president and CEO of the DLBA, told the Business Journal. These areas include the waterfront (with Shoreline Village and the Pike Outlets), North Pine Avenue and the Promenade, the West Gateway and the East Village.

At the waterfront, businesses are retail heavy, while the rest of the downtown is a mix of apartment buildings and condo high-rises, office towers and ground floor retail. Businesses range from small momand-pop grocers to boutiques, restaurants and bars, major corporate businesses like Molina Healthcare, creative agencies, trade and logistics-related firms and much more.

According to city documents, the Downtown Parking Improvement Area, which is the business-based BID, assesses about \$415 per business and \$6.99 per employee. Service-based independent contractors are assessed \$285.33 per business and \$4.84 per employee. The total annual assessment for the area is \$610.046.

Downtown's property-based improvement district assesses property owners based on the square footage of the parcel and buildings on-site, the linear footage of the property and the "level of services rendered to benefit the area," according to city documents. This area is the major budget source for the DLBA with an annual assessment of about \$2.4 million.

Additional revenue is sourced from the successor agency to the former redevelopment agency, parking meters, ticket sales and vendor fees. The DLBA also contracts out its clean team services to Long Beach Transit to maintain the downtown transit mall restrooms.

For their investment into the greater business district, businesses and property owners "get a cleaner, safer, more vibrant community to live, work and play," Kojian said. "That investment is going to be protected by this organization through a variety of programs and services."

The largest chunk of assessment dollars – about 40% – goes to the DLBA's Clean and Safe program. "Put it this way: if it's not clean and safe, would you want

Downtown Parking Improvement Area E 1ST ST EASIDE WAY **Property-Based Improvement Area**

to make an investment?" Kojian said. "Would you want to come downtown if it's not clean or safe?"

The DLBA contracts with three companies to employ a Clean and Safe team of 50 to 60 people. Clean initiatives include picking up trash and pressure washing the sidewalks. The members of the safety-oriented team are known as downtown guides, according to Broc Coward, chief operating officer. "They're our ambassadors. The job is not only to provide a safe environment through the eyes and ears in the community, but they also provide directions," Coward said.

The downtown guides also act as escorts to anyone in the downtown area who wants to be accompanied while moving from point A to point B, Coward said. Escorts are available from 7 a.m. to midnight during the week and extended hours until 1:30 or 2 a.m. on the weekends.

Kojian called these services "the foundation of everything else that we do." He added, "If we're not providing that inviting environment, nothing else is going to happen. It's a house of cards after that."

Special events also make up a significant portion of the DLBA's spending. The organ-(Please Continue To Next Page) Downtown Long Beach Associates Executive Committee

downtownlongbeach.org

Chair Michelle Molina, Millworks
Chair Elect Toliver Morris, Manulife Real Estate
Past Chair Hilda Sanchez, Minuteman Press
Treasurer David Cannon,

Residential Representative
Secretary Ryan Altoon, Anderson Pacific, LLC
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Kenneth McDonald, Long Beach Transit
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Julia Huang, Intertrend

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David Cannon, Residential Representative

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City of Long Beach Representative Juan Lopez-Rios

Downtown Residential Representatives

Derek Burnham

Lauren Haverlock

Note: Advisors and non-voting members not included



Downtown Long Beach Associates President and CEO Kraig Kojian, left, with Chair Elect Toliver Morris, Manulife Real Estate

ization puts on signature events all year, including the year-round Live After 5 music series, the Summer and Music series, Downtown New Year's Eve, the Taste of Downtown series and others. These events not only promote local arts and culture but also help attract people to the area and encourage area employees to stay after hours and spend their dollars locally, according to Kojian.

Beautification and activation of the public realm is another focal point for the organization. For example, through its 501(c)(3) nonprofit organization, the Long Beach Downtown Development Corporation, the DLBA recently activated the long-vacant southeast corner of Pine Avenue and Ocean Boulevard with an art installation called The Loop. The DLBA

also facilitates community grant projects for public beautification and has helped to implement and fund scramble crosswalks and pedestrian-friendly infrastructure.

Marketing and promotion of the area and its businesses also take priority. About a year-and-a-half ago, Kojian brought on former Long Beach Post Executive Editor Brian Addison to head up communications and spearhead a new social media strategy. "I put a lot of effort into building our main platforms," Addison said. His efforts helped grow the DLBA's number of Facebook likes from 14,000 to nearly 40,000 and its Twitter followers from about 6,000 to 12,000.

Addison has shifted the DLBA's social media focus to highlight local businesses, artists and the community. For example, the

owner of a restaurant might call the DLBA and ask for a special event to be promoted through its social media pages, and the DLBA is more than happy to oblige, Addison explained.

The DLBA also helps the business community via its economic development services, which aim to attract new

businesses and assist existing ones in the area. When there are vacant storefronts, the DLBA works with local brokers, including its own Board President-elect Toliver Morris of William Morris Commercial, to help fill those spaces.

"The old adage of 'put up a sign and wait for a call' is not our program. We're actively going out and recruiting folks," Morris said. "We're really focused on the local and regional [businesses] versus the big nationals. We're trying to retain the character, integrity and authenticity of Downtown Long Beach as kind of part of that recruitment effort," he explained.

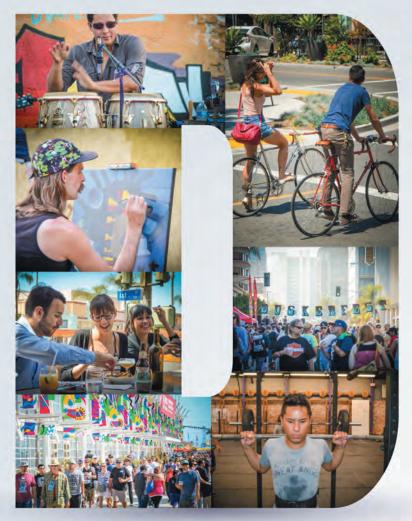
"We want to see the most unique and interesting retailers and businesses moving into downtown," Morris said of his vision for the next few years. "We want to see diverse and vibrant residents moving into downtown."

The sale of many former redevelopment agency properties in the area, including two at the intersection of Long Beach Boulevard and Broadway, will help aid in these efforts, Coward observed. "These successor agency properties are going to provide an opportunity to close the gap between the core of downtown and the East Village and that canyon area that has been there historically," he said.

"Density is key. Connectivity is key. Destination is still key," Kojian said of downtown's future. "I would like to see Downtown Long Beach become a stronger destination from a visitor standpoint – to expand and extend the stay for those people who use downtown as a destination."













Many Neighborhoods ONE Community



4th Street Business Improvement Association

■ By **Samantha Mehlinger** Senior Writer

The 4th Street Parking and Business Improvement Area in Long Beach's 2nd Council District may be one of the city's smaller business improvement districts (BIDs), but its personality looms large. The area is known as Retro Row for its collection of vintage clothing and furniture stores – which, as 4th Street Business Improvement Association volunteer board President Kerstin Kansteiner pointed out, has garnered it major national press.

The BID's origins date back 25 years, to when Kansteiner – who owns Portfolio Coffeehouse and co-owns the Art Theatre within the district – and two other business owners began meeting once a week to pick up trash. "We did projects together, from cleaning up to events. Then we started asking business owners to chip in," she recalled. Back then, there was only about a handful of businesses in the area, she recalled. Now it's full of thrift stores, vintage shops and international restaurants.

Officially formed as a BID in 2007, the district spans 4th Street from Cherry Avenue to Temple Avenue and includes 60 merchants as members. Those business owners are assessed an annual fee of \$200, while nonprofit organizations and miscellaneous vendors are assessed \$100.

The total annual assessment for the area is \$14,000 – the smallest amount of any of the city's BIDs. For that reason, the 4th Street Business Improvement Association is run by a volunteer board. There are no staff salaries, apart from contracted work by an accountant and a social media manager. "If we are doing anything or even distributing materials, one of our stakeholders has to physically walk down the block and do it on their own time," Kansteiner said of the volunteer nature of the organization.

Kansteiner has served as the organization's volunteer president throughout much of its history. Chris Giaco, owner of vintage store inretrospect, is taking on the position in September.

The district's assessment dollars are used for events, marketing and a website, Kansteiner said. A small amount is set aside for beautification efforts, including the maintenance of a parking lot and a small garden of succulents that fronts Luther Burbank Elementary School. "It's so important to us because it's right across the street from the shops, and everyone always feels very strongly that it makes a big impression," she said of the garden.

While the association doesn't have much money for advertising apart from an ad in a regional travel magazine, it markets itself through a brochure that includes a map of the area and a directory of businesses, Kansteiner explained. This brochure is distributed to area hotels and the Long Beach Convention & Entertainment Center. Local storeowners also take them to trade shows for distribution, she noted. A local design firm, Commune Communications, is currently working to redesign the brochure.

Commune also recently revamped 4th Street's website and developed a new cohe-

sive branding and marketing plan dubbed "I Am 4," which is also used as a social media hashtag. "We do a lot of outreach on Instagram and Facebook," Kansteiner said. "That's a cheap way of keeping the word out on the street about 4th Street."

to property owners, some of them are quite active in the BID's efforts, she noted.

In the future, Kansteiner hopes to see the association's advocacy for additional crosswalks, dedicated bike lanes and pedestrian street lighting come to fruition.

"It's a new era," Kansteiner said. "We [will] have a new councilperson . . . so we're kind of looking forward to meeting with her and hopefully with her make a plan that takes us through the next 10 years."



Chris Giaco, owner of Inretrospect (pictured), and Kerstin Kansteiner, owner of Portfolio Coffeehouse, are co-presidents of the 4th Street Business Improvement Association

4th Street Business Improvement Association Board of Directors

4thstreetlongbeach.com

Co-president Kerstin Kansteiner,
Portfolio Coffeehouse
Co-president Chris Giaco, Inretrospect
VP & Treasurer Kathleen Schaaf, Meow
Secretary Stephanie Blakeslee, Art Du Vin

Events are the main aspect of marketing and promotion for the district, according to Kansteiner. "We do three bigger events per year," she said. Retro Ramble, an annual sidewalk sale, includes entertainment as well as deals from local vendors. The area was also recently host to a portion of Beach Streets, an event in which streets throughout the city were closed to vehicular traffic for use by pedestrians and bicyclists.

Last year, the association debuted a new event in the form of a "progressive beer and wine festival" in which attendees strolled among stores and restaurants sampling beverages. "It was very successful. We're doing it again," Kansteiner said. In all, these events eat up about \$9,000 of the area's budget due to the city's permit fees alone, she noted.

A challenge for local business owners is that, due to the area's coverage and recognition in regional and national media, property owners feel the area is doing well enough that they can raise rental rates, Kansteiner explained. "There are small businesses that are struggling with rent increases because the landlord thinks we are doing fantastic and it's time to increase their rent," she said.

"It's challenging to maintain that kind of retro feeling without eking ourselves out of the market and letting a landlord put in a box store," Kansteiner said. The association reaches out to property owners when they have vacancies, not only to assist in finding tenants that will do well in the area but also to find businesses that won't be detrimental to the district. "As soon as we hear there is a vacancy coming up . . . we try to reach out to fellow business owners," she said.

Fast food joints or big name brands would cause the street to lose its "retro feeling" and would turn the area into something resembling a strip mall, Kansteiner said. While this can be difficult at times to communicate





East Anaheim Street Business Alliance

■ By SAMANTHA MEHLINGER Senior Writer

The East Anaheim Street Parking and Business Improvement Area, a businessbased assessment district, recently launched its new branding as Zaferia - a name hearkening back to the area's historical roots as a laborers' village in the early 1900s. Now that the area has been rebranded and a new website launched, new Executive Director Kristine Hammond is focused on business outreach, streamlining the budget and adjusting the East Anaheim Street Business Alliance's (EASBA) priorities.

Zaferia is bounded by Junipero Avenue to the west, Pacific Coast Highway to the east, 11th Street to the south and 14th Street to the north. Its main thoroughfare is Anaheim Street, which is one of the oldest commerce routes in Los Angeles County, according to a historical report from the alliance. Businesses in the area include furniture stores, service companies, professional offices for services like architecture and law, bars, restaurants, creative agencies and more.

Business owners in Zaferia are assessed based on their type of business and their number of employees. Retail, recreation, entertainment and "unique" businesses pay a base rate of \$300 per year and \$15 per employee (up to \$300). Service, vending, professional, wholesale, contracting, manufacturing and mobile businesses pay a base rate of \$200 annually or \$120 if they hold a secondary license, plus the same rate as retailers for each employee. "Nonresidential space rental businesses" pay \$120 per year and no employee fee.



East Anaheim Street Business Alliance

Executive Director Kristine Hammond

East Anaheim Street Business Alliance Board of Directors

www.zaferia.org

President Tracy Ames, The Red Leprechaun Vice President Andrew Vonderschmitt, Long Beach Playhouse

Treasurer Alisa Admiral, Law Offices of Alisa Admiral Secretary Kourosh Dayatolhagh. Farmers & Merchants Bank **Executive Director Kristine Hammond**

Boardmembers

Cameron Crockett, Ultra-Unit Architectural Studio Becher Neme, Vene Design Solutions Michael Schafer, Edward Jones Investments

The total annual assessment for the district is \$145,000, but Hammond said about \$10,000 of that is identified as non-collectible, so the total is closer to \$135,500.

The rebranding of the area as Zaferia began before Hammond came on board this year. A new logo – a design of the letter Z in a shade of bright green - is the unifying idennow appears on banners throughout the district, as well as on the new website. The green color used in the logo will be implemented throughout the district, such as on bike racks. "We're hoping to get

this area known as Zaferia. People would say, 'Let's go get a drink in

Zaferia," Hammond said. "My take is that previous efforts were trying to call the area EASBA, but nobody knows what that is.

In the process of putting together a directory for the website, Hammond began calling businesses in the district only to discover that "some of the members don't even realize they're members" even though they've been paying the assessment, she said. "It's interesting. About eight out of ten people I talk to don't realize they're members," she added. For this reason, Hammond is focusing efforts on outreach to businesses in the area.

Hammond has been digging down into the budget to reassess spending priorities. For example, the district's primary marketing strategy has been the production of a four- to eight-page magazine about the area, which is being discontinued. "From what I understand, they just distributed it to the members. So I don't know how effective that was, because you're just sort of marketing yourself to yourself," she said.

Other expensive printed materials are also on the chopping block. "I'm told my predecessor . . . involved a marketing company that he had

an interest in," Hammond noted.

An annual event, Discover Zaferia, also might not be effective to continue, according to Hammond. "You block the street. People are there for the stuff under the tents out in the street rather than visiting the businesses. So I think that money can be better spent in different promotions," she explained.

Hammond and the board are looking into bringing people to the area with new events. On July 23 and 24, for example, the EASBA is paying the Long Beach Playhouse to put on "A Midsummer Night's Dream" at Recreation Park, which will be free and open to the public. Attendees will be given a program that includes coupons to Zaferia businesses. "There will also be an insert listing the types of businesses that are in our area," Hammond said.

Another potential new promotion to highlight local businesses might involve music. "One of the things I'm looking at in October is to promote "Rocktober" and advertise for all of the entertainment places with live and recorded music, and push that out, particularly to Cal State Long Beach students who are back in school," Hammond explained.

EASBA is continuing to contract with the Conservation Corps of Long Beach for litter removal and weed abatement services, Hammond noted. To promote further beautification of the area, the organization helps local businesses take advantage of the city's facade improvement program, she said.

Magnolia **Industrial Group**

■ By SAMANTHA MEHLINGER Senior Writer

The Magnolia Industrial Group (MIG) Property and Business Improvement District (PBID) is unique among the other business districts in Long Beach in that it is in an industrial zone. Unlike other business improvement districts, the assessment fees paid by property owners in the area go to one major purpose: private security.

Founded in 1996, the Magnolia Industrial Group PBID is bounded from west to east by the Los Angeles River and Magnolia Avenue. The southern border stretches to an undeveloped parcel past 12th Street, and the northern boundary is Pacific Coast Highway.

Owners of properties measuring less than 20,000 square feet pay an annual assessment of \$744.06, while owners of larger properties pay an additional assessment of slightly more than \$0.01 per square foot. The total assessment fee is capped at \$1,488.12. The total annual assessment is \$85,350.

The Magnolia Industrial Group is comprised mostly of port-related and manufacturing businesses. Goodwill, Serving the People of Southern Los Angeles County is also headquartered there and has training facilities and a retail store. There are 100 property owners within the district, which is run

by a volunteer, unpaid board of directors.

"Years ago, we had issues with crime, vandalism, graffiti, prostitution," Board President Bill Townsend, who is also president of Long Beach real estate firm INCO Commercial, told the Business Journal. "It was hard to get tenants and buyers to invest in that part of town." So the area property owners and Townsend - who works in the area as a broker - banded together with the

assistance of the City of Long Beach to form an improvement district.

"The owners really took it on themselves," Townsend said of the effort. "We had tremendous help from the city forming this. I think it was one of the first industrial BIDs that was ever done." Townsend said the PBID has proven to be a success, and that "owners see it's a good return on their investment."

The PBID's assessment dollars go to-

Magnolia Industrial Group Boardmembers

magnoliaindustrialgroup.com

President William Townsend, INCO Commercial Treasurer Mike Zupanovich, Harbor Diesel & Equipment Secretary Anthony Dumas, **Dumas Diesel Injection** Boardmember Jim Zupanovich, Harbor Diesel & Equipment



President Bill Townsend, left, with Treasurer Mike Zupanovich Magnolia Industrial Group

wards night security for the district, which is contracted through Platt Security, a Long Beach business. "We work very well with the Long Beach Police and it's a really good partnership with the city, the owners and our security firm," Townsend said. "We're all working together for the same goal."

Industrial areas in general seem to have less crime, despite increases in crime rates in other parts of the city, Townsend noted. "Our crime is very low. There is certainly graffiti and things like that, but it's handled immediately," he said. "Having security in the area at night keeps the crime away."

As a real estate broker, Townsend keeps track of vacancies and turnover in the district both of which he said are minimal. "There are small businesses that come and go," he said. "But overall, the core businesses have been there for years. It's a very stable area."

Having a low vacancy rate keeps crime down, Townsend noted. It does, however, create pressure on sales prices of properties and rental rates, making it expensive for businesses to locate there. In general, though, real estate prices are high throughout the state, he said.

"The number one success is that we have a very secure area," Townsend said. "As you're improving the neighborhood, it helps real estate values go up, and it helps attract tenants and buyers," he explained. The city has also helped to improve the area by planting trees and repaving streets, he pointed out. "Owners feel secure in buying in the area. It's a solid investment." ■

Uptown Property And Business Improvement District

■ By SAMANTHA MEHLINGER Senior Writer

Formed in 2013, the Uptown Property and Business Improvement District (PBID) features two main arteries: the stretch of Atlantic Avenue from Market Street to Artesia Boulevard, and Artesia Boulevard from Orange Avenue to Atlantic Avenue. It also includes Houghton Park, Jordan High School and a portion of North Long Beach along the Los Angeles River. The district's relatively new manager, Tasha Hunter, is focused on building upon what she calls a "renaissance" already starting in the area.

Uptown, as it is known by shorthand, is a property-based assessment district with assessments varying by property type: mobile home parks are assessed \$0.001 per parcel square foot, schools are assessed \$0.005, parks pay \$0.02 and apartment building owners pay \$0.035.

Owners of commercial parcels smaller than 20,000 square feet are charged \$0.08 per square foot, while parcels between 20,000 and 100,000 square feet are charged \$0.09. Large commercial parcel owners are assessed \$0.10 per square foot. The total annual assessment funds paid into the district are \$180,770. In addition to these funds, the

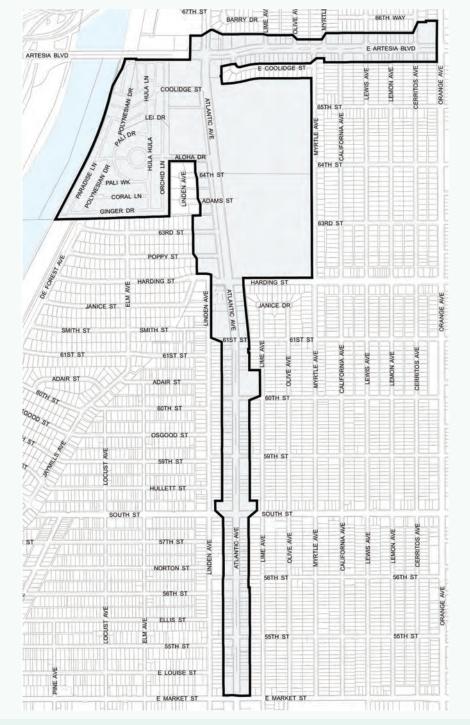
organization running the PBID the Uptown Property and Community Association - also receives grant funding.

There are 235 property owners in the district, which is home to more than 140 businesses. Most of these are "small mom and pop" operations, Hunter said.

Property owners paying into the district are getting a cleaner, safer Uptown, according to Hunter. "Since I have

been in the office, I have changed who I am working with for keeping our streets clean," she said, noting that Uptown now uses the services of the Conservation Corps of Long Beach. "Before, we had one person cleaning 30% of our BID four days a week. Now we have anywhere from six to 10 young individuals cleaning 100% of the BID five days a week." An added benefit is that the Conservation Corps trains local youth, she added.

Uptown contracts with C.S.I. Patrol Service for patrols throughout the district. "Since I have been in this position at the BID, we have increased our security so that we have a mobile patrol, in addition to our bicycle team," Hunter said. Homelessness is an issue in the area, as it is in other parts of the city, she noted. The security team assists when calls are made about homeless people in the area, and the city's homeless services group is also brought in, Hunter explained.



Uptown Property And Business Improvement District Board Of Directors

www.uptownlongbeach.com

President Yanki Greenspan, Westland Real Estate Group

Boardmembers

Aaron Blackbur, Kupata Protection Services; Phil Saumur; Steven Neal, Molina Healthcare; Candace Meeham, Long Beach Unified; Martha Sandavol, Villa Park Mobile Home Community; and John **Atkinson**, Calvary Chapel of North of Long Beach

> Assessment dollars also fund beautification efforts like graffiti removal and facade improvements. The organization also works with the City of

Long Beach to improve conditions of streets and landscaping. To create a more aesthetically pleasing environment, Hunter has been working with property owners to remove bars from windows, or at least to place them on the interior of windows so they appear less intimidating, she noted.

Marketing and promotion are another focus for Uptown. "We have a monthly newsletter," Hunter said. "We do a lot of social media. We're on Instagram, Twitter [and] Facebook." On holidays, the district uses these outlets to highlight local businesses offering specials to help boost sales. A hair salon promoted for Mother's Day had a 20% boost in sales that day, Hunter said.

Economic development and business assistance efforts are also a point of focus. "What I have noticed is a lot of our business owners may not be tech savvy," Hunter observed. To help, the district organization is going to host workshops to teach business owners how to sign up for e-mail, use social media and platforms like Yelp, and more.

"My priorities are to increase commu-



Tasha Hunter, Manager Uptown Property And Business Improvement District

nity and business engagement. I definitely want to help stimulate the economic development up here," Hunter said. "The second [priority] is letting the property owners know that the BID, the board, myself and a lot of other people are making a difference."

The district is up for renewal in 2017, she noted. "Once we hit that renewal, then we're good for 10 years. It's a bit of a gamble, but . . . I have faith that once these property owners see what we're doing and the improvements we're making for the area and this community, [they won't be able to] imagine this community without us here."

Hunter is confident that the Uptown BID's efforts are creating change. "I get at least three to four phone calls daily of people from other areas that want to move into the area," she said. "They just know this is the next big thing, and they want to get a piece of it. They want to be here. They like the culture. They see where Uptown is going, and they want to be a part of that journey." ■





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<u>Long Beach Business Journal</u>

With A Replenished Reserve Fund, Signal Hill Continues To Thrive

■ By Brandon Richardson Staff Writer

ow in its 92nd year, the 2.2-squaremile City of Signal Hill has replenished its reserve funds that were drawn on due to the Great Recession and the subsequent fallout.

"The general state of the city now is really sound," Signal Hill Mayor Lori Woods said. "We came through the recession really well. We did have to dip a little into the reserves set aside, but that's what they are for . . . and now we've built our reserves back up."

The city recently adopted a \$21 million budget and, according to City Manager Charlie Honeycutt, the city is projecting a surplus of around \$170,000. He went on to explain that if the general fund reserve were to be combined with the city's "rainyday" fund reserve, the total would be 85% of the city's annual operating cost, which Honeycutt attributes to a fiscally conservative city council that understands how important it is to "have money in the bank for when the economy turns sour."

The city generates about 70% of its general fund revenue from sales tax, according to Woods. Having a bustling auto center, big-box stores such as Costco and two Home Depots, countless smaller retailers, as well as a sales tax sharing agreement with Office Depot, the city works to make operating a business as easy as possible.

"We're pretty focused on making sure that our businesses are successful, and we



The Signal Hill City Council, which meets at 7 p.m. on the second and fourth Tuesdays each month, consists of five members elected at-large to four-year terms. There are no term limits. The position of mayor is rotated annually among the members. Pictured from left are: Vice Mayor Tina Hansen, first elected to the city council in April 1994; Councilmember Edward Wilson (March 1997); Mayor Lori Woods (March 2013); Councilmember Larry Forester (July 1998); and Councilmember Michael Noll (April 1992). The city council recently approved a \$21 million budget for the 2016-17 fiscal year that began July 1, and expects a surplus of \$170,000, according to City Manager Charlie Honeycutt. (Photograph provided by the City of Signal Hill)

try to have a business-friendly environment by allowing businesses to come in and not get in their way too much with bureaucracy and red tape," Honeycutt said. "We try to make staff always available to businesses they can walk up to the front counter or make a phone call, and they can meet with

the city manager because we are so dependent on successful business."

Melissa Guy, president of the Signal Hill Chamber of Commerce, agreed, saying that Signal Hill is "one of the easiest places to do business." With new legislation and rising prices, Guy said that business is getting far more difficult to conduct in surrounding cities such as Long Beach, Lakewood and Seal Beach.

"The City of Signal Hill really prides itself on staying out of your business," Guy said. "You get the support of the city, but they are not managing your business. It's not like a big brother over your business."

After five years under the same leadership, the chamber has a new board and is "young and on the move," according to Guy. Membership is currently around 100, but she is expecting that number to grow to 200 businesses by the end of the year. And the chamber will be launching a new website at signalhillchamber.org by the end of the month.

More new leadership is on its way to the community as interviews for the vacant deputy city manager position are underway. According to Woods, there are four or five applicants and the city council will hopefully have a decision some time in August. "We are looking for someone who can step in and hit the ground running," she said.

In an effort to better the city for businesses and residents alike, city officials have been working on a number of projects. One already completed is the \$6.7 million widening of Cherry Avenue near Pacific Coast Highway. The project, in the works for years, was pushed back due to California Department of Transportation requirements. Now that it's completed, Honeycutt said it cleared up a bottleneck that created traffic congestion.

The city also has a number of projects that are nearly underway according to Honeycutt. "Looking forward over the next 12 months, I think it's going to be a really ex-

citing time for Signal Hill," he said. Construction on the new 20,000-square-

foot, two-story public library is set to begin

early next year and be completed in 2018.

The city is also in the process of completing construction drawings for a new dog park across the street from the Gateway Center on California Avenue, just north of Spring Street, and has plans for a view park and trail on the corner of Cherry Avenue and Burnett Street, across from the vacant Fresh & Easy building.

"[The view park] will have electronic message boards that will help announce meetings, events, get public service announcements out, so it will be a really nice added feature," Honeycutt said. "It's just our continued effort to create walking opportunities. That's a big focus now, active transportation - walking and being able to ride bikes."

A major project that is nearing completion is the activation of the city's new water well, which Honeycutt said has been years in the making.

"Because of the drought conditions, it will really help our water reliability and actually help us manage water cost to our customers." he said. "The city council takes great pride in keeping the water rates low here."

The well, which is located at the city's public works yard on 28th Street, should be activated before the end of the year, according to Public Works Director Steve Myrter.

While the city owns its own water department, it has a contract for electricity to be provided by Southern California Edison. Honeycutt said that while they have not had problems with outages, Edison warned that as summer continues rolling blackouts may occur.

"We've been in communication with Edison," Honeycutt said. "They've partnered with cities to come up with a notification plan: if there's an outage, here's what's happening."

By the end of the summer, the city hopes to bring a contract for a parks and recreation needs assessment to the city council for approval. Honeycutt said the city is looking for feedback from the community on how it can improve services.



"We don't like to sit here in city hall and think we know what the community wants. I think our city council has done a good job of regularly asking the community."

Honeycutt estimates the assessment to take a year to complete once the contract is finalized. He said the process will include a series of surveys and phone calls and that he is looking forward to the community participation.

The city is, however, facing several large expenditures in the coming years as new state mandates are introduced. One of the largest expenses will be to comply with National Pollutant Discharge Elimination System (NPDES) mandates, which the city will spend around \$30 million on over the next 20 years.

"Basically, they don't want any pollutants to get to the L.A. River, the San Gabriel River or the Los Cerritos Channel that ultimately flow into the ocean, and there's a high price tag to do that."

Signal Hill is leading a \$10 million project to divert runoff into an underground chamber at Los Angeles International Airport. Partnered with the City of Long Beach, Long Beach Airport, the California Department of Transportation and Los Angeles County, Signal Hill is taking the lead on designing and building the project, while funds are to be provided by Caltrans, Honeycutt said.

Aside from this regional runoff project, Signal Hill will continue other programs, such as street sweeping, providing ample public trashcans and putting screens on storm drains, all in hopes of keeping trash and debris out of the ocean.

Another large annual payout from the city

comes in the form of the California Public Employee Retirement System (CalPERS). Though employees now contribute 7% of their compensation into CalPERS and new employees are being hired with less expensive benefits, the city is still projecting the retirement plan to continue to increase.

"We actually have a reserve set up, we call it our PERS reserve. We put money aside... so if there are spikes in our annual fee, we can go to that reserve," Honeycutt said. "In terms of challenges on the city budget, that is something the council is very concerned about, and we continue to try to address it in various ways."

Despite these looming expenses, Honeycutt is confident in the city, which he has been a part of for three decades.

"I just completed my 29th year here with the city, and you couldn't ask for a better organization to work for," Honeycutt said. "I live here also, and it's a great place to live. I think the city really works hard to deliver for its residents and its businesses."

Retail, Restaurants And Services Continue To See Sales Growth In Signal Hill

B usinesses continue to see an increase in sales, and more businesses continue to open their doors in the small City of Signal Hill.

"One thing [the city] tries to communicate with businesses is the demographics
(Please Continue To Page 22)

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(Continued From Page 21)

here may not show you that you'll be successful, but if you look around the community and you look at the businesses, they all do well," City Manager Charlie Honeycutt said. "I think there is a reason Home Depot felt comfortable opening a second store in Signal Hill."

Honeycutt said that all business in the city seems to be thriving. He said Costco is doing well and is only going to see more revenue with the opening of its gas station. He said he's also happy to see new businesses still wanting to open locations in the city.

"One of the more interesting additions we've had to Signal Hill is GD Bro Burger, which is a burger place," he said. "It originated from a food truck that participated in Food Network's 'The Great Food Truck Race.' I've eaten there a couple times myself, taken my family there, so I think that's a really nice addition to our Towne Center West."

With the exception of Fresh & Easy, which saw the entire corporation go bankrupt at the end of 2015, Honeycutt said the city has a strong business retention rate and does not lose business to surrounding cities. "The problem we're having is we're running out of room," he said. "We'd love to have more space for them."

There's a lot of interest in about 25 acres of property that the former Signal Hill Redevelopment Agency owned, Honeycutt said. The city's economic development division would like to see new retail space, housing, a new grocery store at the debunked Fresh & Easy location, and even a hotel.

A key factor that Honeycutt attributes to the success of businesses of all sizes, as well



Marketink XL is a local printing company that focuses on large graphics and does much of its business locally to ensure better service and faster turnaround times for customers, according to co-owner Mercedes Sepko, pictured above with Chief Executive Officer Daron Sepko. She complimented the City of Signal Hill for being friendly to businesses. One of the firm's top clients is Telemundo. (Photograph by the Business Journal's Larry Duncan)

as businesses wanting to be located in the city, is the small size of the city and the police department's reputation. "I think a lot of that has to do with the feeling of being safe in Signal Hill," he said. "Our police department is well-respected, and I think people feel safe here and like to come here to shop."

Another main component of business

success in the city is the relative ease businesses have when dealing with officials, according to Mercedes Sepko, co-owner of Marketink LG, a printing company that focuses on large graphics.

"Signal Hill is very friendly to businesses, very helpful, a lot of resources," she said. "And since it's a small community,

you get to know the people in the city and city hall and the [Signal Hill] Chamber, and it opens up a lot of resources."

Some of Marketink's top clients include the Spanish television network Telemundo, the City of Long Beach and the Long Beach Area Convention & Visitors Bureau.

The company recently provided the City







Liberty Coin is a precious metals and collectible coin retailer that relocated to Signal Hill after the 1992 Los Angeles riots. Pictured is retail manager Ryan White who said the company loves being located in the city and that business is only getting better. (Photograph by the Business Journal's Larry Duncan)

of Long Beach with the programs for the civic center groundbreaking ceremony on July 8. The programs were printed on glossy, black acrylic. "It's gorgeous, and it's something that was unthinkable before. So I think new equipment and new ideas and creativity are opening up marketing in many different ways."

Sepko said her company tries to stay local because it allows for faster service and turnaround times. Business has been up for Marketink because other businesses are finally out of the hole after the Great Recession, which means they are spending more money on marketing, according to Sepko. "I've been seeing an ambience of growth, and people are finally having hope of businesses growing."

With auto sales being a driving force for

the city, the auto repair business sees heavy traffic as well. "This past year has just been going great," Sal Lombardi, store manager at LB Walker Automotive on Wardlow Road, said. "I can't describe it – every day we've been busy. There's not one day that we've been slow."

Lombardi is not new to the auto services industry, having owned a 76 Station on Atlantic Avenue and Carson Street for 26 years and a small shop on Spring Street and Orange Avenue for another five.

Other service industries are seeing increased business as the economy continues to grow. Ben Morey, owner of Morey Remodeling Group, said his industry continues to grow steadily as home values improve and interest rates remain low.

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"For the last two years, I'd say our business is up about 15% to 18%," Morey said. The company has been operating since 1982 and has been located in Signal Hill for the last 10 years. "It's been the best location for us to be in since we've been in business - a central hub close to the freeway, and we're just happy to be here because we believe it's such a positive business environment in Signal Hill."

The restaurant business has experienced continued business growth and is seeing new brands opening their doors in the city. Recent additions include the previously mentioned GD Bro Burger and Fish-O-Licious.

Big E Pizza owner Jimmy Eleopoulos said business is up 5% from last year. "We extended [our restaurant] so dining and catering has gone up. Overall, business has been steadily on the upswing."

Next month, Big E Pizza will celebrate its 30th anniversary at the location. Eleopoulos said a celebration is being planned and will include free slices and other activities in the parking lot in front of the location at 3225 E. Pacific Coast Hwy.

"I couldn't be happier conducting business in Signal Hill," Eleopoulos said. "After 30 years, I still enjoy coming to work every day. The community is very special."

According to Ryan White, the retail manager at Liberty Coin on Willow Street, the store has been seeing increased sales as well. For his company specifically, he attributes some of the growth to the overall precious-metals market being very active, despite the recent Brexit vote in the United Kingdom.

Liberty Coin relocated to Signal Hill shortly after the 1992 Los Angeles riots. When talking about doing business in Signal Hill, White said, "We love it. Any time we need help, it's just a phone call away. It has a very small town feel. We have another location in Huntington Beach, and it's much more bogged down in bureaucracy and issues like that. So we really enjoy

Randy Kemner, owner of Wine Country on Redondo Avenue, has seen similar growth in his business as the economy strengthens. "We've been investing in expanding our gourmet foods, craft beers, our rare wines. And our tastings keep getting bigger and better," he said. "So revenue for the year is up from last year, and last year was the best year we've had since 2008."

According to Kemner, residents in Signal Hill and surrounding cities, particularly millennials, are beginning to embrace independent businesses over industrial chain stores. He said the market feels good right now, but that after 20 years in business, he has learned to never get too comfortable because the national economy can be unpredictable and can "pull the rug out from everybody."

When speaking about the success of businesses in Signal Hill, Kemner said, "It's comforting to know that the police are less than five minutes away if we should ever need them. Despite the fact that Signal Hill is socially a very progressive area, the city still provides a good business environment. It's the ideal blend. I don't want to rub it into Long Beach people, but we still have a 9% sales tax and we give away our brown paper bags for free." ■

Kaiser Opens Medical Offices In Signal Hill, **Addressing Patient Needs In The Area**

n an effort to expedite medical services to residents of Signal Hill and Long Beach,, Kaiser Permanente opened its new office at 745 E. Willow St. on June 29. The 20,000-square-foot Signal Hill office is expected to serve approximately 75,000 Kaiser members.

"[Services] are going other offices, so they've been training on new work-

flows that really, in our mind, change the care experience."

Carnes said the goal at the new office is to increase patient comfort and convenience to create a warm and welcoming environment that inspires patients. With about 50 staff members – including six adult primary care physicians (all with nearly full patient loads already), three pediatricians, three obstetricians and gynecologists (OB/GYNs) and four behavioral health providers – the facility is open Monday through Friday



amazingly well," Dr. Barbara
Dr. Wadie Marcos demonstrates a high tech feature at the new Carnes, area medical direc- Kaiser Permanente medical offices at 745 E. Willow St. in Signal tor for Kaiser, said. "I have Hill. A large monitor, like the one behind Dr. Marcos, is in exam to say, the staff and the rooms and can be used by physicians to pull up a patient's chart physicians have been prepar- or share educational material. The monitors are also used for video ing quite a bit. This office is consultations with specialists at Kaiser's main medical facility, sava little different than our other offices so they've by the Business Journal's Larry Duncan)

from 7 a.m. to 7 p.m., Saturdays from 7 a.m. to 1 p.m. and closed on Sundays.

Signal Hill Mayor Lori Woods was unable to attend the grand opening event but plans on soon having a private tour of the facility.. She said Kaiser is well-known for trying to meet the needs of its patients in a modern way. "What I've heard of the facility is, it's top-of-the-line and can cover a lot of health services under one roof," she said. "So I think it's going to be a benefit to the community and Kaiser patients."

In addition to primary care, pediatrics,



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OB/GYN services and behavioral health, the facility has a nurse clinic, X-ray facility, a pharmacy, a blood draw station and is offering virtual care through telephone and video visits.

The use of new technology is the driving force behind the changes at the Signal Hill location according to Carnes. These improvements are to "create more coordination of care, help patients know about their screenings, provide education around health and support them to live their healthiest lives," she said.

Customer convenience begins before they set foot in the building, Carnes said. Patients can use express check-in, confirm appointments, pay their copay and update personal information online to avoid lines or checking in at the front desk.

"They are actually greeted by staff with tablets," Carnes said. "The tablets are connected to our back office and can monitor wait times, as well as when the physician will be seeing them. Because the staff isn't tied to a computer, they are able to move around the entrance and waiting room to help facilitate the patient's visit."

Patients can also opt for text alerts that will inform them when the physician is ready to see them and when their prescriptions are ready for pickup.

Exam rooms include flat-screen monitors that physicians utilize in a variety of ways. Carnes said, "Through our electronic medical records, a physician can actually share the patient's own chart or progress show them how their blood pressure is tracking or different things that are personal to their medical record."

The most exciting technological addition, according to Carnes, is that exam room monitors are connected to the main medical center. Through this link, specialists at the main center will be able to livechat with patients for consultations and even examinations, saving the patient a drive to other facilities.

"We have a direct link to our urgent care clinic in Harbor City from the Signal Hill nurse clinic, and through telemedical devices, the urgent care physician can not only communicate via video but also clinically assess the patient using an electronic stethoscope and other diagnostic tools," Carnes said. "That creates convenience for our members so they can continue to get all of their care under one roof and don't have to leave their local community.'

This facility also utilizes virtual care with video and telephone appointments for many primary care needs like colds, coughs and allergies. Kaiser also encourages members to utilize its website at kp.org and its mobile app. With these tools, Carnes said members may e-mail their physicians directly, fill prescriptions and check lab results.

Carnes said she only sees advantages to having the new office located in Signal Hill. "We have a very high member density in the Signal Hill area and we recognized that," she said. "Even though we have an office in Long Beach, by being able to relocate one of our offices to Signal Hill, we're actually providing greater capacity in the Greater Long Beach Area."

Kaiser has been looking to move into Signal Hill for a long time, according to Carnes, but struggled to find the right space. She said the company is very happy with the selection it made on Willow Street.

"It's like a dream come true for us," she said. "Kaiser Permanente seeks to be an anchor institution in this community. We're excited to be part of that community – and not just providing medical services but enhancing the strength of the community from a health perspective." ■

Dealerships Look To Expand As Business Continues To Improve

s business continues to grow for Signal Hill auto dealers, big changes are still to come that could create even more revenue for dealers and the city.

With the addition of a BMW showroom on Spring Street and the new owners of Long Beach Honda increasing sales, the city is enjoying the prosperity of one of its largest revenue generators, according to City Manager Charlie Honeycutt.

"Mercedes Benz is looking to make a substantial investment in their dealership. They want to have a stronger presence in Signal Hill," he said. "And we continue to try to add different automakers to our auto center."

A long overdue update to the auto center sign off the 405 Freeway was recently approved by the Signal Hill Auto Center Association, according to association President Bob Davis said. "The other one was pretty old and this one will be done by mid-September. It's going to look a lot better on the freeway, and it's going to help all the dealers in the auto center and also the city.'

Chad Charron, general manager of Boulevard Cadillac and Boulevard Buick/GMC, said that all brands have seen year-over-year increases, even though last

year was an exceptional year for his sales teams. According to Charron, Cadillac sales are up 21% from last year, while GMC and Buick are up 12% and 5%, respectively.

Great product, good value and a productive team all contribute to the success of Boulevard, Charron said. "There was some amazing product last year. But to see some of the enhancements this year, it's just great to be part of the team," he said. "That [is] combined with our efforts on the dealership level: trying to spend more time coaching and inspiring the team through product knowledge and proper training empowering them."

Davis, who is also the owner of Glenn E. Thomas Dodge Chrysler Jeep Ram, reported a 10% growth in overall sales from last year, with Jeep being his most popular

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brand. He said he would like that number to increase, but after a big year 10% is still decent growth.

"I think over the last few years there's been a lot of pent-up demand because a few years prior to that people were hanging onto their older cars. But now I think people have a little more faith in the economy," Davis said. "Interest rates are low, credit is a little easier to get and all the manufacturers are aggressively going after the new-car buyers, so there are a lot of good deals out there.

He also attributed lower gas prices to the increase of car sales, as well as overall improvements to the economy that allow businesses such as construction firms to purchase new company vehicles, mostly trucks.

Recent changes in land ordinances surrounding the auto center will allow dealerships to expand, allowing for larger lots to hold a wider range of inventory, as well as more dealer services such as repair and paint shops.

"In order to address [changes to the auto dealer business model], we've adjusted an ordinance with vacant land which allows for the owners of that land to lease it on a temporary basis to the auto dealerships," Signal Hill Mayor Lori Woods said. "It's an ordinance that rezoned some areas and also allows us to back off that, should the business model change in the future."

Woods said this is important to the city because auto dealers generate a large percentage of municipal funds through sales tax, so growth for the dealers means growth for the city.

A lack of space is holding dealerships



Chad Charron, general manager for Boulevard Cadillac and Boulevard Buick/GMC on Cherry Avenue in the Signal Hill Auto Center, shows one of the new Cadillacs. According to Charron, Cadillac sales are up 21% from last year at the same time, while GMC and Buick are up 12% and 5%, respectively. (Photograph by the Business Journal's Larry Duncan)

back, Davis said, but the amendments to the ordinances should alleviate the restraint. "They're opening up avenues for us. We'd like to stock more vehicles, but I can't park them on top of one another."

Glenn E. Thomas has plans for expansion, but Davis did not want to disclose any details at this time.

Boulevard is in talks to expand its thriving 8-acre collision center, located behind its Buick store. According to Charron, the center has done well for several years, but he thinks the dealer has maximized use and revenue on the lot, so expansion is needed to continue growth.

"We do some services for local dealerships that prefer to use us over an independent. So due to increased participation of local dealers and our marketing, our collision center is just going really big. We cannot maintain our continuous growth if we maintain our lot size. I think we've outgrown it."

Both Boulevard and Glenn E. Thomas have roots in the community and try to be as active in the city as possible. Charron is on the board of the newly formed Signal Hill Police Foundation, working to bring the police and the community closer together. He said that he is proud to be part of Signal Hill.

Davis said his dealership supports some of the concerts in the park events and has worked with Signal Hill Rotary on outreach programs.

"It's been 24 years since we first came to Signal Hill," Davis said. "They're a really good city to work with. They want businesses to grow; they see the value of a business that can thrive. It's been a good partnership, I think." ■

As Oil Prices Stabilize, Industry Executives Are Hopeful For Next Year

espite reductions in the price of oil, Signal Hill Petroleum (SHP) has remained profitable, said Dave Slater, the company's executive vice president and chief operating officer.

"Production operations are running smooth and extremely well," Slater said. "We have adjusted our cost structure by significantly reducing any new activity but not short-changing maintenance for any of the ongoing operations."

Though the company owns two drilling rigs and is still maintaining them, it did

stop drilling and re-drilling activities as a

capital conservation measure when oil prices dropped. Prices dipped from around \$100 per barrel to below \$50, but SHP officials have been watching the market very closely and are happy with what they are seeing and, therefore, are looking to increase capital spending.

"We are looking at what prices are doing and our opportunity base," Slater said. "We are optimistic that we will be operating one or more of the drilling rigs early in 2017."

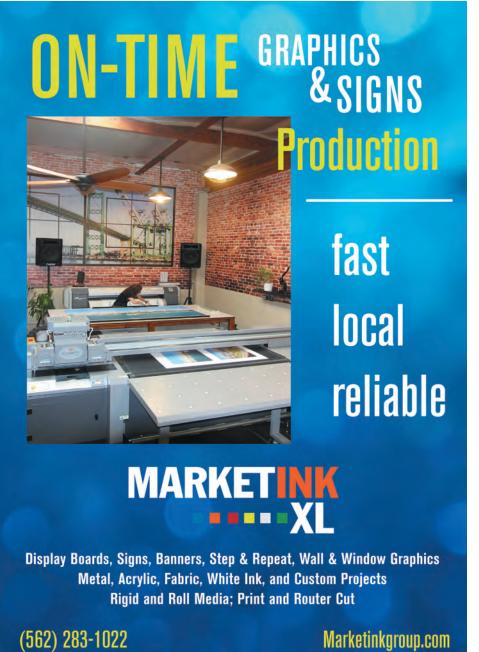
Price drops in oil and the prospect of renewed drilling have a significant impact on the City of Signal Hill, as well as surrounding Long Beach, as both cities are beneficiaries of taxes and royalties on oil sales.

"Oil is one of our larger revenue streams. With the drop of the price of oil, the oil producers in town have slowed their production," Charlie Honeycutt, Signal Hill's city manager, said. "We've seen that revenue drop. It's gone from a high of about \$1.1 million to about \$500,000 to \$600,000. It's a significant portion of our revenue, but because we're strong in sales tax, we've been able to offset that loss."

Oil production is down by about 3% or 4%, according to Slater, who added that this type of decline is normal. He said drilling and re-drilling operations, as well as workovers – which are types of major maintenance - are used to offset the natural decline of production.

Signal Hill wells produce an average of more than 1 million barrels of oil per year, while the Los Angeles Basin produces about 75,000 barrels per day, Slater

"Our local production and that of other California producers is critically important to California's economy," he said. "California imports about 60% of its crude oil. When those supertankers unload, there is no tax on that oil. Our equivalent oil that we produce at the wellhead and send to the refinery generates a huge amount of taxes and a great number of good paying jobs."



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With oil prices low, oil services companies such as Black Gold Pump & Supply Inc. have had a challenging year, according to Chief Financial Officer Steve Bollweg. Despite that, Bollweg said the company was able to maintain full employment and invest in itself. He attributes its success to being located in Signal Hill, a city he says "understands our business." (Photograph by the Business Journal's Larry Duncan)

(Continued From Page 26)

The California Department of Conservation, through the division of oil, gas and geothermal resources, has been working on new regulations regarding underground injection, Slater said.

Oil producers in the L.A. Basin re-inject salt water that is pumped out of wells in order to keep the pressure in the reservoir high and enhance oil recovery. "It's a process called secondary recovery or waterflooding," Slater said. "Given the concerns of the public and state regulators in regards to protection of groundwater, the permitting of secondary recovery injection throughout California is being looked at closely."

Because of the risks to groundwater, new regulations are often presented by the state. Slater explained that many aspects of new regulations appear to enhance how the industry, including SHP, does business; however, some ideas appear to be costly and unnecessary.

Slater said these regulations could be separated into "smart regulation" and "dumb regulation." He defined smart regulations as having definite benefits that exceed any costs, and dumb regulations as those that have minor benefits that are outstripped by the cost, or actually have negative impacts.

"As the world moves on and things

change, new and smart regulation is needed," Slater said. "The history in California has been we generally get smart regulation, but we're always vigilant and lobbying to push back on dumb regulation."

The substantial drop in oil prices has also had a severe impact on oil services companies, such as Signal Hill's Black Gold Pump & Supply Inc., which manufactures and repairs rod pumps and ships them worldwide.

"It's been a challenging year for our business," Steve Bollweg, chief financial officer for the company, said. "Everyone has cut back because of the price of oil, so last year was probably one of the most challenging in my history in this business."

Black Gold is also not immune to state regulations that Bollweg said make manufacturing products more difficult in California in general. Even so, he said Signal Hill is a great place for the company to be located.

"They're very reactive to our needs," he said. "I've had no problems with the city whatsoever. I'm actually thrilled that we're in the tiny City of Signal Hill, even versus Long Beach or Los Angeles. Signal Hill does its best to accommodate us."

Despite the decimation of oil prices, Bollweg said Black Gold was able to maintain full employment and even invest in itself to develop products based on intellectual property. He attributes this continued innovation to the company's close proximity to an education system that he says is "second to none."

Black Gold employs mechanical engineers who graduated from Cal State Long Beach and Cal State Fullerton. "There's such a wealth of knowledge and talent in our backyard, and we've been able to draft off that, which I think is just wonderful," Bollweg said. "That's what differentiates Signal Hill from the rest of the oil industry. You can throw Bakersfield into that. You can throw Texas into that. We have a university on every corner and we have innovation coming from these universities."

Bollweg commended the city on its work with oil production and service companies. "Signal Hill understands our business, and they work with us very nicely when any type of situation comes up. I'm not sure other cities would be that understanding of our industry."

Future Developments Promise Affordable Housing, Retail And Commercial Space In Signal Hill

The real estate market in Signal Hill remains strong – from residential to commercial and industrial – and new affordable housing will be a welcome addition to the small city.

The 72-unit Gundry Hill development project on the corner of Gundry Avenue and East Hill Street across from Signal Hill Elementary School is in the early stages of construction and will provide affordable housing in the low to very-low income range.

"We had several different developers come to us with proposals for the site once we identified we would use it for low-income housing," Signal Hill Mayor Lori Woods said. "We chose a developer that not only builds the site but also keeps ownership and maintains it. So they have a vested interest in making sure it's topnotch and maintained well and in keeping quality tenants."

Woods said the placement for the affordable housing is ideal because tenants with limited transportation will be conveniently located near bus stops and a Blue Line station, as well as being walking distance from schools and other amenities.

City Manager Charlie Honeycutt said the development, which is scheduled for completion in mid-May, 2017, would also alleviate stress for many residents in Signal Hill and surrounding areas. "The availability of affordable housing is clearly an issue, and I think it will add much needed housing for people who have jobs but are finding it hard to buy homes," he said. "This will be a nice opportunity for them to find a place to live."

Another major residential project is Crescent Heights – 25 high-end, single-family homes on land owned by Signal Hill Petroleum at Crescent Heights Street and Walnut Avenue.

"It's a really promising site: three-story homes, two- or three-car garages with elevators, so it's going to be a high end," Woods said. "Several of them will have great views of Downtown Long Beach and Los Angeles."

The project has not broken ground as it has a number of abandoned oil wells that must be considered. Woods admits that having oil wells throughout the city adds several steps when dealing with development, but she said since the city has always



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Kaiser Permanente, Signal Hill's newest corporate tenant, signed a \$6 million, 10-year lease to occupy both floors of this new 18,986-square-foot office building at 845 E. Willow St. in Signal Hill. The company moved in last month. Lee & Associates represented the building's owner and Jones Lang LaSalle represented Kaiser. (Photograph by the Business Journal's Larry Duncan)

had to deal with these conditions, officials have it down pat.

Signal Hill Petroleum has several development projects in the conceptual phase, according to Dave Slater, executive vice president and chief operating officer. He said the company is looking at a number of concepts and is in discussions with city planning staff and city leaders.

"We have some exciting things that we're not ready to announce publicly, but with a little more hard word, I think we'll have some things to talk about in the near future," Slater said.

Among these preliminary concept dis-

cussions are residential, retail and commercial spaces. Though no plans are in the entitlement process, Slater hopes to begin the process soon.

Additional commercial real estate will be welcome as there is not a tremendous amount of space in the city, according to Jeff Coburn, a principal at Lee & Associates Commercial Real Estate Services. He said Lee & Associates represents the Signal Hill Towne Center at 2501 and 2525 Cherry Ave. and is working on several deals now.

"[Prices] have increased, as there is low inventory for quality properties," Coburn said. "Usually it's the buildings with decent parking that have a lot of people looking for them. Five parking stalls per 1,000 square feet, those properties attract a much higher sales price."

Lease prices can range from \$1.80 to \$2 per square foot, Coburn said, while sale prices vary greatly depending on the condition of the property and available parking. He said sale prices can range from below \$200 per square foot to \$215 or higher.

Industrial site vacancies are even less common in Signal Hill. Brandon Carrillo, also a principal at Lee & Associates, described the market as anemic, with vacancy below 1%.

Carrillo attributes low vacancy rates to the desire

of many companies to be located in the city because of what he calls the "Signal Hill premium." Being a smaller city, the police have faster response times, which businesses find appealing. Also, the city is travel-friendly with the 405 Freeway and the proximity to Long Beach Airport.

So many amenities in a small area is another attraction for businesses, according to Carrillo. Stores such as Costco and Home Depot, gas stations, and numerous eateries are convenient for businesses.

"Time is money, so those types of variables get cut down immensely when you

are strategically located in Signal Hill," Carrillo said.

The real estate market for existing homes continues strong with a high demand for limited units. According to Ian Hand, a realtor with Coldwell Banker Coastal Alliance and a Signal Hill resident, 17 single-family homes are currently for sale.

Typically, three or four homes are sold each month, Hand said. Ten homes are under contract currently, so the next few months will see a higher number of closed sales.

Condominium sales are stronger, with an average of 12 units sold per month – up 20% from last year with a 5% price increase. "The future looks good for Signal Hill real estate," Hand said. "Signal Hill offers excellent value in homes with outstanding views, more so than neighboring Palos Verdes or Huntington Beach."

High-end properties are not selling as well, according to Richard Daskam, a real estate broker with Keller Williams Realty. He also said that property time on the market has extended recently to an average of 42 days for current listings, but he added that first-time buyers are still buying up the less expensive property.

Speaking on why the Signal Hill market has remained strong, Daskam said, "Location-wise, they're centered between Orange County and L.A., and the buyers like the newer homes; you just can't find new homes priced like this if you go into Orange County."

Hand said a more buoyant economy, a great community and "a gradual realization that it is a place that offers views but isn't going to cost the same as views in Rancho

(Please Continue To Page 30)



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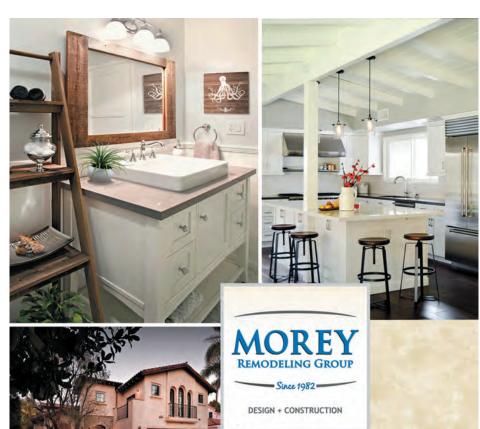
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(Continued From Page 29)

Palos Verdes or Huntington Beach" are contributing factors to increased sales as well.

"Signal Hill is a very unique place to live," Hand said. "It's a close-knit community. It's personal and you get to know the people around the city, and they get to know you as well."

Hand added that elected officials and businesses such as Signal Hill Petroleum that are community-conscious and do a great job of serving residents give the city a great spirit. "Lots of people just love living in Signal Hill," Hand said. "They love it with a passion you just don't find in other areas."

Signal Hill Impacted By Prop 47, But Community Policing Proving Effective

hings have been pretty quiet here in Signal Hill; not a lot of major crime concerns," Police Chief Michael Langston told the Business Journal. "However, we've certainly seen an increase in property crimes, mostly shoplifting, which essentially replaced petty theft due to [the impact of] Proposition 47," he explained.

City Manager Charlie Honeycutt also attributed recent shoplifting and car break-in spikes to Prop 47, which passed in November 2014. He said since the proposition changed petty theft and other non-violent crimes to misdemeanors instead of felonies, there isn't much deterrent for criminals. "I think there's a sense from the [California] Police Chief's Association that it has to do with early release of nonviolent criminals and changes in law that basically make shoplifting a slap on the hand," Honeycutt continued.

Last year, 58 violent crimes were reported in the city, up from a five-year average of 40, according to Langston. As of May 2016, the department reported 21 violent crimes, which is down compared to the same period a year ago..

The police department is going through some transition after a string of retirements and is going to be fully staffed for the first time in quite awhile, according to Honeycutt. He said that in a time when police departments are struggling to find qualified officers, Langston seems to be having success.

Signal Hill Mayor Lori Woods praised the police department's cognizance of community policing. "They have that mindset, that worldview of policing," she said. "It's not uncommon at all to see a police officer pull over near a playground and all the kids come up and talk to them or get stickers



Ian Hand, a realtor with Coldwell Banker Coastal Alliance, is pictured in front of a Signal Hill home being remodeled and soon to hit the market. The original home was built in 1919 and was much smaller, according to Hand. "It was basically peeled back to the studs, redesigned, reconfigured on the inside, and everything inside is new. So it's essentially a new house built on old bones." (Photograph by the Business Journal's Larry Duncan)



Police Chief Michael Langston said the Signal Hill Police Foundation "was organized to bring the community into the police department, to help increase the opportunities to build relationships between the police and the community." Foundation Board President Dave Slater described Langston's vision for the foundation as "dynamic and robust." (Photograph by the Business Journal's Larry Duncan)

from them. So there's a really good atmosphere here in Signal Hill between the police officers and the community."

With House Resolution 56 – which deals with the homeless issue – recently passed by the California Assembly and currently in the state senate, and many people urging Gov. Jerry Brown to declare a state of emergency, Honeycutt acknowledged the city is already taking steps to combat homelessness.

He explained that Signal Hill is part of the Gateway Cities Council of Governments, which consists of 27 cities in the region. "There are all these resources out there, and we can share those resources. So rather than each city trying to tackle the problem on their own, Gateway decided to tackle it regionally," Honeycutt said. The group has established relationships with mental health professionals, including an evaluation team that can be called in when a situation arises. "Certainly we're seeing an increase in people dealing with mental illness," Langston said. "So we've developed our own mental health evaluation team where we partner police officers with mental health professionals to go out and provide services to those folks in need."

Signal Hill Police Get More Involved In Community Through New Foundation

recent addition to the city is the Signal Hill Police Foundation (SHPF). Dave Slater of Signal Hill Petro-

leum, who is serving as president of the foundation board, described Signal Hill Police Chief Michael Langston's vision of the foundation as dynamic and robust. "The foundation had a kick-off event in January, which was an awards dinner honoring a number of meritorious actions and performance by Signal Hill police officers," Slater said. "It was exceptionally well attended, and we're excited about the enthusiasm and how the community seems to be embracing and supporting the foundation."

City officials describe the foundation as being different than traditional police foundations, which typically act as a booster club that supports the department with purchases that are not authorized within the budget.

"The Signal Hill Police Foundation is a little different," Langston said. "It was organized to bring the community into the police department, to help increase the opportunities to build relationships between the police and the community."

The next foundation event is a luncheon scheduled tomorrow, July 20, at The Grand Long Beach. The event honors two reserve officers who retired earlier this year: Bruce Wolfe (38 years of service) and Arthur Smith (43 years of service). Los Angeles County Sheriff and former Long Beach Police Chief Jim McDonnell is the keynote speaker.

"The luncheon is getting a lot of interest and response, and I'm sure that the comments from our sheriff are going to be very pointed to the events that are occurring in our country," Slater said.

The foundation also manages several projects, such as its Too Good for Drugs program and its National Night Out event. Foundation Boardmember Chad Charron, general manager of Boulevard Cadillac and Boulevard Buick/GMC in Signal Hill, described National Night Out as a way to get the community and local vendors together in one place and "realize that we're all in this together."

Charron said, "I've been part of [the foundation] from the ground up, and it's gaining momentum. It's a great cause. My time is very, very limited, but I saw so much value in this and so much value in what Chief Langston does — I had to be part of it."

"We're excited about [the foundation]," Mayor Lori Woods said. "As it is expanding its programs, it will be an added benefit to the residents of Signal Hill and to the relationship between the community and the police."

For more information and updates on the Signal Hill Police Foundation, visit shpolicefoundation.org. ■









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GB Remanufacturing Celebrates 30th Year

GB Remanufacturing, located at 2040 Cherry Industrial Circle in North Long Beach, recently celebrated its 30th anniversary. The company remanufactures and distributes premium gasoline and diesel fuel injection products to customers around the world. Pictured is President & CEO Michael Kitching, who said the company has grown to more than 90 employees working in more than 40,000 square feet of state-of-the-art manufacturing facilities. "I look forward to working with our employees, representatives and customers to ensure that we continue to provide the best remanufactured products in the industry for many years to come," he said. Also pictured is a remanufactured Ford 6.0L Power Stroke high pressure oil pump at the final stage of production/packaging. For more information, visit: www.gbreman.com. (Photographs by the Business Journal's Larry Duncan)





Victoria Bryan, Former Arts Council Leader, Debuts Photography Exhibit At Utopia Restaurant In East Village

Victoria Bryan, former director of the Arts Council for Long Beach, debuted a photography exhibit of her own works in the East Village's Utopia Restaurant earlier this month. The exhibit, "METRO NATURE," contains 366 images taken on Bryan's daily walks from November 2011 to July 2016. Most of the stills were taken on the streets of Long Beach. The art installation examines nature in urban environments. "In ways both obvious and subtle, signs of nature change our experience of living and working in a busy urban center," Bryan said in a prepared statement. Bryan has lived in Long Beach since 1985. She currently teaches at California State University, Long Beach's College of Education and its School of Art. Utopia Restaurant is located at 455 E. 1st St. (Photograph by the Business Journal's Larry Duncan)



Dickey's Barbecue Pit Opens Near Traffic Circle

Dickey's Barbecue Pit held a ribbon-cutting ceremony on July 7 to mark the opening of its restaurant at 1950 Ximeno Ave. at the Circle Center Shopping Center near the Traffic Circle. Considered the largest BBQ chain in the country, the Texas-based company recently expanded into California, with the Long Beach eatery being its third in the state. Grand opening specials run through the end of July. Dickey's, open daily from 11 a.m. to 11 p.m., provides family packs, catering and online ordering. For more information, visit dickeys.com or call 562/494-6666. Pictured at the cutting the ribbon are co-owners Merna Girgis, left, and Nancy Girgis, who are joined by family members and, at far right, Long Beach 4th District Councilmember Daryl Supernaw. (Photograph by the Business Journal's Larry Duncan)





People In The News

Jayne Lastusky Rotary Club Of Long Beach



Jayne Lastusky is the new president of the Rotary Club of Long Beach, which is celebrating its 100th anniversary in 2017. Lastusky, who in 1987 became one of the

first four women to join the club, previously served as region vice president of the American Cancer Society. The 320member-strong organization is planning a series of events leading up to its centennial year. According to its website, "The object of Long Beach Rotary is to encourage and foster the ideal of service as a basis of worthy enterprise."

Bhavesh B. Shah Long Beach Memorial

Bhavesh B. Shah, M.D., is the new medical director of interventional gastroenterology at Long Beach Memorial and the gastroenterology director at the MemorialCare Todd Cancer Institute (TCI) at Long Beach Memorial. She is also an associate with Long Beach Gastroenterology Associates. According to a hospital statement, "TCI will now be able to diagnose and treat a much wider variety of patients suffering from esophagus, stomach, colon, rectal, liver and pancreatic cancers."

Sonia De La Torre-Iniguez **Long Beach City College**



Sonia De La Torre-Iniguez has been named the director of student success and support program (SSSP) at Long Beach City College. SSSP is a new statewide pro-

gram for community colleges, aiming to "help students achieve their educational objectives in a more timely manner." De La Torre-Iniguez most recently worked at Scripps College in Claremont, where

she was the senior assistant dean for academic resources and services.

Kevin Peterson P2S Engineering



Kevin Peterson. founder and president/CEO of P2S Engineering, Inc., has been elected president of the YMCA Greater Long Beach. He is serving a two-year term, leading

The Long Beach of-

fice of Alta Environ-

mental has announced

the hiring of Eric

consultant

a 45-member board of directors, which "sets strategic direction and policy to guide the Y's work of strengthening communities through youth development, healthy living and social responsibility." The YMCA of Greater Long Beach serves the cities of Long Beach, Signal Hill, Lakewood, Hawaiian Gardens, Bellflower, Paramount, Cerritos, Artesia, Los Alamitos, Rossmoor, Seal Beach and Big Bear.

Eric Fraske and Anthony Vincente Alta Environmental



Fraske to serve as a senior III/project manager, and Anthony Vincente as a technician I. Fraske, who has 14 years of experience in the environmental industry, is part of the company's site assessment, remediation and closure division. He holds a bachelors in civil engi-

Anthony Vincente neering from Michigan State University. Vincente joins the firm's building sciences division. He worked as an emergency medical technician with Los Angeles County and with the county's vector control district. He earned a bachelors in environmental and occupations health from CSU Northridge.

Michael Golob Frontier Communications



Michael Golob has been named senior vice president, engineering and technology, for Frontier Communications' West Region, heading up engineering initiatives for Califor-

nia, Oregon and Washington. His previous assignments with Frontier included leading the national engineering operations and the engineering efforts during the company's acquisition of Verizon access lines and Internet customers. Among his new responsibilities, Golob will lead an organization of more than 1,000 team members, regional network planning and implementation, overseeing Central Office and construction operations. Additionally, he will continue to manage the national Central Office Installation team and program manage Frontier's Connect America program.

Brandon Hovard City National Bank



Brandon Hoyard has been named senior vice president and business development officer for City National Bank. serves the needs of business in the greater

Long Beach area. Hovard, a Long Beach native, has nearly two decades of financial services experience, and most recently served as a managing director of U.S. Bank's commercial banking unit. He earned a bachelors degree from UCLA. ■



LAUFER Valve Technology Opens In Signal Hill

Andreas Staerr is vice president of the LAUFER Valve Technology office that opened July 5 in Signal Hill. The firm is a subsidiary of the family-owned company founded in Germany in 1996 as LAUFER International AG/Germany. Earlier this year, a decision was made to establish an office in the U.S. to better serve its customers. Staerr is pictured with one of the firm's sanitary valves and pigging systems. The company designs and manufactures high quality, sanitary multi-port valves and product recovery systems (pigging systems) for low-germ processes in the food and pharmaceutical/cosmetic industry. For more information, visit: www.laufervalve.com. (Photograph by the Business Journal's Larry Duncan)

Third Sector Report

Firing A Boardmember: Strategic Leadership In Action

(Continued From Page 1)



Wil cox

pens at your organization when a boardmember disregards his or her responsibilities, assumes inappropriate roles, advocates a personal agenda over the mission, or behaves in such a way that the governance obligations of the board are obstructed?"

Volunteered time and talent are scarce valuable commodities. Many leaders find the idea of disengaging a promi-

nent citizen willing to provide board duty as unthinkable. Yet, when a boardmember's performance or lack thereof obstructs organizational progress, a change should be made.

Highly successful board chairs have experience terminating boardmembers or calling the question as to whether a boardmember and the board are a "good fit." A manager of a board has the same obligations to his or her team as any other manager responsible for a team charged with important responsibilities.

The leadership scar tissue that comes from terminating or counseling a disgruntled, absent or renegade boardmember reveals five valuable lessons board chairs should consider as they fulfill the obligations that go with their titles and positions.

The first lesson is exercise care when engaging boardmembers in order to lower the risk of having to disengage them. Recruiting boardmembers with specific obligations and responsibilities in hand are vital. When a director writes his or her own job description, a no-fail recipe for trouble is in the making.

The second lesson is annually review policy that outlines the processes for recruiting and onboarding boardmembers, resolving conflict that may arise within the board, and the grounds and processes for dismissing a director. Carrying out board-approved policy is easier for a board chair than having to defend his or her subjective decisions about the status of a boardmember.

The third lesson is conduct an annual board assessment. A practical evaluation provides a gauge for how the board, as a whole, is performing; while giving each director an opportunity to draw his or her own conclusions about personal contributions and fit. As in any organization when data reveals there is poor performance, leadership needs to cite the results and then do something about it.

The fourth lesson is recognizing boardmembers function best in a culture of peer accountability. A Board Development or Governance committee is a "must have" in any board structure. With a committee, boardmembers are charged with coordinating the recruitment, training, retention, assessment and recognition of their peers. When the going gets tough, having a committee of peers whose job is to assure a well-functioning and successful board lowers the risk of a chair being accused of unilateral decisionmaking when things aren't working right.

The fifth lesson is the simplest and most important: Never underestimate what a lack of attention to the topic of board term limits can do to obstruct progress. Without term limits, there is no mechanism for natural attrition. Today, the trend is one-year terms, up to a maximum of six, which causes boards and their members to regularly look at levels of performance, participation and results.

No board chair wants a reputation for firing volunteers. More importantly, a board chair can't afford a reputation for ignoring his or her leadership obligation which is assuring employees, consumers, contributors and the community that a functional and successful board is at work advancing an important mission.

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

Inside City Hall

Why Does Long Beach Have Both A City Attorney And A City Prosecutor?



once ran for city prosecutor many years ago on the platform that the position eventually should be merged with the city attorney in order to save money. I didn't win - and currently, the budget for the city prosecutor's office is \$5 million and the budget for the city attorney's office is \$9.4 million.

Few cities in California elect both a city attorney and a city prosecutor. City attorneys, who handle civil matters and advise elected officials, are usually retained as outside council. Three major cities utilize prosecutors: Long Beach, Los Angeles and San Diego. Both Los Angeles and San Diego prosecute misdemeanors under their city attorney offices.

Our city prosecutor handles criminal matters – offenses such as assault, prostitution, drunk driving, commercial burglary, animal cruelty, graffiti, child abuse and domestic violence – but only at the misdemeanor level. All felony charges are handled by the office of the Los Angeles County District Attorney.

Since its beginnings in the 1890s, Long Beach has always had an elected city attorney. It took until 1929 for the city charter to be changed by voters to add a city prosecutor. The vote was close. The move to have a city prosecutor apparently was driven by the Ministerial Union and the United Church Brotherhood as well as the owners of the Pike who wanted the gambling barges stopped offshore Long Beach. The courts ruled that Long Beach did not have jurisdiction.

The first elected city prosecutor was John K. Hull, a descendant of the naval commander of "Old Ironsides." By 1938, some residents were complaining to the local press about the costs of maintaining both a city attorney and a city prosecutor, pointing out that the city attorney also retained outside counsel (which it currently does) and that the total cost to the taxpayers for combined legal services was \$129,407.

Over the years, the city prosecutor has been the target of the city council. In 1967, Vice Mayor Crow argued for the elimination of the city prosecutor's office, which prompted heated arguments at council and a stern editorial from local press supporting the city prosecutor.

In 1991, 5th District Councilmember Les Robbins and 3rd District Councilmember Doug Drummond took on City Prosecutor John Vander Lans, alleging his office did not aggressively prosecute cases but instead settled out too many. In 1996, Councilmember Robbins proposed merging the two offices as is done in the City of Los Angeles, but the idea never advanced.

even though it must approve their budgets. This is partially due to both incumbents being personable and not rude with the public or their staffs.

Without wading too much into legalese, Long Beach would be fine if both offices were merged, as is the case in other cities. Both offices could also be contracted out, as is done in other cities. But there is a strong advantage to having elected officials at the helm of city legal services: they are accountable directly to the voters.

Next column: How To Prep For City Budget Exercises.

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

Effective Leadership

Is Strategic Thinking One Of **Your Core Competencies?**

"The 10% success rate of strategy is wildly inflated." – Tom Peters



ne of the quickest ways for organizations – both for profit and nonprofit - to lose credibility and feel shame, is to admit they don't have a strategic plan. Yet there are organizations that can't move forward on the strategic plan they have.

The plan often fails in its ability to help produce new insights.

- Sometimes the plan is never put to use.
- There are those times when the plan seems to be used as a validation for what the leaders are already doing.
- Often especially in nonprofits the strategic planning process is no more than a tool to engage staff and boardmembers by exposing them to the mission of the organization.

The uncertainty of planning is not new.

- "The best laid plans of mice and men often go awry."
- "Prediction is very difficult, especially if it is about the future."

Small Business Dollars & Sense

What Small Business Owners Should Think About When Evaluating Funding Options



he lending environment is constantly evolving, which means more options for small business owners. In the last few years, non-bank online lenders have entered this landscape adding more choices. Factors to consider:

Do they have a track record of serving small businesses?

It's a competitive market for small business credit options, and that's good for small business owners. Determine whether your lender can provide financial guidance at all levels from startups to transitions. Can they answer questions in convenient ways, online, by phone and in-person? This can demonstrate the lender is focused on more than booking loans –

it shows their commitment to serving and helping small businesses, anytime and anywhere. Do they offer comprehensive support to small business owners?

When you're looking for funding, it's important to thoroughly research and assess your options. It's helpful to prioritize those lenders who provide a full array of small business offerings. Every small business can benefit from more comprehensive support to achieve financial success.

Do they offer a range of lending options?

Selecting the right small business lender and type of loan for your business can be difficult as there are so many options available. From traditional loans, credit cards and lines of credit to community development micro loans, grants or U.S. Small Business Administration (SBA)-backed loans, you'll want to seek out a lender that offers a variety of funding options to meet you wherever you are in the business lifecycle. Consider making time to meet with your banker to learn more about the various financing options.

Do they offer fast and convenient lending products?

While numerous factors can impact the length of time it takes to get a decision on a small business loan application, the best lenders make it as easy as possible and keep customers informed throughout the process. Many small business owners are strapped for time, and are seeking faster, more convenient online lending options at competitive interest rates. With Wells Fargo's new FastFlexSM Small Business Loan, for example, a business owner can complete an application in minutes, receive a quick decision after applying and obtain funding in as little as one day. Other credit products – such as real-estate secured loans – will require more time to gather necessary documentation.

Are they transparent about terms and pricing?

Borrowers should look for a loan product that clearly states its terms and pricing upfront. Currently, the city council rarely if ever scrutinizes either the city attorney or prosecutor, Take time to fully understand how much the loan will cost, frequency of payments and any additional fees associated with the loan. As you pursue credit for your business, make sure lenders provide you with the interest rate as well as how much you will owe each payment period. Compare all of your options to ensure you're getting the product that best meets your financial needs.

Obtaining funding for your business may seem challenging, but entrepreneurs have more options today than ever before. It's important that you take the time early on to research and assess all your options so you can determine what type of lender you want to work with and which financing option is best suited to meet your business needs.

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

It is commonplace to invest a great deal of energy into a desired future only to have it not pan out. And planning is not getting any easier as the complexity and volatility of our environment increases.

William Starbuck, a scholar and management expert, talks about the downside of planning. He says, "Often times strategic planning is little more than superstitious babble." The idea that planning can predict the future is at best a myth. Risk can be reduced, but far from eliminated.

This is why it is important for strategic thinking to be at the core of strategic planning.

Here are 5 things strategic thinking includes:

- 1. Strategic thinking should be rational and intuitive. If the plan is seen simply as systematic and not intuitive, opportunities will probably be overlooked. These should complement one another. The planning process should also be a possibilities process. If flexibility and looseness are not injected into the planning process, creativity will be restrained.
- 2. Strategic thinking needs time margin. Free space is necessary for strategic thinking - creating blocks of time as buffers. Busyness gets in the way of business. Einstein was known to create multiple buffer blocks. Imagination needs room to both see and soar. Make time for imagination, insight and innovation. Too many leaders today shortcircuit imagination, insight and innovation, and rush to implementation – an approach to strategic planning that is a guaranteed recipe for shallow thinking.
 - 3. Strategic thinking is proactive. Without uninterrupted

focus, we will always be reacting to our environment. We need to be proactive. Data comes at us as a constant barrage. Sorting out important data from insignificant debris saves time and money. This allows us to step away from tactical execution to ensure we are heading in the right direction.

- 4. Strategic thinking broadens knowledge. The dark side of focus is the loss of peripheral vision. Strategic thinking helps broaden our context. This helps clarify where our organization is and where it should be going. Good judgment and creativity are enhanced. An organization's plan should never lead to a missed opportunity.
- 5. Strategic thinking questions assumptions. Questioning assumptions is often - sometimes subtly - colored as a non-team attitude. In reality, questioning assumptions is a form of risk management Planning can lead to faking objectivity if we assume our assumptions are accurate. We should allow for surprises, admit error, and improve as we correct. Questioning assumptions should be a core competency.

Do strategic planning. Just be aware of its ideological nature and it's inherent limitations. It cannot predict the future. Making strategic thinking a core competency helps make the planning process useful.

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

Realty Views

What Is Going On With Brexit And Our Real Estate



By Terry Ross

The recent vote in Great Britain to withdraw from the European Union sent the hyperbole meter way up and took our stock market down by 610 points as pundits predicted the end of the world economy in some sectors with investors wringing their hands in all corners of the globe.

Now that there has been a little time (or at least one news cycle) since the vote and the

subsequent wailing about what this means for Great Britain, Europe and of course the United States, various analysts and those that heavily influence our stock market have come to see that this action by voters in the United Kingdom is mainly just going to make things different – which tends to scare people.

For those who are old enough to remember, there was a day before the European Union was formed when countries had to negotiate their own deals with Great Britain and that country had its own say over these things, as well as how it wanted to deal with issues like immigration, travel, tariffs and a myriad of other issues that have been turned over to the EU during the past 40 years. Now, these decisions will revert back to the way they were previously for Great Britain – or at least that is what it looks like – with that country taking control independent of the rest of Europe. It isn't like nations will not trade or do commerce with Great Britain – but they will have to deal directly with them. And that could be a good thing in the long run.

For the U.S. real estate investor, homeowner or buyer there might even be some benefit – at least in the short term. As they say, out of chaos sometimes there comes opportunity.

According to the real estate website First Tuesday, one of the initial outcomes of the Brexit vote is that mortgage interest rates may fall. Going into this year, the Fed pretty much indicated that it was on a course to gradually raise rates in the face of our economy heating up. Now that might not be the case.

According to First Tuesday: "While investors worldwide are

Technology And Innovation

Social Robotics



By Forouzan

s an emerging field that combines several novel technologies, social robotics promises to generate widespread social and cultural impact, along with tangible economic return. Let's take a look at how the enabling technology behind social robotics has evolved.

Today, there are many devices that are lumped together in the category of robots. Examples are plenty, and include such de-

vices as medical robots, entertainment robots, industrial robots, household robots, service robots, and of course military robots. However, when Czech playwright Karel Capek introduced it to the world in the 1920 play "Rossum's Universal Robots," it was a reference to a hypothetical factory that manufactured simplified living creatures called "robots." Obviously Capek didn't elaborate on how the robots were manufactured, but their description certainly resembled the modern idea of what is now known as "android," figurines that can be mistaken for humans.

In today's world of robotics, robots are generally described as having some social qualities (with the exception of industrial robots that mainly maneuver mechanical arms). Since the 1950s and the dawn of the field of artificial intelligence, robots have been envisioned as having the ability to explicitly or implicitly engage at some social level. For example, the simple ability to interpret verbal commands is considered a stepping stone to more general discourse. Thus, as engineers designed more effective mechanics and electronics for build-

too cautious to invest in European markets, investment vehicles backed by the security of the U.S. government sound like very safe investments. Thus, foreign investors will invariably pour demand – money – into Treasury Notes. Increased willingness to pay higher prices for Treasury notes actually lowers the yield (interest rate) on these notes. As the interest rate drops on U.S. Treasuries, other related interest rates – like fixed mortgage rates – are pulled down, to the benefit of those in the housing market.

Actually mortgage rates in our country dropped from 3.625% to 3.5% the day after the Brexit vote, according to the Mortgage News Daily, which also points out that this could derail interest rate increases until next year. This is good news for homebuyers or anyone refinancing.

The real estate website Zillow reported an increase of 132% in mortgage requests during the week following the vote. Mortgage loan applications increased by 24% – attributed to falling rates that Freddie Mac says are nearing all-time lows. Zillow reports that mortgage rates are continuing to drop in July as refinance inquiries are up by almost 108% and purchase requests are up by 13.3% from the week before the Brexit vote.

"Compared to everything else going on in the world, U.S. mortgage-backed securities now seem like a relatively safe bet for global investors, and this flight to safety has created savings opportunities for U.S. homeowners and those who want to buy," said Erin Lantz, vice president of mortgages for Zillow Group, in explaining the impact of the fallout from the vote.

While some believe that the Brexit uncertainty will make buyers of real estate hesitant, the lowering of rates in the short term will be the counter to this and create other buyers who want to take advantage of the opportunity.

According to one report, the UK's gross domestic product could decrease by 3.8% to 7.5% over the next 15 years with an estimated loss of \$6,000 (USD) per British household. With the dip in the value of the pound sterling compared to the dollar, it would make it more difficult for U.S. exporters to compete. But when you consider that the European Union and Great Britain make up only 3% of the total U.S. trade market – for California it is even less – then the real impact doesn't appear that great.

This looks to be a situation where the hype is going to have much greater impact than the reality – and the hype might just help with our interest rates for a while.

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

ing the physical structure, significant work had to be done to ensure correct operation of this technology juggernaut.

Building an autonomous social robot, however, is far more challenging because it must be able to correctly comprehend the changes of the real world and respond to the changes appropriately. This is possible to a limited scale at the present time.

Social robots are expected to be able to interact with humans and collaborate with other robots. More challenging is being aware of context, and understanding intentions and expectations. With such competencies, they can be personal robots that assist the elderly and persons with disabilities. Working at homes, they can improve the quality of life, replace current augmentation and rehabilitation devices, and assist in education, entertainment, and even gaming. Theoretically, they would perform any task that humans do, except that they would do it better. Yes, the sky may be the limit!

In Capek's play, "Rossum's Universal Robots," the intrigue in the story was whether the mass-produced creatures, which were efficient but emotionless, were being exploited by their owners. The twist in the story came when a few specially manufactured robots – those that were capable of introspection and aware of the need for self-preservation – provoke a revolution by all robots around the world against the oppressive humans.

Now in the 21st century, could this really happen? Is it plausible that, as robots become more intelligent and their population increases, they may attempt a takeover? Could the intelligent robots that now work feverishly as servants, free labor, and possibly soldiers, collectively decide that role reversal may not be such a bad idea? Imagine that! Having lost our supremacy to the revolutionary robots, taking orders from the robot! Well, if it's a consolation, some feel that even today they are working for managers that are like robots!

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

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EDITOR & PUBLISHER

George Economides

SALES & MARKETING EXECUTIVE

Heather Dann

PHOTOGRAPHER AND

STAFF ASSISTANT

Larry Duncan

Editorial Department

SENIOR WRITER

Samantha Mehlinger

STAFF WRITER

Brandon Richardson

Contributing Writer

Gerrie Schipske

COPY EDITOR

Kellie O'Reilly

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Office

South Coast Publishing, Inc. 2599 E. 28th Street, Suite 212 Signal Hill, CA 90755

Ph: 562/988-1222 • Fx: 562/988-1239 www:lbbizjournal.com

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