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Emissions from Ships And Trucks Remain Focus Of Environmental Efforts In The Logistics Industry



Pictured in front of a line of near-zero emissions trucks are Greg Roche, vice president, Clean Energy; Marc Carrel, CEO and president, BREATHE California of Los Angeles County; Yuri Freedman, senior director of business development, SoCalGas; Dr. Joseph K. Lyou, CEO and president, Coalition for Clean Air; Vic LaRosa, CEO and president of TTSI; Michelle Buffington, off-road agricultural strategies and incentives, California Air Resources Board; and Tom Swenson, business development manager, Cummins Westport. (Photograph by Brandon Richardson)

■ By **ALENA MASCHKE**
Senior Writer

Effective January 1, 2020, a new regulation issued by the International Maritime Organization (IMO) will impose stricter limits on sulfur emissions by cargo ships traveling

through international waters. Sulfur makes up the majority of the diesel particulate matter (DPM) emitted by ships. DPM has been labeled a carcinogen by the World Health Organization (WHO) and has been proven to cause respiratory and cardiovascular disease. The new emis-

sion standard will limit permissible sulfur emissions to 0.5%, down from the 3.5% previously allowed outside of protected coastal zones.

Cargo ships and trucks have remained the focus of the ongoing fight against pollution in Southern

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Highlighting Local Women Entrepreneurs: Report Shows Female-Owned Businesses Growing Nationwide

■ By **DENNY CRISTALES**
Staff Writer

Plenty of Americans mull the idea of entrepreneurship, but perhaps there is more incentive to own a business if you are a woman, according to data from the 2019 American Express (AMEX) State of Women Owned Business Report. Geri Stengel, AMEX research advisor, told the Business Journal that the rate of growth for women-owned businesses is two times faster, on average, than all other businesses in the country.

Between 2014 and 2019, the number of women-owned firms

increased by 21%, per AMEX's report, which utilizes data from the U.S. Census Bureau's Survey of Business Owners and changes in Gross Domestic Product. The business growth rate is determined by the number of people it employs and the revenue it generates. According to AMEX, women-owned businesses represent 42% of all businesses nationwide.

The statistics fare just as well when you view them at a more local level. Despite a slower rate of women-owned business growth compared to the national level, California is still ranked 11

compared to the other 49 states, Stengel said. California is estimated to have 1,582,174 women-owned businesses, the report shows. All told, these businesses employ 1,093,823 people and garner \$235,877,771,000 in revenue. In Los Angeles County, the women-owned business growth rate is 22%, Stengel added.

There are various factors as to why women-owned businesses have seen significant growth in recent years, but primarily the success of starting a business is all determined by circumstance, Stengel said. She explained that

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PoliticalWire: First District Council Candidates Share Positions Ahead Of Nov. 5 Election

■ By **SAMANTHA MEHLINGER**
Editor

Eight candidates are vying for the 1st District seat on the Long Beach City Council in a special election on November 5. Keeping with tradition, the Business Journal requested that each of the candidates respond to a questionnaire in order to inform voters about their stances on matters of importance to the district and the entire city. They were also asked to provide statements about why they are running to represent the city's 1st District, which covers the Westside industrial area, parts of downtown and central Long Beach, and the Port of Long Beach. There are roughly 50,000 residents in the 1st Council District.

Seven out of eight candidates responded; resident Shirley Huling did not submit responses by the deadline.

The questionnaire included many issues of importance to the district's businesses and residents, including where the candidates stand on rent control, and their views on the district's business climate and citywide business retention, for example. Also addressed are topical issues such as affordable housing, homelessness, parking availability, crime, the Measure A sales tax and the potential reconfiguration of the breakwater.

There appears to be just four matters out of the 20 questions asked that all the respondents agree on: they each support building more affordable housing in the 1st District; they feel that there is not enough park and open space in the district;

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Millennials' Spending Habits Are Impacting The Supply Chain

■ By Editor **SAMANTHA MEHLINGER**

Multiple studies have shown that Millennials spend more when shopping – both in person and online – than members of older generations. The Millennial generation, now aged 23 to 38 years old, makes up about one-fourth of U.S. households. That figure will only grow, as will their spending power, as they age. It should come as no surprise then,

that their spending habits seem to be making an impact on the retail industry – the generation is often blamed for the demise of big box department stores, for example – as well as the immense supply chain that supports it.

Because of the size of the Millennial generation,
(Please Continue to Page 30)

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PortSide: Keeping Up With
The Port Of Long Beach

■ By **ALENA MASCHKE**
Senior Writer

Ruth Remolacio joined the Port of Long Beach’s scheduling division in 2017, after working for Kiwiet Infrastructure, a national contractor in the construction industry. In her current position, Remolacio often has to negotiate with contractors before settling on a schedule for the ports construction and engineering projects and it’s not always easy, she pointed out. “Agreeing with the contractor is probably the biggest challenge, but it’s also exciting,” Remolacio said. Together, her team and the companies hired to work on the project come up with its “story,” as Remolacio put it, from the initial idea to the

various design stages and eventually, the finished road or structure. The public service aspect, creating infrastructure that serves the community, is something Remolacio is especially proud of. “That’s what I enjoy: being there for the community,” she said. One project Remolacio was especially excited to be a part of, however, did not involve any shovels or cranes. She was the only scheduler asked to provide input during a process to upgrade the ports scheduling system, which she and her colleagues use regularly. “It was nice to know that I was accepted and acknowledged for my expertise,” Remolacio said. (Photograph by Brandon Richardson) ■



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Growing Long Beach: Work Group Aims To Address City's Office Vacancies



In late 2018, a collection of office brokers and city officials established a work group to address an increase in office vacancies in Downtown Long Beach. Pictured, from left: Sergio Ramirez, deputy director of the Long Beach Economic Development Department; Toliver Morris, president and CEO of William Morris Commercial and manager of Landmark Square; Sam Pierzina, an associate with Ensemble Real Estate Investments; Morris Mills, a research and public policy analyst for the Downtown Long Beach Alliance (DLBA); and Austin Metoyer, economic development and policy manager for the DLBA. (Photograph by Brandon Richardson)

■ By **DENNY CRISTALES**
Staff Writer

Identifying a need to address an increase in office vacancies, particularly in Downtown Long Beach, a collection of office brokers and city officials established a work group in late 2018 to lure potential companies and tenants to the region.

The Office Work Group's focus is downtown Class A office spaces – high-value, tall structures –but the goal is to attract business citywide, according to John Keisler, the city's director of economic development. The group meets monthly to discuss potential outreach efforts in the city to attract office users and companies, according to Toliver Morris, manager of Landmark Square, a 24-story office building at 111 W. Ocean Blvd.

The group accomplishes this outreach

by using upcoming local, regional, national or international events as a platform to network and make connections with potential tenants or brokers from other markets. "Once they come and see Long Beach, especially downtown, we find that our conversion rate is very high," Morris said. Keisler said this also serves as a way for potential tenants to experience the city. "[They] see the views of the city, the water and [we] give people an experience of what it would be like to be in one of these Class A office spaces," he said. "A," "B" and "C" are classification methods for a building's value, with "A" being a top-tier site.

A recent example of this networking was during the Long Beach Regional Economic Forum at the Long Beach Convention Center in April – which served as an overview of the city's economic progress,

Keisler said.

Total inventory in the Downtown Long Beach office market is 4,295,066 square feet, according to Q2 2019 data provided by Austin Metoyer, economic development and policy manager for the Downtown Long Beach Alliance (DLBA). Metoyer told the Business Journal that the DLBA conducts a quarterly market survey and analysis to determine the number of vacancies in the area's office market. The DLBA collects its information through phone-based surveys and commercial office data from CoStar, a real estate data firm. Q2 2019 is dated from April 1 to June 30 and is the most recent data available as of press time.

Per DLBA's report, downtown's office vacancy is 18%. "Historically, Long Beach, specifically downtown, [office] vacancy has been trending anywhere be-

tween 15% [to 20%]," Metoyer said. "The highest I've probably seen is 20%. . . . I think where we did see some concern is that Class C office space and Class B office space typically had stronger occupancies than some of the Class A."

Historically, the Long Beach office market has been a "musical chairs" kind of market, said Morris, who explained that companies tend to move from one building to another within the city in search of a better lease rate. He indicated that a recent example of this is the pending relocation of the California Resources Corporation from Landmark Square to the World Trade Center.

It's this kind of "lateral" movement that does "nothing" for the city or office market, Morris said. Although he admitted that he would prefer that companies not move out from his building to another, it at least keeps the business in Long Beach. But, as aforementioned, it does nothing to help the vacancy issue. "We need to attract new tenants to Long Beach," he said.

But there is a silver lining. Zwift, a technology corporation, leased 60,000 square feet of space at Landmark Square in May. Chris Snook, Zwift's public relations manager, told the Business Journal that the tech company's expansion to Landmark Square was a logistical decision. "Many of our employees live in Long Beach and the surrounding area," he said. "Long Beach is also well placed to draw in the talent we need from within the tech and gaming community."

Robert Garey, Cushman & Wakefield senior director and Office Work Group member, said high-profile signings, like Zwift, draw more attention to the city as a place for business expansion. He emphasized Long Beach's low lease rate in comparison to other major Southern California cities. Morris said office lease rates in Long Beach are roughly 40% to 50% less than comparable buildings in nearby markets. "It all translates to jobs," Garey said. "Attracting high-paying jobs is a key thing. We have the space here, we have large blocks of space to bring [big] business here. . . . It's an opportunity, but we need people to be aware of it, because we don't want it to be vacant very long." ■



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New Fees And Taxes Affecting Long Beach Residents And Businesses

■ By **ALENA MASCHKE**
Senior Writer

Whether it's the annual car registration or the monthly water bill – fees and taxes imposed on the state, county and city level have an impact on the budgets of Long Beach businesses and households.

Starting this fiscal year, Long Beach residents are required to pay a new storm-water parcel tax, which was approved by voters as part of the Measure W – or Safe Clean Water – ballot measure in 2018. Annual property tax bills arriving this month include a line item labeled SCW (Safe Clean Water), which contains the amount to be paid for the total square footage of impermeable surface on the property, at 2.5 cents per square foot. On the state level, car owners have been affected by the most recent in a series of gas tax increases mandated by Senate Bill 1, which went into effect on July 1, 2019, and increased gas prices by 5.6 cents per gallon.

In March of next year, voters in the City of Long Beach will be asked to decide on a permanent extension of Measure A, a 1% addition to the local sales tax, which has brought the sales tax in Long Beach to the maximum rate allowed in California, 10.25%.

The measure was proposed and approved by voters as a general tax, meaning the city is not legally bound to use Measure A revenues for costs associated with infrastructure and public service. However, the city council passed a resolution of intent, stating that it would prioritize the proceeds of Measure A for city services and investments in those areas, prior to voters' approval of the measure on June 7, 2016.

Susan Shelley, vice president of communications of the Howard Jarvis Taxpayers Association, expressed concerns over the prevalence of general tax measures passed on the state and local level. "We're currently paying the highest taxes in the country, here in the state of California," Shelley said. "We

have all the highest taxes and there's never enough money," she added. "The reason for that is they've overpromised on pensions."

Grace Yoon, a budget manager with the City of Long Beach, confirmed that at least a portion of Measure A revenues has been used to cover pension costs, as a portion of the overall costs associated with maintaining public safety employees. "It's not just their salary, it's their fully-loaded costs," Yoon explained. Those costs, she noted, include pension costs for the respective positions.

In addition to a potential extension of Measure A to be considered by voters next year, costs for several city services will be increasing as the new fiscal year commences. As part of the city's FY 2020 budget, the city council approved a total of 141 new fees and fee increases, including a \$10 increase in passport processing fees, \$10 increases on a variety of parking citations and several new fees imposed by Long Beach Development Services.

Earlier this year, the city council also approved a two-step increase in refuse rates. The first phase, which went into effect on March 1, increased rates for the weekly collection of 100-gallon carts from \$24.11 to \$26.52. Starting this month, rates were further increased to \$28.99. Last month, the council approved a 12% increase in water rates, which also went into effect on October 1.

In an effort to review the over 2,800 fees imposed by the City of Long Beach, this year city staff initiated a citywide, multi-year study. "Our goal is to go through every single department or relevant fee and do an analysis of what those charges are," Yoon said. The city's fee schedules will be reviewed by a team of hired consultants and city staff, one department at a time, over the next six years. "It will be a comprehensive study," Yoon said. The first departments scheduled for review are Development Services, Parks Recreation and Marine, and Health and Human Services. ■

Fair Political Practices Commission Investigating Long Beach Councilmember

■ By **SAMANTHA MEHLINGER**
Editor

Second District Councilmember Jeanine Pearce is now under investigation by the Fair Political Practices Commission (FPPC) for potential violations of the Political Reform Act, according to the commission's spokesperson. As previously reported, an inquiry by the Long Beach city attorney's office found that Pearce's employment by a top executive with Urban Commons, the leaseholder of the Queen Mary, through his personal business ventures may have put her in violation of the act.

The Political Reform Act was passed by ballot measure in California in 1974 during the aftermath of the Watergate scandal. According to the FPPC, among many other initiatives aimed at political transparency and accountability, the act put in place strict conflict of interest laws. In part, this was achieved by requiring politicians and state agency officials to disclose personal finances.

Pearce did not report her income from her 2018 business dealings with Dan Zaharoni, of Urban Commons, on her Form 700, a document that elected and public officials are required to submit to ensure their decisions are made in the interest of the public and not their personal financial gain. In total, Pearce has earned just over \$41,000 over the past year and a half through her work for Zaharoni, who owns multiple businesses in addition to serving as chief development officer of Urban Commons. She also proposed and voted on a council agenda item related to the Queen Mary during this time period, which, per a report by the city attorney's office, may have been a violation of the Political Reform Act.

In a letter issued to local media due to multiple requests for comment, Long Beach City Prosecutor Douglas Haubert said on September 27 that any criminal charges filed for violation of the Political Reform Act would be up to the Los Angeles District Attorney's (LADA) office, rather than his own. He noted that he conferred with the D.A.'s

office on the matter.

A spokesperson from the D.A.'s office said they had received a complaint about Pearce and were reviewing it.

"I have every reason to believe the Los Angeles District Attorney's Office will handle this matter in a thorough, competent, and fair manner," Haubert stated. "The LADA's Public Integrity Division, staffed with ten

specially-trained prosecutors and twelve full-time investigators, has great experience investigating and pursuing public corruption and conflict of interest cases."

Haubert added that nothing in his statement "should be construed as concluding that Ms. Pearce has violated the law or that any decision has been made by the LADA's office to pursue criminal charges."

Additionally, Haubert noted that he has requested that the D.A. take up any related ancillary charges, which "may include operating a business without a business permit." Consultants, such as Pearce was while performing work for Zaharoni, are required to hold business permits in Long Beach.

Pearce declined to comment for this story. ■



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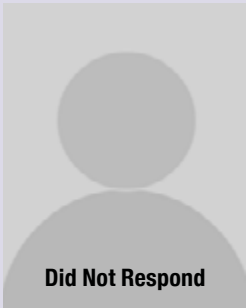
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	Shelbyrae Black				Joe Ganem				Elliot Gonzales				Shirley Huling			
First district issues	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No
Will you work directly with Westside businesses to address chronic issues related to infrastructure and homelessness, as well as the expansion of port facilities?	✓				✓				✓							
Do you support building more affordable housing in the 1st District?	✓				✓				✓							
Would you support building housing for the homeless or those at-risk for homelessness in the 1st District?	✓				✓				✓							
Do you support creating additional car parking in the 1st District?	✓					✓			✓							
Does the 1st District have adequate park and open space?			✓					✓				✓				
Do you feel the following issues are improving or worsening in the First District?	Improving	Somewhat Improving	Somewhat Worsening	Worsening	Improving	Somewhat Improving	Somewhat Worsening	Worsening	Improving	Somewhat Improving	Somewhat Worsening	Worsening	Improving	Somewhat Improving	Somewhat Worsening	Worsening
Business Climate	✓					✓			✓							
Crime			✓			✓										
Homelessness				✓			✓					✓				
Cleanliness of public space			✓			✓						✓				
Citywide Issues	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No
Do you support the ballot measure to permanently extend the Measure A sales tax?			✓				✓				✓					
Do you feel Measure A funds have been spent as promised by elected officials?			✓			✓				✓						
Would you support dedicating more Measure A funds to restore public safety positions?		✓			✓							✓				
Do you feel the city is fiscally responsible?			✓			✓					✓					
Do you support the city’s efforts to implement mobility and traffic-mitigation measures, such as additional crosswalks, bike lanes and road diets?			✓			✓			✓							
Do you support rent control?	✓							✓	✓							
Do you feel the city is doing enough to attract and retain businesses?			✓					✓				✓				
Do you support local control of land use?		✓			✓				✓							
Do you believe the city is doing enough to address climate change?		✓										✓				
Do you support removing portions of the breakwater?						✓				✓						
Are Long Beach elected officials transparent enough in their leadership?				✓		✓						✓				

(Continued from Page 1)
they are likely to support local control of land use; and they would work with the Westside businesses on issues related to infrastructure, homelessness and the expansion of the port.
Half the candidates expressed negative opinions on the state of the district’s

business climate, crime, homelessness and cleanliness of public space – with Long Beach Chamber of Commerce PAC-backed Ray Morquecho, Vice Mayor Dee Andrews-endorsed Misi Tagaloa and local businesswoman/Long Beach Parks and Recreation Commissioner Mariela Salgado all responding that these

matters were worsening or somewhat worsening.
While residents Shelbyrae Black and Elliot Gonzales agreed on most of these points, they disagreed on the matter of the district’s business climate, which they said was improving. Curiously, Gonzales responded that crime was both “some-

what improving” and “somewhat worsening,” and did not respond to a request for clarification, so we left that field blank.
Former Downtown Residential Council President Joe Ganem answered more questions optimistically than most of his competitors, although he sided with the glass half empty folks on issues like



	Ray Morquecho				Mariela Salgado				Misi Tagaloa				Mary Zendejas			
First district issues	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No
Will you work directly with Westside businesses to address chronic issues related to infrastructure and homelessness, as well as the expansion of port facilities?	✓				✓				✓				✓			
Do you support building more affordable housing in the 1st District?	✓				✓				✓				✓			
Would you support building housing for the homeless or those at-risk for homelessness in the 1st District?		✓						✓	✓				✓			
Do you support creating additional car parking in the 1st District?	✓				✓							✓	✓			
Does the 1st District have adequate park and open space?				✓				✓				✓				✓
Do you feel the following issues are improving or worsening in the First District?	Improving	Somewhat Improving	Somewhat Worsening	Worsening	Improving	Somewhat Improving	Somewhat Worsening	Worsening	Improving	Somewhat Improving	Somewhat Worsening	Worsening	Improving	Somewhat Improving	Somewhat Worsening	Worsening
Business Climate				✓				✓				✓	✓			
Crime				✓				✓				✓		✓		
Homelessness				✓				✓				✓		✓		
Cleanliness of public space			✓					✓				✓		✓		
Citywide Issues	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No	Yes	Leaning Yes	Leaning No	No
Do you support the ballot measure to permanently extend the Measure A sales tax?		✓						✓	✓				✓			
Do you feel Measure A funds have been spent as promised by elected officials?				✓								✓	✓			
Would you support dedicating more Measure A funds to restore public safety positions?	✓						✓		✓				✓			
Do you feel the city is fiscally responsible?				✓			✓					✓	✓			
Do you support the city's efforts to implement mobility and traffic-mitigation measures, such as additional crosswalks, bike lanes and road diets?		✓					✓		✓				✓			
Do you support rent control?				✓				✓				✓				✓
Do you feel the city is doing enough to attract and retain businesses?				✓			✓					✓				✓
Do you support local control of land use?	✓					✓			✓				✓			
Do you believe the city is doing enough to address climate change?		✓						✓				✓		✓		
Do you support removing portions of the breakwater?	✓								✓				✓			
Are Long Beach elected officials transparent enough in their leadership?				✓				✓				✓	✓			

homelessness, business retention and the city's efforts toward climate change.

The politically anointed candidate, Long Beach Transit Boardmember Mary Zendejas, had by far the sunniest outlook on issues addressed in the questionnaire. This is perhaps unsurprising, given that she is backed by practically every elected

official in Long Beach – and who would endorse a candidate who thinks they're doing a bad job?

On the subject of endorsements: we are straying from listing each candidates' endorsements, beyond the politically notable ones already mentioned above. We think it is more useful to inform our read-

ers about what the candidates stand for, rather than listing who is backing them.

The election to fill the 1st District Long Beach City Council seat – vacated after former Councilmember Lena Gonzalez was elected to the state senate earlier this year – takes place November 5. That gives 1st District voters a little un-

der a month to figure out which candidate to throw their weight behind.

For polling locations and other election information, visit longbeach.gov/cityclerk/elections.

Editor's note: Candidates' statements were run as-is; they were not edited.

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(Continued from Page 7)

Candidate Statements

Shelbyrae Black

My name is Shelbyrae Black and my husband and I are proud to call Long Beach home. Long Beach has changed so much in such a short time and most of that change has been for the better, but there is still so much to do.

I am running to be your City Council Member because we need to address parking, homelessness, lack of trash cleanup, and transparency to ensure our tax dollars are spent on the residents of Long Beach. As your City Council member, I intend to:

1. **INCREASE PARKING:** It isn't right or fair to ticket residents for something the everyone in the city knows is such a big problem. We need residential permit parking to ensure adequate parking for residents and local businesses, to ensure all new buildings have enough parking for their tenants, and to find new ways to create more parking spaces throughout the district.
2. **REDUCE HOMELESSNESS:** We shouldn't be worried about taking our kids to the park. The increasing number of homeless in Long Beach is something we all can agree is evident and needs to be addressed immediately. We need to tackle this problem head on through affordable housing and increased addiction & mental health services.
3. **CLEAN UP LONG BEACH:**

We need more trash cans throughout the district, clean streets and alleys, & increased bike patrols for safety.

I look forward to working with all the residents and businesses of Long Beach to make this city the best it can be. Let me be your voice! I look forward to hearing from you. (Web: ShelbyraeBlack.com/ Email: info@VoteShelbyraeBlack / Instagram: @VoteShelbyraeBlack / Twitter: @ShelbyraeBlack / Tel: 562-416-2530)

Joe Ganem

A lifetime of professional careers and public service has prepared me to represent the First District, our home for the last 8 of 14 years in Long Beach. Marsha and I have been married 42 years and have 4 sons and five grandchildren. My work career includes service as a police officer, city administrator, builder/developer, trade and environmental association executive, and governmental affairs representative at the state and federal level. In Long Beach, I helped form neighborhoods, and served as President of the Downtown Residential Council, and remain on their board. I was appointed to the Homeless Services Advisory Committee and Continuum of Care Board, serving nearly 4 years. Also Volunteered with the Police and Fire Departments to interview recruits for 4 years.

The District has significant issues in Homelessness, Affordable Housing, and Public Safety. I've worked with multi-

ple-agencies and jurisdictions and have served on a council of governments. I'm well prepared to work on these and other important matters before the City Council. The City has a \$3B annual operating budget with over 5000 employees. It's an important role that requires experienced, mature citizens to serve.

This is the first time I've run for elective office. I have no intention on using this office to seek other elective positions. My focus is on the First District. I will appreciate your vote and pledge to listen to the voters in making decisions. Thank you!

Elliot Gonzales

I'm running for the Long Beach City Council on a platform calling for a community land trust, a Green New Deal and a public bank to finance it all. A Community Land Trust gives us the opportunity to create housing owned by the public solely for the purpose of ensuring affordable housing, not built around market speculation.

We must invest in clean air and clean water for our own health and to ensure the habitability of this planet for future generations. This requires clean energy.

A Green New Deal gives us the chance to build a fair economy that offers good-paying union jobs, doing the most important work, taking care of the Earth and each other.

We need a public bank to finance it all. The big banks brought us into our last housing crisis and we shouldn't

count on them to get us through this current one. It is time we established a public bank to build public wealth and make the necessary investments into the public infrastructure.

I am proud supporter of Bernie Sanders and I share his vision for a future to believe in. I believe we are that future, and I believe in us.

Ray Morquecho

Like many First District residents, I've had to work hard my entire life to make ends meet. I'm a renter who has had to wait out those long days between paychecks. I am running to represent the residents of the First District because I think we can do better; that we deserve more.

My two sisters and I were raised by my hardworking, single mother who moved us to Southern California when we were small children. She worked a variety of jobs to make sure we had a better life even as we stayed with friends while we searched for a place to live.

Using her example as my guide, I worked as a bartender right here in Long Beach to put myself through college. I earned my bachelor's degree in political science from UC, Irvine in 2008 and have called Long Beach home since 2006.

I then worked as an intern at the California State Board of Equalization. I eventually earned a full-time job as the Vice Chair of the Board's District Representative where I focused on taxpayer and small business advocacy.

After representing the Vice Chair, I decided to try my hand as an entrepreneur and started a small business that I have grown each year. Now I'm working to use my unique experience to provide the leadership the First District deserves. I will work to create more small business opportunities, make housing more affordable, combat homelessness, and keep our communities safe.

As an active member of the Willmore Heritage Neighborhood Association, I regularly participate in the Long Beach Area Coalition for the Homeless, and am a member of the Long Beach Chapter of the Surfrider Foundation, and the Sierra Club.

I look forward to working for the residents of the First District because we deserve more.

Mariela Salgado

My name is Mariela Salgado and I'm running for Long Beach City Council because it's time for new leadership. Over 46% of our children live in poverty and our unemployment rates are over double the citywide average. Homelessness has reached crisis levels impacting our schools, parks and small businesses. Our families are exposed to the highest concentration of pollutants in Long Beach. Enough is enough. We can't afford to vote for a 'business-as-usual' candidate who is hand-picked by City Hall or by someone who is not invested in our community. We need an independent leader and a problem solver who will move Long Beach forward.

10 SoCal Residents Honored By F&M Bank At Annual Award Luncheon



F&M Bank honored 10 Southern California community members, including three Long Beach residents, during its ninth annual California's Strongest People You Can Bank On awards luncheon. "It is a true highlight of our year when we get to shine the spotlight on local men and women who inspire us and lead us forward," F&M Bank President W. Henry Walker, stated in a press release. "Each of our 2019 honorees has a unique story of compassion and perseverance and exemplifies the values that have guided F&M since our humble beginnings in 1907." Pictured at the event, back row (from left): Walker; Christine Walker; Gary Remland, owner of Remland Insurance; Jim Holden, founder of Fish for Life; Donald Glasgow, co-founder of Kingdom Builders Ministry; Randy Gordon, president and CEO of the Long Beach Area Chamber of Commerce; and F&M Chairman of the Board and CEO Daniel K. Walker. Front row: Claudia Copley, founder of 4GIRLS; Lailanie Jones, executive director of Precious Lamb Preschool; Tim Jones, a community leader with The Beacon House Association of San Pedro; Vera Jimenez, award-winning KTLA 5 meteorologist; Dr. Kenneth Tokita, oncologist; and Debbie Painter, founder of Autism by the Sea. (Photograph courtesy of F&M Bank)

There is work to be done and there is no candidate more invested in this work. As a small business owner with a Master's in Business Administration, I understand the challenges of entrepreneurship and doing business in our City. I'm also proud to have been awarded Best of Long Beach and Best Small Business 2018. As a community leader, I've stood in front of City Council for causes I believe in, and serve on boards and volunteer hundreds of hours to our district and City. I am strong believer in investing in our youth and why I'm a member to Long Beach Early Childhood Education committee and serve as a LBUSD School Site Representative. And as an advocate for clean air, safer streets and more green spaces, I serve on our city's Parks and Recreation Commission.

The First district needs a strong voice and champion for our communities. I know the work and the need to reverse trends and shift to a more inclusive city requires dismantling barriers and enacting policies that expand opportunity. I'm a mother, City Commissioner and small business owner -- I am a public servant and here to serve you.

Misi Tagaloe

It was the summer of 1975 when I first visited Long Beach. I stayed with my aunt on the west side; she was a single mom raising four kids, working two jobs, and supporting her community.

With her modest income, she was able to purchase their rental, build equity for her family, and belong to the community.

Today we have fewer opportunities for advancement; we don't know our neighbors, live in sub-optimal housing arrangements, and little time to build community. Many don't feel that they belong. We are missing a sense of belonging, which has kept our communities safe, stable and sustainable for decades and that is why I'm running for City Council.

Thirty years ago, my wife Mareta, and I chose to raise our family in Long Beach. We love its unique character. I'm the Executive Director of a non-profit housing organization. As your City Councilmember, I will be dedicated to creating affordable housing and improving your family's quality of life. I support community-based policing and expanding programs that keep our children out of gangs and off drugs. I support local small businesses and will increase jobs and opportunities for our residents.

My Priorities:

- Promoting Small Business Opportunities
- Solving our Affordable Housing and Homelessness Crises
- Expanding City Programs for Children and Seniors
- Training Youth for Employment

- Protecting Clean Air and Water
- Addressing Climate Change

My 25-year Church pastor experience include:

- Advocating for the Poor and Homeless
- Creating Leadership Programs for Youth
- Teaching Financial Literacy
- Providing Sanctuary, Food, and Shelter

I have the independence to listen without loss. I will WORK WITH YOU to make Long Beach WORK FOR YOU! I respectfully ask for your vote November 5, 2019.

562-522-7500 - MisiTagaloe@gmail.com - www.Misi4LB.com

Mary Zendejas

Mary Zendejas has never met a challenge she couldn't tackle and overcome. As an infant, she was diagnosed with Polio, and later in High School started using a wheelchair daily. Her passion for living and working hard is rooted in seeing her parents, a field hand and factory worker, provide their children a better life. Their hard-work allowed Mary to go to California State University, Long Beach (CSULB) and become the first in her family to graduate from college.

Her advocacy dates back nearly three decades starting in her high school, where she organized citizenship fairs to

help community members follow their American Dream of becoming US citizen, a goal she achieved at the age of 18. She is also the founder of Professional Abilities Association of America, an organization created for working professionals with disabilities by working professionals with disabilities, focusing on inclusion in the workforce. Additionally, she served as a member of Mayor Robert Garcia's Transition Team.

Currently, she is serving her second term on the Long Beach Transit (LBT) Board of Directors. LBT is a leading agency in the transportation industry and a multimillion-dollar company. During her time at Long Beach Transit, she has led the effort to streamline access and reliability of paratransit services throughout the system and has helped to implement zero-emission buses into the fleet. Mary is also currently a board member of several local non-profits and advocacy organizations, including the Murphy Foundation Board and the Disabled Resource Center.

Mary has been widely recognized and honored throughout her career. She has received several awards including the American Women's Business Association's Diamond in the Sky award, The California Conference for Equality and Justice (CCEJ) Gene Lentzner Human Relations Award, and Patrick O'Donnell's "Women of Distinction" Award, to name a few. ■

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Next Steps For Community Hospital Include Finalizing Lease Agreement And Passing State Inspection



The next steps to reopen Community Hospital Long Beach involve completing a facility inspection by the California Department of Public Health and finalizing a lease agreement between the City of Long Beach and hospital operator Molina, Wu, Network, LLC. (Business Journal photograph)

■ By **DENNY CRISTALES**
Staff Writer

Months after securing a seismic-compliance extension from the Office of State-wide Health Planning and Development (OSHPD), Community Hospital Long Beach operator Molina, Wu, Network, LLC (MWN) and the City of Long Beach have their eyes set on two other critical milestones: finalizing their lease agreement, and completing an upcoming California Department of Public Health inspection.

John Keisler, the City of Long Beach director of economic development, told the Business Journal that the city is now in the last stages of negotiating a finalized version of a tentative lease and cost-sharing agreement with MWN established in March.

In March, the Long Beach City Council approved MWN for a temporary lease of Community Hospital Long Beach. The tentative agreement established a 45-year lease term, with two 10-year extension options, for \$1 a year, Keisler said. Additionally, the City of Long Beach and MWN agreed to a cost-sharing agreement, in which the city would contribute up to \$25 million over 15 years toward Community Hospital's seismic retrofit and construction. MWN would be responsible for additional costs.

Keisler said his team is finalizing the terms of this tentative agreement and aims to present the details to the Long Beach City Council on an undisclosed date, al-

though he expressed hope it would be sometime in October or November. "All of this is really positive," Keisler said. "Really, October is an important month for us."

Located in the fourth council district, Community Hospital Long Beach, in particular its emergency room, is a resource that 4th District Councilmember Daryl Supernaw has been championing to reopen for some time. Although eager, much like Keisler, to settle on the terms of the agreement between the city and MWN, Supernaw emphasized the importance of patience, especially when it comes to dealing with such a "complicated" contract.

"[The team is] really spending the time to iron things out," Supernaw said. "There's no one who wants it opened quickly more than I. But I have to temper that with the fact that we want to do it right. We don't want the hospital to close again. It's just a balance between that kind of perfectionism – to get the contract right and trying to get the hospital open as soon as possible."

Concurrently, hospital officials are working to secure the medical licensing for the facility. MWN submitted its application earlier this year to the California Department of Public Health to conduct an inspection of the hospital. The inspection will require a review of the site's medical equipment, infrastructure, personnel and other criteria, according to Keisler. John Molina, founder of Pacific 6 Enterprises and MWN partner, said an exact date for the California Department of Public Health's pending inspection has not been set.

Matthew Faulkner, executive director of the nonprofit Community Hospital Long Beach Foundation, which serves to provide financial support to the facility, said passing the inspection to attain licensing requires a lot of ground maintenance. "We are preparing for the inspection by cleaning portions of the facility," Faulkner said. "This includes repainting the facility, flooring work, checking ceiling tiles, etc. It involves anything that may be a safety issue and is important to address."

Passing the inspection, in tandem with finalizing the city and MWN's lease and cost-sharing agreement, would put the hospital in prime position to reopen in the near future, Keisler said. The next hurdle would be to fulfill the objectives of the seismic-compliance plan that was submitted to OSHPD earlier this year. The plan outlined potential steps for Community Hospital to meet building seismic-safety standards.

Through Assembly Bill (AB) 2190, Community Hospital was able to submit its plan to OSHPD, which in turn granted the facility a seismic-compliance extension to January 1, 2025. Now that the extension has been approved, the hospital has to meet the following OSHPD requirements, according to Keisler: the submission of a rebuild and construction plan by July 1, 2020; the start of construction by January 1, 2022; and the completion of construction by January 1, 2025. The city has to outline the hospital's progress via quarterly updates to OSHPD, Keisler added. Molina said that OSHPD reviewed and approved one of the

city's quarterly updates as recently as late September.

Molina said MWN is soliciting the help of an engineering team from AHMC Healthcare Inc. – a for-profit hospital corporation founded by Jonathan Wu, an MWN partner – to interview a select number of architects and construction groups. Once AHMC settles on a preferred group, the developer will be in charge of creating a construction plan ahead of the July 2020 deadline, Molina said.

Keisler said the plans will involve reconfiguring the hospital's physical layout. "There are plans for retrofit that would change the configuration in size [and place it] on a seismically safe portion of the property, as approved by OSHPD," he said.

As far as funding sources are concerned, Faulkner emphasized the Community Hospital Long Beach Foundation's \$1 million grant to the City of Long Beach earlier this year – which was also factored into the Fiscal Year 2020 city budget. Thus far, the foundation has assisted in reimbursing the city's expenditures on facility maintenance, which MWN is responsible for managing, per the tentative lease agreement. "It's [a] three-partied system working together," he said.

Although nothing has been formally discussed, Faulkner did mention the possibility of introducing public funding streams, through a collaboration with the city, to help support the hospital even further. "Those have not been fully exhausted and perhaps there are some opportunities there." ■



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Funding Sources For Queen Mary's Pending Repairs Still Unknown



For the past three years, Queen Mary leaseholder Urban Commons and the City of Long Beach have collaborated to perform extensive repairs on the historic vessel, which is plagued by a deteriorating infrastructure, failing utilities and rust buildup, among other issues. Although progress has been made, there are still outstanding repair projects for which no funding sources have been identified. (Photograph by Brandon Richardson)

■ By **DENNY CRISTALES**
Staff Writer

The Queen Mary has been showing its age in recent years. The historic vessel is plagued with deteriorating infrastructure, failing utilities and rust buildup, among other concerns the City of Long Beach and leaseholder Urban Commons have addressed. Although repairs have been in progress over the past three years, there are still plenty more to go – and they are unfunded, according to city staff.

To date, the Queen Mary's completed projects include rust remediation in some areas of the ship, improvements to fire and other safety systems, a partial repainting of the ship's hull, and repairs to boiler tanks, expansion joints and interior infrastructure, according to a September 23 City of Long Beach memorandum.

A marine survey of the ship, commissioned in 2015 by Garrison Investment Group, then the Queen Mary's leaseholder, identified extensive short-, mid- and long-term repairs totaling \$235 million to \$289 million. However, Urban Commons, which began its 66-year lease of the Queen Mary in 2016, refuted these cost projections and instead requested \$23 million from the city to fund a total of 27 Queen Mary preservation and restoration projects.

As a result of the lease agreement with Urban Commons, the city established the Historic Preservation and Capital Investment Plan (HPCIP) to fund the aforementioned projects. The projects were identified as either "critical," "urgent" or "midterm" in consultation with the city's third-party professional engineer, who conducts monthly inspections on the ship's safety and structural integrity.

Critical projects indicate impacts to the long-term preservation of the ship, urgent projects should be addressed but do not immediately impact the safety or structural integrity of the ship and midterm projects can be handled as funds become available. Based on the city's third-party engineer's recommendations, critical projects should be addressed within 12 to 24

months and urgent projects should be addressed within three to five years, according to the city memo.

The city approved Urban Common's request of \$23 million through the HPCIP – comprised of \$5.8 million from existing reserves and \$17.2 million from bonds. Urban Commons would then fund the rest of the repairs as needed. The HPCIP is funded through leasehold revenue streams, according to a city memo.

However, as work progressed on repairing the Queen Mary, many of the projects ran overbudget. For instance, a September 23 city memo indicates improvements to the ship's fire and life safety systems revealed more deficiencies than previously predicted, which spiked the cost from a projected \$200,000 to \$5.29 million. The reparations included replacing the ship's sprinkler heads, fixing sprinkler pipes and certifying all major alarm and lighting systems.

As of September, Urban Commons has completed a total of eight projects, totaling \$14,087,500, with the exception of a project that has no disclosed cost. Per the city memo, other projects in progress have identified funding sources, such as replacements to landside utility lines and repairs to domestic water lines, which cost \$100,800 and \$133,000, respectively. The completed eight projects include:

- \$5.29 million for improvements to fire and life safety systems, as aforementioned
- \$2.3 million of structural repairs to decks M and A, which includes work on nearby boiler rooms and a catwalk
- \$1.3 million of structural repairs in the ship's exhibit hall and demolition of two boiler rooms, both of which were leaking and accumulating rust
- \$715,000 to replace the ship's three expansion joints, all of which were corroded and not "structurally sound," per the city memo
- \$2.8 million for rust remediation, priming and painting for 240,000 square feet of the ship's hull
- \$1.2 million for rust remediation

and painting for the "Top of House" section of the ship, which includes the intake vents and funnel

- \$472,500 for reparation to the ship's side tanks

- An unspecified cost, paid for by Urban Commons, to replace the ship's cabled-lighting system

Taylor Woods, Urban Commons principal and co-founder, said in a prepared statement that progress has been steady in addressing the historic ship's urgent repairs, emphasizing the safety of all visitors and crew members. "As partners, the ongoing role of Urban Commons and the city is always enhancing guest experience and working to extend the life of the ship," he said.

Currently in progress are fixtures to the ship's sewer and electrical systems, along with other HVAC work. "We have completed the repair/installation of air conditioning to 44 guest rooms, addressed time-sensitive plumbing repairs, updated guest services equipment that is essential for operating and accommodating guests and finalized several exterior paint projects," Woods said.

But while 19 of these projects are in progress, eight others are pending with no identified funding sources. Two "critical" projects in particular – the removal of 22 aging lifeboats suspended from small pairs of cranes, and the reparation of the side shell – have no identified funding source.

Laura Doud, the city auditor, has previously expressed her concern to the city council about repairing the Queen Mary. "There are serious structural problems for the ship that appear to be pretty costly," Doud told the Business Journal. "If we're not able to identify a revenue stream, we need to figure this out."

Doud also takes issue with how the ship's repairs are being handled. Doud said Urban Common's 2016 request for \$23 million to fund repairs ignored the marine survey's urgency in fixing the ship's projected \$200 million-plus damages.

"I just didn't understand why we weren't addressing the whole problem – the [\$200 million] problem, rather than the \$23 million problem," Doud said. "That's what I said to council. . . . It just seemed like a patchwork type of way to fix the problem and not addressing the whole problem."

City staff will continue to meet with Doud to provide status reports on the details of the lease agreement between Urban Commons and the city, as well as ship repairs. Although there is no set date for a future Long Beach City Council meeting to discuss the issue, Doud emphasized the need to find a solution soon.

"As the city auditor, I am focused right now on the agreement between the city and Urban Commons," Doud said. "I'm looking to make sure that they are in compliance with the contract and upholding their end of the agreement. They have responsibilities for base maintenance, as well as repairs. So, we need to take a deeper look into that and ensure the city is receiving its end of the agreement." ■

'More Than Just A Marathon': Annual JetBlue Racing Event To Celebrate 35 Years This Month

■ By **DENNY CRISTALES**
Staff Writer

Entering its milestone 35th year, the annual JetBlue Long Beach Marathon and Half Marathon event, from October 11 to October 13, will feature roughly 15,000 runners from 45 states and six countries, according to Dan Cruz, Motiv Sports events spokesman.

Motiv Sports, a global sports and entertainment company, has organized and operated the marathon event since 2017, Cruz said. The event's focus this year is to highlight the marathon's "Supreme 15 Legacy Runners," a group of individuals who have participated in all previous 34 iterations of the event. This month will mark the 15 athletes' 35th time competing in the marathon, said Alex Bennett, Motiv Sports vice president of operations.

"This year's race is really celebrating the runners of Southern California," Bennett said. "We're definitely streamlining operations of the event and trying to improve the wayfinding signage, the mile markers and all that sort of thing to make it a better experience."

The Long Beach Marathon spans 26.2 miles. The course remains unchanged from last year's event, Bennett said. Taking place the morning of October 13, the marathon's path leads toward the Queen Mary, through Shoreline Village, around Belmont Shore toward Marine Stadium and loops around Cal State Long Beach. The run is estimated to last about seven-and-a-half hours, according to the marathon website. The half marathon, at 13.1 miles, serves as an abbreviated version of the full marathon race. Moreover, event organizers will host the 20-mile bike tour that same morning.

Touted as the only 5K of its kind, the JetBlue Marathon event's 5K Run/Walk is Saturday, October 12. The route goes along the Queensway Bridge and runs through the Aquarium of the Pacific, where participants will be greeted by pacific animals located at the various exhibits. The festivities aren't reserved for just adults, as children will be able to go the distance with the marathon's Aquarium of the Pacific Kids Fun Run, a free one-mile recreational race that includes admission to the aquarium and a marine animal medal as a reward for participating.

The event will also host a free fitness and health expo at the Long Beach Convention Center on October 11 to educate community members about best nutrition practices. Cruz added that event organizers will periodically upload route maps to Waze, a GPS navigation software, to provide residents up-to-date information about any road closures during event weekend. "That is one of our key messages – that this is more than just a marathon," Cruz said.



This year marks the 35th anniversary of the JetBlue Long Beach Marathon and Half Marathon. Taking place from October 11 to October 13, the event will feature marathon and half marathon courses, a 20-mile bike ride and a kid race at the Aquarium of the Pacific, among other activities. (Photograph courtesy of the JetBlue Long Beach Marathon)

"It's not just a one-day event. This is really one of the biggest weekends of the year in Long Beach."

JetBlue Airways is serving as title sponsor of the event for its fifth year. Other supporters include the Aquarium of the Pacific,

Long Beach Airport, the Port of Long Beach and more.

Utilizing analytics software IMPLAN to determine accurate data, Motiv Sports commissioned an economic impact report (EIR) for last year's marathon event. Ac-

cording to the EIR, the 2018 JetBlue Marathon and Half Marathon event drew 11,322 visitors to the Long Beach region – which includes 7,181 athletes and 4,102 spectators.

Nearly 45% of all visitors stayed in the Long Beach area for at least one night, ac-

cording to the EIR. Registration data also indicated that 56% of all runners that participated in the marathon were outside of Los Angeles County. The EIR shows that each athlete, on average, traveled in a party of 3.38 people. "We're filling up hotel rooms, we're bringing people into town and we're proud [of those numbers]," Cruz said.

Accounting for other daily expenditures, such as food and transportation, the marathon's estimated economic impact for Los Angeles County was \$4,056,520, per the EIR. Cruz added that Motiv Sports' operational costs are not factored into the report. He said the private organization cannot disclose its financial numbers in terms of the event's operations, marketing, staffing and other costs.

Emphasizing the significance of the annual event's 35th year in Long Beach, Cruz said the marathon is a global event that promotes tourism and economic prosperity for the region. "Long Beach is a city that has undergone a tremendous transformation in the past . . . 20 years," Cruz said. "It sits in the sweet spot on the border between Orange County and Los Angeles County. It's a very eclectic city. It's got a lot great things to see and great things to do. . . . We . . . look at this event and always wonder how we can take it from a Southern California focus, a local race, and continue to amplify the race and grow it in future years."

For more information about the JetBlue Long Beach Marathon and Half Marathon event, visit motivrunning.com/run-long-beach. ■

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Mayor Updates Community On Developments



During the September 24 Building A Better Long Beach forum, Mayor Robert Garcia presented updates on more than 75 developments citywide and made several announcements, including the 140,000-square-foot lease by spaceflight technology development company SpinLaunch at Pacific Pointe East in Douglas Park. (Photograph by Brandon Richardson)

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Published July 2019

■ By **BRANDON RICHARDSON**
Senior Writer

During his third-annual Building A Better Long Beach forum sponsored by the Business Journal, Mayor Robert Garcia gave an update on more than 75 development projects recently completed, under construction or proposed citywide. Currently, over \$3.5 billion worth of construction is underway in Long Beach, Garcia noted.

“Long Beach is booming. We have tons of construction happening,” Garcia said during the event. “One of the very first things I said when I got elected mayor is that I wanted to be judged once we see how much construction actually happens. I think we’re doing a pretty good job when it comes to construction across the city.”

In all, about 6,500 residential units have recently been completed, are under construction or are proposed throughout the city. Additionally, more than 1.37 million square feet of industrial space, more than 600,000 square feet of retail and nearly 1,200 hotel rooms are under construction or proposed. Many projects were included in the Mayor’s 2018 presentation, though the status has changed for some. There were also several previously unannounced projects.

One of the newly announced projects is a two-building industrial development totaling 139,200 square feet at 300 Studebaker Rd., just north of AES Southland. The project is intended for light manufacturing, warehousing, assembly and distribution uses. “As you can see, we’re trying to bring in good-paying jobs for

people to not just live in Long Beach, but to work in Long Beach,” Garcia said.

Other new additions or altered projects include hundreds of residential units, both market rate and affordable, and 476 student beds in a new California State University, Long Beach dormitory. Garcia also announced the full renovation of the 12-story, 200,000-square-foot office building at 180 E. Ocean Blvd., which will include a “very well-known” steakhouse on the ground floor, according to Garcia.

The mayor briefly mentioned the proposed Queen Mary Island, to include 65 acres of waterfront retail, restaurants, a hotel and an outdoor amphitheater adjacent to the Queen Mary, stating the project is moving forward slower than he would like.

Plans for the Civic Center Midblock development, which was originally proposed to have about 300 residential units, now features around 600 units, with announcements and renderings expected in the coming months, according to Garcia.

“One goal of mine and the city’s has been to build affordable housing for what we call the missing middle – folks who may not be low-income, but still need assistance in housing,” Garcia said. “We have great relationships with Cal State Long Beach, Long Beach City College and Long Beach Unified [School District]. We’re going to work with our partners at those institutions . . . to provide housing that is affordable within our Civic Center project for our city’s teachers, professors and educators.”

In the last several years, Long Beach has seen several top-tier technology-based companies set up headquarters and/or expand in the city. Garcia noted the expansion by Laserfiche in Bixby Knolls that is underway, Virgin Orbit’s headquarters at Douglas Park and its expansion into a second building, and Zwift’s 60,000-square-foot lease at Landmark Square in downtown.

Further establishing Long Beach as a burgeoning tech hub, Garcia announced that spaceflight technology development company SpinLaunch is relocating its headquarters from Sunnyvale to a 140,218-square-foot light-industrial and office building at Pacific Pointe East at Douglas Park. With SpinLaunch joining Human Touch and Simplehuman in the more than 470,000-square-foot industrial complex, Pacific Pointe East is 100% leased.

“While Silicon Valley is a terrific place to start a company, we needed the space to grow and Long Beach is ideal for our corporate headquarters. Our [nearly] 150,000 square feet of space allows us to build out a first-class headquarters and manufacturing facility, which will attract the talent needed for success,” SpinLaunch CEO and founder Jonathan Yaney told the Business Journal in an email. “We commend the work of Mayor Garcia in attracting up-and-coming companies like ours – follow-

ing in the long and successful heritage of aviators Howard Hughes and Jack Northrop. We intend to continue that tradition by growing the commercial space business right here in Long Beach.”

Garcia closed the forum by discussing the Downtown Shoreline Planned Development Area-6 (PD-6). The waterfront area includes the convention center’s Elephant Lot, which has been in the headlines throughout 2019, following the news that the city was in discussions with Angels baseball owners to bring the team to Long Beach with a stadium on the site. Garcia said a visioning process is planned to update PD-6 and establish a long-term development plan.

“We are committed to ensuring that the neighborhoods and neighbors around the site are included in this visioning. Regardless of what happens with the stadium proposal, PD-6 is much larger than that,” Garcia said. “But the level and quality of interest and the folks that are involved and at the table is impressive and [the Elephant Lot] is going to be, regardless of [how] it ends up, either a homerun or a slam dunk or a variety of other euphemisms I can use.”

An Update on Bixby Knolls Real Estate And Its Economic Future

Anyone visiting the Long Beach Boulevard and Atlantic Avenue corridors in Bixby Knolls is bound to notice some recent changes to the business dis-

trict.

“The good news is I don’t think there have been a whole lot of [business] closures,” Blair Cohn, director of the Bixby Knolls Business Improvement Association, told the Business Journal. “I don’t want to make it sound like this is the perfect land, but – knock on wood – we’ve had more openings than closures.”

In 2016, after 58 years in business, Nino’s Italian Restaurant closed up shop at 3853 Atlantic Ave. Since then, the property has been purchased and fully redeveloped to include 9,200 square feet of building space. Medcompounders Pharmacy, Inc. has already opened for business, having relocated from Long Beach Boulevard, and Mixx, a handcrafted tea and Asian-fusion kitchen concept, is opening soon. Cohn said an unidentified burger joint has signed a lease next door, leaving one 3,000-square-foot storefront available in the new building.

Indoor bounce house and playground event space Jumper’s Jungle Family Fun Center is preparing to open at 3841 Atlantic Ave., next door to Willmore Wine Bar, Cohn said. Cassidy’s Corner Cafe is going through the planning process to open its fifth store. Recent office and service space leases in Bixby Knolls include Dr. Lin’s office, American Bio-Clinical Laboratories, Heard Real Estate Company, Turner Chiropractic, George Stanley Henderson Law Corp., Estea Ambulatory Surgery Center, South Bay Bankrupt-



Medcompounders Pharmacy, Inc. has opened for business in a recently completed building at 3855 Atlantic Ave. in Bixby Knolls. Mixx, a handcrafted tea and Asian-fusion kitchen, and an unidentified burger restaurant have also signed leases for space in the new building. (Photograph by Brandon Richardson)

cy Attorney, UBC Medical Center, Opex Communications, Bridge to Hope, New Image Emergency Shelter for the Homeless, and Medpro Services.

According to Eric Romero, a project manager for the Long Beach Economic Development Department, the Bixby Knolls retail vacancy rate is 2.2%. Cohn noted that business closures are more difficult to track than openings because many businesses do not tell the association or city when they close. The only way to track vacancies is to see closed stores or when mail is returned as undeliverable, he noted. One noticeable vacancy is 3502 Atlantic Ave., the former Hortencia’s Mexican & Seafood location, which was only open for about one year after replacing Baja Sonora.

“[Hortencia’s owners] are very nice people. But we’re oversaturated here with Mexican restaurants. The residents responded with their pocketbooks,” Cohn said. “Unfortunately, there really wasn’t any market research done. We had tried to talk to the property owner saying we don’t need another Mexican restaurant.”

The most glaring hurdle for Bixby Knolls’ economic future is the expiration date of its redevelopment funding, which sunsets in September 2021, Blair said. These funds are used for facade improvements, security and street clean-up, events, marketing and landscaping throughout the area. Working with city staff, Cohn and his team are seeking

(Please Continue to Page 18)



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ATD Turf has opened for business at 2051 E. Spring St. in a newly redeveloped strip center on the Long Beach-Signal Hill border. Fast-casual restaurant Beefalicious is preparing to open a location next door to ATD. The two businesses join Jimmy John's and Smith Paint in the center, which has three more spaces available. (Photograph by Brandon Richardson)

(Continued from Page 17)

new revenue streams, including potentially installing parking meters. The city hired community development consultant P.U.M.A. (Progressive Urban Management Associates) to identify means to continue funding, Cohn said, adding that the firm should return with recommendations next month.

The business association had a 10-year contract for redevelopment funds with the city, originally issued in 2011. However, when the state's redevelopment agency was dissolved in 2012, the contract was transferred to the county, which has been providing \$200,000 annually. Cohn said he hopes to expand the business association and grow funding to at least \$400,000 per year, plus approximately \$180,000 in assessment revenue.

"It would give us the muscle to do the things like capital improvements," Cohn said. "This is just the dreaming wish list: staff increases, an increase in outreach

and changes to the physical landscape. Maybe more crosswalks. Maybe more traffic calming. We could put festoon lighting across the street . . . or wrap our median trees in lights . . . to make it much more attractive with a homey feel. More funding is the muscle to really take us to the next level."

2nd & PCH Grand Openings Announced

Whole Foods Market announced an October 23 grand opening for its newest location at CenterCal Properties' and Taki Sun Inc.'s 2nd & PCH retail development at 6400 E. Pacific Coast Hwy. in Southeast Long Beach. The 45,000-square-foot store will open its doors at 9 a.m., offering the first 300 guests a custom, reusable canvas tote bag and a mystery gift card worth between \$5 and \$100.

"We can't wait for the Long Beach community to experience their new Whole Foods Market," Matthew Spohn, store team leader, stated in a press re-

lease. "We're excited to provide our customers with an even larger selection of high-quality food and grocery items, as well as new features including Nékter Juice Bar and an in-store bar and restaurant."

The bar and restaurant, dubbed The Breakwater, will serve pub-style food, including vegan and other special diet options, as well as cocktails, local beer and wine. Additional store features include a fresh produce department, an in-house bakery, a full-service butcher, a seafood department, a specialty foods section featuring 200 local suppliers, hot and cold prepared food bars, and a beauty and body section.

According to a CenterCal spokesperson, a grand opening event for the entire center is scheduled for the following day, with several businesses slated to open their doors. Previously announced tenants will open for business throughout 2019 and into 2020.

Traffic Circle Retail Center Sold

National retail shopping center owner, operator and developer Regency Centers recently announced its off-market acquisition of Circle Marina Center, a 120,000-square-foot retail center south of the intersection of Pacific Coast Highway and Ximeno Avenue. Originally developed in 1959, the site is 95% leased and includes 33,000 square feet of office space in a three-story building and above-retail office. Tenants include Staples, Big 5 Sporting Goods, Lee's Sandwiches and Wok-N-Roll.

"There is a real opportunity for enhancement at Circle Marina Center," John Mehigan, senior vice president and senior market officer for Regency, stated. "Circle Marina is surrounded by great demographics and a substantial amount of new development that has been occurring in the market over the last ten years. Our objective is to take full advantage of Circle Marina's location and bring the best face forward for the future. Long Beach is a special city, we love doing business here, and look forward to building on our presence in this thriving city."

Regency also owns and operates Circle Center West, Ralphs Circle Center and Vons Circle Center near the traffic circle, as well as Marina Shores in Southeast Long Beach. Regency did not respond to a request for information regarding the sales price and planned improvements.

Governor Signs Motel Conversion Legislation

In a move that aims to combat California's housing and homeless crisis, Gov. Gavin Newsom signed Senate Bill 450, which exempts motel conversion projects from the California Environmental Quality Act (CEQA). Authored by State Senator Tom Umberg, who represents portions of Long Beach and Orange County, the goal of the bill is to increase the amount of supportive and transitional housing statewide by cutting some of the red tape for motel conversions.

"The state's housing crisis requires creative land use approaches, and SB 450 provides an efficient framework to convert motel units into supportive and transitional housing units," Mayor Rob-



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National used-car dealer EchoPark Automotive has taken over the former Long Beach Mini location on the southeast corner of Cherry Avenue and Spring Street. With renovations already underway, the dealership is slated to open in December. (Photograph by Brandon Richardson)

ert Garcia stated.

On November 13, 2018, the Long Beach City Council voted to co-sponsor the bill. According to a city press release, exempting motel conversions from CEQA could save between \$100,000 to \$1 million per project. The bill also is expected to expedite project completion timelines, thereby bringing necessary housing to market faster.

“California is one step closer to seeing neighborhood improvements thanks to SB 450,” Umberg stated. “This bill introduces an efficient mechanism to incentivize developers to prioritize transitional housing for vulnerable populations. We must support these life-changing efforts for those in need.”

Recent Transactions By Marcus & Millichap

The following is a list of recent multifamily real estate transactions by teams at Marcus & Millichap:

- Marcus & Millichap investment specialists Kevin King and Martin Porter represented the seller and buyer, both private investors, in the \$2.9 million sale of a mixed-use property at 435 E. Broadway in the East Village Arts District of Downtown Long Beach. The 4,914-square-foot property includes “four commercial units and a recently opened seven-room expansion of the adjoining 22-room Royal Hotel,” according to the announcement.
- King represented the seller, a pri-



Silverlake Ramen celebrated the grand opening of its sixth location on September 30 at 4101 McGowen St., Suite 150, at the Long Beach Exchange (LBX) retail center. “Silverlake Ramen prides itself on serving good vibes only, with a mission to offer affordable food that is made with love,” according to a press release. “The team at LBX looks forward to serving you in a place where the ramen obsession is mutual and can’t wait to see you soon.” Seven more locations are “coming soon,” according to the company’s website, including Huntington Beach, Cerritos, Irvine, Oxnard, Koreatown, Los Angeles, Santa Clara and Concord, North Carolina. Pictured from left at the LBX location are Restaurant Manager Paul Hwang, franchisee Craig Chung and General Manager Steven Huynh. (Photograph by Brandon Richardson)

vate investor, in the nearly \$2 million sale of an eight-unit apartment building at 1420 Walnut Ave. Built in 1963, the property consists of two one-bedroom, four two-bedroom and two three-bedroom units.

- Marcus & Millichap’s David

O’Keefe, Mitchel Cannata and Steve “Bogie” Bogoyevac represented the buyer, a private investor, in the nearly \$1.1 million sale of a six-unit apartment property at 1935 Locust Ave. The 1950’s building is composed entirely of one-bedroom units. ■

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Building A Better Long Beach: Bringing Expanded Health Care And Support Services To Midtown



Mental Health America of Los Angeles (MHALA) is rehabbing 1955 Long Beach Blvd. into a facility to offer its services, as well as house new operations by The Children's Clinic and Third Wave Market. Pictured at the site are MHALA Vice President of Real Estate Rick Janes, left, and MHALA President and CEO Christina Miller. (Photograph by Brandon Richardson)

■ By **BRANDON RICHARDSON**
Senior Writer

Construction is well-underway on the new Mental Health America of Los Angeles (MHALA) facility, which is set to bring mental and physical health care services, as well as employment support and opportunity, housing support and more to Midtown.

“Our agency really believes in providing integrated, comprehensive services . . . for people on the street,” MHALA President and CEO Christina Miller said. “We provide life skills and wellness programs. We help people get benefits and help them get into education.”

Once the new 26,000-square-foot, two-story facility is complete at 1955 Long Beach Blvd., MHALA will transition out of its current space, the Village, at 456 Elm Ave., which consists of about 27,000 square feet on four floors. MHALA will occupy and operate about 20,000 square feet of space, including a 2,000 square foot community center that will be open to the public after hours Monday through Friday

for events and meetings.

The remaining 6,000 square feet will be occupied by The Children's Clinic and coffee cafe Third Wave Market. The Children's Clinic will occupy 3,000 square feet of space on the ground floor and provide health care services for MHALA members. Third Wave will occupy 3,000 square feet directly above The Children's Clinic, offering fresh direct-trade coffee, juices, smoothies and a seasonally changing menu with organic and healthy foods, such as sandwiches and salads.

“Part of what we do is help [members] learn soft skills so they can move into a job [within the community] and be self-sufficient in that way,” Miller said. “So we're expanding that. Our employment training is one of our flagship efforts. Long Beach is a great place to do that because there's so much support.”

Twenty percent of Third Wave staff at this location will be MHALA members. This innovative aspect of the partnership will give MHALA members job and work experience, as well as teach them skills they can use as a

stepping stone to other job opportunities, Miller noted.

MHALA will offer the same integrated service it has always prided itself on at the new location, Miller explained. The space will feature a shower area where members can wash and groom themselves, computers to search and apply for jobs, and staff to assist in case management, teach life skills and finding members the assistance they need, whether it's through MHALA or other organizations.

“We want to find out what that person wants and what they're open to. They may be entitled to disability benefits. They may want to go back to school. Maybe they stepped out of the workforce, so they have skills,” Miller said. “We want to find out what their goals are and what they want to do with their lives. We also immediately start trying to get them connected to housing. It's hard to help people improve their lives when they're living on the streets.”

The project site had been empty since 2011 when a warehouse tenant vacated the premises, at which point

MHALA took over the space and began the design and planning process, MHALA Vice President of Real Estate Rick Janes explained. Many changes have occurred throughout the design and planning process, he noted, which has delayed project completion considerably. However, it is now about 85% completed, with Third Wave expected to begin operating in November. The goal is for MHALA and The Children's Clinic to be moved into the building and operating by January 1, Miller added.

“We really take being a good neighbor seriously. People are afraid to have someone who's homeless or someone with a mental health challenge in their neighborhood. They don't know what's going to happen. They're worried about their neighborhood getting damaged,” Miller said. “But we're here to help those people and to help the community as a whole. We want to work in partnership with the community. If we help the people who are the most vulnerable, the whole community thrives.” ■

Realty Views: Lack of New Home Building Continues

■ Perspective by **TERRY ROSS**

Even as housing experts, nonprofit organizations and government agencies – not to mention major media outlets – cry out for the need for more housing and greater affordability, the prime reason seems to be largely ignored – the lack of home building.

Some revealing statistics contained in a press briefing from the John Burns Real Estate Consulting Company shows that on the national level the volume of home building is less than half of what it was 14 years ago before the financial crisis that began in 2008. But with more population from immigration, births and demographic shifts into major markets we need more housing than ever before.

Simply put, more housing – especially of the affordable variety – is necessary. But controlling rents and instituting more regulation is not going to create more units. Building does that, and the current state of home building is, in a word, appalling.

Despite more than a decade of fi-

nancial recovery and interest rates that are almost at historical lows, home construction in the top 10 markets of the U.S. is 54% lower than 14 years ago. None of the top housing markets have reached 2005 peak levels.

Dallas and Houston, which are building at a rate of 77% and 69%, respectively, of their 2005 peak and are the top two cities closest to achieving their peak home building levels. Yet Atlanta is building at a only 42% and Phoenix at 39% of peak levels. The three worst among the top 10 markets for single-family building permits compared to 2005 are Chicago at 18%, Riverside-San Bernardino at 21% and Las Vegas at 29%. Chicago, for instance, has fallen from the seventh-largest single-family housing market in the country to the 32nd-largest market.

The Burns Company, one of the most well-known consultants to builders and developers nationally, noted that they get asked many times when this country will get back to producing one million or more single-family

homes in a year – and their answer is: “When the builders can make money selling one million homes.”

They cite the many cost increases at every stage of development that have driven up expenditures to a point where it is difficult to build a home that can be priced at \$250,000 – the price point buyers can afford in locations that most people want to live.

“There is plenty of total housing demand, but most of the demand is below today’s new home prices,” Erik Franks, senior vice president of the Burns Company, explained. “In 2003, before subprime lenders broke the rules, half of the new homes in the country were priced below \$191,000. Today, half of new homes are priced above \$313,000, and 15 of the 18 largest publicly traded home builders sport an average sales price north of \$365,000.”

Just to get back to 2005 levels and a million new homes produced annually, builders are scrapping to find ways to keep prices down in the range where the demand is. According to a Burns survey, 55% of entry-level builders

are building on smaller lots, 45% are building smaller homes, 39% are using less costly materials and 33% are moving further from the job centers.

But with greater regulation comes increased costs, not to mention various government impact fees, such as environmental and development fees, that are adding thousands of dollars to the cost of a home that is passed through to buyers. As the Burns group mentioned, there is a mismatch between demand and supply of new, lower-cost homes in desirable areas.

A better description might be dysfunction, since there appears to be a keen awareness of this critical problem at all levels of government and in the building industry. But solutions are hard to come by and real action even harder to achieve.

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

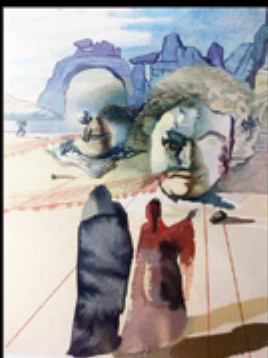
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Los Angeles, Long Beach Ports Consider Joint Agreement To Address Gateway Efficiency



Combined, the ports of Long Beach and Los Angeles handle about 37% of the United States' maritime trade. In an effort to protect this marketshare, the ports are considering entering into an agreement to work together on solutions to boost the efficiency of cargo movement and tracking. (Photograph courtesy of Port of Long Beach)

■ By **SAMANTHA MEHLINGER**
Editor

The ports of Long Beach and Los Angeles are exploring a joint memorandum of understanding (MOU) aimed at ensuring their competitiveness as a trade gateway. While a finalized MOU has not been voted on by either ports' harbor commissions, each has reviewed a draft agreement, and staff at both ports continue to refine the document.

At a September 23 meeting of the Long Beach Board of Harbor Commissioners, Port of Long Beach Deputy Executive Director Noel Hacegaba laid out the basic tenets of the proposed agreement and the reasoning behind it. If ultimately agreed to, the MOU would enable the ports to work together to address cargo transfer predictability, supply chain connectivity, cybersecurity and metrics, according to Hacegaba. Workforce development had initially also been included, but at direction from commissioners it will be addressed separately, he noted.

At an August 22 meeting of the Los Angeles Board of Harbor Commissioners, Port of Los Angeles Executive Director Gene Seroka explained that the ports must work together to ensure they remain competitive and "the gateway of choice in North America," he said.

Since the International Longshore & Warehouse Union went on strike in 2002, resulting in massive congestion at the San Pedro Bay ports that rippled throughout the U.S. supply chain, the ports have lost 20%

of their marketshare, Seroka explained. Other issues are at play, he noted, such as increased competition due to the widening of the Panama Canal and upgrades by East Coast ports that have occurred since.

While the ports of Long Beach and Los Angeles compete for cargo, Seroka emphasized that to address their marketshare, they have to work together. "Simply a race to the bottom of cargo trading between the ports of L.A. and Long Beach based on transactional pricing is something we must avoid in the future for success of this complex," he said.

Seroka and Hacegaba both cited statistics to illustrate the importance of the ports to the regional economy. For example, Hacegaba said, "Today, 37% of all waterborne goods entering the United States enter through this gateway. And they touch each of the 435 congressional districts in the nation. That amounts to about \$312 billion in trade on an annual basis." He added, "So when we talk about competitiveness, it's not just TEUs that we're talking about. We're talking about jobs. . . . The San Pedro Bay complex encompasses 3,400 acres across 13 container terminals, employs 15,000 longshore personnel serving 15 shipping lines, and handles 60,000 truck moves on a daily basis." Seroka cited the same data.

The ports are able to work together on matters surrounding supply chain efficiency thanks to an agreement sanctioned by the Federal Maritime Commission in 2014, when another period of congestion occurred that was in part caused by labor strife but also by changes within the supply chain.

"The Shipping Act of 1984, among other things, grants immunity from anti-trust laws to maritime terminal operators [so] that they may confer with each other and agree upon services, practices and other operational decisions related to the common carriage of goods by water," Hacegaba explained. "In order to receive this immunity, the parties must file notice with the Federal Maritime Commission in the form of a written agreement outlining the topics and actions of the parties that would be undertaken together."

In June 2006, the ports entered into an agreement sanctioned by the FMC to work together on environmental issues – namely, on the creation of their Clean Air Action Plan. "Since that time, the operating environment at the ports changed considerably," Hacegaba said. "The massive realignment of the shipping line industry combined with the emergence of e-commerce, for example, has created disruption across the supply chain and has put us as port authorities in a position where we must become more operationally oriented and evolve from the traditional landlord model to supply chain convener and facilitator."

According to Hacegaba, the decentralized nature of the supply chain limits communication and the transfer of information related to cargo movement, which results in complications. "The fragmented nature of the supply chain results in choke points at critical intermodal transfer points between supply chain partners," he said. "The greatest challenges reside in the landside transfer points between the marine terminal opera-

tors, the motor carriers and the railroads. As a port, we are in a unique position to engage all of our supply chain partners to facilitate communication and collaboration between them, and to work with them to align their business interests for the benefit of the complex and the broader supply chain."

If the ports' two harbor commissions ultimately agree to an MOU, they will be able to work together to address issues related to trucking efficiency, availability and distribution of chassis (truck trailers used to haul containers), and other supply chain matters. Hacegaba noted that the ports' staff envision digital solutions "intended to provide stakeholders with common access to cargo status information," as well as a universal appointment system for truckers at the ports' terminals.

The Port of Los Angeles already has a digital tool in place to track cargo through the supply chain: General Electric (GE) Transportation's Port Optimizer. The Port of Long Beach tested the same tool in a pilot program, but has yet to adopt it permanently.

Long Beach Harbor Commission President Bonnie Lowenthal said at the September 23 meeting that the MOU was an important step, but she did have one caveat. "I don't want to see us tie this MOU to a particular digital solution but rather a broad range of solutions," she stated.

In an interview with the Business Journal later in the week, Lowenthal said that the harbor commission has a subcommittee focused on port efficiency. Asked whether she would support a port-wide adoption of the GE Port Optimizer so long as other solutions were considered, she said, "That is going to be a function of what the subcommittee recommends to the other commissioners, so that all five of us are looking at the options for efficiency."

Lowenthal said that working together on the issues outlined in the proposed MOU is a topline priority for the ports. "We have always prided ourselves as being the greenest port in the nation. We pride ourselves on customer service. We also pride ourselves on efficient operational efficiency. We will continue to work with that goal of being the most efficient port in the nation," she said of the Port of Long Beach.

An MOU would be a continuation of a history of working together, as Lowenthal explained it. "We have a history of this cooperation. We continue to cooperate on the environmental front. We are also doing work together on sea level rise. We're also working together on earthquake challenges as they come along," she explained. "This is an extension of that cooperation, because competition among regions of North America for international trade is at an all-time high."

Lowenthal expects a finalized MOU to come to both commissions for a vote in a few months. "It takes a little bit of time to dot the i's and cross the t's and make sure that everyone is completely in agreement," she said. ■

Environmental Efforts In Logistics

(Continued from Page 1)

California, which makes up a significant portion of the environmental efforts pursued by regulatory agencies and private companies in the region. Advocates for clean air initiatives have acknowledged the logistics industry's successful push toward cleaner technology, while maintaining that there's much more work to be done. Industry representatives say they're pushing up against the limits of available technology in trying to reach increasingly ambitious goals.

Speaking at an event held to celebrate the addition of 40 near zero emission trucks to the fleet of local trucking company Total Transportation Services, Inc.(TTSI), Coalition for Clean Air President and CEO Dr. Joseph Lyou said the industry has come a long way. "We have made a lot of progress in cleaning up these trucks," Lyou said. But, he noted, "we haven't gotten nearly as close as we need to get."

Weston LaBar, president and CEO of the Harbor Trucking Association, said the trucking industry doesn't receive enough credit for the myriad steps its members have taken to comply with ever-changing environmental regulations. "I don't think the trucking industry gets the credit it deserves," LaBar said. "Too often we're just looked at as these dirty trucks that cause traffic on the freeways, but at the end of the day, these are the folks who are moving the American economy and we're trying to do it in a more sustainable way every single day."

The standards for sustainable practices have tightened over the past decade and emission goals for the future have become increasingly ambitious, LaBar explained, creating a system of moving goalposts that can be challenging to comply with. "If I go out and buy a new piece of equipment today, I shouldn't be asked to buy another new piece of equipment in two years," he said. "Our goal is to make sure that the equipment works, that it's affordable, and that we can be sustainable, both economically and environmentally."

Much of the effort toward cleaner trucks has been focused on the type of fuel they use, as well as fuel alternatives, such as battery-electric technology. Updating their fleets to include lower emission vehicles and phase out old diesel trucks is a costly endeavor for trucking companies, LaBar noted, and many have made use of grant funding available for that purpose. With the help of grant funding, trucking companies have added hundreds of near zero emissions, renewable natural gas trucks to their fleets, LaBar said, and it's important such grants continue to exist for the state and ports to reach their environmental goals.

"If we want to continue to incentivize good behavior, we need to just make sure that the folks who are willing to take the early risks, be the Guinea pigs if you will, are getting some benefit out of that," LaBar said.

Since 2008, the California Air Resources Board (CARB) has allocated \$938 million in Proposition 1B funds to local agencies across the state to be used for projects aimed at reducing emissions in the goods movement industry. Through June 2019, CARB has paid out \$914 million of these funds to

local agencies and for internal administration costs, according to a June 28 report. CARB also offers over \$60 million in annual grant funding to equipment owners, such as trucking companies, through its Carl Moyer Memorial Air Quality Standards Attainment Program, the agency's website states.

Many of the standards and goals related to goods movement in the Long Beach area are defined by the Clean Air Action Plan (CAAP), a joint effort between the ports of Long Beach and Los Angeles to reduce emissions at and around the port complex. Since it was first adopted in 2006, the plan has set emissions standards for trucks that have resulted in the large-scale conversion of drayage truck fleets, as well as significant upgrades in cargo handling equipment.

The ports' requirements for cargo equipment used by marine terminal operators have also become increasingly ambitious, Pacific Merchants Shipping Association VP Thomas Jelenić said. Like LaBar, Jelenić noted that moving goalposts present a challenge for his association's members, especially as some of the technology required to meet them has not fully matured yet.

In his previous position as an environmental specialist with the Port of Long Beach, where he later became the assistant director of environmental planning, Jelenić was involved in the development of the ports' initial CAAP. "When we did the initial Clean Air Action Plan it was based on known technology, on known costs. While it was insanely expensive, the path to the goal was known, we knew exactly what we needed to do," Jelenić explained. "The latest version of the CAAP, I unfortunately have to describe as faith-based planning. It sets goals for zero emissions technology, when the zero emissions technology has not been demonstrated in port use in any meaningful way. That creates uncertainty and that uncertainty holds back investment in our ports."

Meanwhile, Jelenić noted that many of the Long Beach port's programs, together with state and international regulations have already shown significant results in reducing emissions. "The single biggest change that resulted in enormous emission reductions is simply the change in fuel," Jelenić said. Both the IMO and the State of California have placed limits on the sulfur content and emission levels of ship fuels, which will now be tightened by the IMO's newest regulations. California also requires the use of distillate fuels in its waters, instead of cheaper residual fuels, which have a higher sulfur content.

Jelenić also pointed to the port's voluntary speed reduction program as a success story in emission reduction. By reducing speed, like you would in a car, you save fuel. Saving fuel also reduces emissions," he explained. "Because of the relationship between speed and fuel for vessels, that can provide dramatic results." In 2018, 136 shipping lines met or exceeded the program's required 90 percent participation rate at either 20 or 40 nautical miles, according to the Port of Long Beach. Nearly 96% of vessels slowed down within 20 nautical miles, while 91.14% slowed down within 40 nautical miles.

Requirements for onshore power have also produced notable results, Jelenić said. Since the early 2000s the port - in collaboration with CARB - has implemented incentive programs and regulations requiring all cargo, cruise and refrigerated vessels to be con-



The engines of some near-zero emissions trucks, such as the ones recently acquired by Total Transportation Services, Inc. (TTSI), are powered by renewable natural gas. (Photograph by Brandon Richardson)

nected to onshore power while docked. Ships need power to keep the lights on, maintain the connectivity of their digital navigation systems and keep containers with perishable goods refrigerated. Without an onshore connection, that power would come from the ship's diesel engine, which emits DPM. "The infrastructure for this takes an enormous amount of money and time to install," Jelenić said. But, he noted, "it's been tremendously successful in reducing emissions."

Overall, the various programs appear to have produced significant results, while cargo traffic has continuously increased.

A recent report released by the Port of Long Beach stated that since 2005, port-related air pollution emissions of DPM in the San Pedro Bay have dropped by 87%.

Jelenić cautioned that the pressure to continue at this rate of success will come at an increasingly high price in the future, given the current state of technology available to reach near zero or zero emissions goals set forth by the ports. "Unfortunately the folks in the maritime industry have been the victims of their own success," he said. "We've gotten to the point where we've exhausted the available emission-control technologies." ■

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SoCal Air Freight Remains Focused On LAX, Despite Unresolved Congestion Issues



Bruce MacRae, United Parcel Service's vice president of state government affairs for the Western Region, is pictured standing on a caster deck, which is used to sort igloo-shaped "pods" containing air cargo before they are loaded onto a cargo plane. (Photograph courtesy of the Long Beach Area Chamber of Commerce)

■ By **ALENA MESCHKE**
Senior Writer

Air freight and cargo to Southern California remains centered around Los Angeles International Airport (LAX), despite long-standing congestion issues and a recent decision by the airport's operator, Los Angeles World Airports (LAWA), to delay a planned expansion of its cargo facilities.

LAWA announced its decision to defer the Century Cargo Redevelopment project, a multi-tenant air cargo complex along Century Boulevard, at a town hall meeting hosted by the Air-forwarders Association and the Los Angeles Air Cargo Association (LAACA)

on September 24. According to LAACA President Peter Landon, the project will be delayed for at least 18 months. The airport's operator has not made a public announcement on the issue and did not respond to a request for comment, but has shared media reports of the delay on its website.

"LAX's facilities are pretty old and very congested," Alan Hedge, the principal of aviation consulting firm Hedge & Associates, told the Business Journal. "The warehouses on site are not keeping up with the amount of cargo and there's a lot of road delays for trucks to load and unload." Meanwhile, the amount of cargo handled at LAX has increased, earning it 10th place for most cargo ton-

nage processed in the Airports Council International's 2019 annual ranking. Last year, the airport handled a total of 2.2 million metric tons of cargo, a 2.4% increase from the previous year.

According to industry experts, alternatives to LAX are slim. "The [smaller] airports are trying, but it's hard to break the hub system," Landon explained. Large airports like LAX have long served as local hubs for international and domestic cargo. From there, the cargo is transported to local warehouses.

Ample surrounding warehouse space and cheap land have allowed some smaller airports such as Ontario and San Bernardino to grow their air cargo business, Hedge noted. United Parcel Service (UPS) established its West Coast Air Hub – which handles an average of 52 flights per day – in Ontario in the 1980s, according to the company's Vice President of State Government Affairs Bruce MacRae. In 2018, the airport secured a contract with China Airlines, bringing in international cargo and passengers. In November of that year, ahead of new trade tariffs imposed on Chinese goods imported to the U.S., the airport reported a 16.8% year-to-date increase in freight handled compared to the previous year. In August 2019, the airport reported a continued – albeit lower – increase of 3.6% compared to the year-to-date tonnage of August 2018.

Meanwhile, Long Beach Airport is unlikely to grow its share of the air freight market despite LAX's shortcomings, Hedge noted. "Long Beach

doesn't offer a lot of alternatives, because you're very unlimited in the number of aircraft departures and arrivals that are permitted and the facilities are pretty small," he explained. The airport currently handles two cargo slots – consisting of arrival and departure – per weekday, one operated by UPS and the other by FedEx. MacRae said UPS has no plans to expand its Long Beach operations at the moment. "There's no need for us to expand," he told the Business Journal.

Cargo at Long Beach Airport is dominated by smaller parcels, which are transported by the two major parcel services, FedEx and UPS, or in the bellies of passenger planes operated by Southwest and Alaska Airlines. Both offer express delivery service through their Next Flight Guaranteed (NFG) and GoldStreak programs. "When you're putting packages in the air, that's the most expensive thing you can do," MacRae explained. "That means you need it the next day."

Express delivery is a major source of cargo traffic for Long Beach Airport, according to spokesperson Kate Kuykendall. "Long Beach Airport is particularly valued for its ability to ship last-minute packages on a quick turnaround," she said. While noting that cargo volume by weight has been down in recent years, Kuykendall said she's confident that the airport will maintain its two daily cargo slots. "We expect cargo activity to remain fairly stable and consistent with the current allocation of two flights per day every weekday," she said. ■

Port Of Los Angeles Director Gene Seroka Urges Long Beach To Join Data Sharing Project

■ By **ALENA MASCHKE**
Senior Writer

In October of 2014, right as cargo flow into the ports of Long Beach and Los Angeles began to surge ahead of the holiday season, the twin ports experienced a crisis. The use of larger cargo ships, a change in the ownership of chassis, and a labor dispute between West Coast longshore workers and their employers left the San Pedro Bay filled with idling ships. In an interview with the Business Journal at the time, Jon Slingerup, then-chief executive at the Port of Long Beach, described the situation as "horrendous." Port of Los Angeles Executive Director Gene Seroka said congestion had reached "epic levels."

Speaking to the Business Journal five years later, Seroka still recalled the urgency of the situation. Together with David Libatique, the port's deputy director of stakeholder engagement,

Seroka devised a plan to aggregate cargo data in a way that would help the various companies operating at the port to streamline and sync their processes. In January of this year, the General Electric (GE) Transportation Port Optimizer was rolled out at the Port of Los Angeles, and the port has been busy onboarding marine terminals and shipping lines since.

Systematic data sharing among all parties in the supply chain is important to ensure that the San Pedro Bay ports remain competitive, Seroka explained. Despite solid growth in cargo volume, the ports of Los Angeles and Long Beach have been consistently losing market share since 2002, he noted. "Folks have tried to de-risk from the uncertainty and rising costs of doing business on the West Coast, and specifically in Southern California," Seroka said. Streamlining processes to avoid congestion was one way to fight back, he argued.

As of now, participation in the project is voluntary. Shipping lines that can prove above average cargo growth qualify for a financial incentive of \$20 per 40-foot container, up to \$2 million total per year, if they agree to share their data through the GE Port Optimizer. According to Seroka, the Port of L.A. has paid out \$6.5 million to qualifying participants so far.

For the project to have a significant impact on the competitiveness of the port complex, however, the Port of Long Beach will have to be involved, Seroka argued. "In my opinion, it's imperative that they join," he said.

The Port of Long Beach completed a pilot program with GE in 2018, but has yet to move forward with a permanent implementation of the Port Optimizer. "We continue to evaluate different technology platforms used by our terminal operators and assess how these facilitate the movement of cargo and interact with a community portal

system," the port's deputy executive director, Dr. Noel Hacegaba, told the Business Journal.

"We are encouraged by the adoption of technology being used by our industry partners to facilitate the sharing of data that ultimately enables the movement of cargo," Hacegaba said. "We see the value of an information portal and we will continue to work with our board of harbor commissioners to define the path forward for the Port of Long Beach." In the meantime, commissioners recently approved an incentive program similar to that implemented by the Port of L.A., minus the data sharing requirement imposed by its neighbor, effective October 1.

The main objective for implementing the portal was to combat congestion across the San Pedro Bay port complex, Seroka said. In a series of meetings sparked by the 2014 crisis, port staff asked companies and industry associations what needed to be

done to prevent congestion going forward, Seroka remembered. “The singular response was: we need to share information better, as a port community,” he said.

In 2016, the Port of Los Angeles announced its decision to partner with General Electric Transportation for an initial pilot program to “digitize marine shipping,” according to a press release, by offering an information portal that would aggregate cargo data from operators who choose to participate. The pilot program officially launched in May 2017.

“The innovative steps being taken in Los Angeles will demonstrate the value of new IT systems to ports and shippers, and help catalyze the voluntary implementation of these systems at ports throughout the U.S.,” Penny Pritzker, U.S. secretary of commerce at the time, said in a November 2016 press release. “We commend the Port of Los Angeles and GE for launching this visionary initiative.”

Since then, participation in the portal has varied by industry sector. Most of the major shipping lines and almost all marine terminal operators have bought into the program, according to Seroka. Chassis operators, smaller shipping lines and trucking companies are still largely holding off or declined to comment on their participation in the program.

Out of the three chassis operators that formed the Port of L.A.’s “pool of pools” following the crisis of 2014, two said they are not currently using the portal to support their operations. The remaining operator, Trac Intermodal, did not respond to a request for comment. John McLaurin, president of the Pacific Merchant Shipping Association, which represents owners and operators of marine terminals as well as U.S. and foreign vessel operators, said he did not have sufficient insights to comment on the project at this time. The two rail lines currently transporting cargo to and from the Port of Los Angeles, Union Pacific and BNSF, declined to comment and neither responded to a request for comment.

As for trucking companies, many of the drayage firms active at the Port

of Los Angeles have taken matters into their own hands by exchanging data directly with marine terminal operators, according to Harbor Trucking Association President and CEO Weston LaBar. By using application programming interfaces (APIs), parties can exchange information, such as cargo data, and integrate it directly into their existing software applications instead of feeding it to an outside portal.

“We’re just doing that on a terminal-by-terminal, trucking company-by-trucking company basis right now, but there’s still a lot of value in an entity coming into the fold that could essentially be a single integration point for everybody,” LaBar explained.

Such an effort would be especially beneficial if it led to greater standardization of the different systems, allowing them to communicate more easily, LaBar noted. “Data standards and API standards are something that, as an industry, we really need to work on, so we’re all singing from the same sheet of music,” he said. “But it’s something that we haven’t put a whole lot of work into.”

LaBar said his organization has worked closely with GE staff to provide input on the types of services its members would find beneficial, but noted that the integration of industry sectors will likely mirror the movement of containers through the port: from shipping lines to marine terminals, on to chassis operators and trucking companies. “First, they needed to get the data flowing from ocean carriers and marine terminals, before it even made sense to bring it to the trucker,” he explained. “Once we get through that, I assume in the next phase [the focus] will be heavily on the trucker and the cargo owner.”

Steve Trombley, managing director of APM Terminals-Los Angeles, said the portal has allowed “stakeholders to convert endless streams of raw data into actual useful information,” but noted that integrating thousands of small companies and truck owner-operators in the region will take time. “As an example, there are about 9,000



Shipping lines and marine terminal operators were among the first companies at the Port of Los Angeles to contribute cargo data to the new General Electric Port Optimizer system. (Photograph by Brandon Richardson)

truckers that service the harbor during a typical work week,” Trombley said. “It has been our experience that some of these stakeholders have fully embraced the portal, while others are still catching up with recent advances in information technology.”

Seroka said he’s pleased with the project’s results so far, but recognizes that there is still plenty of work to be done. “It’s been stated by other observers that this is the most ambitious

digitization project in the country for the supply chain. So we’re going to keep a steady hand on the tiller, bring in as many people as we can who find value in this system and continue to push the envelope on what it means to be the gateway of choice in the United States,” Seroka said. “If we fail in certain areas, we’re going to fail fast, pivot and keep going.” ■

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Generator Repair, Service & Parts	ITB FS19-130	10/16/2019
Information Tech Project Management – Utilities	RFP ER19-115	10/17/2019
Storm Water Pump Stations Engineering Consulting Services	RFP PW19-098	10/17/2019
Collection System Software	RFI TI19-097	10/17/2019
AWIA of 2018 Consulting Services	RFP	10/21/2019
Agriculture & Construction Equipment Parts & Svcs	ITB FS19-123	10/21/2019
Anodeless Meter Riser Assemblies	ITB ER19-121	10/22/2019
47th Street Sewer Improvement Project (SC-0360)	WD-38-18	10/23/2019
Engineering Consulting Services – Pavement Management Program	RFP PW19-099	10/23/2019
Electrical Switchgear Replacement	RFP PR19-106	10/29/2019
Medical Director Consultant	RFP FD19-094	10/31/2019
SCADA Telemetry System Maint. & Repair Services	RFP PW19-107	11/07/2019

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

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Natalie Mumford, left, and Crystal Early create and sell vintage and antique apparel at 3 Women, located at 433 E. 1st St. The store's featured items include tote bags, jackets, pants and other accessories. (Photograph by Brandon Richardson)

Local Women Entrepreneurs

(Continued from Page 1)

some women become entrepreneurs out of necessity, whether that need derives from an inability to locate employment or trying to create another revenue stream to pay for certain expenses. Stengel dubs this “necessity” entrepreneurship.

Other aspiring business owners enter entrepreneurship because their workforce policies at their current place of employment does not accommodate their caregiving responsibilities or does not offer enough freedom to do their business work. This is “flexibility” entrepreneurship, Stengel said. The AMEX report shows that both of these types of entrepreneurship are “driving” the high 2019 numbers.

Another reason why women entrepreneurship may have thrived in recent years is an increase in accessibility to statewide resources, such as the Small Business Administration, that offer training programs, consultations and other services to aid an aspiring entrepreneur’s quest to implement their concepts. Stengel said this is a trend that has benefited both men and women.

“They provide knowledge and connect women to different financing options,” Stengel said. “As part of the training, you typically learn about many different things. You’d learn to research

the business, you’d learn to price your product, how to market, how to hire people. And they are going to connect you to the right kinds of financing options for your specific situation.”

With AMEX’s findings in mind, the Business Journal reached out to some local women business owners to learn more about their paths to entrepreneurship and the background of their establishments.

Crystal Early – 3 Women, 433 E. 1st St.

Growing up as part of a low-income family in Anaheim, Crystal Early would frequent the thrift store, where her single mother would often buy affordable clothes for the two of them to wear. These stores were home to all sorts of unique and vintage apparel, which all served to inspire her fashion sense.

Over time, she developed an appreciation for not only adopting a vintage wardrobe, but creating it. Learning the seamstress trade, she soon became a regular at flea markets and thrift stores, selling her own unique styles to the community. “It just comes to me naturally,” Early said. “It’s my God-given gift based on necessity. It allowed me to express myself and not be defined by my economic circumstances.”

Early began selling at flea markets when she was 21 years old. Now 40, she is owner of 3 Women, a Downtown Long Beach establishment that specializes in the development of sustainable clothes from vintage rice, flour and feed sack

fabric. The store opened in February 2018, about a month after the concept for 3 Women came to life through a collaboration with her business partner, Natalie Mumford, and other friends.

Prior to opening the store, she had permanent spaces selling vintage clothing at the Rose Bowl Flea Market and the Long Beach Antique Market, although Early said she has traveled throughout the region to sell her works.

Currently, 3 Women is running a Kiva Loan campaign to collect more funds, which will be used to gather materials for the variety of accessories sold on-site. The tote bags, pants, dresses, jackets and more that are created using rice bags and other unique materials requires extensive research to locate, she said.

Early made the decision to quit her full-time job to pursue her passion of creating vintage clothes. She has been self-employed for three years, only recently becoming a brick-and-mortar entrepreneur with 3 Women. And although she admits there are challenges in being an entrepreneur, she wouldn’t have it any other way.

“You have to be very innovative [when] self-employed,” Early said. “It’s not easy like it is when you work for someone else. Nothing has shattered my idealism as much as being self-employed, but I mean I have that drive that an entrepreneur needs to keep going. It’s not easy, nor do I want it to be easy, because I’d be pretty bored and unfulfilled.”

Ilda Turcios – Lila’s Studio Beauty & Barber, 2604 E. Anaheim St.

Celebrating her 51st birthday this month, Ilda Turcios is from the Mexican state of Jalisco. Now a Long Beach 2nd district resident, Turcios has operated Lila’s Studio Beauty & Barber for more than 14 years.

Turcios is a licensed cosmetologist with 29 years of experience. In her 20 years of living in Long Beach, she said she has seen the city grow as a touristic and diverse community. As such, the city’s approach to its economic and developmental progress allows aspiring and existing entrepreneurs a more efficient way to “move forward,” she said. “It’s amazing to have this opportunity, to be a woman and to have this business,” Turcios said. “I feel like I support the community through my work, and it’s my passion to do so.”

Despite having nearly three decades of experience in cosmetology, Turcios said she is constantly reading articles and searching for ways to learn about new trends or new techniques. She also frequents cosmetology expos, such as a recent one in Las Vegas and the “International Salon and Spa Expo,” an annual event at the Long Beach Convention Center that takes place in January.

The salon’s current location in the Zaferia Business Association district has been in operation for three months. Prior to relocating, the shop was on 7th Street

in downtown. The decision to move was a long time coming, she indicated. Many of Turcios' longtime clients were complaining about the lack of parking in the downtown area. In this new location, her shop has a dedicated lot for vehicular parking.

"I've been in this business for many years, and the clients who know me continue to come here," she said. "But it's also a group of new clients [and] new neighbors. It was all about making our customers feel more comfortable."

Turcios does have hopes of expanding the operation outside of Long Beach. Currently, she runs the shop with her daughter, Blanca, and another barber. She also receives support from her husband.

As parting advice for aspiring entrepreneurs, she encourages them to persist until they reach their desired result. "Faith is the key to life," Turcios said. "Everything is possible if you create a goal and pursue the steps necessary to reach that goal. . . . It's important to not surrender. You just have to do it. Go step by step and be firm in what you have to do."

[Note: This interview was translated from Spanish to English.]

Lisa Ramelow – La Strada, 4716 E. 2nd St.

Lisa Ramelow's father, Arden Boyd, opened La Strada in 1993 with a partner to simply "create a place where he can go to lunch every day," she joked. Specializing in Italian cuisine, La Strada has since become a fixture in Belmont Shore.



A native of Jalisco, Mexico, Ilda Turcios has operated Lila's Studio Beauty & Barber for 14 years. After recently relocating from a downtown location on 7th Street, the salon can now be found at 2604 E. Anaheim St., where Turcios, her daughter Blanca and a fellow barber provide cosmetology services. (Photograph by Brandon Richardson)

Soon after it opened, Boyd asked Ramelow if she'd be interested in helping out with the restaurant. At the time, Ramelow was in a difficult place in her

life. Her husband had recently passed away, and she had two very young kids to care for – a 2-year-old and a newborn. "But when my dad asked me to help, it

was actually really good for me to finally do something," she said, indicating that she was not coping well with her tragic (Please Continue to Page 28)



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Lisa Ramelow, owner of La Strada Italian restaurant at 4716 E. 2nd St., inherited the business from her father in 1995. With no prior business experience, Ramelow said she learned to become an effective entrepreneur through books, seminars and mentors. (Photograph by Brandon Richardson)

(Continued from Page 27)

circumstances. "It helped lift me out of a sad situation."

Joining the business in 1994, she learned from other coworkers the basics of being a server and restaurant employee.

A year later, Boyd offered her a chance to work as La Strada's full-time owner. Although she had no prior experience as an

entrepreneur, she decided to commit to her dad's offer and took a chance, in the process learning how to be an effective business owner. "I went to seminars [and] I read books," she said. "There was no internet back then. . . . Restaurant seminars I went to taught me all kinds of things." She also learned from various mentors how to effectively market her restaurant. Usually one to prefer being behind the scenes, Ramelow soon learned it was necessary to be more of an extroverted owner to engage better with her customers.

Ramelow, 66, said La Strada has about 22 employees. The Italian restaurant has remained at the same location for 26 years. Although there are no plans for expansion, Ramelow intends to run the restaurant indefinitely.

She said the key to the restaurant's success has been the culture, which emphasizes treating employees and customers like family. Perhaps more importantly, she attributes the success to her community of mentors and her own perseverance.

"You don't have to be great at any one thing," Ramelow said about becoming a better business owner. "You just have to be good at a lot of little things. And you have to be willing to learn and overcome things that are hard for you. . . . I've had lots of ideas that didn't work for my business, but a lot of them have. It's just about overcoming your fears." ■

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How Women-Owned Businesses Can Secure More Federal Contracts

■ By **SAMANTHA MEHLINGER**
Editor

Women-owned businesses earned \$22 billion in federal contract spending last year – but that figure accounts for less than 5% of total contracts awarded, according to data provided by American Express. In Los Angeles County alone, the U.S. government awarded \$11 billion in contracts to businesses last year.

“Imagine 5% of those numbers. That’s a hefty spend for women-owned businesses literally in your backyard,” said Gloria Larkin, president and CEO of TargetGov, a national consulting services and business development products provider that is focused on helping companies win federal contracts. Larkin also serves as a contract procurement advisor for American Express, assisting in their small business education efforts.

Larkin noted that it’s her goal to see at least 5% of federal contracts awarded to women-owned businesses. “There is room for improvement, and it’s an ideal time for businesswomen to take a look at this [government] customer to see if it’s a good match for them and their business, no matter if they are providing products or services,” she said.

According to Larkin, the first step for women interested in winning this business is to expand their view of what goods and services the federal government might need. She noted that recent research by American Express revealed that 15% of women-owned businesses in the U.S. are health care or social assistance oriented, and that 13% are in the professional, scientific and technical services category. This includes business types such as law or accounting offices, or even public relations. “Those services are perfect matches for what the federal government buys,” she said. For example, many types of government offices – from Veterans Administration to Social Security facilities – are in need of day care centers, she explained.

Larkin continued, “But I don’t want to forget some of the basic kind of retail-oriented services, like even hair and nail salons, and pet care businesses. The reason I bring those up is if you think of a military base, everyone at the military base needs those types of services. So women business owners could really position their business beautifully if they would locate it near a military base, or even a government office complex.” She added, “If one thinks creatively, virtually every service or product that one offers could be targeted for the federal government customer.”

There are two primary ways to benefit from government contracts, according to Larkin. “One is becoming a prime contractor. That means the government buys directly from you and pays you directly,” she said. “That’s a big challenge, because there are legal responsibilities, there are reporting responsibilities. . . . It’s not insurmountable, though.”

A less burdensome approach is to become a subcontractor. “An easier way to enter the marketplace is often as a subcontractor, where you are essentially working with another company who has the prime contract and then they subcontract [with] the women-owned firm to provide the services or products that she offers,” Larkin explained.

According to Larkin, whose firm has advised business owners on winning federal government contracts since 1997, the federal government contracting market is one based on relationship-building – an area in which she believes women excel. “Buyers want to know who you are. They want to trust that you can do what you say you can do. For women, that comes naturally in building strong, trusted relationships,” she said.

But winning a government contract isn’t as easy as getting past a handshake. There is a significant paperwork burden and many requirements to be met, Larkin said. “Something as simple as registering on a website called SAM.gov/SAM is the first step. It’s totally free, but it’ll take a little reading and un-

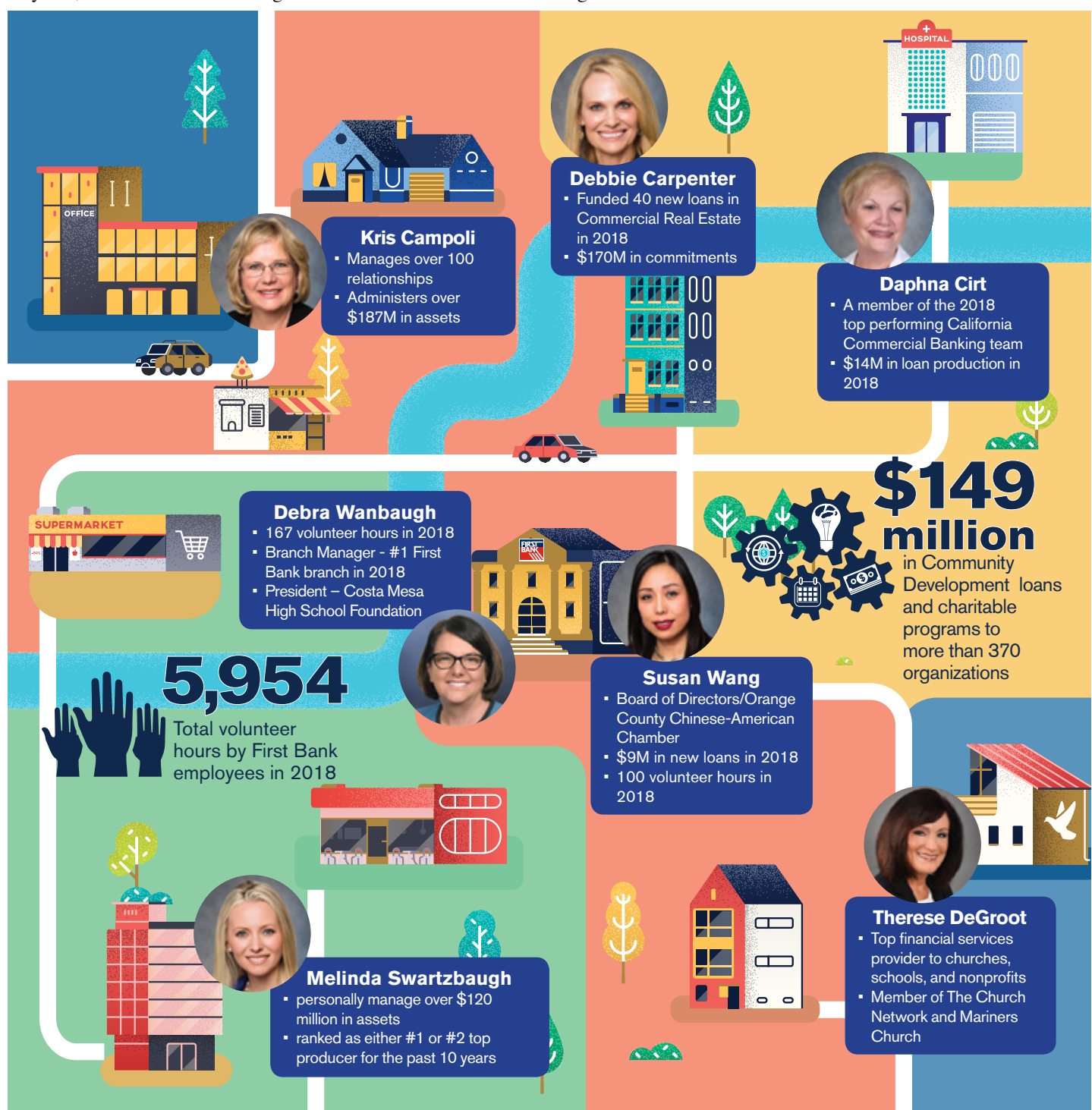
derstanding in order to get registered.” SAM stands for “System for Award Management.” The website is a public resource for business owners to register to do business with the government.

Other government resources include SBA.gov, the website of the Small Business Administration, and FedBizOpps.gov, which lists government contracting opportunities. “The great news is you don’t have to make a big investment in order to start educating yourself and start tackling the federal government marketplace, but you do have to spend time,” Larkin said.

Business owners need to be sure to educate themselves before going after contracts, Larkin advised. “Educating oneself about the

financial demands of being a government contractor [is] an important step to take,” Larkin noted. Small Business Development Centers (SBDC) are a “perfect resource” to gain literacy about government contracting and other business needs, she noted. Long Beach has its own SBDC – learn more about the resources it offers at longbeachsbdc.org.

Larkin noted that American Express has partnered with the SBA and the organization Women Impacting Public Policy to put on free events for businesswomen to learn about the government marketplace. The nearest event in the series, called ChallengeHER, takes place in San Diego on October 29. For more information, visit challengeher.us/events. ■



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which according to the U.S. Census Bureau outnumbers the prolific Baby Boomer generation, their spending habits are of great consequence to retailers, who have been shelling out for commissioned studies on the topic since the oldest in the generation started entering adulthood in the early 2000s.

Two studies issued within the past year – one by consulting firm Nielsen in November 2018 and one by research group First Insight in February 2019 – found that most American Millennials are likely to spend more than \$50 when shopping, more than any other age group. First Insight found that 74% of Millennials spend more than \$50 when shopping in-store, while 54% spend this amount when shopping online. Nielsen’s report cited \$57 as the average spent by Millennials per shopping trip, the most compared to those who are members of prior generations. Baby Boomers, for example, spend \$46 per trip.

According to Nielsen’s findings, American Millennials are more likely to impulse buy while shopping than other generations – 87% of Millennials said they “always or sometimes” add unplanned items to their carts when shopping. When shopping online, 78% of Millennials do the same.

First Insight notes that while Millennials spend more per shopping trip, they shop less frequently, spending less per year than older generations. Still, due to the life stage of the generation – their average household sizes are growing each year – as well as their educational status (they hold more college degrees than any other generation), their

spending clout is expected to increase in short order.

The significance here, of course, is that if Millennials are willing to spend more – and more impulsively – retailers are going to pay more attention to their shopping preferences.

Those preferences differ from prior generations so much so that these habits are impacting the consumer goods supply chain. For example, 31% of Millennials told First Insight they were enrolled in at least one subscription box service, and 38% said they intended to try one in the next six months. Subscription box services are a unique model of online shopping in which the consumer signs up, or subscribes, to periodically receive a shipment of goods selected for them by a company. Stitch Fix, for example, is a subscription box service that sends catered clothing and accessories as often as a buyer wishes. Subscription boxes are also available for food – services like Sun Basket and Blue Apron send prepped, uncooked meals specific to dietary preferences.

The nature of subscription boxes is such that easy returns are a necessity. For example, I subscribe to Stitch Fix, and if they didn’t make returns easy by providing pre-labeled shipping materials, I wouldn’t be using the service.

According to research by McKinsey & Company, a publisher of white papers and insight reports, most subscription box users are between the ages of 25 to 44 – a mix of Millennials and Generation X. According to McKinsey, these subscribers will swiftly cancel the service if a superior end-to-

end experience isn’t offered. But ensuring a smooth and swift end-to-end mail service when returns and exchanges are highly likely requires distribution centers close to end delivery points.

Jesse Brouillete, a research assistant at California State University, Long Beach’s (CSULB) Center for International Trade and Transportation and a student at the university, said that a hot topic in his supply chain classes is multi-story warehouses, a relatively new solution to fulfilling online orders near urban centers. Brouillete, by the way, is just a few years shy of being a Millennial himself – at 20 years old, he is a member of the youngest cohort of Americans, Generation Z.

“We talk about multi-story warehouses that Amazon is doing,” Brouillete said. “Basically, multi-story warehouses have been around in Europe and Asia, and they are just starting to come to fruition in the U.S. Why that’s a big change is because basically the companies don’t need as much space for the warehouses because they just build up instead of out. That means they can get warehouses closer to urban cities and reduce lead time – [the] time [it takes] to get products to consumers.”

Amazon has notably been expanding its warehouse network to double down on more rapid delivery to urban centers. Why? Well, in short, the online shopping preferences are perhaps described by the legendary rock band, Queen: “I want it all, and I want it now.” Brouillete, for example, has an Amazon Prime account, and typically does not order items from Amazon that do not have a

two-day shipping option. “If I’m not going to get it in two days, I’ll look somewhere else,” he said.

Amazon has also catered to younger online shoppers by opening secure mailing centers on campuses. At CSULB, for example, Amazon has installed lockers where students’ packages are locked securely until they are ready to pick them up. “That’s really convenient. Because I am on campus six out of the seven days of the week, pretty much,” Brouillete said. Amazon has also begun offering in-person returns at Kohl’s stores.

According to research conducted by Michigan State University, Millennial consumers are also interested in an “experiential” supply chain. This concept is similar to a “high-touch” experience in which a retailer makes it easy for a consumer to communicate directly with a company representative. This is a classic approach to retailing, but one that was lost, at least it seems to me, with the dawn of online shopping. And I’d hazard to guess that bringing it back on a massive scale might not be so simple.

How will retailers and their supply chain providers respond to changing shopping habits? Amazon is commonly watched as the trendsetter in this arena. As retailers continue to struggle (Forever 21, for example, filed for bankruptcy and announced more than 100 store closures last week) with a changing landscape, it seems that keeping up with the likes of Amazon (not an easy feat, given the megalithic resources at its disposal), rather than the ubiquitous Joneses, might be the key to survival. ■

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