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Despite Steep Competition, Hospitality And Tourism Industry Continues To Grow

By **SAMANTHA MEHLINGER**
EDITOR

With increasing convention and meetings bookings and growing interest in the city as a tourist destination, Long Beach Area Convention & Visitors Bureau (CVB) President

and CEO Steve Goodling is bullish on the future of the city's hospitality, tourism and convention industry in 2019 and beyond.

In 2018, the CVB booked 274 conventions and meetings, bringing 1,408,816 visitors to the city and generating 208,097 overnight stays at local (Please Continue To Page 18)



Long Beach Mayor Robert Garcia, right, congratulates Charlie Beirne, far left, general manager of the Long Beach Convention & Entertainment Center, and Steve Goodling, president/CEO of the Long Beach Area Convention & Visitors Bureau (CVB), for recently being recognized among the top three convention centers and CVBs in the Western United States. Successful Meetings and Meetings and Conventions, two major meetings/events magazines, presented their Stella Awards to the organizations for garnering the second-place silver ranking among the "best in the west" based upon votes by meeting planners and readers of the two publications. (Business Journal photograph by Matt Fukushima)

Pg 22 – A Nonprofit With A For-Profit Attitude: CVB's Marketing Team Credits Entrepreneurial Spirit To Its Success
Pg 24 – Sales Coordinators: The Long Beach CVB's Special-Ops
Pg 26 – Executive Chef James Miller Is Bringing Fine Dining To The Convention Center
Pg 29 – Long Beach Hospitality And Tourism Businesses Report Steady Sales, High Optimism In 2018

Unresolved Business 2018

By **BUSINESS JOURNAL STAFF**

As 2018 draws to a close, there are a number of unresolved or unfinished matters that stand to impact the City of Long Beach in the future. The Business Journal has compiled a list of updates for several of these issues, including: the state's minimum wage increase, the city's Styrofoam ban, the future of Community Hospital, the future title sponsor of the Grand Prix of Long Beach, the status of repairs to the Queen Mary, recreational marijuana, a proposed short-term rental ordinance, revisions to the city's conditional use permit process, the East San Pedro Bay Ecosystem Restoration Feasibility Study, BNSF Railway Co.'s proposed railyard project adjacent to Westside neighborhoods and major capital improvement projects at the Port of Long Beach.

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Connecting With Canada

Long Beach Enters New Partnership To Promote Trade With Canada

By **ALENA MASCHKE**
STAFF WRITER

The Long Beach City Council recently approved the formation of a new partnership with the MAPLE Business Council, an organization that specializes in promoting economic activity between Southern California and Canada. As a result of the agreement, the two parties are planning to host networking events, expand training programs for business owners interested in working across the border, and arrange for business delegations to visit our neighbor to the north.

The partnership agreement is still under wraps until it has been signed by both parties, but the business (Please Continue To Page 16)

FOCUS ON THE ENVIRONMENT

Sustainability Office Helping Businesses Go Green

By **PIERCE NAHIGYAN**
STAFF WRITER

Long Beach businesses that commit to environmental and sustainable practices are not only being recognized by their community, they're now certifiably green. This year, the Long Beach Office of Sustainability launched its Green Business Certification and Recognition Pro-

INSIDE
Pg. 36 – Deconstruction Can Turn One Man's Rubble Into Another Man's Roof
Pg. 38 – How Solar Source Turns Sunlight Into Savings

gram to enroll local businesses in the California Green Business Program.

"The goal of the program is to change the business culture so that sustainable practices become the standard practices," Courtney

Chatterson, communications specialist at the sustainability office, told the Business Journal.

The statewide Green Business Program helps local businesses to conserve energy and water, minimize waste and reduce their carbon footprints. Those businesses that are certified green exceed environmental regulations and implement specific practices to

(Please Continue To Page 34)

MILLENNIAL PULSE
By Editor Samantha Mehlinger
Millennial Women Face Steeper Challenges In Entrepreneurship

The Millennial generation is often looked to as the harbinger of the future: the future of tech, the future of finance, the future of giving, the future

of politics, and so on. And it's no wonder. The generation makes up the largest living cohort in the United States, and is the (Please Continue To Page 7)

PortSide Keeping Up With The Port Of Long Beach

Tony Harris, now the principal construction inspector at the Port of Long Beach, has been working in construction since he was 18 years old. A Long Beach local, Harris started working for a small construction company after high school. He then took a position with the gas department at the City of Long Beach, where he primarily worked on digging ditches and putting pipes in the ground before advancing into a role in inspection. About seven years ago, this experience led Harris to his position at the port's construction management division. Harris said one of the reasons he was drawn to the port was the opportunity to work on different aspects of construction. "There are so many different things that go on down here that the challenges are never ending," he said. Harris mainly oversees site inspection assignments for construction projects while coordinating with tenants, terminal managers and maintenance division personnel. Harris has worked on capital projects such as the construction of racks for reefers, which are refrigerated storage units for containers, at the port's Middle Harbor terminal. His work now solely focuses on overseeing high-priority construction projects on an on-call basis. One of the projects he is currently overseeing is the restoration of a rock dike, which protects the coast against ocean waves, by the harbor. Harris credits his joy of coming to the job to the people he works with. "I've had so many good mentors throughout the years down here in the harbor department in particular," he said.



Article and photograph by Staff Writer Annette Semerdjian

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2019 CENTENNIAL

LONG BEACH AREA COUNCIL
A CENTURY OF SCOUTING, THE ADVENTURE CONTINUES

A Shooting Star

Eight years ago, Andrew picked up a bow and arrow for the first time as a Cub Scout in Long Beach Pack 67. Then he told his parents he wanted a bow for his birthday. His parents had a better idea: "We told him we would get him proper archery lessons," says Andrew's dad, Gary.

In January 2016, Andrew started breaking state and national records. He got so good that he joined the Cadet division -- for anyone 17 or younger -- at age 13. So good in fact, he earned a spot on the USA Archery Team!

Just months ago in September, Andrew competed for Team USA in Cortina d'Ampezzo, northeastern Italy. He took home 6th place in the world, making him the highest ranked U.S. archer in his division.

Andrew is now a Life Scout in Troop 67. He is a sophomore at Millikan High School in Long Beach. Great job, Andrew!

In 2019, The Long Beach Area Council, Boy Scouts of America will be celebrating 100 Years of service to youth in our community. Building up to a year of celebrations, we will be profiling certain individuals or families that make up today's Scouting program.

For more information about upcoming events go to:
www.longbeachbsa.org/100

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Photograph at the South & Downey Shopping Plaza at the northeast corner of South Street and Downey Avenue by the Business Journal's Brandon Richardson

Councilmember Rex Richardson 9th District

By SAMANTHA MEHLINGER, EDITOR

Note: This is the last in our series, Talking Business With The City Council, which launched with the July 31 edition. Previous interviews are available at lbbusinessjournal.com. Click on Past Editions.

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

Richardson: Absolutely. North Long Beach businesses – new businesses, small businesses, legacy businesses – are doing better today than they were before we began our work. That’s evident by the improved focus on our area, from the infrastructure improvements in major corridors, to amenities like libraries and fire stations. Better [fire department] response times help our businesses as well. Our response times in North Long Beach when I took office were three minutes slower than the rest of the city. Now we’re on par.

When I started as [former Councilmember] Steve Neal’s chief [of staff], there was no Uptown Business District. I knocked on every one of those doors, gathered almost every one of those petitions to create it. When we first started talking about a business district in North Long Beach, the pundits said, “North Long Beach isn’t ready.” They said it would take us 10 years. We got it done in two, and we have now renewed it for 10 years. Now we can think about what’s next, what enhanced economic development activities we can do. . . . The private investment that’s happening now is our best shot at creating the next thriving business corridor in the city.

Higher education is a key piece. The Long Beach City College board voted to explore North Long Beach for its next satellite [campus]. . . . When you bring in higher education, it brings in an entirely different civic actor to the corridor.

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

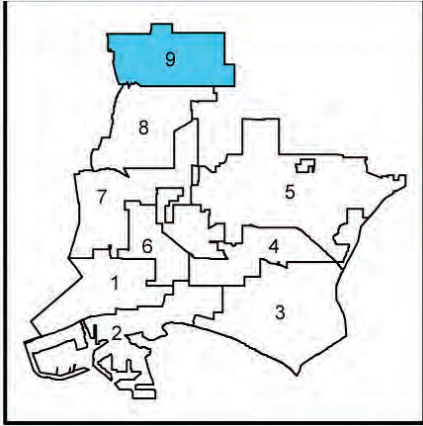
Richardson: Businesses in my district feel a big disconnect from downtown. Businesses have to go above and beyond just to be engaged. We have done a few things. We have served as our own local business council, our own chamber, if you will. We’re leading this conversation around economic inclusion. . . . What are the needs of small businesses and minority-owned businesses across the city, including those in my district? Earlier this year, we launched Everyone In [an economic inclusion initiative]. We did a series of five policy meetings . . . to help scope out a game plan around economic inclusion in the city. Separately, we conducted a listening tour with 10 focus groups and different demographics. We brought in consultants to create a report The types of [suggestions] that came back were making the city more intentional about conducting outreach in certain areas. [Improving] access to capital was a big one. . . . Our regulations and permit processes, making those easier to do. . . .

The vision is ultimately to create a minority business council in the city. . . . We are a big enough city to have more than one chamber. These guys may not be able to pay big dues, but they still want to be engaged. That’s a big gap in our city.

That’s why I launched the Kiva [microloan crowdsourcing] platform. We have businesses engaging in it already. The city council started with a simple \$25,000 startup fund. We have already deployed \$110,000. We have gained 800 new lenders in six months. . . . We were able to bring in LA LISC [Local Initiatives Support Coalition] to match it dollar for dollar, so a business raising \$5,000 is then getting a \$10,000 loan.

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

Richardson: Investment and attention. North Long Beach hasn’t received a lot of investment historically, and not a lot of attention from an economic and infrastructure standpoint. It has been challenging for new businesses to establish here as well. This isn’t a



community where you can turn on the lights, open your door and people are going to walk in. You have to have a draw or a loyal base. Making sure that they are connected to resources and that there is economic activity and synergy is important. . . . We have to start thinking about equitably investing in economic development because we’re not going to grow the pie if we’re not investing in new areas. Yes, it’s a risk. We have to get back to investing in catalytic projects. On Atlantic Avenue, there are a lot of catalytic projects. We’re talking multiple coffee shops, eight or nine restaurants, two breweries, a bank. It took work, it took the city’s leadership, investment. It didn’t just happen. . . . The improvements here take cooperation between the property owners and the city.

LBBJ: As the elected representative for the businesses in your council district, what steps have you taken to make Long Beach business friendly?

Richardson: I have taken steps to make Long Beach small business friendly with a lot of the economic inclusion work. I proactively engage with them. . . . This is about making it whole, a complete community. North Long Beach is one-fifth of the city’s population: 20% of all the residents in the city. We don’t get the economic resources that we need. A fifth of the city’s students go to school here.

There’s not a lot of philanthropy taking place. We’re changing that. When I started, we only had one nonprofit in the whole district, Pools for Hope. But now Long Beach Opera is right here in the district, Long Beach Community Action Partnership. . . . We’ve got some really cool active churches. . . . Now every geographic inch of my district is covered with 13 neighborhood associations, plus community watch groups, plus a business improvement district. None of this was here five years ago. All of this creates synergy between businesses, the civic actors, and even agencies working together.

LBBJ: What sorts of businesses do you feel your district has a need for? Do you have a plan to attract such businesses?

Richardson: We’re the one district in the city with no bank. By focusing on financial and economic inclusion and engaging with the banks. . . . we now have a commitment to bring a bank in 2019 to North Long Beach. It’s going in at Atlantic and Artesia [Boulevard].

We’re proud of each of the developments we’re bringing to North Long Beach. We’re bringing Frontier [Real Estate Group’s] development called Uptown Commons, which is bringing a bank, a shipping container style courtyard similar to Steelcraft, a Starbucks, and two to three restaurants. At Atlantic and 61st Street, we have a coffee shop, a brewery, a number of really cool restaurants coming in. We are working with Lab Holdings [on another, large-scale development]. . . . I was a little difficult with them initially because it’s a massive opportunity for North Long Beach, and I wanted to make sure that the community had a voice. . . . We got that done. We have three major developments all in my district. If you put that together with the public investments . . . we have a real opportunity to transform that corridor in about three years. Two of these projects are breaking ground in spring.

Long Beach historically did not have a lot of grocery stores, but a lot has changed in recent years. Across the street is a massive WinCo. Just on our Northern border you’ve got Northgate Gonzalez Market, which is a full grocer, and a Grocery Outlet [Bargain Market]. . . . Then you have the three grocery stores that were already here. Since I have been in North Long Beach we have created four community gardens and a new crop swap event. . . . My office at the old Fire Station 12 has a full farm with an orchard and at least 12 different types of fruit trees, tomatoes and herbs.

LBBJ: Is there anything you would like to add or emphasize?

Richardson: Given the history of North Long Beach, what we have accomplished, where we are going, I think this is a case study for economic inclusion and we need to do this in more areas of town.

Support Local Small Businesses



Molivate Gym

After graduating with a degree in kinesiology from California State University, Long Beach, local resident Molivann Duy began using his degree to help people through physical therapy. Soon after, Duy discovered his passion for personal training when he began working at a gym as a personal trainer. He was inspired by the connections he made with clients while guiding them to achieve their goals. Duy said his attention to detail kept his clientele coming back. “Anyone can workout, but I think the biggest key was establishing that connection,” he said. This experience led him to open his own business, Molivate Gym, about four years ago. Duy said he follows up on his clients’ progress as much as possible. “When I created this whole business, it was to create a lifestyle,” he said. “I strive to make sure people better themselves in every way possible.” Duy compared his workout sessions with clients to therapy, because they initiate positive transformations not only on a physical level, but emotionally and mentally as well. Duy expanded the gym to include office space, where he holds thorough consultations with potential clients before taking them on. He has six trainers on staff who promote his philosophy of personal training to connect mind, body and soul, which he refers to as “molivation.” He and his staff train up to 110 people a day and have about 1,400 sessions a month. Molivate Gym is located at 5401 E. Village Rd. For more information, e-mail molivation@gmail.com or visit molivate.com.

Angel Crossing

Inspired by a love of collecting, Wendy Reed started her business, Angel Crossing, in 1996. Reed had often collected angel figurines, but could not find them on sale after the holidays. For this reason, her business originally sold angel paraphernalia before expanding to sell different types of knick-knacks, home decor, cards, accessories and collectibles. She sells products at her shop that vary in price point in order to cater to different customer budgets. Reed noted that gift shops like hers were more popular during her business’s early years, when collecting was trendier. “There were all kinds of collectible lines, and whenever a new piece came out, people would clamor to get them to add to their collection,” she said. “Hopefully collectibles will come back again, and then maybe we will see a revival of more of these little unique shops.” One of few retailers tucked away in the Parkview Village corridor of Viking Way, Reed often does not get enough new customers due to lack of foot traffic in the area. Yet, she credits the quaint part of town for having locals living nearby who want to support small businesses like hers. For example, a local who walks his dog in the area often stops by, and Reed has dog treats ready for them. It is this sense of community that makes Reed happy to have a shop like hers open in the neighborhood. Angel Crossing is located at 4133 N. Viking Way. For more information, call 562/443-8066 or visit angelcrossing.net.



EightNine Barbers

Cesar Valdez, owner of EightNine Barbershop, worked in the corporate world before deciding to pursue self-employment. Valdez noticed a need for barbershops in Long Beach. “That’s when my vision first started,” Valdez said. “And it took a couple of years to plant my seed and harvest it and bring it to fruition.” Valdez wanted to open a barbershop in a neighborhood that offered convenient parking and less traffic than dense areas like downtown. About five years ago, he opened his barbershop in Parkview Village in East Long Beach. Not a barber himself, he had one trained barber on staff. After seeing a growth in his business, Valdez realized that he had a need for more qualified personnel. He then decided to attend school to become a licensed barber himself. Once the shop began to gain new and regular clientele through social media and marketing, barbers in the area noticed the shop’s stability and wanted to come on board. Valdez now has a staff of six barbers, including himself. His staff knows how to service people with any hair texture, whereas most barbershops do not cater to everyone, according to Valdez. “Being one of the most diverse cities in the country, I knew going in that we had to be one of those barber shops that services anyone,” he said. “We do short hair, long hair, curly hair and thick hair.” EightNine Barbers is located at 4112 N. Viking Way. For more information, call 562/452-7171 or visit eightninebarbers.com.

Small Business Dollars & Sense

4 Tips To Running A Greener Business



By NATASHA MATA

As the world becomes more environmentally conscious, more and more small business owners are beginning to look at environmental initiatives as necessities rather than passing trends. And while going “greener” is mostly about doing the right thing, you may be surprised to learn that it can also be good for your bottom line. Below are four tips to consider when thinking about going ‘green.’

Start with the basics – At its core, going greener simply means making changes to your lifestyle or business practices for the safety and sustainability of the environment. Often, the first measurable changes are the most obvious so look at the small changes in your business you can implement right away. For instance, adjusting thermostats even a little or switching to more-efficient light bulbs can result in immediate cost savings.

Integrate sustainability throughout the business – Being a green business is really more about integrating environmental thinking into the core business strategy and priorities. Try to decide, what your major opportunities on the environmental front are. What can you influence? What are the risks of not going greener? Once you’ve thought about your long-term goals consider the different approaches you could take. For example:

- Commit to participating in community service programs such as beach cleanups or educating young entrepreneurs about greener business practices.
- Reduce waste. Technology and cloud computing can help eliminate the use of paper

in the workplace. Think about all the ways you use paper, then investigate ways to become more efficient. For instance, consider using online banking to pay bills or opt for receiving online statements. Certain software even allows you to email receipts to customers.

Be authentic – Instituting environmentally sustainable practices can generate ripples of goodwill if your initiatives are authentic, ongoing and widespread.

It’s important to incorporate going greener into your whole business model. That is, don’t treat environmental initiatives like a marketing campaign with an expiration date. Truly integrate ‘greenness’ in all you do, or you run the risk of being called out for ‘greenwashing.’ Greenwashing is a term to describe a company that uses PR or marketing language to promote their business for being environmentally friendly, when it really isn’t.

To avoid greenwashing, be specific when making environmental claims, make sure you consider every aspect of your business that could be greener, and follow through with those initiatives before labeling yourself a greener business.

Involve your staff – This isn’t just a job for top management. Management can set broad goals and make investments in energy-efficient equipment, but you still need people to close the refrigerator door, use the proper recycling bins, turn off their computers at night, and so forth. By involving your employees, you may find they have valuable suggestions or ideas to contribute.

Whether you’ve already implemented environmental initiatives or are starting from scratch, it’s generally a good idea to tackle the greening process by implementing some of the tips mentioned above. While your small business doesn’t necessarily become green overnight by making a couple of little changes — keep an open mind, stay vigilant for new and better ways to incorporate environmental initiatives in your business and will be greener in no time.

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

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(Continued From Page 1)

most diverse, highest-educated generation ever in America.

Last week, the National Women's Business Council (NWBC) tackled another "Millennials are the future" topic by issuing its latest report, "Profile of Millennial Women: The Future of Entrepreneurship in America." While the title suggests that Millennial women are the future of entrepreneurship in America, the details of the report find that they face more roadblocks than men their age, and many of the same quandaries women who went before them have experienced. It also found that Millennials in general are more risk averse to entrepreneurship than older generations.

The report relied upon data from the 2010-2014 American Community Survey and the 2012 Survey of Business Owners and Self-Employed Persons, both conducted by the U.S. Census Bureau. It also utilized focus groups of Millennial men and women in the technology industry for an up-to-date perspective. The end result, according to the report, is an "account of Millennial entrepreneurship from a gendered perspective, profiling the newest generation of entrepreneurs and learning about their experiences first hand."

In a phone interview, Nina Roque, the NWBC's executive director, explained why her organization decided to create the report. "There's a lot of talk about Millennial entrepreneurs in general, but how are women faring in that greater category?" she queried.

The NWBC's decision to convene focus groups of Millennials in the tech industry was purposeful, given trends in the industry and in education. "The reason was really because there is such a high growth in that field," Roque said.

The report found that while Millennial women are the most likely generation of women to hold a degree in a STEM field, there is no corresponding data to show that an increasing number of them are starting firms in STEM industries, she explained. "Women entrepreneurs are missing out on that growth, on the revenue that high growth firms generate," she said. "Why is that? Is that because they don't have the mentorship, or they don't see themselves in that field? What's going on?"

Roque highlighted some of its key findings about the characteristics common among Millennial women pursuing their own businesses. "Millennial women entrepreneurs are the most educated entrepreneurs that we've seen pretty much in any lifetime; 36.4% of Millennial women entrepreneurs have received an associate's degree or higher. That's very remarkable," she said.

"Millennial entrepreneurial women are more likely to be mothers and have children than their non-entrepreneur counterparts," Roque noted. "A lot of Millennials become entrepreneurs because they don't want to be constrained to nine-to-five work [hours], and they want more flexibility for their families. . . . That has been a factor for entrepreneurship for many generations, but we're seeing it again for Millennials." She pointed out, "A lot of people don't necessarily think of Millennials that way. They think of Millennials as getting married later in life, being more independent. But they still are going to entrepreneurship to re-

solve some of those work family conflicts."

The report's findings around the gendered experiences of Millennial entrepreneurs found that women tended to hit more hurdles than men.

The report's authors wrote that its findings presented a different picture of the Millennial entrepreneur than has often been depicted in the media. While, for example, the founder of MiLLENNiAL Magazine has stated that 60% of Millennials consider themselves to be entrepreneurs, data suggests that this figure isn't representative of reality, according to the NWBC. Less than 5% of American Millennials currently run a business, and they start fewer businesses than older generations did at the same age, the NWBC found.

The greatest roadblock to entrepreneurship appears to be financial risk. The NWBC's report cited data illustrating that the number of students who borrowed money for education increased 89% between 2004 and 2014, and that average debt balances grew 77% in the same time period. This led the NWBC to investigate whether Millennial women might be forgoing entrepreneurship in lieu of traditional employment because of concerns regarding financial risk.

To find out, NWBC asked focus groups in Los Angeles, Boston and Denver comprising Millennial entrepreneurs working in the technology field. The organization found that the financial impacts of the Great Recession on Millennials had more of an influence on women's risk tolerance than on their male counterparts. Women were more likely to say that having student debt was incompatible with entrepreneurship and were also more likely to say that they would pay off their debt before starting a business. Interestingly, men with student debt were more likely "to take a 'head in the sand' approach to handling their student debt."

More women than men who had started businesses told the NWBC that having a "side hustle" – Millennial slang for a secondary side job – was an important tool to start their businesses.

Access to capital is a struggle for Millennial women, as it has been for prior generations of women in business. In fact, NWBC's report referred to the gap in access to capital between male and female Millennials as "tremendous." In 2017, the report stated, women business founders received just 2.2% of total venture capital.

NWBC's focus groups revealed that both male and female Millennial entrepreneurs in tech found it most important to secure a "traditional" mentor to help gain start-up capital – "in this case, an old white male presence." Men and women in mixed-gender business partnerships "reported that in meetings with funders, women received questions about the business that put them on the defense whereas men received questions that promoted the business idea. . . . women felt particularly strong about this and described inappropriate social questions such as their marital status and their plans for children."

Roque noted that one way to address the roadblocks identified by Millennial women who participated in the focus groups would be to increase mentorship opportunities for women entrepreneurs. "What our focus group shows is that Millennial men tend to have more mentorship

and role models of men who are open to taking risk in business," she observed. "We would definitely like to see that more for women entrepreneurs as well. That's not just across Millennials, that's across all generations," she said.

At 31, Roque is a Millennial. As executive director of the NWBC, she leads a non-partisan federal advisory council charged with serving "as an independent source of advice and counsel to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners," according to the organization's website.

The council itself is made up of eight small business owners who Roque said are

"diverse in terms of political party, sector, race and ethnicity." She noted, "These are women who are established entrepreneurs. . . . It is very important to the council to support mentorship opportunities on the state level, the local level, but also when it comes to the federal government."

The NWBC is assisted by the Small Business Administration, and works closely with the SBA, the White House and Congress on issues related to women and entrepreneurship, Roque said. "We are very cognizant of the fact that we do need to have mentorship. It's very important for Millennial entrepreneurship, specifically, because we are the future of entrepreneurship." ■



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Sat, Dec 22: 8pm

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■ By **BRANDON RICHARDSON**
SENIOR WRITER

Commission Considering North Long Beach Retail Center Proposal

The Long Beach Planning Commission is considering the approval of Frontier Real Estate Investments' more than 11,000-square-foot Uptown Commons retail center development during its December 6 meeting. Located on the northeast corner of Atlantic Avenue and Artesia Boulevard in North Long Beach, the proposed project consists of six buildings, including two made of repurposed shipping containers. The largest building is 2,780 square feet and is slated to become a bank, which is a use nearby residents requested of the developer during the initial planning phase. Four restaurants are included in the project, two of which will occupy the shipping container structures at 650 square feet each, with the other two in buildings measuring 2,586 square feet and 2,653 square feet. The final building is 1,990 square feet and would be occupied by a coffee shop with a drive-thru. Overall, the project includes 3,650 square feet of outdoor dining and patio space. The project also includes 81 parking stalls, which is 14 more than are required. Frontier hopes to begin construction in March or April, and to complete the project in the fourth quarter of 2019, according to Vice President of Acquisitions Tom Carpenter.

Real Estate Investment In North Long Beach Continues

Construction is underway on a full remodel of the 35,000-square-foot L.A. Fitness location at the South & Downey Shopping Plaza in North Long Beach. In conjunction with the gym's remodel, prop-



The Long Beach Planning Commission is considering the approval of the Uptown Commons retail center on the northeast corner of Atlantic Avenue and Artesia Boulevard during its December 6 meeting. (Rendering courtesy of Frontier Real Estate Investments)

erty owner Gregg Kirkpatrick, managing partner of Long Beach-based Kirkpatrick Companies, is updating the facades for the entire center.

"The original developer of the center built it in the mid-1970s, and it really hasn't been updated since then," Kirkpatrick said. "I bought the center [around] 2004, and we've been waiting to update it until L.A. Fitness renewed their commitment because we didn't know who the next tenant would be if L.A. Fitness did not stay. We coordinated [our work] with the work that L.A. Fitness is doing for themselves."

Before it was a gym, the space was a grocery store. Bally Total Fitness took over the location, which was then acquired by L.A. Fitness in 2011, along with 170 other Bally locations. In that time, the space changed very little. However, contractors have since gutted the facility, making way for a completely new gym inside and out. The space will feature brand new equipment and a re-finished pool area, according to Kirkpatrick.



A complete interior and exterior remodel of the 35,000-square-foot L.A. Fitness gym is underway at the South & Downey Shopping Plaza in North Long Beach. (Photograph by the Business Journal's Brandon Richardson)

Following the lease renewal for an additional 15 years, Kirkpatrick Companies provided L.A. Fitness with a tenant improvement allowance for an undisclosed amount to offset the cost of the remodel.

Weather permitting, the facade improvements should be completed by the end of the year, with L.A. Fitness planning on a late January or early February opening, Kirkpatrick said. Working in partnership

Realty Views

No Clear Path To Fire Prevention

California recently endured the worst period of wildfires and resulting real estate destruction in its history. Many lives were lost and thousands more destroyed by fires up and down our state.



By **TERRY ROSS**

The resulting blame game is being played out in the media and in our centers of government nationally and statewide, with fingers being pointed in many directions in search of the one magic thing to prevent this from happening again. With this problem there is no magic fix – and the real answers and any solutions are going to be difficult to quantify and, in many cases, will create even more problems.

While many experts say: "Stop building homes in places that are likely to burn, and make homes that already exist in those areas a whole lot tougher," this is really an over simplification. You already have a housing crisis in California – not enough of it and not enough affordable housing – and to make it even more unaffordable with in-

creased building regulations is going to create another crisis, albeit not as spectacular as the scenes we have witnessed over the past few weeks.

Officials tell us that California uses the most up-to-date version of model national codes and doesn't allow local governments to opt out of those codes. It also requires that homes in areas with the highest risk of wildfire get built with fire-resistant materials and construction techniques.

"I always use California as an example," said Sara Yerkes, senior vice president of government relations for the International Code Council, the Washington-based non-profit that releases updated model codes every three years. "The state really takes its responsibility seriously."

Yerkes admitted that areas with higher fire dangers are encouraged to have even stronger codes than the national standards, but then experts and government officials point to the fact that all these measures cost more. Simply put, where is the money going to come from? Many of the homes lost during the recent fires were older structures, and since building codes tend to advance all the time, you would realistically have to retrofit most of the homes that are 20-30 or more years old in these high-fire areas at a cost that neither the residents nor the government agencies could afford.

Land-use decisions and where you build and prohibit building is now coming under even more scrutiny. But this issue is any-

thing but clear-cut. Making it harder for developers to build in risky areas and limiting more areas to development is just going to exacerbate an already dire housing shortage – and limiting people from building near woodlands and open areas is counter to American values, point out experts.

Alice Hill, a research fellow at the Hoover Institution, noted that other than cultural values, economic issues come into play when deciding on land use.

"In Malibu, a hillside home will have a beautiful view of the ocean," Hill said. "Those property lots are highly valuable. There's lots of pressure on local officials to permit development. That increases your tax base, that contributes to the city's coffers."

Individual land rights are also going to be a big issue in limiting development.

"Our country's big value is owning your own land, owning your property," noted Michele Steinberg, wildfire division director for the National Fire Protection Association. "Anything that appears to threaten that is really not met with happiness and open arms."

Another possible solution that Steinberg mentioned are the less costly and more manageable remedies such as clearing flammable material from around a home in these wooded areas. There is already a state parcel tax imposed in some rural areas for tasks like these – an examination of how effective this program is probably in order given the current state of affairs.

According to Ray Rasker, executive director of Headwaters Economics, a consulting group in Montana that advises governments on wildfire risks, new spending on water infrastructure and municipal employees, as well as a willingness to enforce tougher rules is probably called for.

"You would have fire hydrants. You would have full-time firefighters in your neighborhood. You would require sprinklers," Rasker said. "And you'd have a fire department inspect your building and your property once a year, with strict penalties if you don't comply."

Many Malibu residents complained about the lack of firefighters in their neighborhood. This is an issue that will no doubt be examined in the months ahead.

It appears that there are many issues that need to be addressed when it comes to preventing the kind of catastrophic fires that have ravaged California this year. This is not going to be easy since many of the solutions to these problems create even greater challenges and issues. One thing is certain; you now have thousands of residents who have lost their homes. Now those people need housing along with the thousands that were already underserved by the lack of homes in this state.

(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.)



The Hub, a creative office campus located at 100 W. Broadway in Downtown Long Beach, recently sold for \$60.5 million. (Photograph courtesy of Newmark Knight Frank)

with Lakewood Regional Medical Center, located across the street, a 24-hour urgent care facility is soon opening at a 4,000-square-foot storefront facing South Street, he added.

Downtown Long Beach Office Building Sells For \$60.5 Million

The Hub, a 210,428-square-foot creative office building in Downtown Long Beach, has sold for \$60.5 million, real estate advisory firm Newmark Knight Frank (NKF) announced November 26.

“Ocean West [Capital Partners], along-

side its capital partner Singerman [Real Estate], executed a tremendous repositioning of this asset and established The Hub as one of Long Beach’s premier creative office environments,” NKF Co-Head of U.S. Capital Markets Kevin Shannon stated.

Originally built in 1986 at 100 W. Broadway, the six-story towers had \$12 million of improvements completed in 2017 and are 88% leased. Upgrades included the addition of high and exposed ceilings, operable windows, polished concrete floors and full height glass walls and doors in both the

(Please Continue To Next Page)

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(Continued From Page 11)

east and west towers. The campus also features an indoor-outdoor “WorkPark,” which includes worktables, seating, lounge chairs and Wi-Fi stations.

The seller, a joint venture between Singerman and Ocean West, was represented by Shannon, NKF Executive Managing Directors Ken White and Rob Hannan, and Senior Managing Directors Laura Stumm and Michael Moll. Bob Safai of Madison Partners represented the buyer, Redwood Partners.

“Downtown Long Beach has so much positive momentum right now, from the city’s investment in its own infrastructure, to the development and revitalization of residential, hospitality and retail product,” Hannan said. “The Hubb’s position as a preferred office destination will only benefit as the city continues this upward trend.”

Los Altos Sears And Kmart To Be Sold

Sears Holdings Corporation on November 21 filed a motion to sell 505 Sears and Kmart stores, including one of each in Long Beach, following its Chapter 11 bankruptcy filing in October. In a letter filed by financial advisory and asset management firm Lazard Frères & Co. LLC on behalf of Sears Holdings, the company indicated it would consider liquidation bids, as well as those that allow the stores to continue operating.

The Los Altos Gateway Kmart building located at Spring Street and Bellflower Boulevard measures 131,363 square feet, according to owner Robertson Properties Group. Los Angeles County lists the Los Altos MarketCenter Sears building, located off of Stearns Street and Bellflower Boulevard, at 125,451 square feet. Transactions are expected to be announced on January

16, with a final hearing slated for February 1, according to the document.

If the Long Beach locations are liquidated and closed, they will join the 35,000-square-foot Best Buy at Marina Pacifica, which closed in October, as the most recently shuttered big-box stores in the city. Underperforming Sears and Kmart locations have been closing since 2012.

City Seeks Input On Inclusionary Housing Policy

In an effort to develop an inclusionary housing policy to improve access to affordable housing in Long Beach, the city is conducting a study with input from the community related to local housing needs and opportunities. Two community meetings are scheduled, which each include a presentation by the city before a public comment period:

- Wednesday, December 5, 6-8 p.m.,

Long Beach Polytechnic High School cafeteria dining room, 1600 Atlantic Ave.

- Saturday, December 8, 10 a.m. to noon, Silverado Park Community Center, 1545 W. 31st St.

For more information, contact Andrew Chang, Long Beach Development Services administrative analyst, at 562/570-6710 or by e-mail at andrew.chang@longbeach.gov.

Community Meeting For Signal Hill Development

Signal Hill Petroleum is hosting a community meeting tonight, Tuesday, December 4, from 6-8 p.m. to provide an update and receive feedback on its proposed Heritage Square mixed-use development. Located on eight acres on Cherry Avenue across from Home Depot, the proposal includes 199 multi-family units, four single-family homes and 28,800 square feet of retail space, in addition to the existing 14,000-square-foot Mother’s Market, which opened earlier this year. The meeting is being held in the Signal Hill City Council Chambers, 2175 Cherry Ave.

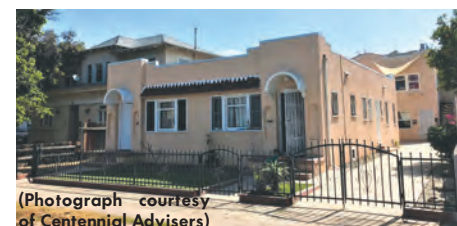
Recent Transactions By Centennial Advisers

The following is a list of recent residential and commercial property sales by the team at Centennial Advisers, working out of the company’s Long Beach office. The descriptions were provided by the Centennial team:

296 Redondo Ave. – This 2,881-square-foot office building was built in 1976 and includes water features and a private parking area, and is walking distance to the beach and numerous restaurants. It’s one of the highest-priced per foot properties sold in all of Long Beach, and is the original offices of design firm C. Robert Langslet & Son Inc., according to Centennial.

- Investment Adviser: Douglas Shea
- Sold Price: \$1,600,000
- Sold Date: 8/23/18

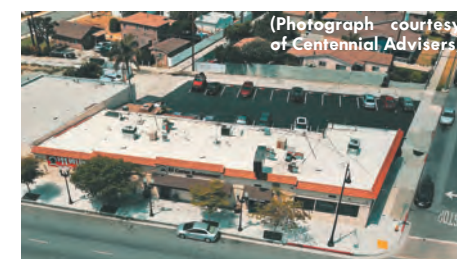
1628-1632 N. Stanton Pl. – After years of owning this 3,212-square-foot, four-unit multi-family complex, a group of four business partners decided to go their separate



ways for continued investment. Multiple offers at or above the list price were received and careful consideration of the quality of the offers was done to select the strongest, most highly probable buyer to complete the sale.

- Investment Adviser: Eric Christopher
- Sold Price: \$860,000
- Sold Date: 9/25/18

12 W. Plymouth St. – This property sale included a restaurant, parking lot and an additional commercial retail space. It also included the restaurant’s liquor license, fur-



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Long Beach Business Journal

Real Estate & Development



An assisted living development located at 810 Pine Ave. received an award from the Building Industry Association of Southern California's Council on Shaping Advancements in Generational Environments. (Rendering courtesy of KTG Architecture + Planning)

niture, fixtures and equipment. The building space is 8,640 square feet. The operator of El Cortez Mexican Restaurant and Sports Bar, who also owned the property, was ready to retire.

- Investment Adviser: Eric Christopher
- Sold Price: \$1,650,000
- Sold Date: 10/18/18

Sandy Cove, 1119 Dawson Ave. – The seller of this 7,790-square-foot, nine-unit multi-family complex received multiple offers and selected a high-quality buyer. Using a 1031 exchange, Centennial successfully helped the seller invest in another property that was not only closer to her home in the Bay Area, but also fit her situation better than the relinquished property.

- Investment Adviser: Eric Christopher
- Sold Price: \$2,145,000
- Sold Date: 10/10/18

Downtown Long Beach Development Wins Award

An assisted living development located at 810 Pine Ave. in Long Beach received the 2018 Shaping Advancements in Generational Environments (SAGE) Award for "Best 55+ Assisted Living or Special Needs Community – On the Boards" by the Building Industry Association of Southern California, KTG Architecture + Planning announced November 30. Developed by Irvine-based Global Premier America, plans for the high-rise project consist of 78 units and continuum of care services, such as assisted living and memory care, in two buildings. The project is currently in entitlement with the City of Long Beach and is expected to break ground in the third quarter of 2019, according to the announcement. ■



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Unresolved Business

(Continued From Page 1)

While not discussed below but covered extensively by the Business Journal over the past year, the unpredictability of lingering tariff disputes is another issue affecting the local economy. Ongoing discussions surrounding tariffs between the Trump administration and various countries, particularly the trade war with China could significantly impact trade flowing through the San Pedro Bay ports.

Minimum Wage Increase

The minimum wage in California is set to increase to \$11 an hour for companies with 25 employees or fewer, and \$12 an hour for companies with more than 25 employees starting January 1. The increase is part of a six-year plan, in which a \$1 minimum wage increase is scheduled for the beginning of each calendar year until 2023. Smaller businesses received a one-year delay at the beginning of the increase schedule in 2017, placing them \$1 behind each upcoming year.

While California cities may choose to instate a higher minimum wage for workers within their jurisdiction, Long Beach doesn't have a local minimum wage requirement, meaning that employers in the city must comply with the minimum wage standard set at the state level.

Phase Two Of Styrofoam Ban Begins In March

The second phase of Long Beach's expanded polystyrene ordinance, known informally as the "Styrofoam ban," is scheduled to take effect on March 3, 2019. The ordinance prohibits the use of single-use food and beverage containers made of expanded polystyrene (EPS) foam and non-recyclable and non-compostable material in prepared food distribution.

The first phase of the ordinance began on September 3 and banned EPS foam from use in city government. The second phase expands the ordinance's reach to include prepared food sales at large businesses, which include restaurants seating more than 101 persons, franchise restaurants, grocery and convenience stores, any food truck and the Long Beach Unified School District.

The third and final phase of the ban is scheduled for December 3, 2019. This will include prepared food sales at small businesses, defined as seating fewer than 100 persons. After this phase takes effect, retail sales of polystyrene ice chests and polystyrene bean bags and crafts will also be prohibited.

Lease Negotiations Continue For Community Hospital

The city and Molina, Wu, Network, LLC (MWN), the selected operator for Community Hospital, may be nearing a final lease agreement. In July, the hospital's previous operator, MemorialCare Health System, relinquished its lease following a review that found the facility to be critically vulnerable to earthquakes. The Long Beach City Council selected MWN as the new hospital operator and set a deadline of January 3 to reach a final lease agreement.

John Keisler, director of the Long

Beach Economic Development Department, updated the city council on the latest negotiations in a closed session held on November 20. While the details of MWN's third and latest proposal are confidential, Diana Tang, the city's manager of government affairs, said the final agreement could be reached and go to council for approval in December.

John Molina, former CFO of Molina Healthcare and partner in MWN, told the Business Journal that MWN's goal is to open the hospital "as soon as we can." There are still details to be finalized, he continued, such as negotiations with MemorialCare regarding equipment on site and having Community inspected by an outside agency. Molina said MWN is hoping to open the hospital by January 1, but would provide a more formal date soon.

Grand Prix Of Long Beach Still Seeking Title Sponsor

Earlier this year, Toyota bowed out as the title sponsor of the Grand Prix of Long Beach. Event organizer Jim Michaelian, president and CEO of the Grand Prix Association of Long Beach, said that the process of securing a new title sponsor is still underway. "We're diligently out in the marketplace looking to find the best kind of deal we can put together and hope to have something finalized soon," he told the Business Journal.

Michaelian said his organization might consider a nonautomotive company as title sponsor, which would in turn create an opportunity for an automotive sponsor as well. "We have had numerous conversations and are talking to a number of different entities," he said, adding that "time is of the essence." The next Grand Prix is scheduled for April 12-14, 2019.

City Staff To Report On Queen Mary Repairs In December

This month, city staff plan to update the city council on outstanding safety and structural concerns at the Queen Mary. The update will follow up on a list of 27 historic preservation and capital investment plan (HPCIP) programs that the ship's master leaseholder, Urban Commons, agreed to fulfill when it accepted its lease in 2016. At present, while seven of the most critical repairs to the historical ship have been completed, a remaining 20 projects are only partially funded or unfunded. The department reported that, without additional funding, the HPCIP could remain incomplete until as late as 2027.

Dan Zaharoni, the chief development officer at Urban Commons, said that his firm has addressed most of the urgent issues that would affect the health and safety of its visitors, as well as the structural stability of the ship. Regarding funds for the additional repairs needed, Zaharoni was sanguine on the issue. "Between our own funds and investor funds and activities that we have planned over the next three to five years, we feel we are adequately funded to handle the ship's repairs."

Johnny Vallejo, property services officer for the Long Beach Economic Development Department, said that his department is in the process of preparing a written update on the remaining HPCIP projects.

Recreational Cannabis Update

California voters approved the legalization of recreational – or "adult use" – cannabis in form of Proposition 64 on the 2016 General Election ballot, but it wasn't until January 2018 that the state allowed the cultivation, manufacturing and retail of cannabis products for recreational use. Following the statewide legalization, Long Beach decided to instate a six-month moratorium to flesh out its new rules and regulations for recreational cannabis licenses, which were signed into law by Mayor Robert Garcia in mid-July.

The city allowed the sale of recreational cannabis starting August 17, and since then, 12 businesses have successfully secured licenses to sell recreational cannabis, according to data provided by the city manager's office. All shops licensed to sell recreational cannabis are co-located with medical marijuana dispensaries, as required by the local ordinance. The city is currently processing 396 applications for cannabis-related businesses, with a majority of applicants hoping to secure licenses for medical manufacturing and cultivation. The total number of dispensaries to be licensed is capped at 32, leaving 20 spots for businesses hoping to sell medical cannabis, recreational cannabis or a combination of both.

City Council To Vote On Short Term Rental Ordinance

The Long Beach City Council is scheduled to vote on an ordinance to regulate short-term rental units, such as those listed on platforms like Airbnb and HomeAway, tonight, December 4. After a period of community outreach this year, city staff created three options for a new ordinance, with each option providing a higher level of regulation.

The staff recommended option would limit the number of STRs per host and establish maximum occupancy for STRs. The Long Beach Department of Development Services recommends the adoption of this option "because it addresses the primary concerns and quality of life issues consistently voiced by the community." If approved, this ordinance would generate 40% to 50% less revenue and incur higher administrative and enforcement costs. To view the complete proposal with other options, visit <https://bit.ly/2Rm7bSH>.

Fee For Conditional Use Permits Reduced

In December 2016, 2nd District Councilmember Jeannine Pearce asked that the city manager, city attorney and the relevant city agencies conduct a study of the city's process for awarding conditional use permits (CUP). The purpose of the study was to make the CUP process more cost effective, streamline the public notification process, expedite CUP modifications for existing businesses and make it easier for those businesses to receive a CUP for an additional location.

In September, the city council approved a series of amendments to the city's municipal code that reflected the recommendations made by the consulting firm. The amendments focused on the removal of use permit requirements for laundromats, thrift stores, live-work units and daycare facilities, and a

reduction of the public notification radius for most projects to 300 feet as required by state law accompanied by an increased use of digital and newspaper notices. As a result of the anticipated decrease in notification costs, the city has reduced the fee for all use permit categories by \$950.

East San Pedro Bay Study Reviews Breakwater Alternatives

The East San Pedro Bay Ecosystem Restoration Feasibility Study, a project that was kicked off by the City of Long Beach and the United States Army Corps of Engineers in February 2016, is in its environmental review phase, according to Diana Tang, manager of government affairs at the city manager's office. This process began after the last official update on the project released by the city in late September. The update outlined outreach efforts to local stakeholders and presented multiple alternatives to Long Beach's current breakwater structure.

The study aims to propose alternatives to the breakwater that would continue to protect the harbor, while also restoring and improving the aquatic ecosystem, and increasing biodiversity and ecosystem value. The value of an ecosystem is assessed by policymakers based on the natural resources or other benefits an ecosystem provides to the surrounding community, according to the Washington, D.C.-based Environmental Literacy Council.

BNSF Project Still In Limbo

BNSF Railway's proposed Southern California International Gateway (SCIG) project at the Port of Los Angeles is still in limbo. BNSF and the port must address deficiencies found in the project's environmental impact report (EIR) by a state court of appeals in order to move forward with the project, but as of yet have not taken action to do so.

In 2016, a trial court found that certain environmental impacts conducted by the parties through the initial EIR process were insufficient. A court of appeals later overturned this ruling, except in the case of two specific air quality issues it found needed to be addressed. In April this year, the California Supreme Court denied petitions for review of this decision.

An official port statement sent to the Business Journal said, "The city [of Los Angeles] has suspended all SCIG project activities, which shall not resume unless the city and BNSF take future actions to certify a revised EIR under CEQA [California Environmental Quality Act] and adopt related environmental and project approvals. . . . The Port of Los Angeles believes in the need for these types of environmentally progressive infrastructure improvements that improve efficiency in marine cargo intermodal transportation from the ports."

Update On Port Of Long Beach Projects

The Port of Long Beach is undertaking a more than \$4 billion capital improvement program, which includes significant projects that will prepare its facilities for larger vessels and improve quality and operational efficiencies. Below are updates on the largest ongoing projects, as provided by port staff.

- Gerald Desmond Bridge Replacement: The \$1.467 billion bridge will be higher to

New Business Association Aims To Bring Events Back To Downtown Core

■ By **SAMANTHA MEHLINGER**
EDITOR

Although the City of Long Beach and the Downtown Long Beach Alliance have worked for many years to improve downtown and position it as a successful area to do business, employers are taking steps to do more. With Ron Hodges – owner of Shannon’s On Pine and Shannon’s At The Top – spearheading the effort, businesses along Pine and The Promenade North are teaming up to form a new organization: the Downtown Entertainment District Association.

Hodges has been kicking the idea around for years, he told the Business Journal while chowing down on “Irish nachos” (fries covered in meat, onions and some kind of enticing sauce) and a sandwich at Shannon’s On Pine.

How long has Hodges been pondering this new association, exactly? “It was something I talked about for years. Originally we were thinking of calling it Pine Square Association. . . . Pine Square was the name of the movie theater here,” Hodges said, referring to an AMC theater that closed its doors in 2010.

Hodges went so far as to have sketches drawn up illustrating how the downtown en-



Ron Hodges, owner of Shannon’s On Pine and At The Top, is pictured with his son Riley Hodges, general manager of the adjacent, soon to open Radio Station Speakeasy. Ron Hodges has formed a new downtown business organization dedicated to branding the area as an entertainment district. The Business Journal will inform its readers of future meetings, which are open to the public. (Photograph by the Business Journal’s Brandon Richardson)

tainment district – as he calls the stretch of Pine Avenue from Fourth Street to the Pike, plus the Promenade between 3rd Street and Broadway – could look if it were branded as such. He proposed an Art Nouveau theme for the area, with a wrought iron gateway and installations laced with bougainvillea spaced evenly along the streets. “It wouldn’t be very expensive. I sent it out to all the e-mail addresses I had. I didn’t get one single response from anybody. Although today people still say, ‘oh, I remember you did that,’” he said.

But as Hodges ran the idea for a new association by various business owners over the years, it gained interest. The DLBA’s cancelation of its annual New Year’s Eve event on Pine Avenue last year ultimately

signaled to Hodges that it was time to put his plan into action. The DLBA is the non-profit association that oversees the business improvement districts in the area. Fees collected from district members go toward marketing, events, security and other efforts.

“Last year, with the cancelation of New Year’s Eve, there were a lot of people complaining,” Hodges said. “Not so much the big businesses, although they were dissatisfied too. But the cigar shop, the bagel shop – places that had stayed open either all night or late on New Year’s Eve. [Last year] they shut down at 10 o’clock or something because there just wasn’t anything going on,” he explained.

“Finally, I couldn’t put it off anymore. I

(Please Continue To Next Page)

allow additional clearance for larger, more efficient cargo ships, and will also be wider to ease the flow of cars and trucks that use the bridge. The new bridge’s towers are already the tallest points in the city at 515 feet. Construction started in 2013 and is scheduled for completion by the end of 2019.

• Middle Harbor Terminal Redevelopment Project: The \$1.493 billion modernization project is creating the greenest, most technologically advanced terminal in North America. Construction began in 2011, with the first half of the new Long Beach Container Terminal opening in 2016. Completion is expected in late 2020. The project adds on-dock rail capacity, shore power hookups and a longer wharf, which will allow the new terminal to move twice the cargo with half the air pollution of the terminals it replaces.

• Pier B On-Dock Rail Support Facility: Designed to shift cargo containers from trucks to rail, the planned \$870 million facility will help the port stay competitive and meet environmental targets. The facility will allow railroads to assemble longer trains that will move goods more efficiently into and out of the port while also limiting truck traffic. Construction is scheduled to start in March 2022, with the entire project completed by 2032.

• Port Headquarters: The new harbor department administration building at the civic center in Downtown Long Beach will encompass 239,000 square feet of highly efficient, flexible and sustainable space. Set for completion in June 2019, the \$235.2 million structure will feature photovoltaic energy generation and use of natural light. ■



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New Downtown Group

(Continued From Page 15)

wanted to start earlier this year, hoping to maybe get New Year's Eve kicked off again and re-established," Hodges said. "New Year's Eve was good. They had like 12,500 people here. That not only brought money into the space, but it also established us as an important place to be. . . . Partying in the streets is what people love."

The downtown entertainment district has lost other events, too, which Hodges sees a detriment to area businesses. "We're losing ground. We're losing a lot of the events we used to have downtown," Hodges said, noting that Thunder Thursday, a public precursor event to the Grand Prix of Long Beach, was relocated from Pine Avenue to the Pike Outlets last year. "What is the reason for anyone to come down and invest millions of dollars – these days at least \$1 million – to open a restaurant or something? And if it is a big operation, it's going to be more than that. . . . You need to have something to say you're in the hot spot. Jump in here and take a chance, because things are moving ahead fast." The key to creating such an atmosphere, Hodges believes, is activating the area with events to create a brand around the idea of a downtown entertainment district.

Ultimately, Hodges didn't get the new group off the ground in time to plan New Year's Eve this year. At the moment, the DEDA has no structure – no elected officers, no official nonprofit or corporate sta-

tus – just a once monthly meeting date that started with the first meetup in mid-October. Attendees have thus far included ownership and staff from area bars and restaurants, he noted. "We agreed on forming committees," he said. A volunteer has offered to create a website and social pages for the organization.

The intent is to file for nonprofit status, according to Hodges. Membership dues to fund activities would likely be voluntary. "We also have vendors that we do business with who might join as associate members," he said. Asking the DLBA to spend some of its dollars on specific endeavors in the area would be another potential way to help fund some initiatives, he suggested.

Asked why it was necessary to form a new business association when the DLBA is already serving the area, Hodges explained that the DLBA's obligations are far wider than just the entertainment corridor. There are multiple districts within the greater downtown area, each vying for attention and dollars. "I got to thinking that if we didn't make ourselves a voice, that we weren't going to get more attention," Hodges said.

"The question came up in both meetings, 'Well what about the DLBA, what's your relationship with them?' I said, I hope it's going to be cooperative and productive. We're certainly going to ask for help," Hodges said.

Hodges, who also owns Shannon's Bayshore in Belmont Shore, opened Shannon's On Pine in 2007 – just before the

Great Recession. "I came downtown from Belmont Shore in 2007 thinking, it's going to get better downtown. Instead it got worse for a while," he said. "Even though I love Belmont Shore, I found it kind of invigorating or exciting to be downtown. I think people do. They like the urban environment, and everything happening."

Now, downtown businesses in the area are "doing better business now than they ever did before," Hodges said. But with the loss of major events such as New Year's

Eve, some of the headway the entertainment-based restaurants and bars have made in recent years has been lost, he argued.

"We want to get street events. We want to get more activity down here," Hodges said. "It would be great if we had street events two and three times, or maybe four times a month. People on this particular street [Pine Avenue] are open to having it every weekend so that if people say, 'where should we go?' [then] they say, 'let's go downtown – there's always something going on.'" ■

New Rules Passed For Flight Slots At Long Beach Airport, Airlines Split On The Issue

■ By **PIERCE NAHIGYAN**
 STAFF WRITER

The Long Beach City Council has approved a resolution updating the rules governing flight allocations at Long Beach Airport (LGB). The creation of the resolution was in part spurred by what LGB Director Jess Romo has referred to as the current and anticipated future failure of "some incumbent air carriers to fully utilize their slot allocations."

In a report addressed at the November 20 city council meeting, Romo wrote that the airport was "increasingly concerned" that the current allocation provisions gave airlines with more slots the ability to hold onto unused slots and prevent their competition from using them. "The airport should not

allow air carriers to operate in a manner that creates artificial advantages for any carriers," he wrote.

The new resolution would increase the minimal use requirements for flights slots. Officials of JetBlue Airways, which holds the lion's share of flight slots, oppose the change. Southwest Airlines, JetBlue's chief competitor, supports it.

How Flight Slots Used To Be Allocated

At present, the city's Airport Noise Compatibility Ordinance (ANCA) allows up to 50 daily flights to be flown from LGB. This includes 41 permanent and nine supplemental slots. Two of these slots are allocated to cargo carriers FedEx and UPS. The remainder are distributed among five commercial airlines: JetBlue, Southwest, Delta Air Lines, American Airlines and

Promoting Trade With Canada

(Continued From Page 1)

council has already held its first event in Long Beach. MAPLE leadership, as well as members of the business council, visited the Port of Long Beach for the council's 49th event since its founding in May 2015. "The 49th is important to us, not only because it's a big number[...] but also because that's a play on the 49th parallel that is the geographic dividing line between the U.S. and Canada," the council's co-founder, Stephen Armstrong, explained.

Armstrong and his co-founder, Robert Kelle, were first approached to create a nonprofit focused on stimulating economic relationships between Southern California and Canada by the Canadian consulate in Los Angeles. The consulate had taken notice of an organization for Canadian expats, Canadians in Orange County, which the two had founded in 2009. "Orange County is part of the largest Canadian diaspora in the world," Armstrong pointed out, "We decided it was important to form a separate organization focused on this opportunity [of trade]."

By reaching out to cities and counties across Southern California, the council has been able to grow its network of agencies and companies. Canada is California's second largest trading partner after Mexico, Armstrong said, and despite some competition between the two countries in the lumber industry, he sees great economic potential. "Because of the geographic proximity, the shared language, rule of law, it's an easier market to penetrate than other markets internationally, for someone just starting out," Armstrong explained.

Leah Goold-Haws, statewide director of the Center for International Trade Development at Long Beach City College and member of the Long Beach Economic Development Commission, agreed. She said the countries' shared language and civic structures "is an asset that's really advantageous for companies."

At Long Beach City College, Goold-Haws is hoping to expand the school's existing Business E-commerce Advanced Management (BEAM) program, which focuses on e-commerce businesses, to include more specific training on doing business in Canada. Increased training and awareness could be particularly helpful to smaller businesses hoping to expand their market, she explained. "Those types of companies tend to succeed first in working with



Leadership of the MAPLE Business Council and several of its members held their first-ever tour of the Long Beach Harbor, foreshadowing an upcoming partnership with the city aimed at promoting economic activity with Canada. From left to right: Michael Smith, director of international trade for World Trade Center Los Angeles; Beril Unver, foreign policy and diplomacy service officer for the Consulate General of Canada in Los Angeles; Tyler Curley, legislative deputy of commissions, correspondence and Sister Cities for the office of Mayor Robert Garcia; Debra Lewis-Mahon, managing director of Westmark Tax; Stephen Armstrong, co-founder of the MAPLE Business Council; Anna Innis, national manager of passenger sales in the U.S. for Air Canada; Chris Antonelli, district manager of Purolator International; Seyed Jalali, City of Long Beach economic development officer; Dave Perfect, San Diego branch manager of Purolator International; Cynthia Coulter of Collaborate; and Charles Gauthier, ambassador to Quebec for MAPLE. (Photograph by the Business Journal's Brandon Richardson)

countries where English is the native language," she said.

The global trade expert pointed to the recently revived discussion about trade agreements between the U.S. and Canada as an impetus for increased opportunities across their shared border. "I think there's growing interest in how we engage with Canada as a trade partner," Goold-Haws said. She believes that the new North American trade agreement, which was signed by the presidents of Mexico, Canada and the U.S. on November 30, will better facilitate business between the two countries, especially in the e-commerce sector, as it includes more in-depth provisions around data protection and online business activity than its predecessor.

Long Beach Economic Development Officer Seyed Jalali is hopeful that the city's new partnership with MAPLE will help strengthen economic ties between Long Beach and

Canada. His department has been granted a \$5,000 budget to finance the potential dispatch of a business delegation to Canada. "A lot of businesses may have or do have the potential to expand their market, but they don't know how," Jalali pointed out. "The city obviously does not have the resources or the means to provide these types of trainings, nor are we experts in that," Jalali added, "MAPLE can serve as a conduit to achieve that."

For Armstrong, this mission of connecting Long Beach businesses with Canada, and vice versa, is an opportunity to give back to his adopted home. "It's a wonderful opportunity to celebrate our long-term home in Southern California and our original roots in Canada, and connect our markets," Armstrong said. "We're eager to share our mission with businesses in the Long Beach area." ■

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Hawaiian Airlines. JetBlue operated 35 flight slots until September of this year, when it downsized to 23.

Before the passage of the new resolution, airlines were required to operate at least four flights per slot per week over any 180-day period. In other words, an airline had to use a slot at least 57% of the time over a six-month period, or risk forfeiting the slot. Further, airlines that did not conduct at least 30 flights per slot in any 60-day period – or utilize it 50% of the time over two months – also risked forfeiting their slot.

In his report to the city council, Romo stated that this level of utilization “arguably provides for the potential to engage in anti-competitive behavior by maintaining flight slots that are underutilized,” thus restricting opportunities for their use by new or incumbent airlines.

What The New Resolution Changes

Under the new rules, a slot must now be used 60% of each month (or about four days per week), 70% each quarter (or about five days per week) and 85% each year (or about six days per week).

The rationale for this increase, Romo said, was manifold. His report explained that doing so:

- Ensures that air carriers adequately utilize their flight slots
- Reduces the potential for anti-competitive conduct
- Promotes airport operation on “fair and reasonable” terms and without “unjust discrimination”
- Reinforces the proposition that flight slots “are not, and must not be permitted to become” the property interests of commercial airlines
- Adopts an administrative penalty provision where underutilization is documented

The ordinance states that failure to comply with the minimum use requirements may incur a “reduction in the number of flight slots consistent with actual utilization” as well as “potential disqualification from receiving additional permanent or supplemental flight slots for a period of time.”

Romo noted at the November 20 meeting that flight allocation procedures “have been amended six times to date.” The passage of this latest resolution marks the seventh amendment.

“Generally, changes to the flight allocation procedures are made in response to market conditions,” Romo told the Business Journal. “Given that we have a limited number of slots, it is essential that the city actively manages these limited resources fairly and efficiently.”

JetBlue’s Response

When the city first began discussing changes to allocation procedures in 2017, it sent a letter to its airlines for comment. JetBlue and Southwest were the only respondents.

Southwest was supportive, writing that it had no objections to the amendments under consideration and that “there must be an effective mechanism to assure maximum usage” of allocated flight slots. JetBlue was against the proposed changes and offered counter proposals.

Nearly eight months after the initial letters were sent and the city continued with its plans for the resolution, Robert Land, the senior vice president of government affairs and associate general counsel for JetBlue, sent a follow up e-mail that criticized the proposed changes. Romo included both Land’s e-mail and the September 2017 letters from JetBlue and Southwest in his report.

“Regrettably, it appears that the city . . . has chosen to disregard all of JetBlue’s suggestions,” Land wrote in the e-mail dated May 30, 2018. “It is further regrettable that the city continues to take steps that appear specifically designed to harm JetBlue.”

As Land alludes to in his e-mail, this is not the first time JetBlue and the City of Long Beach have clashed over airport procedure. JetBlue was highly supportive of opening up LGB to international flights, a motion opposed by the city council in January 2017. JetBlue was also frustrated by the lengthy construction delay and the downsizing of the original plans for the new airport concourse that opened six years ago. And for each violation of the airport’s noise ordinance, JetBlue incurs a \$6,000 fine. This figure was arrived at following several months of discussion and litigation between the city and the airline, ending a longstanding dispute over JetBlue repeatedly arriving past LGB’s 10 p.m. curfew.

In his May 2018 e-mail, Land warned that, “Any city action to unilaterally impose changes to the ordinance or allocation resolution that are more restrictive or facially discriminatory could have unintended consequences and be deemed presumptively invalid.” Land further stated that the city could risk a collapse of its grandfathered noise ordinance as a result of the amendments.

In his presentation to the city council, Romo noted that the airport’s noise ordinance would not be affected in any way by the changes proposed in his report. He emphasized that again when he spoke to the Business Journal. “The noise ordinance is not being changed,” he said.

Prior to filing his report, Romo reached out to Federal Aviation Administration

(FAA) officials for their legal opinion on the matter. “FAA does not believe the proposed amendments raise ANCA issues,” he wrote. He further added that the administration “encourages the city, as the airport proprietor, to make the necessary business decisions to encourage and promote competition at the airport.”

Next Steps

When reached for comment, Doug McGraw, vice president of corporate communications at JetBlue Airways, said that JetBlue is “a proud member of the Long Beach community” and will continue to offer residents “the best onboard experience of any airline that flies here.” Regarding the passage of the resolution, McGraw said, “While we believe this rule change is unnecessary as evidenced by the numerous unused slots already available, we remain committed to providing a level of flying in Long Beach that the market will support.”

Romo said that the amendments are necessary. “We have an established waiting list of carriers that would like to obtain permanent slots,” he said. “However, the current process only allows for temporary use of the unused slots on a month to month basis.” That uncertainty limits the utility of those slots, he continued, when time is of the essence. It takes time to schedule aircraft and flight crews, as well as to market for additional service, he explained.

“This is a difficult proposition on a month to month basis,” Romo concluded. “We feel that some degree of certainty is best for the airport, our airline partners and our customers.”

Romo said that the airport and the city are currently working through the process of adopting the new resolution. He anticipates the new changes to be implemented January 1, 2019. ■

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The staff of the Long Beach Area Convention & Visitors Bureau gathers for a photograph in front of the City of Long Beach Christmas tree, located outside the Terrace Theater at the Long Beach Convention & Entertainment Center. Pictured top row from left are: Susan Valen, Jeff Forney, Jennifer Gonzalez, Jenni Pearl, Iris Himert, Michael Mitchell, Pauline Taylor, Steve Goodling, Gary Watters, Lilian Olguin, Claudette Baldemor, James Robinson, Shannon Yates, Joseph Jenci and Julie Taylor. Bottom row from left are: Loren Simpson, Kathy Ford, Kelly DeSimas, Jan Miller, Karen Thomas, Cindy Robbins, Sammie-doggie, Heather Gonzalez, Iain Campbell, Barbi Ajemian, Kenya Stamps, Bob Maguglin. (Photograph for the Business Journal by Matt Fukushima)

(Continued From Page 1)

hotels. For fiscal year 2019, which began in October, bookings are already showing an increase over the prior fiscal year, according to Charlie Beirne, general manager of the Long Beach Convention & Entertainment Center.

“It’s going to be a busy year. We’re having a tough time finding space for people, which is a positive for us,” Beirne said in an interview with Goodling. Beirne noted that entertainment bookings at the Terrace Theater are on the rise, particularly among comedians. He attributed the increase to efforts to grow relationships with event promoters.

“The other thing that is happening is we’re starting to get some more traction with the corporate market segment,” Goodling said. “We’ve always been a great national association market. But we’re finding that corporations, because of our facilities and because of the downtown continuing to mature, are now looking at us as a great option.”

Instructure, a Salt Lake City-based educational software company, is the latest corporation to jump on the Long Beach bandwagon for its annual convention. Although the firm already had a contract in place for 2019, a site visit to Long Beach’s convention center with CVB staff – initially meant to scout the location for an event planned years down the road – ultimately convinced the company to come to Long Beach next year instead, according to Heather Gonzalez, national sales director for the CVB.

“They came out looking at us for one of the future years, like 2022, and then they

ended up falling in love with Long Beach when they came,” Gonzalez said. “They are expecting around 3,000 attendees, and it’s about 5,300 or 5,400 room nights for the city.” Gonzalez said the convention center’s turnkey event venues, such as the Pacific Room, Terrace Theater Lobby and Plaza, and The Cove, were the main draw for the group.

According to Beirne and Goodling, the most in demand venue is the Pacific Room at the Long Beach Arena. A 46,000 square-foot venue with the flexibility to accommodate events ranging in size from large receptions to concerts, the facility is equipped with a professional lighting truss system and décor that event planners may use for no additional cost. Most weekend dates for the Pacific Room are booked

solid in 2019, Goodling said. Beirne noted that the venue is often requested for rehearsal space by musical acts, but because they require a block of seven to 10 days of venue use, he is no longer able to accommodate such requests. “We actually got a call from a guy from KISS to do a rehearsal and we just couldn’t do it,” he noted.

This year, the CVB and convention center celebrated the completion of the Terrace Theater Plaza’s fountains, which were refurbished and upgraded with technology to create a Bellagio-like, customizable water show.

Over the past five years, the center has debuted several event venues equipped with theatrical lighting and sound, décor and other amenities at no added cost to meeting plan-

ners. The latest, and still undergoing finishing touches, is the Ocean View Club located on the third floor of the Terrace Theater. According to Goodling, it accommodates up to 100 people. “It has I think one of the best views of the Pacific Ocean looking out its windows,” he said, noting that the venue is horseshoe shaped. “To the right side, it’s a great city view and a great shot of the Queen Mary. We put a cool pool table in there, some great Restoration Hardware Chandeliers, some great furniture. It’s not finished yet,” he said.

“The one thing I find interesting is when I meet these clients, when we get into the younger meeting planners, they instantly respond to these spaces,” Goodling said of the center’s turnkey venues. “The older meeting planners, they think it’s fun, they like it, but I don’t see their enthusiasm because I don’t think they truly get what it is. . . . We’re prepared for the continued ascent of Millennial meeting planners. And these Millennial meeting planners are responding very favorably to the enhancements that have been created.”

The CVB continues to leverage these venues in its marketing to meeting planners, citing the cost savings they offer as unique to Long Beach. The venues help the CVB stand out amongst the competition, which, according to Goodling, are primarily big box hotels with up to 800 or more rooms that also offer space for meetings. At the top of the list of competitors is Gaylord Hotels, a chain that boasts the slogan, “everything in one place.” These hotels, according to Goodling, are virtually miniature cities unto themselves. They include upwards of 1,000 guest rooms and conven-



Long Beach Marriott General Manager Imran Ahmed, left, was recently elected to a two-year term as chair of the board of directors for the Long Beach Area Convention & Visitors Bureau (CVB). Ahmed is pictured with Steve Goodling, president/CEO of the CVB. The 309-room Marriott, which opened in 1987, is located at Lakewood Boulevard and Spring Street, adjacent to the Long Beach Airport and the 405 freeway. (Photograph for the Business Journal by Matt Fukushima)

tion space, and even boast amenities such as water parks, spas and nightclubs.

Gaylord operates hotels in the Western, Central and Eastern United States, making it appealing for planners who rotate their convention sites each year to sign multi-year deals with the chain, according to Goodling. Also, as Gonzalez pointed out, Gaylord only requires the negotiation of one contract for all services, while a meeting planner organizing a convention in Long Beach would have to sign contracts with a multitude of entities, including hotels, the convention center and any other venue they need to use. “Our challenge for us is just like a theme park. . . you have to keep new rides and new experiences opening up,” Goodling said of what it takes to keep Long Beach competitive in this environment. “We as a city need to continue evolving and growing in the unique offerings that we have.”

Helping Long Beach get the leg up competitively is the promise of multiple new hotels in downtown and near the airport, Goodling noting, “The Breakers is going to add a lot of cache to our marketplace and I think will become a destination boutique hotel,” he said. Pacific6, an investment firm based in downtown, is currently renovating the historic building on Ocean Boulevard to transform it into a hotel by 2020. “The Breakers has been very instrumental in us getting the additional rooms that we needed

to fulfill the requirements for sleeping rooms for a convention,” he said.

Goodling also cited a planned new hotel on the corner of Ocean and Pine Avenue by developer American Life, the planned conversion of the historic Security Pacific National Bank building at Pine Avenue and 1st Street by developer Cambria Hotels, and the addition of a Staybridge Extended Suites adjacent to the Holiday Inn Long Beach Airport.

When it comes to tourism, Goodling noted that Long Beach is receiving growing attention from media outlets. “This has been the best year yet in terms of writers visiting Long Beach,” he said. The New York Times published two pieces on Long Beach this summer – one, a tourism-focused piece highlighting the city’s attractions, and another focusing on the city’s development boom.

Goodling cited the expanding Aquarium of the Pacific, growth among local tourism businesses such as Harbor Breeze Cruises, investment in the Queen Mary and ongoing annual events like POW! WOW! Long Beach as indicators of the tourism industry’s health. He also pointed out that business corridors such as 2nd Street and Retro Row continue to be a draw for visitors to the city. “As a destination for getting away, Long Beach is continuing to grow in terms of recognition,” he said. ■



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A Nonprofit With A For-Profit Attitude: CVB's Marketing Team Credits Entrepreneurial Spirit To Its Success

■ By **SAMANTHA MEHLINGER**
EDITOR

When it comes to marketing Long Beach to meeting planners, the Long Beach Area Convention & Visitors Bureau relies upon the city's assets – principally, its unique and turnkey venues at the Long Beach Convention & Entertainment Center and nearly year-round Southern California sunshine – as well as a focus on relationship building with publications and prospective clientele. Although the organization is a nonprofit, its marketing team boasts an entrepreneurial attitude with a penchant for taking risks to make sure Long Beach gets in, and stays in, the spotlight.

“We may be a nonprofit organization, but we have a for-profit mentality,” Jeff Forney, the CVB's vice president of membership, marketing and special projects told the Business Journal in a meeting at the organization's offices. “Our job is to be as successful as possible.”

Seated beside him, Loren Simpson, director of digital communications, finished his thought: “And to make you as successful as possible.”

Forney noted that the success of the CVB and the convention center – demonstrated again this year with the designation of second “best in the west” by trade publications Successful Meetings and Meetings & Conventions – are due to the CVB's penchant for getting ahead of industry trends. “Usually what happens is it takes centers and buildings years to catch up, whereas we see trends and stay ahead of them,” Forney said. “When we're [now] seeing, five years later, people talking about repurposing spaces, we did that in '13. . . . We were way ahead of the game,” he said.

In 2013, the convention center debuted its Pacific Room – a 46,000-square-foot event venue that can be adjusted to accommodate events ranging in size from receptions to concerts. The venue, located in the Long Beach Arena, comes equipped with a theatrical truss system and is outfitted with customizable lighting, furniture and other assets that come at no added cost to meeting planners.

This re-imagined space was the first of several to debut over the next five years.

Others include the outdoor party venue The Cove, which is essentially an underpass located beneath the Terrace Theater Plaza and fronting one of the center's most used ballrooms; the Terrace Theater's lobby and plaza, which is now equipped with Bellagio-style fountains, a sound system and theatrical lighting; the Bogart & Co. eatery and lounge; and other spaces. Showcasing

be it the convention center's turnkey venues or its waterfront location, Forney said. “It's always about – stealing a term from Loren [Simpson] – the Instagrammable moment. It's about a space, an experience you can't get anywhere else,” he said. “We use very glossy, beautiful jewel-toned photos that stand out in the publications. We try to go lighter on the text, with more imagery.”

takeovers. The CVB pays a publication to take over its Instagram in order to spread the word about Long Beach as a destination for meetings and tourism to new and wider audiences. This year, for example, Simpson orchestrated a takeover of Los Angeles Magazine's Instagram account.

Digital ad buys are often rolled into print advertising purchases as added value, according to Forney. Typically, the CVB chooses to advertise digitally via e-mail campaigns sent out by industry publications because it is easier to track how many people click on or see the ad, he explained.

The CVB also attends key conventions for meeting planners, taking the opportunity to give prospective clientele an in-person experience that showcases what Long Beach has to offer. Case in point, according to Forney and Simpson, was this year's IMEX America convention. Held in Las Vegas, CVBs from America's major cities, and even from countries abroad, vie for attention from meeting planners. “You're going up against nations. Scotland has a 60 by 60 [foot] booth. It's massive,” Forney said of the convention.

To stand out in such an environment, the CVB took some risks with their booth – an eight-foot-tall immersive screen wrapped around guests, giving them a sense of what it would be like to visit Long Beach and attend a meeting there, Simpson explained. Guests were greeted by a head-turning art installation – a model wearing a headdress made of flowers that completely obscured her face – and a wall of modules through which outstretched, white-gloved hands offered glasses of champagne. “We had not only champagne, but also we had locally sourced Romeo's Chocolates being handed out, so you had a taste of Long Beach too,” Forney noted.

Simpson said the booth was “extremely” successful. More than 300 clients entered the booth, in comparison to fewer than 100 in prior years, according to the CVB. The event also generated 15 requests for proposals from potential clients.

Overall, Forney said of the CVB's marketing strategy, “It's really about what sets us apart, because every big city has a convention center.” ■



At one of the largest trade shows for meeting planners in the country, IMEX America, the Long Beach Area Convention & Visitors Bureau (CVB) took some risks – and they paid off. Models clad in living bouquets beckoned in attendees, where glasses of champagne were waiting for them, ready to be served by white-gloved hands peeking out from curtains. An eight foot tall screen immersed guests in visions of Long Beach. The booth successfully attracted hundreds, and drew new business for the city, according to the CVB's marketing team. (Photograph provided by the Long Beach CVB)

these event venues in trade publications and online with stunning professional photography and videography is one of the CVB's key strategies when it comes to advertising to meeting planners.

Rather than using an outside agency to purchase ad placements, Forney has developed personal relationships with industry publications, he noted. Cultivating these relationships has multiple benefits. “We work with them to get connected to the writers, the editors, and to really help pitch our story about the destination,” Forney said. “Also, negotiating the [ad] rate keeps our cost down because we do it directly and we hold them to those rates. Since 2006, the rates we negotiated in print have not gone up.”

Working directly with publications also helps ensure the CVB's ads are given desirable page placements, Forney noted. “As an example, in Convene, we always have the inside front cover on page two, every month,” he said, referring to a meetings industry publication.

The CVB's advertisements highlight different aspects of Long Beach that make it a unique place for a convention or meeting,

To find out what meeting planners are looking for and to advertise to those desires, Forney said the CVB relies on relationships developed by its sales executives in key markets throughout the country. “We're all about relationship selling. The sales team really knows the clients well and they talk to them about what their needs are, what the trends are,” he said. “On our [annual Washington] D.C. mission where we see 300 clients in a week, we talk to them about what they read, what they're looking for.”

For meeting planners in the central and eastern United States, what they're looking for is often an escape from colder weather. “Great weather, sunshine, palm trees, beach,” Simpson said. If it's particularly gloomy elsewhere in the country, she and her social media team will push out content showing Long Beach's sunny weather and active coastal lifestyle. “We're still telling the same story, we're just adding what your [meeting] attendees can do as well,” she said.

In addition to pushing out enticing content on the CVB's social media accounts, Simpson has also spearheaded a new kind of advertising ploy – Instagram account



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The Long Beach Area Convention & Visitors Bureau's sales coordination team, whose task it is to promote Long Beach to large-scale business clients, is pictured in the bureau's "closing room," named for its power to close a sale by providing a stunning view of the Long Beach harbor. From left: Gary Waters, Shannon Yates, Kathy Ford, Pauline Taylor and Lillian Olguin. (Business Journal photograph by Matt Fukushima)

Sales Coordinators: The Long Beach CVB's Special-Ops

■ By **ALENA MASCHKE**
STAFF WRITER

Housed in one of Long Beach's tallest buildings, the Shoreline Square office tower, the Long Beach Area Convention & Visitors Bureau has a stunning view of its domain. Nineteen floors above the glistening harbor, a small team works behind the scenes to bring ashore millions of dollars for the city's hospitality industry, with cash flows rippling far beyond its ocean view hotels.

The CVB's five sales coordinators are tasked with marketing the city to potential clients across the country, wrapping all its amenities and attractions into one irresistible package. "We're promoting Long Beach," Gary Waters, who has been with the CVB for almost 12 years, summed up as his team's mission.

After a client contacts the CVB to request a proposal that showcases Long Beach as the ideal location for an event, the sales coordinators put together a "bid book," which outlines everything the client needs to know: hotel capacity, prices, transportation, meeting spaces and any other requested amenities. "Our bid book is part of our marketing. It's giving the clients an overview in regard to what we can offer within the city for their clients," Pauline Taylor, who has been with the CVB for over 12 years, explained.

The sales coordinators work on tight deadlines, handling projects that may bring in millions in commercial revenue and occupancy taxes. "If they screw something up, we could be out \$25 million at the snap of a finger," Bob Maguglin, the CVB's director of public relations, said. "It's really important, really vital work."

The added challenge of working with clients and sales directors in different time zones means there's never a dull moment. "There isn't really a typical day, every day there's something new happening," Waters said. "There's nothing boring about the job."

Despite the intense pressure and responsibility their position entails, the team has an impressive retention

rate. Even factoring in the newest addition to their team, who joined a year ago, the average member has been with the CVB for almost nine years. The supportive work environment and recognition they receive both from inside their office and from the city goes a long way, Sales Coordinator Kathy Ford said. Presenting the CVB's annual report to the city council and showcasing a year's worth of hard work to city leadership is an especially emotional moment for Ford. "It almost makes me want to cry, it makes me really proud whenever I get to see that," she said. "It's a beautiful thing."

To turn around leads for the CVB's sales directors and proposals for clients on often tight deadlines, each sales coordinator has to rely on a well-nurtured network of contacts in the city's visitor-facing industries, such as hospitality, entertainment and transportation. "They know their pets' names, they know spouses, children, who had a new baby. They really know these people," Loren Simpson, the CVB's director of digital communications, said.

Most members of the team have previously held positions at Long Beach hotels, an experience that has groomed them for their daily negotiations with hotel staff on behalf of potential clients. "We've been here for so long and we all come from hotels," Sales Coordinator Lillian Olguin said. "We just start meeting them, building relationships." The team works so closely with hotel staff that they often feel like colleagues or even extended family, Ford added.

These close and positive relationships are a noticeable benefit to clients, Sales Coordinator Shannon Yates said. Yates joined the sales coordination team last year, after interacting with the CVB on behalf of the EEM Longines Masters Series horse jumping event for several years. "The CVB really creates a family atmosphere," Yates said. "They're able to create an all-encompassing experience for the people who come here."

One event from Yates' time with the Longines Masters shone a particular spotlight on the all-hands-on-deck ap-

proach the CVB takes to pleasing clients. When EEM organized a scavenger hunt that featured a large, red horse statue, the CVB used their social media accounts to help spread the word and even organized a forklift from the Aquarium of the Pacific to move the statue. "They're super on board with that mentality of making sure that the people who do business in the city are part of the Long Beach family," Yates said. "We didn't get that white-glove, red carpet service when we were in other cities."

Members of the team said they see their mission and that of the CVB as one that exceeds the transactional nature of proposals, bids and sales. "We support the charities in the city," Ford said, pointing to the CVB's donations of time and money to the Long Beach Ronald McDonald House and the city's homeless shelters. Waters pointed to the city's partnership with the organizers of POW! WOW! Long Beach, an international series of art festivals, which was initiated in part by the CVB and has brought dozens of murals and visitors to the city in the past five years. "We're excited to tell people about these things," Waters said. "I don't know a lot of cities you can say that about, that you're excited to sell the city that you work for."

Having observed the development of Long Beach over the past decade, the team's most senior members said they see the impact their work has made. "Long Beach has exploded," Taylor said. "Long Beach used to be kind of a sleeper, and it's not anymore. We are very competitive throughout the United States with what we can offer here in Long Beach."

By helping sell the idea of Long Beach as a destination for professional meetings and conventions, the team believes they've helped spark that development, most noticeably the renovations of the Hotel Maya, the Breakers Hotel, and the construction of new hotels in the city. "These people are willing to build brand new hotels and invest in Long Beach, because we'll be able to fill those hotels," Waters pointed out. "It's such a cool thing to see how much we do impact all of Long Beach." ■



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After spending over 10 years working in fine dining restaurants across Orange County, Virgin Islands-native James Miller is now bringing haute cuisine to the halls of Long Beach's convention center. Pictured from left to right: Hayley Woodard, sous chef; Tiffany Hurtado, executive steward; James Miller, executive chef; Vanisha Anderson, sous chef; and William Francis Minard, sous chef. (Photograph by Matt Fukushima)

Executive Chef James Miller Is Bringing Fine Dining To The Convention Center

■ By **ALENA MASCHKE**
STAFF WRITER

When a friend told Chef James Miller that he should join him in the kitchen of the Long Beach Convention & Entertainment Center, Miller was skeptical. As a passionate and creative chef who had spent the last 10 years touring Southern California's fine dining scene, Miller wasn't quite sure large-scale gastronomy was the right fit for him.

"You think convention center, you think

grey chicken and dry, overcooked food," Miller recalled of his initial reaction. Still, he felt like he was ready for his next move and decided to take a chance. Going from executive chef at a fine dining restaurant to sous-chef at the convention center would be considered by some as a step down, but Miller saw the potential of the new position. "I saw it as a lateral move, because I saw potential to grow in a place like this," he said, "because of the size, the volume that we do, the names that come through here, the bookings that we get. A lot of exposure."

After taking over the role of executive chef at the center this year, Miller set out to modernize the way convention centers and their clients think about catering options. "In my experience, I've been to a few conventions before I started working here — the style of food they're doing is probably 10 years behind whatever new restaurants are doing," Miller said.

It doesn't have to be like that, the 30-year-old chef argued: "A smart chef can make a beautiful menu and a beautiful execution of a menu without spending a big chunk of

change." By using local products and carefully planning menus, he aims to create modern, high-quality dishes at a price point that is reasonable for large groups.

To keep his menus fresh and surprising, Miller regularly seeks out advice from outside of his own kitchen. "I work very closely with a lot of my old chefs and colleagues in the restaurant industry, and try to stay up with the trends," Miller said. The creative flair Miller picked up during his culinary training and his professional experience in the restaurant industry helps set his work apart from more conventional competitors, the chef noted. For instance, Miller once set up a bar serving prosciutto- and sage-flavored cotton candy paired with orange flower smoke-infused old fashioned.

Scaling up his ideas and techniques to serve larger groups was a challenge at first. "It's such a large venue; our kitchen is probably a good quarter of a mile away and up three flights of stairs," Miller said. "All of that takes a lot of timing and skill, something that I had to learn here."

Depending on the occupancy level of

the 15 food retail locations throughout the center, Miller and his team often cater several different events at once. From plated banquets to buffet style mixers, Miller said he works closely with each client in putting together a catering experience that fits their needs. "I work very closely from day one with the sales person to try and create a menu that our guests are going to love," he said.

Looking toward the future, Miller envisions more open-format dining arrangements that allow guests to mingle, and a greater diversity of menu options. "I'd like people to be more open to trying new things," the chef said. According to Miller that means: less surf-n-turf or chicken, starch and veggies, and more outside-the-box, locally sourced menu items.

By presenting guests with unexpected dishes like quid ink risotto with seared diver scallops, yuzu beurre blanc and a paquillo pepper foam, Miller is confident that his cuisine is helping the center succeed. "The venue brings the guests in, the food keeps them coming back," he said proudly. ■

About Chef Miller

- Miller grew up on the Virgin Islands and worked in bail bonds with his dad before deciding on a culinary career.
- His first professional kitchen experience was at the now-closed Charlie Palmer restaurant in Costa Mesa's South Coast Plaza, where he started as an unpaid intern while in culinary school at the Arts Institute in Orange County.
- Following his engagement at Charlie Palmer restaurant, Miller joined his former colleague Amar Santana as an inaugural team member of Broadway by Amar Santana.

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Long Beach Hospitality And Tourism Businesses Report Steady Sales, High Optimism In 2018

■ By **PIERCE NAHIGYAN**
 STAFF WRITER

Last year the Business Journal reported that 2017 was the “best year ever” for Long Beach tourism. While 2018 is not expected to seize that crown, businesses are reporting steady sales and optimistic outlooks going into next year. Overall, development in the city’s downtown and an engaging assortment of entertainment venues and events continue to bring in visitors and locals alike.

Hotels

The occupancy rate in Long Beach hotels was essentially flat in 2018, according to Bruce Baltin, managing director of CBRE Hotels, a global firm that provides analyses and forecasts of hotel markets. CBRE has calculated the 2018 occupancy rate for the city at 79.4%, versus 79.5% for 2017. The plateau is hardly bad news, Baltin said.

In December of 2017, Hilton opened its dual-branded Homewood Suites and Hampton Inn at the Long Beach Airport, bringing 241 new hotel rooms into the city. The fact that total occupancy has dropped only 0.1% since that time is the sign of a healthy market, Baltin said. “It means it was fully absorbed.”

Because occupancy was essentially flat, Baltin went on, so were average daily room rates charged for overnight stays, which dipped about 0.5%. Last year boasted the highest occupancy rate that CBRE had seen in Long Beach in 25 years of analysis. Hotel occupancy rates were well above the national average for the past two years. “National average occupancy is at an all-time high this year at 66.2%,” Baltin said.

Tourism visits are increasing to Long Beach and more people are moving in, Baltin said. He pointed to the continued improvement of the downtown area and growing number of enplanements at the Long Beach Airport as positive influences on the economy.

While the passage of Measure WW, a new law that sets prohibitions on how many rooms hotel staff can clean per shift, may impact hotels’ bottom lines, Baltin said, it won’t necessarily impact future occupancy rates.

At the Long Beach Marriott, General Manager Imran Ahmed believes Measure WW may necessitate the hiring of an additional 15 housekeepers. Because of the measure’s “humane workload” standard, hotel employees cannot clean more than 4,000 square feet (approximately 10 average-sized rooms) in an eight-hour day. With 309 total rooms, Ahmed described his hotel as the largest at the airport.

As of November, the Marriott was about 4% behind in occupancy from 2017, with revenues per available room at about \$150, or \$5 less than last year. This was partially due to the opening of the Homewood Suites/Hampton Inn by Hilton Long Beach Airport, he said. Occupancy may slip again in 2019, he estimated, as the Marriott makes improvements to its existing rooms. “As

soon as the renovation gets done, we will have brand new rooms,” he said, and new rate increases. Ahmed is hoping renovations will be completed by first quarter of 2020.

Pamela Ryan, general manager at the Renaissance Long Beach Hotel and chair of the Long Beach Hospitality Alliance, reported occupancy was between 82% and 83%, on par with 2017. Ryan did not expect Measure WW to affect the Renaissance, as its ratio of rooms to housekeepers is not outside the bounds set by the new law. “I’m not as impacted as some of our other hotels are,” Ryan said.

Steve Goodling, president and CEO of the Long Beach Area Convention & Visitors Bureau, told the Business Journal that the Renaissance’s recent upgrades to its ballroom is helping his organization book meetings in the city. He also pointed out that planned renovations to the Westin Long Beach’s lobby should do the same. “They are going more to a lifestyle concept with a great bar in the middle and then great seating around it,” he said.

The Hotel Maya, a DoubleTree by Hilton hotel, reported a slightly higher occupancy than last year, but General Manager Kristi Allen noted that it tends to pull a greater number of leisure guests than hotels located near the convention center or airport. Those tend to book higher group rates for corporate events, she explained. “We’re probably skewed higher towards the transient traveler versus the group [business],” she said.

Observing a trend also reported by several businesses interviewed by the Business Journal, Allen said that tourism seems to be on the rise in the city. “Long Beach has been increasing its leisure demand,” she said. “There’s a lot of development downtown. The Queen Mary has been doing a lot of events, and that does drive leisure demand [and] weekend demand.”

Daily room rates and the revenue generated per available hotel room is flat compared to last year, she reported. That, too, she attributed to fewer group rates and more transient occupancy. Group bookings can lead to more business overall, she explained. “They come in on conventions and they have big functions, breakfast, lunch, dinner, and they’re here on expense accounts. We like that,” Allen said. “But being able to fill the room nights with a leisure guest is nice as well.”

Business continues to be good at the Maya on the whole, Allen said, and 2019 is expected to be a stronger year for group bookings. “Next year is pacing considerably up from this year on the group side,” she said.

Tourism

For both visitors and locals, Long Beach offers myriad options for day trips and even longer voyages. Businesses operating from the harbor are available for those looking to sightsee or just get away from it all. Some like, Dan Salas’s Harbor Breeze Cruises, have long-established reputations.

Salas has been operating his whale watching tours out of Long Beach for nearly

(Please Continue To Next Page)



Steve Goodling, president/CEO of the Long Beach Area Convention & Visitors Bureau (top right) welcomes three new hotel executives to Long Beach and to the organization’s board of directors: Jon Benson (seated) area general manager for the Hyatt Regency Long Beach and the Hyatt Centric The Pike Long Beach; Swietlana Cahill, general manager, Hilton Long Beach; and John Thompson, managing director, Westin Long Beach. (Photograph for the Business Journal by Matt Fukushima)





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two decades. His low-emission, double-deck sightseeing vessels are designed for premium comfort and breathtaking views. After founding Harbor Breeze Cruises in 2001 with one charter sportfishing boat, Salas is now a commodore of sorts, overseeing eight passenger boats – including the 500-passenger Sir Winston. Sir Winston is the newest addition to Salas's fleet and is primarily employed for corporate dinner cruises, events and weddings.

Salas reported uniform sales in 2018, but he said that's the price of good competition. "When we first came into Long Beach in the early 2000s, competitors underestimated Long Beach," he said. Operators out of Marina del Rey, Newport Beach and San Diego "never really gave Long Beach a shot," he added. That enabled Harbor Breeze to build up its business and develop key relationships with the city, including a lasting partnership with the Aquarium of the Pacific.

"We bring [Aquarium] naturalists on-board . . . and they lead the excursion out into the ocean and give the customers the latest information on the dolphins, the whales, the sea birds, [and] what we can do to help curb the storm drain runoff," Salas said. The professionalism and care of these educators has both developed the reputation of his company and the value of Long Beach as a major sightseeing location, he said.

President and CEO of the Aquarium Dr. Jerry Schubel called Dan Salas "a great citizen." By offering combination tickets for Harbor Breeze Cruises and the Aquarium, Schubel said their combined promotion has



Pamela Ryan is the general manager of the Renaissance Long Beach Hotel and chair of the Long Beach Hospitality Alliance. "Long Beach is still a great city to visit and bring business to," she said. "The convention center, the citywide conferences that come into this market are incredibly important I would venture to all of the hotels." (Photograph by the Business Journal's Brandon Richardson)

done lasting good for the harbor. "It's been a wonderful partnership," he said.

With the sightseeing opportunities in Long Beach's harbor and its continued business and residential development, Salas said, "all of a sudden, our competitors woke up." But Salas welcomes them. Long Beach is pro-business, he said, and he's thankful for it. "Competition's what drives better equip-

ment, better service. Just up your game and the marketing efforts," he reflected.

Salas's newer vessels all have wheelchair accessibility, including ramps and accessible restrooms, and his fleet has been upgraded to meet all clean air standards imposed by the state.

"I can't say enough about working with the city for almost 20 years," he said. "And the

ports, and growing a business here in Long Beach, it's beyond my wildest dreams."

Like Harbor Breeze Cruises, Catalina Express reported equivalent business compared to last year. Though, for President Greg Bombard, that's something of a relief. Bombard was concerned that, after ending a six-year promotion to offer free rides on travelers' birthdays, ridership would decline. Yet sales continued to be steady.

For 37 years, Catalina Express has ferried passengers to and from Catalina Island. Bombard's company now operates a fleet of eight vessels that offer smooth rides. "People who think that boats are something they can't really get along with, they'll be shocked at how well they'll do and how much they'll enjoy it," he said. "They've all got ride control, which means they have wings underwater that help the boat stay flat."

The boats are also fast, Bombard added, with the voyage taking about 65 minutes from Long Beach to the island. "This last summer we operated as many as 38 trips a day over and back," he said.

Bombard credited his steady sales to the many facilities and attractions available on Catalina, which continues to draw visitors from both California and the greater United States. Bombard listed off the many activities on the island: camping and hiking, paddleboarding and kayak tours, jeep tours, watersports, snorkeling, museum and festivals. "Take the whole family, because there's something for people to do no matter if the kids are three on up to if they're teenagers," he said. "They're going to enjoy their day, and they're going to enjoy what they see on the island."

Hornblower Cruises and Events, which offers private charter cruises out of Long Beach as well as holiday public dining cruises, reported to the Business Journal that its bookings increased 10% over last year. "In 2019, we are working towards the same increase," Hornblower's Associate Director of Marketing Elizabeth King said.

Hornblower works closely with the City of Long Beach to promote its cruises to locals and tourists, King said, and is a member of the Long Beach Area Chamber of Commerce and the Long Beach Area Convention & Visitors Bureau.

Business has continued to be strong for the largest ships in the harbor, too. Currently, Carnival Cruise Line operates three ships year-round from Long Beach: the 3,012-passenger Carnival Splendor, which sails seven-day Mexican Riviera cruises and 14-day Alaska and Hawaii voyages, and the 2,056-passenger Carnival Imagination and Carnival Inspiration, which operate three- and four-day cruises to Catalina Island and Ensenada. When the new 4,008-passenger Carnival Panorama replaces the Splendor in 2019, Carnival expects to increase its capacity for its week-long cruise by 33%.

"Bookings have remained constant over the years as we sail at capacity regardless of ship or cruise duration," Fred Stein, Carnival Cruise Line's vice president of revenue planning and deployment told the Business Journal. He added that the new Panorama is expected to carry 650,000 passengers a year from Long Beach, "the most of any cruise operator on the West Coast."

Cruisegeers board these ships from the Long Beach Cruise Terminal located beside the Queen Mary. Notable for its geo-

(Please Continue To Page 32)



Aquarium of the Pacific President/CEO Jerry Schubel stands in front of two life-size characters from the soon to be released Aquaman, the science fiction fantasy based on the DC Comics superhero, opening in theaters December 21. The film is about the underwater kingdom of Atlantis. The Aquaman trailer is playing in the Aquarium's Great Hall through December 19, and visitors may participate in an Aquaman scavenger hunt (while supplies last) from December 12-19. (Photograph by the Business Journal's Brandon Richardson)



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(Continued From Page 31)

desic dome once built to house Howard Hughes' Spruce Goose seaplane, the terminal was recently renovated to double its original facility space. Stein said that the new terminal has enhanced Carnival's operations by streamlining the check-in process and enabling guests to board their ships and start their vacations even sooner.

"Previously, the terminal was 'one-way,' meaning embarking guests could not enter the terminal until all guests from the prior cruise had finished disembarking," Stein explained. "With the expansion, the terminal is now 'two-way,' so guests can enter the terminal while debarkation of the prior cruise is still underway."

"The Long Beach Cruise Terminal continues to get rave reviews from our guests and ranks as the highest scored terminal experience in North America for the Carnival Cruise Line brand," Wilkin Mes, director of the Long Beach Cruise Terminal, said. "These are exciting times for the City of Long Beach and Carnival Cruise Line."

For the city's landbound visitors, getting around is not as easy as gliding gracefully over the waves. But Long Beach Transit (LBT) has endeavored to offer the next best thing. The transit agency offers its free Passport shuttle bus service to ferry visitors to many of downtown's biggest attractions, including the Queen Mary, Aquarium of the Pacific, Pine Avenue, The Pike Outlets, Shoreline Village and several downtown hotels. "It helps take cars off the road and it helps us to give people an opportunity to do things they would not have done had they had to drive by themselves all day," LBT President and CEO Kenneth McDonald said.

In addition to its Passport bus, LBT offers special summer programs like its Museum Express, a \$12 roundtrip from Long Beach to several museums and education centers, including the Getty Center, Griffith Park Observatory, Ronald Reagan Library, Bowers Museum and many others. The Galaxy Express is a free shuttle that takes passengers from StubHub Center to L.A. Galaxy home games. "That is a partnership we've had for over two years now with the StubHub Center," McDonald said.

Public transit has faced competition from ridesharing services like Lyft and Uber, McDonald said, but the majority of LBT's ridership comes from local commuters, not tourists or folks out on the town. "About 80% of our ridership are people going to school or going to work," he said.

Overall, McDonald said that ridership has risen from 2017 but is about 1.5% below 2015. McDonald said the numbers may stabilize heading into Fiscal Year 2019, which began in October. Ridership has increased 0.9% for that month year over year, he added.

In the meantime, McDonald and his staff are considering ways to make transit easier and more convenient for commuters and the rapidly developing downtown community. "We're looking at mobile ticketing," he said. "We're improving our website, how we communicate to our customers, how we enhance the customer experience." One day, he said, that may include real time bus tracking.

LBT is also planning to expand the schedule of its water taxi service. Currently, the company's AquaBus service operates from April to October. These 30-foot boats take riders around the harbor from Shoreline Village to the Queen



David Maskello, general manager of Parkers' Lighthouse, is pictured with Debra Fixen, general manager of Shoreline Village, where the restaurant continues to be one of the top dining destinations in Southern California since its opening in 1983. Serving lunch and dinner daily, the restaurant is also home to the Queensway Steakhouse. Parkers' is open Christmas Eve from 11:30 a.m. to 8 p.m. For more information, visit www.parkerslighthouse.com. Shoreline Village features a wide variety of shops, dining and entertainments businesses along its boardwalk and overlooking the Queensway Bay. Through January 1, it is hosting the free Queen Mary Historical Exhibit. For more information about the exhibit or Shoreline Village, visit www.shorelinevillage.com. (Photograph by the Business Journal's Brandon Richardson)



According to Catalina Express President Greg Bombard, a major change from 2017 to 2018 was the temperature of the water. It was not only warm, but warm for much longer than usual. "We were reaching temperatures of high 70s in the ocean," he said. "So snorkeling and diving [at Catalina] is very popular." There are many places on the island to rent equipment to view the undersea plants and animals, he said. "The water is clean and clear, and the kelp forests are beautiful." (Photograph by the Business Journal's Brandon Richardson)

Mary, Aquarium and Hotel Maya. "It is pretty popular with people and we're trying to expand it so folks can use it more," McDonald said. LBT is looking at that possibility for early next year.

Waterfront Attractions

What makes Long Beach an enduring tourist and business destination, Pamela Ryan told the Business Journal, is its ideal location. "We have this large city that sits just right on the water's edge," she said. And curled around that edge is an assortment of charming venues, from Shoreline Village to the Aquarium of the Pacific and the historic Queen Mary.

Overlooking Rainbow Harbor and styled after a Cape Cod fishing village, Shoreline Village is a shopping, dining and entertainment center that has drawn in more sales year after year. "Every single year we continue to build," General Manager Debra Fixen said, in regard to retail. Fixen reported 9% sales growth in the 2nd quarter of 2018 and 8% in the 3rd quarter.

Corresponding to the rise in sales, Fixen estimated that Shoreline is seeing more visitors over time. "The population of Long Beach is growing along with the tourism," Fixen said. "So we see numbers from that." With the expansion of the cruise terminal, Fixen has noted an uptick

in visitors from Carnival cruises during breakfast hours, she noted.

Its proximity to the convention center and hotels, and a short bus ride from the Queen Mary, makes it popular with tourists, but Shoreline Village has also expanded its marketing efforts to bring more locals to the area. "A lot of times, locals come out when they have family in town or they haven't been out for years," Fixen said. "We try to do different events that will appeal to the locals also."

Fixen added that the village has always been a great location to watch the Queen Mary's fireworks display on New Year's Eve. The center also celebrates Mardi Gras every year with a parade, and hosts a pirate festival in the summer. In December, Shoreline is offering traditional Christmas entertainment with carolers, a brass band, Santa Claus, and, Fixen added, maybe even a little snow.

Across the water, the Queen Mary continues to offer a picturesque location for weddings, conferences, concerts and celebrations of all kinds. Since leasing the Queen in 2016, real estate developer Urban Commons has worked to both improve the structure of the 82-year-old ship and expand upon signature events like Dark Harbor, a Halloween scarefest that stretches from September 27 to November 2.

According to Dan Zaharoni, chief development officer for Urban Commons, over 140,000 people attended Dark Harbor this

October. "We're pretty close to capacity on every night that we're open during October," Zaharoni said.

For its annual winter carnival, the Queen Mary plans to host light displays, musical performances and many family activities. Urban Commons nixed the ship's annual CHILL event, which has for the past several years running encompassed land surrounding the ship, including part of the adjacent dome. "We believe bringing Christmas onto the ship is going to be very popular with communities and families in Long Beach," Zaharoni said, and added that Urban Commons plans to enhance the experience even more in 2019. "We're really excited about it."

Urban Commons has also partnered with music festival operator Goldenvoice to bring live music to the city's historic landmark. "Forbes Magazine called us the hottest concert venue in Southern California," Zaharoni said. "People are enjoying the Queen like never before."

On 10 different days in 2018, concerts brought more than 15,000 visitors to the Queen Mary events park, Zaharoni said. "Bringing top-named acts from internationally recognized entertainers to the ship is going to continue in 2019," he added.

Urban Commons is currently in the process of putting together its winter concert, which Zaharoni predicted will break records in terms of attendance. "We want to give people a good time," he said. "We feel like we're doing that better than ever before."

The Aquarium of the Pacific is also gearing up for its annual holiday festivities. Starting on December 1, the Aquarium is transforming its entryway into a weekend snow play area to run through December 23. "There will be photo opportunities with Santa Claus," Schubel told the Business Journal. "And people will see a Santa diver giving 'Fish-mas' gifts to all the animals every day at 10 a.m."

While the submarine Santa is delivering his fish-mas gifts, the Aquarium will also feature a daily penguin parade in front of the sea otter habitat. "There are an awful lot of things going on," Schubel said. Other holiday activities will include weekend crafts, showings of "How the Grinch Stole Christmas" and Hanukkah storytelling in the Aquarium's Ocean Theater on December first, second, eighth and ninth.

From December 10 to February 28th, the Aquarium will feature the work of Southern California artist Truong Buu Giam. Giam's impressionistic watercolor

Hospitality/Tourism Industry

paintings of marine life so impressed Aquarium staff, Schubel said, that they are creating postcards of his art.

On December 15, the Aquarium is celebrating its 20th anniversary with an art contest. “We had 100 entries and the top 20 will be shown,” Schubel said. Those winners are to be awarded roundtrip flights on JetBlue Airways, the anniversary’s sponsor.

Events on the horizon include the 16th Annual Festival of Human Abilities sponsored by downtown’s Courtyard Marriott Hotel. “This is the festival where we celebrate the abilities of people with disabilities,” Schubel said. Held on January 26 and 27, the festival will feature wheelchair hip hop dancers, scuba divers who have been paralyzed from the waist down, a blind guitarist and a signing choir. “It’s quite emotional,” Schubel said.

“Every one of our festivals does very well,” Schubel said. “The times when we get the most people are when kids are out of school, so summer and then the weekend after Thanksgiving is always a very busy weekend.”

The Aquarium saw a slight dip in attendance in 2018 compared to last year, 1.7 million visitors as opposed to 1.72 million. Gross revenue is expected to close at about \$37 million, which is about \$5 million shy of last year.

Schubel attributed the decline in attendance to the ongoing construction of the new Pacific Visions wing, which he said is on track and on budget to open in spring 2019. Housed in a gleaming blue whale-shaped building, Pacific Visions will boast a state-of-the-art immersive theater, spe-

cial exhibitions, art galleries and live animal exhibits. The last of its 839 glass panels was installed on its facade on October 17. “This is a very non-traditional expansion of an aquarium,” Schubel said. “Instead of having bigger tanks for bigger animals, it focuses on the one animal who’s putting all the other animals on the plant at risk. And that animal is us.”

While the wing is slated to feature some live animal exhibits, Schubel said the new wing is meant to focus on the changing relationship of people and the planet “and what we have to do to get that back onto some sustainable track.”

After Pacific Visions opens to the public, Schubel expects the Aquarium will top 1.8 million visitors in 2019. “In 2020, when we have Pacific Visions [open] for the full year, I expect we’ll get to two million visitors,” he said.

Schubel believes that tourism in Long Beach is building year over year. “We do a really good job with conventions, but when you think of all the things there are to see and do in Long Beach . . . I think it’s at the point where we ought to be able to get more people to come for a weekend or even a week,” he said.

Schubel said that he and his staff take great pride in making the Aquarium a gathering place for both residents and visitors. “There are places that we live, the places we work, and then there are third places where we gather to exchange ideas, to experience cultural events, and so on. The Aquarium has become downtown Long Beach’s third place,” he said. “We take that being the third place very seriously.” ■



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Sustainability Office

(Continued From Page 1)

reduce pollution and protect the health of their communities. At present, the network includes over 4,000 businesses in cities and counties across California.

In Long Beach, 50 businesses have begun or completed the steps to certification, according to the office of sustainability. Nineteen have signed up for the program, 21 have initiated the technical process and 10 are now certified green.

Long Beach business owners interested in becoming certified are guided through each step of the process by the office of sustainability. “There’s nothing that is a huge barrier,” Chatterson said. No major remodels are required by the program, apart from replacing lightbulbs with LEDs and water fixtures with more efficient models. In both cases, the office of sustainability helps businesses find rebates to offset the costs.

Practices that qualify for green certification include reducing water use, conserving energy, preventing pollution, using non-toxic cleaners, avoiding waste and commuting sustainably – which can be accomplished by hiring locally to cut down on vehicle use.

Installing double-paned windows or solar panels are significant steps toward energy conservation, but these are non-essential procedures to qualify for official green status. “We’re not trying to put a big burden on businesses to reach this, because a lot of businesses are in rented spaces,” Chatterson explained.

One of the first steps to apply for the cer-



Fine Feathers Kombucha was the ninth business in Long Beach to receive a Green Business Certification. Its artisanal kombucha is handcrafted and fermented in small-batch glass vessels to yield probiotic teas. “We do not overproduce, and that’s a big thing for us,” co-founder Jay Penev told the Business Journal. “Our products are fresh.” Pictured: Courtney Chatterson, communications specialist, Long Beach Office of Sustainability, is flanked by Jay and Jodine Penev West. (Photograph by the Business Journal’s Brandon Richardson)

tification program is to submit an environmental policy statement. Then, a representative of the office of sustainability goes over to discuss ways to reduce energy and water use, and implement waste disposal and recycling. Composting is considered a definite plus. “Sometimes composting isn’t quite available yet, but we want to see that they’re doing everything they can,” Chatterson said.

Depending on how much work a business has already committed to sustainability, the

certification process can take as little as two days and as long as six months, Chatterson said. After a business registers with the office, she schedules a walkthrough at their location and gives them a checklist to review. During the walkthrough, she offers technical assistance and documents what has been accomplished and what needs to be improved. The business then makes its improvements and sends in photos and documentation as proof.

“Once they’ve finished everything on the list, then it’s a second visit to say, ‘Congratulations, here’s your certificate,’” Chatterson said.

In The DNA:

Fine Feathers Kombucha

One of the newest businesses to receive green certification was Fine Feathers Kombucha Company, a dedicated craft kombucha shop located at 2296 Long Beach Blvd. Co-founders Jay Penev and Jodine

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EPS (Expanded Polystyrene) Ordinance

What is the ordinance about?

The City of Long Beach passed an ordinance prohibiting the use of polystyrene and other non-compostable single-use, take-out food containers.

When do restaurants need to comply?

- >100 seats - March 3, 2019
- <100 seats - December 3, 2019

What materials are allowed under the ordinance?

Recyclable or compostable materials such as plastic #1, #2, #5, aluminum, or compostable paper. Check LongBeach.gov/LBrecycles for the “Compliant Product Guide.”

More information and resources, including the #FoamFree Kit can be found at LongBeach.gov/LBrecycles

Penev West started fermenting their probiotic kombucha tea beverages in Long Beach in 2014, but their green practices date back to their former home in Portland, Oregon.

“It’s part of our DNA,” Jay Penev told the Business Journal. At Portland State University, Penev led the “green team” in the department of electrical and computer engineering and helped it to adopt sustainable practices like waste reduction and water conservation. When the Penevs started brewing in Long Beach, they were already committed to operating a clean, sustainable business.

Fine Feathers Kombucha composts all of its organic waste, recycles and reuses bottles, and gives incentives to customers to do the same. When a customer purchases a larger vessel of kombucha (a 16, 32 or 64 ounce bottle), they pay a deposit of either four or five dollars. Once they’re done drinking it, Penev explained, they can rinse the vessel and return it to redeem the deposit towards their next purchase. The returned bottles are then sanitized and recirculated.

“We have been implementing this practice since the very beginning of the company,” Penev said. “It’s been very successful. Since 2016 alone, we have recirculated over 10,000 vessels through just our retail front.”

When the Office of Sustainability arrived to do its first technical walkthrough, Penev said they passed the waste management examination “with flying colors.”

“We were already doing these things prior to being certified,” Penev said, adding that their company has also been

“From the standpoint [of] someone who’s new and wishes to certify, I think it’s very easy.

It basically involves familiarizing yourself with what can be changed, how it can be changed and of course why it needs to be changed.”

Jay Penev, Fine Feathers Kombucha

certified as a blue restaurant by the water department. Certified Blue Restaurants (CBR) are recognized by the City of Long Beach for exceptional water efficiency practices. Though separate from the sustainability office’s Green Certified Business program, Chatterson said that her office has aligned its water requirements with the CBR program so that businesses are able to qualify for both.

When asked about the certification process for businesses that may not have the same head start on sustainability as Fine Feathers Kombucha, Penev was encouraging. “From the standpoint [of] someone who’s new and wishes to certify, I think it’s very easy,” he said. “It basically involves familiarizing yourself with what can be changed, how it can be changed and of course why it needs to be changed.”

In the future, Penev wants to see more businesses in Long Beach and other major cities go green. “Everybody should be doing their part in minimizing their waste and recycling,” he said. “These things should just be part of the culture.”

Other Initiatives And Projects

The office of sustainability has many more green projects and initiatives that are already underway. Ongoing projects include a free mulch pickup service, located at 2755 Orange Ave.; a free service in which Long Beach residents may request that a tree be planted in the parkway located between their sidewalk and street; and an electric vehicle (EV) charger giveaway program.

To request a free EV charger, residents can apply through the office of sustainability’s website. The only prerequisite is a permit for the installation, which is available through the city’s development services department. “Either [the applicant] or their electrician goes through the building permit process to get it,” Sustainability Coordinator Larry Rich said.

Since 2018, the office has given away about half of its available chargers, but Rich estimated there are about 130 still available. He noted that EV owners seem to be on the rise in Long Beach, as the total number of electric vehicles in the city has grown by an annual 40% since 2015, according to the California Department of Motor Vehicles.

A program started in 2018 that is continuing into 2019 is the Urban Agriculture Incentive Zone Program, which enables owners of vacant properties to obtain a property tax reduction for turning their lots into urban farms or community gardens. The office of sustainability has identified about 150 lots throughout the city that may qualify for the conversion.

In 2019, the sustainability office is

planning to provide free installations of energy-saving products and services to residents of disadvantaged communities in Long Beach. “If you’re in a community that experiences a lot of air pollution in addition to being relatively low-income, you fall into that ‘disadvantaged community’ definition,” Rich explained. Services will include improved insulation and weatherization to prevent energy leakage from homes. “A city-hired contractor would come in and install those at no cost to the homeowner,” Rich said.

Also in 2019, the sustainability office is continuing its development of the Willow Springs Native Plant Nursery. “Willow Springs Park is an old oil field that we are slowly restoring into a native habitat,” Rich said. Using stormwater runoff to recreate a seasonal wetland on the property, city staff plan to grow the nursery’s stock of plants, host educational workshops and ultimately establish a system for sale and distribution of plants to Long Beach locations.

Thus far, nearly one-third of the property’s 48 acres has been restored. As it seeks grants to further transform the land, the office of sustainability plans to utilize the existing plants for seeds and cuttings to expand organically. Rich said that, eventually, these plants can be made available to city facilities. “But the real goal is to make those sorts of plants available to residents,” he explained. “So when they’re working with the water department to do its Lawn-to-Garden Program, they can utilize native plants that are grown locally.” ■



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Deconstruction Can Turn One Man's Rubble Into Another Man's Roof



The Deconstruction and ReUse Network, a Long Beach-based nonprofit, deconstructs both residential properties, like the one shown in this picture, and commercial projects, salvaging reusable materials to be donated. Pictured from left: Paula Wise, manager at the Network; Lorenz Schilling, Network founder; Erin Rowland, waste diversion and recycling officer with the Long Beach Environmental Services Bureau (ESB); and Elisa Calderon, recycling specialist, ESB. (Photograph by the Business Journal's Brandon Richardson)

■ By **ALENA MASCHKE**
 STAFF WRITER

In the spring of 2016, 75 construction workers, a 182-foot excavator and a 15,000-pound demolition shear worked almost two months tearing down the old Long Beach courthouse to make space for the new Long Beach Civic Center, which will house both Long Beach City Hall and the Port of Long Beach's headquarters. Soon, the old Long Beach City Hall building will meet the same fate. But what happens to all the rubble these kinds of teardowns leave behind?

The Long Beach Environmental Services Bureau is hoping that, in the future, a larger portion of materials will be salvaged and reused. Through deconstruction, used materials such as kitchen fixtures or wooden planks can help build a home for a family in need or provide building materials for community organizations. "It ensures that material that can still be used, is still used," Erin Rowland, a waste diversion and recycling officer with the bureau, said.

Currently, the City of Long Beach requires developers to show proof that they've either recycled any materials left behind in the demolition process or that they have deconstructed the old building, sorting out any reusable materials for future use. It's unclear exactly how many developers choose deconstruction, but it remains a niche practice, according to experts interviewed for this story. In August, the Long

CITY OF LONG BEACH

BID OPPORTUNITIES

TITLE	BID NUMBER	DATE
Case 590 Super N Backhoe Loader	ITB F519-013	12/06/2018
Ford OEM Parts & Service	ITB F519-041	12/06/2018
Laboratory Materials and Supplies	WD-34-18	12/10/2018
Purchase & Dev. Opportunity at 7th & Alamitos Ave	RFP EP19-026	12/11/2018
Building Reconfiguration & Optional Conf. Room Refurbishment		12/11/2018
Safety Footwear	ITB LB19-032	12/13/2018
Property Insurance Brokerage & Related Services	RFP HR19-021	12/13/2018
Casualty Insurance Brokerage & Related Services	RFP HR19-022	12/13/2018
On-Call Property & Vacant Lot Maintenance Svcs	RFP DV19-023	12/17/2018
West Seaside Way Storm Drain Project	R-7104	12/19/2018
Westside Storm Drain Phase 3	R-6751	12/19/2018
On-Call Public Health/Human Svcs Comm. Partners	RFQ HE18-099	12/19/2018
Purchase & Dev. Opportunity at 925-945 East PCH	RFP EP19-028	12/20/2018
Stearns Park Irrigation Upgrade	R-7061	12/21/2018
Trauma & Resiliency Informed Systems Consultant	RFP HE19-025	01/08/2019
Alamitos Beach Concession Building	R-7106	01/17/2019
Qualification and Selection of Peer Reviewers	RFQ DV17-112	Continuous

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

Bidder Registration

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

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For the Deconstruction and ReUse Network, commercial projects with a larger volume of reusable materials are a more effective use of their limited resources than smaller, residential projects that provide a limited amount of reusable material. Still, homeowners who are updating their properties may contact the nonprofit to donate smaller items like kitchen fixtures, sinks or closets. (Photographs provided by the Deconstruction and ReUse Network)

Beach Development Services Department began implementing a new data collection process for the program to track the deposition of materials in more detail, according to Community Information Officer Richard de La Torre.

In the meantime, the ESB had started to look for ways to promote deconstruction and reuse. “We were curious if there were companies in Long Beach providing that service,” Rowland said. Through online research, Rowland and her team discovered the Deconstruction and ReUse Network, “a hidden gem here in the city,” as she described it. The nonprofit, which is headquartered in Belmont Shore, offers low-fee deconstruction services for commercial and residential projects. The recovered materials are donated to other nonprofits, such as Habitat for Humanity or Corazon, an organization that builds homes for families in need in Mexico’s Baja California region.

“To be able to take an item that’s in its original state and re-use it is much more beneficial to end-users, and it reduces the [carbon dioxide] footprint,” Paula Wise, manager of the Deconstruction and ReUse Network, explained. Additionally, reusing construction materials means that a smaller portion of it ends up in landfills and fewer resources are used to produce new wooden frames, metal faucets and the like.

“We are running out of landfill space. I don’t know where we’re going to put it. We’ve got to come up with a solution,” Wise said. Take Santa Monica as an example. Wedged between Los Angeles and the Pacific Ocean, the city has a very limited landfill capacity, prompting its government to be more aggressive in promoting deconstruction and reuse, Wise explained.

Private companies and government agencies alike have become increasingly aware of the challenges presented by the steady decrease of available space, especially in urban areas. “Everyone’s come a long way,” Wise said. “We’re more alert to the situation.” The increased awareness has sparked an interest in innovative solutions, like salvaging construction materials. “In 2008, people looked at us like we were insane; they had no idea what we were doing,” Wise remembered. “It’s so exciting that people actually know what it is now.”

Younger companies and those in the emerging tech industry are starting to include environmentally-conscious practices in their corporate mandates, the Deconstruction and ReUse Network’s founder Lorenz Schilling said. “They’re going to be the ones that are going to be more receptive to these types of approaches than companies that have been doing things a certain way for a long time,” Lorenz noted. “That’s not to say

that these other, let’s say, older industries cannot or won’t also adapt in time.”

For companies and individuals who donate their old construction materials, the benefit goes beyond clearing their environmental conscience. Donors qualify for a tax deduction based on the assessed value of the donated materials, and the value of smaller donations of up to \$5000 can be assessed by the donors themselves. In addition to the financial incentive of tax deductions, Wise said many of the organization’s clients are happy to see their disposables put to use for a good cause. “I’ve talked to our donors, and they really like to see where the materials go,” Wise said. “It’s nice to see that it’s not just thrown away. It makes them feel good, too.”

Just like the construction industry itself, interest in deconstruction fluctuates based on market demand. “It comes in peaks and valleys,” Wise said. “Deconstruction takes longer. That’s just a fact.” The time deconstruction adds to the overall development process and the associated upfront costs

make it a hard to sell concept at times when construction is booming. A downturn in business has the opposite effect, Wise explained. “In 2008, when the recession hit and there weren’t a lot of fish jumping in the boat, [companies] were looking for other opportunities to expand their marketplace,” she remembered. “They were much more open to saying ‘Oh yes, we will add that to our offering!’”

For many developers, deconstruction and other efforts to make buildings more environmentally-friendly immediately raise economic concerns. Scott Choppin of the Long Beach-based Urban Pacific Group said his company hasn’t used deconstruction on any of its sites so far. “We like the idea of it, but to be quite honest with you, the offers that are out in the marketplace for deconstruction are really pretty narrow,” Choppin said. “Presently, there’s very few actual deconstruction companies, therefore their prices are generally higher.”

Choppin believes that nonprofits like

the Deconstruction and ReUse Network are perfectly positioned to promote the practice, eventually making it a more viable option for everyone, including the for-profit companies necessary to introduce deconstruction into the mainstream. “Nonprofits have an advantage because they can be innovative and aren’t driven by profit motives,” Choppin said.

As a first step, the EBS is planning to promote the nonprofit’s services through the bureau’s social media profile and promotional materials to be shared by the development services department. “I think this is just the beginning of a conversation,” Erin Rowland said. “Hopefully through increased awareness, people will seek out services as they fit for them.” Wise agrees, but hopes that, in the future, people will not only think about reuse once a building is nearing the end of its life cycle, but at the beginning of it. “Building with the idea of deconstructing at the end,” Wise said. “If you build with that in mind, you make different decisions.” ■



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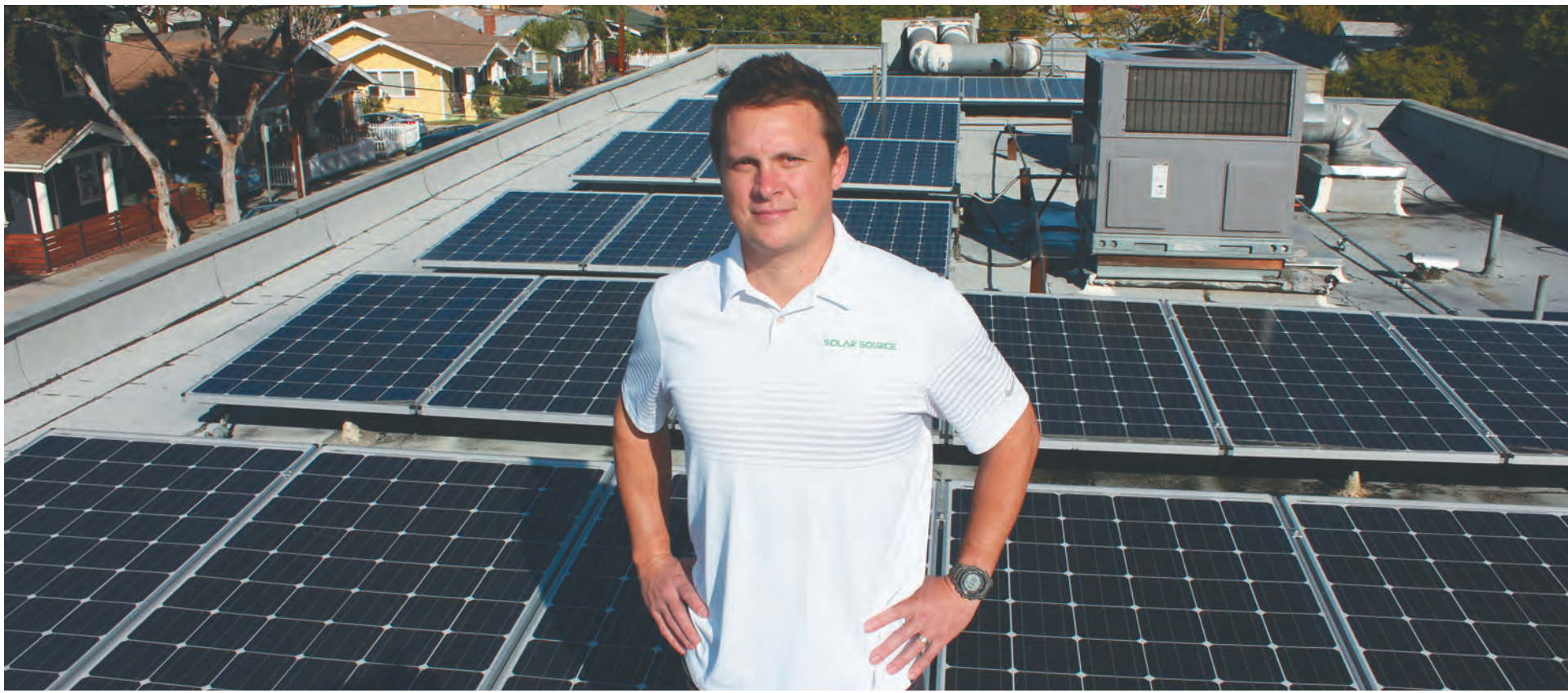
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Jarrod Osborne founded Solar Source in 2007. He said his company has an unwritten policy: if an issue arises from a solar panel the company installed, rather than put the customer through the process of dealing with the manufacturer's warranty, Solar Source replaces it with a new panel. "Then we decide if it's worth our time to have the manufacturer warranty replace it or just recycle it," he said. "We don't deal with it a lot, but that's how we handle that situation if it arises." (Photograph by the Business Journal's Brandon Richardson)

How Solar Source Turns Sunlight Into Savings

■ By **PIERCE NAHIGYAN**
STAFF WRITER

Over the last decade, Solar Source has installed photovoltaic solar systems on roofs throughout Southern California. According to its founder and president, Jarrod Osborne, the company operates across a roughly 100-mile radius from its headquarters in Long Beach.

Solar Source handles solar contracts for residential, commercial and nonprofit clients, though residential is by far its largest sector. This year has been a particularly busy one for the company, Osborne said. "We have twice as much business under contract since July as we did going into July," he told the Business Journal.

Osborne attributed growing demand to the power of referrals. "It's our relationships we've made over time," he said. "Everyone wants to work with people they can trust, and they know the job will get done right and at a fair price."

Not Just Environmental But Also Economical

There may be another important factor behind the recent surge in contracts, Osborne said, and that's the sunset of the federal solar tax credit.

The solar tax credit allows both commercial and residential clients to deduct 30% of the cost of installing a solar system from their federal taxes. Unless renewed by Congress, this deduction is slated to decrease to 26% for systems that begin construction in 2020, and 22% for systems that begin in 2021. After 2021, the residential credit ends and the commercial credit drops to 10%.

Osborne is hopeful that the tax credit will be renewed before 2021, as it has provided a major incentive for residents and businesses to make the transition to cleaner, renewable power. "It's huge for the business owner, it's huge for the homeowner," he said.

More importantly, he added, it's important for homeowners and businesspeople who want to own their systems and save on their electric bill.

If the option is between leasing and buying a system, Osborne opined, buying is currently the better option. "[With] most leases, the monthly payment agreed to increases by two to three percent a year," he said. "Someone could find themselves, in year 10 or 12, with a monthly payment equal to what they started with."

Most of Solar Source's clients use financing options provided by their home equity lender or the company's primary solar lender, Mosaic. "They offer our customers a 20-, 15- and 10-year fully amortized loan," Osborne said, which comes with no prepayment penalties and a fixed rate.

A 20-year amortized bank loan saves customers more money in the long run than renegotiating a lease contract after 20 years, he explained. By financing through a property secured loan, Osborne said it is possible for clients to create a positive cash flow from day one. "You could go from a \$200 a month bill to a \$115 a month bill to the bank," he said. "So instead of paying Edison, you're paying the bank, and you own the system over time."

For residential clients that pay up front, Osborne estimated that the return on investment may take as few as four years, depending on the type and location of the system installed. Commercial customers typically see a return in less than four years, he went on, because in addition to the 30% tax credit, businesses are able to take advantage of depreciation deductions from both state and federal taxes. These deductions allow taxpayers to recover the cost of property or assets they've purchased and used in their business.

When preparing for a commercial project, Solar Source analyzes a building's power usage data, notes when peak demand occurs, and then sizes a system to target the highest return on investment. That doesn't necessarily mean "the perfect 100% offset" for

how much power a building uses in total, Osborne said. "We're actually targeting what's going to give you the fastest payback and the highest return in cash."

Long Beach Streamlines Solar Permits

Osborne founded Solar Source in Long Beach in 2007. The fact that the city is "a very pleasant place to do solar residential business" was more of a bonus than a prerequisite, he said. For him, Long Beach is home. Osborne attended college at California State University, Long Beach, where he met his future wife. Now, the family has two children, and both husband and wife work locally. Most of Solar Source's 12 employees are also residents of the city.

"I absolutely love Long Beach," Osborne said. "Anyone I meet outside Long Beach, I'm always trying to recruit them and show them how amazing this city is."

As to its solar policy, Osborne commended the city for its streamlined permitting process. Under Long Beach Municipal Code 18.77, permits for residential systems less than or equal to 10 kilowatts (kW) may be reviewed, approved and issued over the counter on the same day. These projects undergo a single inspection "that can be scheduled and conducted at the convenience of the applicant," according to Long Beach Development Services.

A 10kW solar system is able to produce between 29 and 46 kilowatt hours (kWh) per day, depending on local weather conditions and the position and number of panels installed. An average U.S. household uses 11,000 kWh of energy each year, according to the United States Energy Information Administration. That's approximately 917 kWh per month and about 31 kWh per day. These numbers illustrate how an average household could potentially offset its daily and yearly energy needs with a 10kW system.

Making these systems easier to permit and install is a great way for Long Beach to reach its sustainability and clean energy goals, according to the development services website. It's also part of a larger statewide goal to develop 12,000 megawatts of small-scale, localized renewable power by 2020.

"Long Beach does a fantastic job with the permitting process," Osborne said, comparing it favorably to other cities and counties where permits take two to four weeks for similar installations. Though State Assembly Bill 2188, passed in 2015, mandated local governments to implement more streamlined permitting processes, Osborne said many cities have yet to become fully compliant.

"Seal Beach, for a couple years after [2015], was also not in compliance," Osborne said. "We had multiple conversations with them, and Solar Source was able to get their building department to completely change the way they process residential solar permits." When Solar Source was asked to be the first company to pull a permit under Seal Beach's new process, Osborne said he and his crew were elated.

For Solar Source, a typical residential installation takes about two days at minimum, and five days max. "Real small systems like 12 panels would be almost a day," Osborne said.

But installing a solar system entails more than just throwing a few panels on a roof. The placement of those panels determines how much energy they can absorb in a day, so careful attention is paid to the angle of the array and obstructions that might cast shade on it. There's also aesthetics to consider, which is of great importance to Osborne. He's a firm believer that solar panels should beautify the neighborhood, and not offend the neighbors.

Osborne and his company make it a point to work with clients until a system provides the best balance of design, power offset and return on investment. "It's something I take really personal," Osborne said. "When our company designs a system . . . we're not just trying to slap as many panels up there as we can. If we can't do it in a way that's aesthetically pleasing to the customer and the neighborhood, we're going to advise against it." ■



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