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Jobs, Cost, Feasibility: A Look At California's Energy Transition



With its ambitious climate goals, California is spearheading the transition toward renewable energy in the nation, but experts say the state's timeline for achieving them is jumping ahead of available technology. Pictured is one of the Long Beach THUMS Oil Islands, where trees and false buildings mask shoreside oil infrastructure from beachgoers. (Photograph courtesy of Long Beach Energy Resources)

■ By **ALENA MASCHKE**
Senior Writer

California has set ambitious goals for phasing out fossil fuels in favor of renewable energy sources across the state's power production grid, commercial operations and consumer vehicles. What will this energy transition look like, who is involved and how long will it take? The Long Beach Business Journal consulted numerous studies and research papers, as well as industry experts, to find out.

Employment

The renewable energy market is ripe with employment opportunities. According to a study by the International Renewable Energy Agency (IRENA), the renewable energy sector already employs an estimated

11 million people worldwide, with room to grow as the industry's share of the world's electric power mix expands. "Southern California, being the big economic engine that it is, could play a big role when it comes to those jobs," Greg Roche, vice president of renewable gas provider Clean Energy Fuels, told the Business Journal.

A study by the Brookings Institute's Metropolitan Policy Program found that wages in the clean energy sector – which researchers defined as the production of energy that is not derived from fossil fuels – exceed average national wages by up to 20%, depending on the occupation studied. Education requirements are also lower, the study found, especially in the industry's energy production and energy effi-

ciency sectors. As a result, workers with lower educational attainment can achieve higher wages than their similarly educated peers in other industries.

But there's still work to be done in terms of inclusion. "The clean energy economy workforce is older, dominated by male workers, and lacks racial diversity when compared to all occupations nationally," a summary detailing the study's findings stated. Less than 20% of workers in the clean energy production and energy efficiency sectors are women, and black workers make up less than 10% of the workforce.

Catherine Reheis-Boyd, president of the Western States Petroleum Association (WSPA), noted that even companies traditionally

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What Westsiders Want From Their New Councilmember

■ By **DENNY CRISTALES**
Staff Writer

Long Beach's 1st District city council seat has been vacant for months following

former Councilmember Lena Gonzalez's election to the state senate in June. A new face will represent the 1st District's residents and business owners once a councilmember is elected

during a special municipal election on November 5.

Ahead of the election, the Business Journal reached out to business owners in the Westside

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City Council Approves Permanent Lease With Community Hospital Operator

■ By **DENNY CRISTALES**
Staff Writer

The Long Beach City Council unanimously voted Tuesday, October 15, to approve a permanent lease and cost-sharing agreement between the City of Long Beach and the selected operator for Community Hospital Long Beach – Molina, Wu, Network, LLC (MWN).


The time period for the lease agreement is 45 years, in addition to two optional 10-year extensions, Long Beach Economic Development Director John Keisler explained during a presentation to the city council. The rent is \$1 per year, but MWN will pay the city additional rent equal to 20% of the hospital's net profits during the first five years of the agreement, Keisler said.

The City of Long Beach is the landlord of the Community Hospital property, which includes the hospital facility at 1720 Termino Ave., a physician medical building at 1760 Termino Ave. and a magnetic resonance imaging center at 4111 E. Wilton St.

Per the agreement, MWN must operate an acute-care hospital and other health care facilities, including a medical office building and emergency services, at the site. Keisler said MWN will sublease a portion of the facility to the Long Beach Police Department's Sexual Assault Response Team (SART), a public safety group of medical experts that address crimes related to sexual assault.

MWN is responsible for all construction work to bring

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MILLENNIAL PULSE

Is This Think Piece Serving You?

■ By Editor **SAMANTHA MEHLINGER**

More free-spirited cultures have long been made fun of Americans for a certain degree of uptightness when it comes to emotions and sexuality. I don't need to give you a history lesson (I hope), but our Puritanical roots are usually cited as the cause of our country becoming the poster child for this sort of repression in the Western world.

Baby Boomer readers will recall their generations' pushback against this cultural phenomenon with the Free Love movement. They get the Gold Star for the generation to most aggressively rail against the Puritanical machine. But, of course, resistance to repression – emotional, sexual or

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PortSide: Keeping Up With The Port Of Long Beach



By **ALENA MASCHKE**
Senior Writer

As a senior community relations specialist at the Port of Long Beach, Alejandra Güitrón oversees the port's educational outreach. A child of Mexican immigrants and a first-generation high school graduate, Güitrón said she still remembers how lost she felt as her high school graduation approached. "I was first generation, I wasn't ready for college, I didn't know what direction to go in," she recounted. Güitrón credits her senior year career advisor for setting her on the right trajectory, enabling her to take on the role she has today, opening up opportunities for the next generation.

Leading the port's internship and scholarship program as well as the Academy for Global Logistics program at Cabrillo High School, Güitrón said she feels fortunate to see her work come to fruition first-hand. "My job is rewarding in the sense that, a lot of times people do the work, but they don't really see the impact of it," she explained. "We do the work, we do the programs, and I'm already seeing the impact." The results are significant, she noted: at the start of the port's high school academy program in 2016, 6% of Cabrillo students were enrolled in advanced placement (AP) classes; now that percentage has increased to 17%. "It really feels good to see that what we're doing is changing lives," she said.



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City Council Targets Coffee Lids, Straws And Retail Sale Of Polystyrene In Expanded Food Packaging Policy

■ By **SAMANTHA MEHLINGER**
Editor

The Long Beach City Council on October 15 directed City Attorney Charles Parkin to amend the city ordinance banning restaurants' use of expanded polystyrene products for food packaging to include a ban on #6 coffee cup lids, which are typically used for to-go hot coffee, in lieu of recyclable alternatives. The amendment would also require that straws be made available only upon request in food establishments, and that those straws must not be made of plastic or bioplastic, which is often made from corn starch.

Additionally, 5th District Councilmember Stacy Mungo made a motion, which was accepted by the item's principal author, 7th District Councilmember Roberto Uranga, to also expand the ordinance to ban the retail sale of polystyrene food containers.

Parkin and Public Works Director Craig Beck clarified that they would return to the council with an amended ordinance banning #6 coffee lids and plastic/bioplastic straws, and that this would constitute a fourth phase of implementation for the ordinance. When the amended ordinance is brought back to the council, councilmembers could decide to adopt it as is, or to instruct city staff to add a provision banning the retail sale of polystyrene food containers, according to Parkin.

Adopted on April 17, 2018, the ordinance included three phases of adoption. The first, which occurred September 3 of 2018, applied to city departments, facilities, contractors, vendors and events. The second phase, effective March 3, 2019, applied to restaurants with seating for 101 patrons or more, franchise eateries, grocery and convenience stores, food trucks and the Long Beach Unified School District. The third phase goes into effect on December 3, 2019, and applies to restaurants and food providers that seat 101 patrons or fewer. The third phase also implements a ban on the sale of polystyrene ice chests, bean bags and crafts, and specifies that take-away straws and utensils may only be given upon request.

No business owners provided public commentary on the item. In a presentation about the implementation of the original ordinance, Diko Melkonian, deputy director of public works, detailed the city's outreach to the business community. The health department began making site visits to affected businesses in September 2018, and the public works department has visited nearly 300 restaurants since June 2019, Melkonian stated.

About one-third of businesses affected by the upcoming third phase implementation of the ordinance are already in compliance, according to Melkonian, who noted that 77% of the city's food establishments fall into this category.

Enforcement of the ordinance falls

into a four-step procedure. The first step focuses on educating a business in violation, the second focuses on reinforcing compliance requirements, the third may result in a citation or hearing and the fourth may result in referral to the city prosecutor or the business licensing bureau for further review, according to Melkonian.

"I completely commend the city council and the city staff for working on this issue, and the councilmembers that have continuously brought this issue up," Mayor Robert Garcia stated during the meeting. "These actions have consequences statewide. And when we passed our plastic bag ban, it affected the states' then-decision on plastic bags. Our polystyrene work has affected the way the state deals with polystyrene, and what we're doing with straws will affect further laws statewide."

Garcia added, "Long Beach has always led on these issues, and I'm really proud that this council continues to do that."

The council voted 6-0 to approve the item. Councilmembers Jeannine Pearce and Rex Richardson were absent. ■

Mortuary Honored For 25 Years Of Service



Ken McKenzie, owner of McKenzie Mortuary Services, is being honored for 25 years of service to the Long Beach community during the October 22 Long Beach City Council meeting. Fourth District Councilmember Daryl Supernaw and Mayor Robert Garcia will present a certificate of recognition to McKenzie during a special presentation. In 1994, at the age of 26, McKenzie opened McKenzie Cremation & Burial Services in Signal Hill. He then purchased land at 3843 E. Anaheim St. in Long Beach and built the mortuary. Over the last 25 years, more than 24,000 people have been cared for at the mortuary. Aside from sponsoring annual holiday food drives and summer estate sales to raise money for people receiving care at local hospices, McKenzie donates 3% of his service charge to Kamm Cares, a nonprofit McKenzie founded to raise money for people going through breast cancer treatment. For more information, visit funeralhomelongbeach.com and kammcare.com. (Photograph by Brandon Richardson)

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Growing Long Beach: Cohesive Efforts Lead To ‘Activation’ At The Promenade



Portuguese Bend Distilling opened in June. The business's neighbor, Studio One Eleven, assisted owner Luis Navarro in designing his space's interior. Pictured, from left: Alan Pullman, senior principal of Studio One Eleven; Jackson Thilenius, Studio One Eleven interior designer; and Navarro. (Photograph by Brandon Richardson)

■ By **DENNY CRISTALES**
Staff Writer

For the past several years, the assertion that Long Beach is going through a “renaissance” has been made so often – by elected officials, real estate brokers, business leaders and even economists – that it seems to have become a full-fledged local mantra. With the advent of new retail centers – Long Beach Exchange and 2nd & PCH, to name a couple – and the construction of many developments citywide, there certainly is a good case to make that it’s more than a narrative, but a reality.

However, local restaurant entrepreneur Luis Navarro has a different term for this shift: “activation.” The opening of Portuguese Bend Distilling this past summer at 300 The Promenade N. – the only distillery

in the city – marked Navarro’s fourth establishment in Long Beach. Navarro operates Lola’s Mexican Cuisine, with two locations in Bixby Knolls and Retro Row, and The Social List, a restaurant at 2105 E. 4th St. All told, Navarro has more than a decade in restaurant entrepreneurship.

Navarro’s presence in all three of these neighborhoods has given him a first-hand observation of Long Beach’s economic and developmental growth. “The businesses are changing and there’s a lot of energy coming in,” he said. “Every district is different. I see more people walking around, people on bikes [and] couples. . . . People bring more people. When there is activation, it’s like a magnet.”

This citywide transformation is something Navarro attributes to both the city’s development services and economic devel-

opment departments. Specific to downtown, in The Promenade, partners like Studio One Eleven, RDC and the Downtown Long Beach Alliance (DLBA) play crucial roles, he said.

Studio One Eleven’s work on its new headquarters at 245 E. 3rd St. helped kick off the revitalization of the area as part of the reimagining of The Streets shopping center. The company relocated from the Landmark Square office tower in 2016 to its current location at a former Nordstrom Rack, and helped the shopping center’s owner redesign the gateway to The Promenade at 3rd Street.

Michael Bohn, senior director and principal of Studio One Eleven, said the company’s mission is to repair and revitalize cities, with a focus on urban environments. Jackson Thilenius, Studio One Eleven in-

terior designer and leader of RDC’s hospitality and interiors group, said RDC fulfills this mission by providing architecture and branding services to local cities.

Studio One Eleven is now a neighbor to Portuguese Bend Distilling, which opened in June. Prior to the distillery’s opening, Studio One Eleven worked with Navarro to design the distillery’s interior. Long Beach Development Services assisted with compliance work, such as land use and safety procedures, said Oscar Orci, deputy director of development services.

Alan Pullman, senior principal of Studio One Eleven, indicated that The Promenade has seen a 30% increase in foot traffic in the last two years, per DLBA data. This increase in activity is largely a part of national changes in retail patterns, Pullman said. To compete with online retailers, developers are responding by introducing plazas that combine retail, lifestyle and socialization. This change has led to more engaging shopping centers and neighborhoods, said Thilenius, who also helped designed Portuguese Bend Distilling’s interior. “It’s empowering and exciting for people,” he said.

Navarro said the Long Beach Economic Development Department has assisted in creating an environment that allows entrepreneurs to thrive. Residents reap the benefits, he added. Sergio Ramirez, deputy economic director of the department, said The Promenade’s transformation in particular would not be possible without the vision of his fellow city leaders.

“You really see all the residents come out and are at different restaurants and bars,” Ramirez said of The Promenade. “It feels so European. It feels like a great place that is very warm and fun.”

Pullman echoed this thought, also emphasizing the role of entrepreneurs. “A successful downtown is an ecosystem of a lot of successful players,” Pullman said. “But really it’s the private sector that’s the engine. I know one thing that economic development is looking at is attracting more business downtown and attracting the right development downtown. It’s playing to the successes that we’ve already had.” ■

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Community Hospital

(Continued from Page 1)

the hospital up to state seismic standards, as well as for state permitting and medical licensing to operate the facility through the tenure of the lease agreement. The city has no responsibility to perform any improvements, repairs or maintenance to the property, according to the lease.

The City of Long Beach will reimburse MWN for 50% of the seismic-retrofitting costs, up to \$25 million annually, over a 15-year period. The city may withhold these payments on a “dollar for dollar basis” in the event of that MWN defaults on the agreement, Keisler said. MWN may also voluntarily terminate the lease if it determines that the hospital is not economically feasible to operate. If MWN does choose to terminate the lease, the city would be responsible for reimbursing any of the operator’s costs associated with the hospital.

Keisler said the city will look at using any budget reductions in its General Fund or other revenues, such as Measure A dollars, to pay for the city’s share of the seismic retrofit costs and administration of the lease – which is an estimated \$100,000 to \$150,000. The Long Beach City Council recently approved placing a permanent extension of Measure A, a temporary 1%

sales tax for infrastructure and public safety, on the March 2020 ballot. Paying for the hospital’s seismic retrofit costs was one of the reasons for placing the extension on the ballot.

The lease, which became effective October 15, is a finalized version of a short-term agreement approved by the city council in March.

Community Hospital’s pending transformation into a fully operational acute-care facility could generate at least 250 new nursing, maintenance, administrative and other jobs, according to economic projections in Keisler’s presentation. Estimates for medical office and non-acute medical staffing were not available.

Fourth District Councilmember Daryl Supernaw has been championing the reopening of the Eastside medical facility, in particular its emergency room (ER), for some time. At the October 15 council meeting, he acknowledged the challenges of establishing such an agreement between MWN and the city. “I don’t know of any real estate transaction that occurs without an element of risk,” Supernaw said. “What I will say about the risk in this deal is that whatever it ends up being, it pales in comparison to the risk [to] our residents . . . not having an ER.”

During his presentation to the Long Beach City Council, Tom Modica, the acting city manager, said Community



The City of Long Beach and Molina, Wu, Network, LLC have officially entered into a lease and cost-sharing agreement for Community Hospital. MWN can now take steps to hire staff and purchase the necessary equipment required for a pending California Department of Public Health inspection. Pictured, from left: Community Hospital CEO Virg Narbutas, Long Beach Economic Development Director John Keisler, 4th District Councilmember Daryl Supernaw, and Community Hospital Long Beach Foundation Chair Ray Burton. (Photograph by Brandon Richardson)

Hospital had a total of 27,205 emergency visits in 2016. Since the hospital’s closure in 2018, the Long Beach Fire Department’s average rescue transport times have increased by at least 10%, according to Modica’s presentation.

The public impacts of not having an Eastside hospital is something that hits close to home with 3rd District Councilmember Suzie Price. The councilmember said her mother, who is battling metastasized breast cancer, recently needed emergency transportation to the closest medical facility. Without an accessible emergency room in Long Beach, the nearest facility was Los Alamitos Hospital, about six miles from her mother’s location. Price said a trip to Community Hospital would have been “at least half that distance.”

“Minutes matter,” she said. “That’s just my personal story. I’m sure there are hundreds of stories, if not thousands, just like that. The option is just not there for Eastside residents. . . . Personally, I’m grateful that we have a partner [in MWN] who has such a heart for the community that they’re willing to invest to make this 90-year

offering for the City of Long Beach continue to exist.”

With an established lease agreement, MWN can take steps to begin hiring staff and purchase the necessary equipment that will be required for a pending California Department of Public Health inspection, which is scheduled for some time at the end of October, according to John Molina, a partner in MWN and founder of Pacific6 Enterprises. Completion of the inspection will result in the approval of a medical license for Community Hospital.

MWN will then take measures to submit a seismic compliance plan to the Office of Statewide Health Planning and Development (OSHPD) by June 2020 and complete related construction by January 1, 2025.

“I think this hospital is very aptly named – it is a community,” Molina said. “The success of this hospital, and I have no doubt that it will be successful, is going to be due to the commitment of everyone in the community to band together to revitalize an asset that is here for everyone’s benefit.” ■



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‘We Can’t Survive Without Flavors’: Vape Shop Owners Fight Proposed Flavor Ban



Nels Hansen, owner of Breathe Vape in Long Beach, is spearheading a petition against a proposed ban on flavored vaping products within the city's limits. (Photograph by Brandon Richardson)

■ By **ALENA MASCHKE**
Senior Writer

With over a thousand injuries and 26 deaths nationwide, three in California, the Center for Disease Control and Prevention's numbers on a recent outbreak of vaping-related illnesses paint a stark picture. While the exact cause of the outbreak remains unclear, state and local governments have taken steps to regulate vaping products in light of the deadly wave of pulmonary injuries, and Long Beach is no exception.

The Long Beach City Attorney's Office is currently drafting a temporary ban on flavored vaping products, following a 7-0 vote on the matter by the city council on October 1. Vice Mayor Dee Andrews was absent from the meeting but submitted a letter in support of the proposed ban. "Cities, counties and states all across the country are making major strides to confront this issue, and it is time the City of Long Beach did the same to protect our residents until we have more infor-

mation regarding the health impacts," 3rd District Councilmember Suzie Price, who spearheaded the effort to create a temporary ban, said during the council meeting.

But local vape shop owners and users of vape products voiced concerns that the ordinance would decimate local businesses while doing little to prevent the kinds of injuries that have placed patients across the country in intensive care units. A group of vape shop owners has started a petition to fight the ban, which is currently being drafted.

Instead of focusing on flavors, they say elected officials should address the sale and use of products containing tetrahydrocannabinol (THC), particularly those obtained from illicit or informal sources, which "are linked to most of the cases and play a major role in the outbreak," according to the CDC. Among the 573 patients who provided information on the substances used, 73% reported using vape products containing THC and 57% reported using

products containing nicotine. Only 13% reported that they exclusively used nicotine-containing products, while 32% reported they had only used products containing THC.

"They did not even put [the THC cartridges] in the scope of their interest," Jeff Luciano, owner of Long Beach Vapor, bemoaned. "That is so shameful." Luciano said vaping has helped him minimize his nicotine addiction and that the products sold at his store have helped others do the same. Now, his customers worry that without access to flavored vaping products, they will return to cigarettes, Luciano explained. "My customers are calling me depressed, and I don't know what to tell them," he said. "This is something beyond my control."

Medical experts in the United States have questioned the health benefits of vaping claimed by manufacturers, merchants and devoted users of vape products. Dr. Fady Youssef, a pulmonologist at MemorialCare Long Beach Medical Center, said there was

no strong evidence so far that vaping constituted a healthier alternative to smoking. "There is a misconception that e-cigarettes are healthier," Youssef said. "There is a big difference between healthier and less harmful." Instead, he said, the recent wave of injuries should serve as a reminder that ingesting nicotine or THC-containing smoke or vapor into one's lungs will have adverse health effects. "Now is a great time to stop smoking," he noted.

Price said adults using vape products to curb their smoking habit would still be able to access them. "Anyone using e-cigarettes to quit smoking and break themselves of a nicotine addiction, under our temporary ban, would still be able to access the products. It would just not be the flavor of cotton candy," Price said at the October 1 meeting.

Flavors like cotton candy have long been blamed for the prevalence of vape use among teens, and some in the industry argue that elected officials are succumbing to the pressure mounted

by worried parents, without any evidence to suggest that flavors have played a role in the recent slew of injuries. “So far, we don’t have a strict link between the two,” Youssef said. “But the thought is that the flavoring itself can be an irritant.”

Nels Hansen, owner of Breathe Vape shop in the Park Estates neighborhood, expressed doubts that banning flavors such as caramel or cotton candy would address concerns over potential lung irritations. “What they don’t understand is: tobacco is a flavor,” he said. “To make a tobacco [vape] juice, you’re actually putting in flavors, just like you would for a strawberry vape juice.” Tobacco-flavored products would not be affected by the proposed ban. “So are we talking about people getting hurt or are we talking about kids liking flavors?” Hansen asked.

Instead of flavors, vape shop owners and employees have pointed to a specific style of vaporizer popular with teens. The vaporizers sold at most vape-only shops are larger, more expensive devices than the thumb drive or pen-like devices commonly used by teens. “The kids are using smaller devices that are more discreet,” Luciano pointed out.

A recent letter to parents sent out by the Long Beach Unified School District confirms this assertion. “The casing can come in any shape or size, but its most popular form is the Juul, which usually appears as a flash drive and can be easily concealed in a backpack, coat, purse, etc.,” the letter stated.

Juul, which is partially owned by Altria Group Inc., the maker of Marlboro cigarettes, uses pods that feature a much higher nicotine content than most other vaping products commonly sold at vape-only stores, according to store owners. Juul pods and devices can be purchased at tobacco and convenience stores. The company has been rebuked by the U.S. Food and Drug Administration for its marketing to youth as well as claims that its products present a healthier alternative to smoking.

Price said she wasn’t surprised to see local vape shop owners arguing against the proposed flavor ban. “Something like this would be a hit to their business model, I get that,” she told the Business Journal. “I regret that that that’s the case, but they happen to be selling a product that’s causing death throughout the United States.”

Fifth District Councilmember Stacy Mungo, who later joined her fellow councilmembers in supporting the proposed temporary ban, cautioned against painting the industry with too broad a brush. “What I don’t want to do is punish and ban an industry that has not actually caused any deaths,” Mungo said.

Many in the vaping industry have argued that banning flavors would kill off small businesses such as vape shops and vape liquid manufacturers, handing the market back to big tobacco companies like Altria Group. Hansen

pointed to the diverse array of vape liquids displayed behind a bar at his store. “If they get rid of this wall of small business, this store goes with it and the only products that you’ll have available are at 7-Eleven, which is only big tobacco products,” Hansen said.

Flavors or not, teenagers will continue to use vaping products or even cigarettes, Hansen argued. “Are kids vaping? Yes, it’s bad. But it’s not our fault,” he said. “Kids are going to do bad stuff. Kids are going to experiment. Kids are going to try things that adults are doing. That’s part of being a teenager: emulating adults.”

Hansen argued it is parents’ responsibility to educate their children and the task of law enforcement and school officials to enforce existing regulations against teen use. “If they’re using this as a scapegoat to ban flavors, it’s pretty appalling and temple-scratching. It doesn’t make sense,” he said. Instead, he and other industry members argued, the sale of vape products should be restricted to the few vape-only stores in the city, to make age restrictions easier to enforce. According to Kelly Colopy, director of the Long Beach Health and Human Services Department, there are currently 13 vape-only stores and 490 stores licensed to sell tobacco products.

Some also proposed a limit on

the percentage of nicotine permitted in vape liquids, arguing that the high nicotine content of products like Juul made them more attractive to teenagers looking for a buzz. “They want it for the head-pop,” Hansen said. Adult smokers preferred liquids with a lower nicotine content, he argued, pointing to the 0.3% nicotine content of his top selling vape liquid compared to the 5% of nicotine contained in Juul Pods.

The amount of nicotine consumed by teens can have long-lasting health effects, according to Youssef. “Younger individuals who are exposed to high nicotine levels are going to be more dependent on and more addicted to those products,” he said. He also pointed to adverse impacts on the long-term mental development of teens and immediate symptoms such as irritability and lack of impulse control linked to underage nicotine consumption.

Despite a lack of evidence that flavors are responsible for the serious and deadly injuries reported by the CDC, Youssef said he supported a ban on flavored vape products until more research becomes available. “I think the goal should be to minimize the exposure to younger individuals,” he noted.

While the percentage of high school students using cigarettes has decreased significantly in the past decade, 20.8% of high schoolers in 2018 reported that

they used electronic cigarettes in the past 30 days, according to the CDC. In 2014, 73% of high school students and 56% of middle school students who used tobacco products in the past 30 days reported using a flavored tobacco product during that time.

While her current proposal is focused on banning only flavored products, Price said a complete ban on vaping products might also be on the table. “That’s something we want to look at in the future,” she said. For now, placing a temporary ban on a specific product group is a compromise, Price explained. “We’re trying to mitigate harm to the industry,” she added.

Hansen said the current rhetoric around vaping has already impacted his business. “Our numbers are already down dramatically, just from media hysteria,” he said. “We had to lay off everybody except for one person.” Among the few customers who trickle into the store throughout the day, the proposed ban is a constant topic of conversation. “I’ve had customers sitting right here, crying,” Hansen said, pointing to a leather couch near the storefront window. “They don’t want to go back to cigarettes.” If the ban passes, Hansen said, he will likely convert his store into a smoke shop to stay afloat. “We can’t survive without flavors,” he noted. ■

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Queen Mary Leaseholder Not Meeting Obligations, City Says



A photograph from the June 2019 inspection report of the Queen Mary property by an independent contractor, Edward Pribronic, shows a hole in the Scorpion submarine. The heavily corroded sub is docked beside the Queen Mary, and in danger of listing or sinking, according to the report. (Photograph courtesy of the City of Long Beach)

■ By **SAMANTHA MEHLINGER**
Editor

The lifeboats on the Queen Mary are in danger of structural failure. Handrails on the ship are broken in some places, and in others, missing entirely. Missing numbers on the ship's elevator were replaced

with drawn-on numerals, and splitting carpet patched with duct tape. The adjacent Queen's Marketplace, which was supposed to have been demolished, is being used to store rubbish. The ship's neighbor in its moat, the Scorpion Russian submarine, is heavily corroded and could sink, posing a threat to the structural integrity of the

Queen Mary.

These are just a few of many concerns outlined in the detailed reports of Edward Pribronic, the independent inspector hired by the City of Long Beach to keep track of repairs and maintenance on the Queen Mary, which is currently under the care of lessee Urban Commons. The monthly reports are dated from January through June of this year.

On October 1, Long Beach Economic Development Director John Keisler sent Urban Commons CEO Taylor Woods a letter informing him that the company had failed to meet its obligations as outlined in its 66-year lease agreement to operate the Queen Mary. Keisler cited a number of issues detailed in Pribronic's inspection reports, including failing paint, the need to remove deteriorating lifeboats, and necessary repairs to the ship's side shell, expansion joints and bilge.

Some of the necessary repairs are critical for visitor and employee safety, per the inspection reports. For example, as Keisler wrote, the continued corrosion of the side shell "represents a serious threat to the ship's structural integrity and the safety of guests and employees."

Asked for further detail about the state of the ship's side shell, Johnny Vallejo, business operations bureau manager for the city's economic development department, explained, "The communications we've re-

ceived from the inspecting engineer is not that there would be any sort of a catastrophic failure, but that you would start to see sagging in certain areas related to the side shell." He added, "But the side shell and the super structure that holds up the lifeboats are integral to the structure of the ship, so it's something that we want to get addressed as quickly as possible."

Keisler's letter notified Woods that Urban Commons' annual audited financials for 2018 and evidence of the account deposits and balance for the ship's Base Maintenance and Replacement Plan Fund are due to the city no later than October 30, 2019. The latter identifies funds available for maintenance projects. "Please respond to this letter within 30 days and provide a plan to address the deficiencies described above," Keisler wrote in the letter. "If you fail to respond within 30 days, Urban Commons may be found in default per Section 14.1.b of the Lease, with the right to cure pursuant to Section 14.2."

A spokesperson for Urban Commons told the Business Journal on October 10 that the documents would be sent to the city by the deadline. Asked when Urban Commons' 2018 financial records were originally due to the city, Vallejo said that should have been received in March. "They are late, which is why it was called out," he said.

Vallejo noted that the financial statements show the amount of profit Urban

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Commons is making in running the Queen Mary. He noted that in order to make enough profit to maintain the ship, the lease agreement assumes that the planned shoreside development must go forward. “The way the current lease is written, it did contemplate a significant resource for maintaining the ship is the shoreside development,” he said.

In a separate letter also sent on October 1, Keisler approved a request made by Urban Commons on September 10 to demolish Queen’s Marketplace – a defunct retail village next to the ship – and construct additional parking. He directed Urban Commons to provide evidence of the availability of funds necessary to complete this project.

Notably, the letter directed Urban Commons to submit written documentation “that because it does not intend to finalize the entitlements for the Queen Mary Island project within the next 24 months, the demolition of the Village and Marketplace buildings and the construction of the parking lot is required.” Queen Mary Island is Urban Commons’ planned development of the land adjacent to the ship, which would tentatively include an outdoor amphitheater, retail and other amenities.

When the plan for Queen Mary Island was unveiled in March 2017, Woods told the Business Journal that the project would be completed in six to eight years from that time, including one to two years to procure necessary permits and permissions. Given that timeline, if it does indeed take Urban Commons as much as 24 months to file entitlements, the project would be at least two

years behind schedule.

Linda Tatum, director of Long Beach Development Services, confirmed via email that in 2017 Urban Commons submitted a design concept to her department for Queen Mary Island. “Development Services provided a couple of rounds of comments on [the] proposal, as to its consistency with the Queen Mary Land Development Guidelines,” she said. But further work has been put on hold while Urban Commons addresses matters related to its finances. “Subsequent to the submittal of the concept design, Urban Commons advised staff that the project was on hold to allow time for the firm to focus on issues related to its corporate financing structure. Staff has been advised that the QMI project will be reinitiated at a future time, but no date has been provided for the resubmittal,” Tatum explained.

Asked if the city has concerns about Urban Commons’ financial ability to maintain the ship and meet its leaseholder obligations, Vallejo pointed to the firm’s move to go public on the Singapore Stock Exchange. “We do believe that they have access to additional revenue and that the development plan is still on course,” he said.

As previously reported by the Business Journal, a 2015 marine survey of the ship estimated it would cost \$235 million to \$289 million to address needed short-term, mid-term and long-term repairs to the Queen Mary. But in 2016, Urban Commons requested just \$23 million in city funds to address 27 preservation and restoration projects. About \$14.08 million of that money,



A porthole in view of the public on the Queen Mary languishes in disrepair, as evidenced in this image from a May 2019 by Edward Pribonic, an independent inspector hired by the City of Long Beach to keep track of ship maintenance. (Photograph courtesy of the City of Long Beach)

which consisted of existing city reserves and bond revenues, has been spent. Per a city memo, as of September, just eight projects have been completed and 19 are in progress. Eight other projects are pending and unfunded.

In a statement sent to local media on October 4, Urban Commons responded to reports about needed repairs and maintenance, and its lease obligations. “Urban Commons is currently in compliance with the terms of

our lease agreement with the City of Long Beach,” the e-mail from Urban Commons’ public relations representative stated. “Repairs to The Queen Mary have been underway for some time, with each item outlined in our agreement appropriately prioritized and either already addressed, or postponed with supporting documentation in favor of issues that required immediate attention to ensure the ship remains safe for visitors and crew at all times.” ■

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The Holidays And Corporate Gifting: An Opportunity To Build Relationships



The holidays are a time for corporate employers to leave an impression on their clients, according to local gift strategists. When gifting an item, it's essential to put thought into what that client does for a living, said Deborah Fay, co-owner of local gift and flower shop Romance Etc. Fay co-owns the store with her sister, Dawna, who is pictured here with their shop dog Tessa. (Photograph by Brandon Richardson)

■ By **DENNY CRISTALES**
Staff Writer

As the holiday season starts to rear its festive head, consumers are left wondering what kind of gifts they will purchase for their loved ones this year. On a corporate level, employers can use the holidays as a time to show appreciation to clients or employees, according to Kathryn Couch, gift strategist

and owner of Long Beach-based Tinsel & Bow Gifting Services.

Couch emphasized gift giving as a form of relationship building. As such, gifting the right item is essential in showing how much a business cares for a client or employee. “Gift giving is about the recipient,” she said. “Tailor things to them as much as possible. . . . It’s important to give something that’s personalized.” Putting thought into these gifts will

leave the client with a favorable impression, she added.

Anticipation is a big part of gifting, Couch said. The psychology of a gift recipient unwrapping a present by untying the bow or removing layers of paper builds up excitement, she explained. Simple presents like gift cards or cash are efficient and welcome, but Couch said they are not engaging.

“If you gave your employee tickets to their favorite team playing, that’s going to speak a lot more to the employee, because you’re personalizing it,” she said. “Maybe you can give a gift card or a cash bonus, but you can do it in a thoughtful way. You can do it in a personalized envelope or a baseball card of someone they like. . . . We’re really big on the presentation, because . . . it really speaks to the thought and the process of [selecting] the gift.”

Deborah Fay, co-owner of Romance Etc., echoed this sentiment. Romance Etc. is a full-service gift and flower shop at 5407 E. Village Rd. that offers floral decorations, jewelry, bath and body products and more. Fay co-owns the store with her sister Dawna.

When gifting an item, it’s essential to put thought into what that client does for a living, Fay said. “If someone is a veterinarian, you can pair a holiday-centered candle with a box of matches that would have cats and dogs on the matches,” she said. “That would be indicative of what they do. By the same token, if they had a bicycle shop, you could get a cool box of postcards depicting iconic bicycles of our era. That’s a great gift for someone in that type of business.”

The idea is to avoid being “generic,” Fay added. If a personable present isn’t feasible, Fay suggested gifting more functional items that have an aesthetic appeal to them. “We have handmade pens out of wood and stone,” she said. “They’re all made here locally in Long Beach. We also have hard cases for credit cards, money clips and [many things like that].” Fay said her shop also creates custom items, such as ornaments with a specific design or logo.

Before brainstorming gift ideas, Couch said it’s important to determine a budget. As a general “rule of thumb,” she said businesses should spend between 5% to 10% of the net value of what a customer generates. “That’s what we recommend, and obviously there are clients that bring you hundreds of thousands of dollars,” Couch said. “And that’s when we suggest spreading that out throughout the year. Don’t just wait for the holidays; gift throughout the year.”

Sending gifts every quarter or season to clients will accomplish two things, Couch said: the company will constantly be on the client’s mind, and they will also see how much the company cares about them. Gift baskets are an example of an easy quarterly present, Couch said. However, in the spirit of being creative, she recommended gifting a series of items that are part of an ongoing theme – such as “travel” for one year or “health” another year.

If time is an issue and bulk ordering items is optimal, companies like See’s Candies and BevMo offer different online packages exclusively for businesses.

Sherilyn Freeman, See’s Candies’ South Bay sales representative, said the company

offers an online business gifting program, which includes small orders of boxes filled with four to six pieces of chocolate as well as larger-scale purchases. “We offer a little bit of everything for everyone’s taste and budget,” she said. “I have realtors who gift folks for buying a home or attorneys who give ‘thank you’ gifts for partnerships or clients.”

One of the catalog’s major sellers is the company logo box. The box is adorned with a customizable image the purchaser submits to See’s Candies, Freeman said. Buyers have the option of choosing different chocolate and candy combinations for the gift box, and in-store shipping to locations throughout the United States is also available.

“Our gift packs are beautiful and unique,” Freeman said. “They just leave a memorable impression. We haven’t ventured off the grid with our recipes or our offerings. You know what you’re getting, and that is quality.” In lieu of boxes, buyers can use gift tins, which are reusable, she added.

Olivier Kielwasser, a wine category lead for BevMo’s corporate operations, said the company offers a variety of custom-made wooden gift baskets in-store or online. Some of the customization options include pairing certain beverages, such as wine or champagne, with different snacks like crackers, cheese or chocolate.

“For the holidays, it’s always appropriate to provide wine,” Kielwasser said. “You very often associate the holidays with wine and champagne. It’s a season that is very festive. What’s better than a bottle of champagne, for instance, to celebrate the season and the business that you do with someone?”

Thoughtfulness is key, Lisa Albanese, owner of Cheese Addiction, said. The cheese shop has two locations citywide at 4236 Atlantic Ave. in Bixby Knolls and 195 Claremont Ave. in Belmont Shore. Cheese Addiction offers an array of gift baskets filled with cheese, wine or beer or a variety of items. Gift baskets or platters can make fine presents, but a great gift needs to be “geared more toward the recipient’s lifestyle.”

One business owner from Wisconsin who visits Cheese Addiction every year has a client base in California, she said. “They like to give little bags that have indigenous aspects related to California specifically,” she said.

Another local client that works in escrow held a meet-and-greet with clients and ordered wine and cheese platters for the occasion, Albanese said. She recommended an assortment of different cheeses that pair well with various wines. Days later, she heard from the client that the meeting was a success. It was the thought this business owner put into this gift – an experience with food – that made it that much more poignant for the clients involved, Albanese said.

“There are all sorts of fun things that a corporate giver can do,” she said. “Something like cheese and wine or beer and wine is the gift of an experience. You’re creating a culture. You’re sharing a sense of yourself with people. You took the time to pick up that bottle or that cheese. It was something that you felt reflects the individual you are giving it to. And you’re showing how you react emotionally to those pairings.” ■

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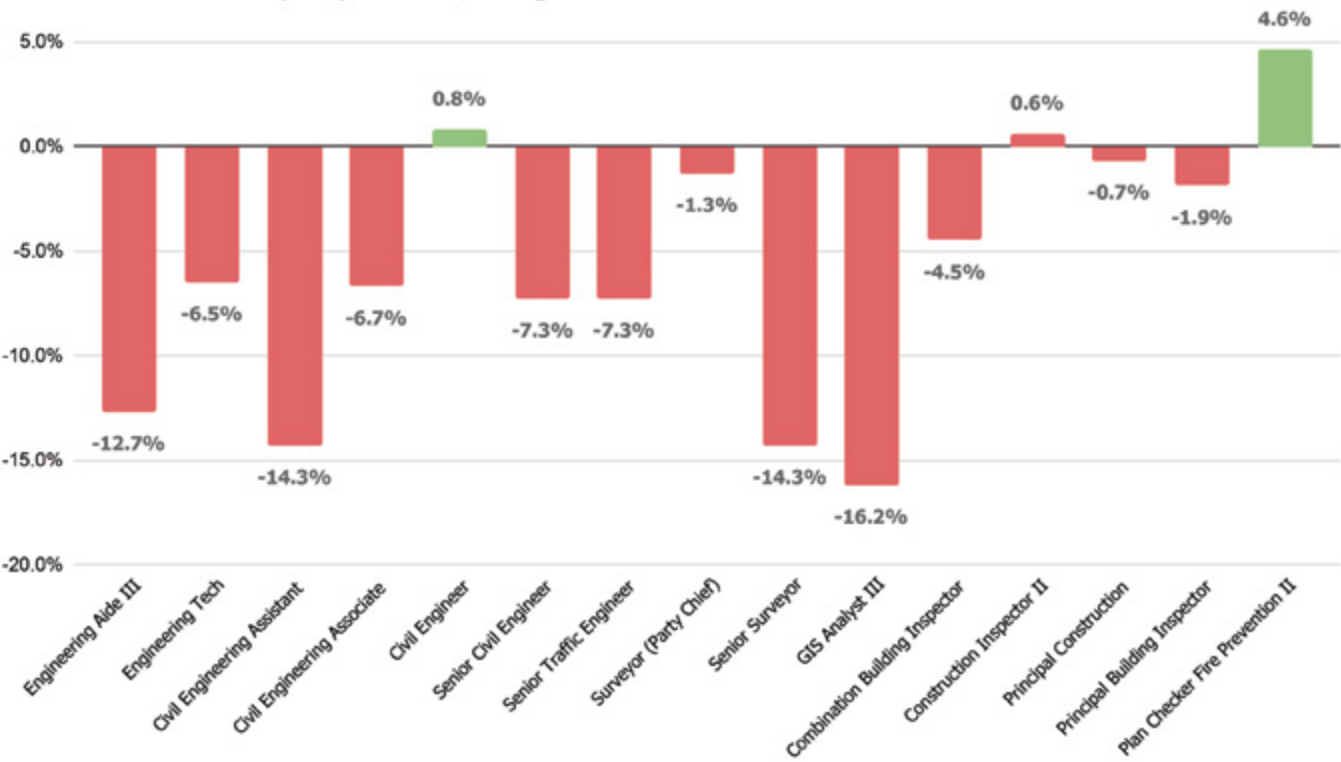
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Survey Shows Long Beach Engineers' Salaries Below Regional Median

For almost all surveyed positions, Long Beach salaries were below the area median



Data Source: Long Beach Association of Engineering Employees and Long Beach Department of Human Resources Salary Survey, Data Visualization: Alena Maschke

By **ALENA MASCHKE**
Senior Writer

A salary survey recently made public by the Long Beach Association of Engineering Employees (LBAEE) shows that salaries among the city’s engineering staff are significantly below the median salaries paid by other agencies in the region.

The study, which was conducted as a joint effort by members of the union’s board of directors and City of Long Beach Department of Human Resources staff, found that some engineering employees received up to 16% less than their peers in cities such as Anaheim, Los Angeles or Torrance. The study compared the salaries of employees based on a set of guidelines set forth by the city, which includes a list of the “Standard 10” cities to consult for comparison.

The positions to be compared are also picked according to the city’s guidelines, to ensure that human resources staff would accept the survey’s results into the record of the active contract negotiations, LBAEE President Jason Edward Rodriguez told the Business Journal. “The positions themselves have to match very closely in terms of duties and the entire salary package, so that we’re comparing apples to apples,” Rodriguez said.

The gap in pay between Long Beach engineers’ salaries and those of similar employees in surrounding cities has made it hard for the city to attract and retain talent for certain positions, Rodriguez explained. Geographic Information System (GIS) analysts are the group exhibiting the largest gap in pay between Long Beach and comparable cities at a 16.2% difference, followed by senior surveyors and civil engineering assistants, whose pay is 14.3% below the median.

Gary Newkirk, a senior surveyor at the Port of Long Beach and LBAEE union

member, said he has noticed that applicant numbers for some positions included in the survey have been low and that some of his colleagues have left the city after being offered better pay somewhere else. “I know we’ve had a couple of people leave to other agencies,” Newkirk said. Still, he noted, he and most of his colleagues are happy to be working for the City of Long Beach. “Most people I work with like their jobs, like doing what they’re doing and like their employer. There’s not a whole lot of friction,” he explained.

“We understand that you can’t just give someone a 16% increase, so it makes sense that it would be done over a period of time,” Rodriguez said. For now, he said the union is hoping for a cost-of-living increase comparable to those recently approved in surrounding cities, to keep the pay gap from widening.

The consumer price index for the Los Angeles-Long Beach-Anaheim metropolitan area increased 3% compared to last year, according to the U.S. Bureau of Labor Statistics. Firefighters in Los Angeles recently agreed to a 2.5% cost-of-living adjustment (COLA) and police officers in Long Beach received a 4% salary increase, effective October 1, 2019, as part of their recent labor agreement with the city. Long Beach firefighters are expecting to see a 3% pay increase in the first year of their new contract, once it has been approved by the city council. A vote is scheduled for October 22.

Rodriguez highlighted that a majority of union members’ positions are paid for through enterprise funds, rather than the city’s General Fund. In a 2019 interview with the Long Beach Business Journal, outgoing city manager Patrick West highlighted the strength of the city’s enterprise funds. Rodriguez argued that the strength of enterprise funds, such as those operated

by the harbor department and the airport, should provide room for the salary increases the union is seeking.

In addition to salary increases, the union is hoping to persuade the city to participate in the State Disability Insurance (SDI) program, Rodriguez noted. Currently, union members do not pay into the SDI program and do not receive benefits through the state program if they have to take an extended break from work for health reasons, he explained.

Instead, employees can purchase disability insurance from an outside vendor. “It’s a lot harder, a lot more expensive and you’re not getting the full umbrella [of] coverage,” Rodriguez said. Under the SDI program, employees would still be responsible for their contributions to the insurance fund and there would be no additional cost to the city, Rodriguez argued. “We’ve [heard] several stories . . . recently of people who were without insurance,” he noted. “We’re really hoping to get that.”

Dana Anderson, human resources manager at the city’s human resources department, said she could not comment on the details of the ongoing negotiations. “The city is currently engaged in good faith negotiations with the Association of Long Beach Engineers and cannot discuss the specifics while in active discussions,” Anderson said in an email to the Business Journal. ■

CITY OF LONG BEACH

BID OPPORTUNITIES

TITLE	BID NUMBER	DATE
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
Information Tech Project Management – Utilities	RFP ER19-115	10/24/2019
Electrical Switchgear Replacement	RFP PR19-106	10/29/2019
Minimum Wage Education & Information Outreach	RFP FM19-129	10/29/2019
Engineering Planning & Design Svcs for Various Development Projects at LB Airport	RFQ AP19-134	10/30/2019
Medical Director Consultant	RFP FD19-094	10/31/2019
Emergency Vehicle Parts & Service	ITB FS19-135	10/31/2019
Light Duty Transmission Repair Services	ITB FS20-001	10/31/2019
Junipero & Granada Beach Concession Renovations & Site Improvements	R-7147/R-7148	11/05/2019
Real Property Acquisition, Relocation, Related Svcs	RFP ED19-120	11/05/2019
Engineering Design Services for the GWTP Filter Gallery Rehabilitation	RFP (EO-3529)	11/05/2019
SCADA Telemetry System Maint. & Repair Services	RFP PW19-107	11/07/2019
Low Flow Diversion Sites Monitoring & Maint. Svcs	RFQ PW19-136	11/20/2019
On-Call Professional Engineering & Inspection Svcs	RFQ ER19-138	12/12/2019
Engineering Construction Mgmt. Svcs for Various Development Projects at LB Airport	RFQ AP19-132	12/17/2019
Construction Materials Testing/Inspection Svcs	RFQ AP19-133	01/07/2020

****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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City And Governor Sued Over Renter Protections



This 12-unit property at 5558-5562 Dairy Ave. in North Long Beach recently sold for \$2.85 million. (Photograph courtesy of Stepp Commercial)

■ By **BRANDON RICHARDSON**
Senior Writer

Property owner organization Better Housing for Long Beach (BHLB) and local property owner Joani Weir have filed a lawsuit against the City of Long Beach and California Gov. Gavin Newsom over rent control and tenant relocation assistance policies. The suit makes eight claims – four against the city’s tenant relocation ordinance and four against Newsom for his signing of Assembly Bill 1482, which established a statewide annual rent increase cap and other renter protections. City and state officials have stated the ordinance and legislation are meant to assist in alleviating a statewide housing crisis.

“Better Housing for Long Beach is fighting back on these new unconstitutional laws. We think that Gavin Newsom and Mayor Garcia are acting as if they are above the law and can push any special interest agenda that they want without resistance,” Weir said in an email to the

Business Journal, citing expensive rent controlled cities such as Santa Monica, New York and San Francisco as examples that such policies do not work in practice. “We need to fight this overreaching government movement to take away property rights; it is bad for our city and state.”

The suit contends that both the ordinance and state law violate the takings clauses of the California Constitution and Fifth Amendment of the U.S. Constitution. The takings clause in the U.S. Constitution states governments are prohibited from taking private property unless it is for public use and when “just compensation” is paid to the owner. A similar clause in the state constitution dictates that private property can only be taken for public use. The suit alleges that neither the state nor city regulations meet necessary requirements, arguing that forced relocation payments are equivalent to the government taking money from private citizens for private use.

The seizure clause of the Fourth

Amendment to the U.S. Constitution, which is applicable to local governments due to the Fourteenth Amendment, protects the “right of the people to be secure in their persons, houses, papers, and effects, against unreasonable . . . seizures.” The suit alleges that requiring tenant relocation payments from owners is akin to forcing them to buy back the unit they already own, and is therefore an illegal seizure of their money. The suit also claims both regulations infringe upon property owners’ rights under the due process clause of the Fourteenth Amendment, which states regulations of private property are unconstitutional if they do not serve a legitimate public purpose.

“Now, housing providers must make a hefty pay-off to renters – who can use the windfall for any purpose whatsoever – in order to exercise their right to legally repossess their units,” Paul Beard, an attorney with Alston & Bird representing BHLB, said in an email to the Business Journal. “Not only is that bad policy that

does nothing but make it more expensive and difficult to provide housing, but it violates the property rights of affected housing providers. We hope and expect that those constitutional rights will be vindicated in court.”

In an email to the Business Journal, Long Beach Deputy City Attorney Richard Anthony said his office is aware of the suit but has not formally been served with the complaint. “As a result, we have not yet reviewed it or the claims contained therein,” he added. “We have no comment at this time.” In a July 8 interview with the Business Journal, City Attorney Charles Parkin said he is confident the city ordinance is legally sound, noting numerous California cities have passed similar regulations.

New Grocery Store Coming To East Long Beach

Demolition of the former Haggen Food & Pharmacy in the Lakewood Plaza Marketplace in East Long Beach is well-underway. Located at 6235 E. Spring St., the building is being reduced from 52,000 square feet to about 40,000 square feet, according to Bruce Patterson, president and CEO of Long Beach-based Patterson Construction, which is handling the demolition and shell re-construction. City staff have confirmed the space, which had also previously served as a Lucky’s and Alberton’s, is going to reopen as another grocery store concept. “We are excited that the landlord is investing in the property,” 5th District Councilmember Stacy Mungo told the Business Journal. “The new grocery store will be amazing.” Patterson is constructing a new facade, roof and loading dock area, as well as updating the building’s electrical and fire sprinklers. The smaller building will allow for a patio area and additional parking, Patterson told the Business Journal. A conditional-use permit is pending for the sale of alcohol, according to city staff.

Commission Recommends Updated Land Use PEIR Approval

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General Plan Land Use Element (LUE) and Urban Design Element (UDE) place-type and height maps, directing city staff to update the Program Environmental Impact Report (PEIR). During its October 17, 2019 meeting, the Long Beach Planning Commission voted to recommend the city council certify the PEIR, adopt the LUE and UDE, and repeal the General Plan's Scenic Routes Element, which the new documents would replace. Following the council's 2018 vote, the LUE and UDE texts were updated to reflect changes requested by the council, "to correct minor errors [such as grammar, typos and formatting] and to address environmental impacts arising from the environmental review process," according to a staff report. Implemented changes include policies related to environmental justice and equity, nuisance motels, natural resource protection, and coordinating and consulting with Native American Tribes during the planning process. In all, 13 policy additions were made.

Loan Approved For Future Affordable Housing Development Site

During its October 16 meeting, the Long Beach Community Investment Company approved a \$1.5 million Community Development Block Grant loan to Century Affordable Development, Inc. for the acquisition of 6801 Atlantic Ave. in North Long Beach. The 0.92-acre property currently contains two single-family structures, which will be demolished to allow



Long Beach-based Patterson Construction has demolished a portion of the former Haggen Food & Pharmacy at 6235 E. Spring St. and will begin renovations to the space, which will reopen as a different grocery store concept. (Photograph by Brandon Richardson)

for the future development of affordable housing and amenities for homeless individuals and families, according to a staff report. The loan has a 3% interest rate and a 55-year term. The property is adjacent to the potential future site of a city-owned homeless shelter and services facility at 6845 Atlantic Ave. In its grant application,

Century stated that the project design, including the number of units, would be the result of "extensive feedback from city staff, the North Long Beach community and other stakeholders." The developer also noted that any financially feasible permanent supportive housing project would require rezoning the parcel to allow for

more density. Century has also identified several potential funding sources for the project, including the state's No Place Like Home, Veterans Housing and Homelessness Prevention, and Multi-Family Housing programs, as well as project-based vouchers, tax credits and equity invest-

(Please Continue to Page 14)

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Located at 463 W. 6th St., this eight unit-property recently sold for \$1.37 million. (Photograph courtesy of Centennial Advisers)

(Continued from Page 13)

ment. Because the future development is dependent on factors out of the control of the developer, the request did not specify a timeline for the project.

Long Beach Q3 Office Market Report

The overall vacancy of office space in Long Beach has increased from 15.2% in the second quarter to 16.8%, according to a third-quarter report released by Cushman & Wakefield. The vacancy in downtown

saw a slight uptick from 19.3% to 19.5% quarter-over-quarter, while the suburban market vacancy rate increased from 8.9% to 12%. The increase in the suburban market is due in large part to the Port of Long Beach's relocation to its new downtown headquarters from the 176,860-square-foot building at 4801 Airport Plaza Dr., which now sits vacant. Large move-outs by Epson America and Molina Healthcare in the suburban market are expected to further increase office vacancy in the South Bay, according to the report. Overall asking rents for all classes were flat, increasing only one cent from the second quarter to \$2.34 per square foot. Rents in the suburban market increased from \$2.38 per square foot to \$2.43 per square foot quarter-over-quarter, while the downtown market decreased two cents to \$2.39 per square foot. Significant leases during the third quarter included a new 46,593-square-foot lease by the State of California Department of Industrial Relations at 1500 Hughes Way, a 18,601-square-foot lease renewal by Advanced Medical Management at 5000 Airport Plaza Dr. and a 15,714-square-foot lease by Midnite Air Corp at 5001 Airport Plaza Dr.

New Tenants Announced At LBX

Barre Attitude and European Wax Center are the latest tenants announced for the Long Beach Exchange (LBX) retail center, with both expected to open in early 2020. "With just three months left in 2019, our team is looking forward to 2020, which is already promising to be an exciting [year] at Long Beach Exchange," Steve Thorp, partner at Burnham-Ward Properties, stated. "We are honored to have the opportunity to bring the Long Beach community the all-new fitness brand – Barre Attitude – in addition to European Wax Center's top-notch service." First opening in 2004, European Wax now has 892 locations nationwide. The LBX studio will be

Barre Attitude's first location. The fitness studio utilizes ballet-inspired moves, positions and exercises to create a total-body workout. "I feel privileged that Barre Attitude's flagship location will be at Long Beach Exchange and look forward to joining the other successful boutique fitness concepts at LBX," founder and owner Stephanie Jones stated. Barre Attitude is expected to open in January.

Smaller Industrial Buildings Have Higher Demand, Study Says

Warehouses smaller than 120,000 square feet have a higher demand in Southern California despite the growth of e-commerce, according to a new study by CBRE. An analysis of transactions shows that vacancy for light-industrial warehouses measuring from 70,000 to 120,000 square feet declined more than larger spaces – 3.9% over the last five years – while having the largest growth in average rents – 33.7%. "The bulk of transactions in the Greater L.A. and Southern California region take place in the 100,000 square-foot space and below," Kurt Strasmann, executive managing director of CBRE's Orange County and Inland Empire operations and CBRE's Southern California functional industrial and logistics market leader, stated. "It's just the nature of our market and overall vacancy in that segment is a mere 1-2%. Generally speaking, light industrial has performed exceptionally well and typically gets leased up fairly quickly by a variety of users." Construction of industrial space since 1990 has not met demand, the study notes, which has resulted in the low vacancy rate and high rents for smaller buildings. Construction completion of light-industrial facilities smaller than 120,000 square feet have averaged 1% of overall stock since 1990, whereas facilities larger than 250,000 square feet have averaged 3% of the overall stock.

City Of Carson To Build Inclusive Playground

Earlier this month, the City of Carson broke ground on its first playground designed for children of varying abilities. Approved by the Carson City Council on July 2, the design provides stimulating structures that appeal to children with varying physical, cognitive and social-emotional abilities. "I hope that this project will encourage all children, regardless of their abilities, to spend quality time at this park as the equipment is designed to unite children of all abilities," Carson Mayor Albert Robles stated. "The city does not presently have a playground with equipment that children with differing disabilities can access and enjoy." The \$1.25 million project is being funded by a grant from Marathon Petroleum Corporation. The playground, which will include swings and ground level play structures, is expected to be completed by April 2020.

Recent Transactions By Local Firms

The following is a list of recent transactions by the teams at Centennial Advisers, Coldwell Banker Commercial BLAIR WESTMAC, Marcus & Millichap and Stepp Commercial:

- Ryan Rayburn, senior adviser with

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Centennial Advisers, represented the seller in the \$1.37 million sale of an eight-unit property at 463 W. 6th St. The building consists of six studio apartments and two one-bedroom units. Five offers were made on the property, with the final sales price being \$25,000 over asking. The seller is donating a portion of the proceeds to California State University, Long Beach, through a Charitable Remainder Trust.

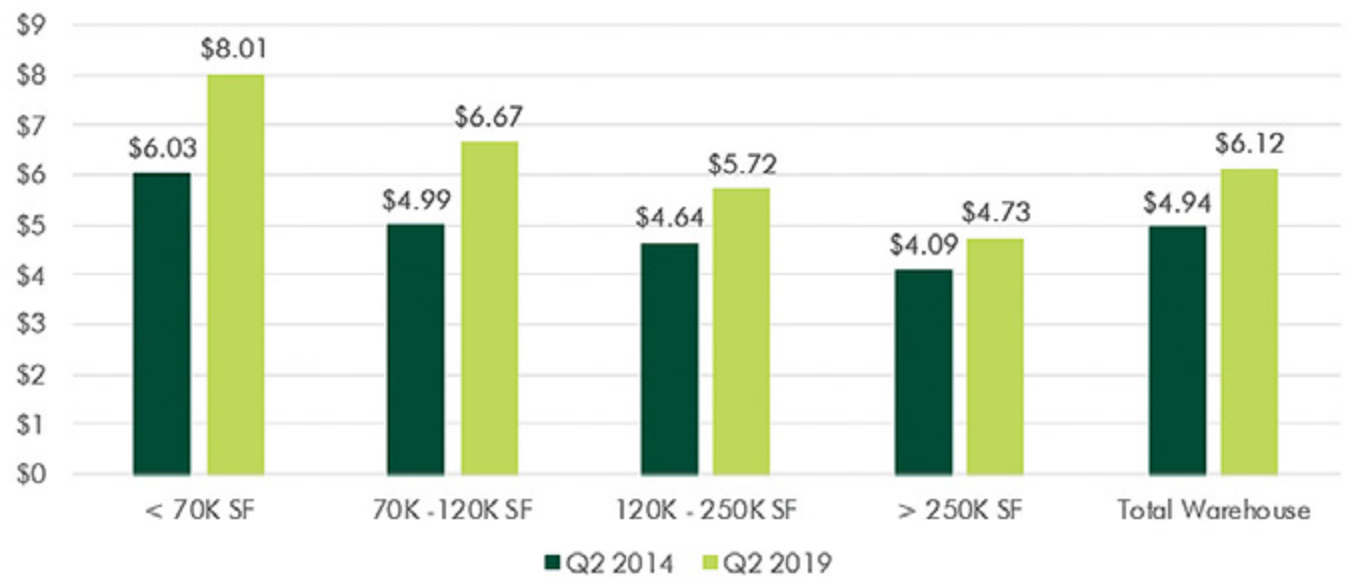
• Linda Treffry, an associate with BLAIR WESTMAC, represented the buyer and seller, both private investors, in the \$1.8 million sale of a medical office located at 1066 Atlantic Ave. According to Treffry, the new owner has plans to fully remodel the more than 7,000-square-foot building, which is across the street from Dignity Health St. Mary Medical Center.

• Steve “Bogie” Bogoyevac, founder of Marcus & Millichap’s Bogie Investment Group, represented the seller in the more than \$4.5 million sale of a 21-unit apartment building at 1505 E. 11th St. Built in 1946, the property consists of three studio apartments, six one-bedroom units, 12 two-bedroom units, garage parking and on-site laundry.

• Bogie represented the buyer in the \$3.1 million purchase of a nine-unit building at 125 Cherry Ave. in the Alamitos Beach neighborhood. The 1948 building includes two studio apartments, six one-bedroom units and one two-bedroom unit.

• Stepp Commercial Principal Robert

Figure 2: Industrial Warehouse Rent Growth by Building Size Segment



Note: TW rent index, which is an estimate of net effective rents, not to be confused with average asking net rents.
Source: CBRE Econometric Advisors, CBRE Research, Q2 2019.

Stepp and Vice President Mark Witsken represented the seller, LMDG Real Estate Value Fund II Holdings, in the more than \$3 million sale of an eight-unit property at 315 Cherry Ave. in the Alamitos Beach neighborhood. Built in 1923, the property consists of two studio units and six one-bedroom units.

• Stepp represented the seller, a San Diego-based investment group, in the \$2.85 million sale of a 12-unit property

at 5558-5562 Dairy Ave. Stepp Commercial’s Travis Traweck represented the buyer, Los Angeles-based LB View, Inc. The two-building property was built in 1961 and consists of four one-bedroom units and eight two-bedroom units.

• Stepp and Witsken represented the seller, LMDG, in the \$2.1 million sale of an 8-unit property at 1010 E. 2nd St. in the Alamitos Beach neighborhood. The two-story property was built in 1923 and

consists of all studio apartments.

• Stepp and Traweck represented the seller, a private investor out of Los Angeles, in the more than \$2 million sale of a 10-unit property located at 1871 Chestnut Ave. in the Wrigley neighborhood. The buyer of the 1964 building was also a Los Angeles-based private investor. The two-story property consists of eight one-bedroom units, two two-bedroom units and six garages. ■

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Building A Better Long Beach: The Final Piece Of The Douglas Park Puzzle



2H Construction plans to complete the new corporate headquarters for Turelk, a Long Beach-based tenant improvement contractor, before the end of the year, according to 2H President and CEO Sean Hitchcock, who is pictured at the site. Located at 3815 Bayer Ave., the project is the final development in the 261-acre Douglas Park commercial center. (Photograph by Brandon Richardson)

■ By **BRANDON RICHARDSON**
Senior Writer

For nearly a decade, development has been ongoing at Douglas Park, a 261-acre commercial park consisting of light industrial buildings, offices, hotels and retail. The bulk of development was completed by Sares-Regis Group, which sold off some small parcels to other developers. Signal Hill-based 2H Construction completed a 36,000-square-foot building at 3849 McGowen St. in late 2017 and, on December 1, will complete construction on its second Douglas Park project at 3815 Bayer Ave.

“[Douglas Park] was a great development to re-energize the city,” 2H President and CEO Sean Hitchcock said, noting that inner-city areas don’t often have large parcels of developable land become available. “It gave [developers] the opportunity to . . . create a brand new vibe – places to work and distribution centers and food places.”

2H broke ground on the \$5 million, 22,000-square-foot office and warehouse space in January of this year. Unusually heavy rains delayed the project about three months, Hitchcock noted. The building was pre-leased for 10 years in early 2018 by Turelk, a Long Beach-based tenant improvement contractor with 138 employees spread among three offices, including in Los Angeles and Newport Beach. Lee & Associates Principal Jeff Coburn brokered the lease. 2H is scheduled to complete the shell and core of the building by December 1, at which point Turelk will complete its own interior build out.

“This is the last development in this park, and I wish there was more because I would keep doing it. This complex is amazing,” Hitchcock said. “[We purchased the parcel] three years ago. We didn’t hold off – right from purchasing the property, we started planning and developing. It just takes that long to get through the entitlement process.”

The new building will serve as

Turelk’s corporate headquarters, replacing its current Long Beach office at 3700 Santa Fe Ave. just off the 405 Freeway. Turelk plans to move its 65 Long Beach employees into the new building by the end of the year, Vice President Marcos Ramirez told the Business Journal. The company’s Santa Fe Avenue office consists of approximately 13,000 square feet of office and 3,000 square feet of warehouse space. Turelk is dedicating approximately 8,000 square feet of its new building to serve as warehouse space.

According to Hitchcock, 2H completes around 300 projects per year ranging from small tenant improvements to ground-up building construction, such as its Douglas Park projects. The company focuses its work mostly on office and light industrial spaces, which occasionally includes retail components.

The company’s work is split nearly 50-50 between the public and private sectors. Public clients include numerous California State University and University of California schools, as well as K-12 districts, including the

Long Beach Unified School District. Projects range from maintenance to new building construction, such as an upcoming \$40 million project at Mayfair High School in Lakewood.

Aside from purchasing and developing its own projects, 2H does maintenance work for private companies and property owners, such as CBRE and Continental Development Corporation. 2H also does work for hospitals, including MemorialCare Long Beach Medical Center. Though the company has worked as far as San Diego, Ventura and Riverside counties, Hitchcock said he is always looking for more opportunities in the Long Beach-Signal Hill area.

“It’s so diversified – socioeconomically, the people, the actual land itself. It’s a great mix that not all other cities have,” Hitchcock said. “I’m a longtime local community person with kids that grew up here and went to elementary and high school and college here, and I went to college here. Most of the people in my office live here. [We’re] bound to the community.” ■

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Realty Views: Finally, Some Good News for Housing

■ Perspective by **TERRY ROSS**

Despite a year full of sketchy, downbeat news and predictions about where the housing market is headed, the fourth quarter is starting with some surprising statistical news: The doom and gloom predicted for 2019 and 2020 might have been a bit overblown.

Even though agents and sellers might feel that the market was not as strong this year as it was in 2018, there appears to be some renewed interest on the part of buyers in the fall season, a time of year when sales usually start to trail off after the summer selling season.

Mortgage rates have drifted lower over the past few months, helping the affordability factor, and buyers are aware that the window for these low rates might not last long if the economy picks up steam.

Quicken Home Loans' Home Value Index for the average appraisal was 2.15% higher in September than in August – the largest monthly jump in five years. The year-over-year annual increase for the month of September was 6.52% – two percentage points higher than the annual growth rate in August.

Quicken also publishes its National

Home Price Perception Index (HPPI), which measures the difference between what owners believe a property is worth and what trained appraisers give as their opinion of value. In August, appraisals averaged 0.64% less than what owners expected, while in September the difference was only 0.49%, indicating that owners and buyers have more optimism in how strong home values are.

"The HPPI is a reminder to have a good grasp on your area's unique housing market before you start the mortgage process, for either a home purchase or a refinance," executive vice president of capital markets for Quicken Loans, Bill Banfield, noted in HousingWire, a website dedicated to mortgage and housing market news. "Underestimating your home value could, understandably, feel like a windfall. But if a homeowner overestimates their home value, the mortgage could need to be reworked when refinancing – possibly even requiring the buyer to bring more cash to the closing table," he stated.

Another surprising statistic is that in 55% of the metropolitan areas studied, the average appraisal was higher than had been anticipated – so apprais-

ers are validating the stronger values and owners and sellers are not over-inflating their opinions on the value of their properties.

Homeowners in Boston and Charlotte appeared to underestimate their home's value the most, with appraisals 1.71% and 1.61% higher, respectively, than the owner's estimate. On the other end, Chicago owners overestimated their home's value the most: by 1.67%.

"The clear news from the HPPI data is that homebuyer interest is not falling with the leaves," Banfield added. "Despite the start of the school year, and the introduction of cooler temperatures in parts of the country, home shoppers are still active. Buyer interest, combined with persistently low home inventory, continues to pump up home values. With August's jump in homebuilding, at its highest level in 12 years, there could be some hope on the horizon for home shoppers who haven't been able to find a home that there is a perfect fit at the right price."

Another piece of good news for housing was the September jobs report, which showed that jobs and consumer buying power should aid in a strong housing market moving forward, according to First American Deputy

Chief Economist Odeta Kushi.

The unemployment rate fell to a five-decade low, with the economy gaining 136,000 jobs in September and wage growth up 3.5%, spelling an increase in consumer spending. "The housing market, by many metrics, had one of its best months in August 2019, as it was buoyed by lower mortgage rates, favorable demographics and the continued growth in wages, which contributes to higher household income and stronger purchasing power," Kushi told The Mortgage Leader.

Another positive indicator is the prime-age labor force's (25 to 54-year-olds) participation rate, which continues to climb and was up 0.8 percentage points compared to a year ago. Although not back to 2007 levels, this statistic must continue to rise for wage growth to continue to grow.

If these trends continue, then the predicted housing slump may end up being just a minor bump in the road.

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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Oil And Gas Industry Leans On Technology And Diversity To Prepare For The Future

■ By **ALENA MASCHKE**
Senior Writer

California's oil and gas industry remains a significant economic driver in the state. According to a recent report by the Los Angeles Economic Development Corporation (LAEDC), the industry employed 152,000 Californians in 2017. The report, which was commissioned by the Western States Petroleum Association (WSPA), states that the industry supported an additional 213,860 auxiliary jobs that same year.

"We think it is very important for our industry to provide high-wage opportunities to all individuals and communities across a wide range of skills and education," WSPA President Catherine Reheis-Boyd told the Business Journal. Reheis-Boyd said she was particularly proud of the strides the industry has made in achieving racial and ethnic diversity.

According to the report, 28% of employees across the industry identified as Hispanic or Latino, 10.8% as Asian, 6% as Black, with the remaining 52% identifying as White. For comparison, 39%

of all Californians identify as Hispanic or Latino, 36% identify as White alone (not including those who also identify as Hispanic or Latino), 15.3% as Asian and 6.5% as Black, according to the U.S. Census Bureau's 2018 population estimates.

The industry also boasts a diversity of educational backgrounds. While over a third of workers hold at least a bachelor's degree, that group is closely followed by those who have completed associate's degrees or some level of college. A fifth of all workers in the industry listed a high school degree as their highest level of education, while 11% said they did not complete a high school education.

"We are committed to helping our state and its diverse communities achieve and sustain a vibrant and inclusive future for generations to come," William Gillespie, coastal assets operations manager at the California Resources Corporation (CRC), told the Business Journal. CRC is a publicly traded oil and natural gas exploration and production company, and is the largest oil and natural gas producer in



Signal Hill Petroleum (SHP) employees work on an oil derrick at the company's West Unit Plant. Unlike other fossil fuel companies, SHP primarily operates production sites located in densely populated, urban areas. "Virtually everything we do is in the public eye," Vice President and COO David Slater said. (Photograph by Brandon Richardson)

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California. "[The industry's] high-quality jobs provide economic mobility and a path to the middle class."

The WSPA/LAEDC report estimated that the industry generated \$12.1 billion in direct labor income in 2017, resulting in an average salary of \$79,335 per worker, based on employment data provided in the report.

For new recruits, the oil and gas industry provides opportunities for lifelong careers with competitive salaries, Signal Hill Petroleum (SHP) Executive Vice President and Chief Operating Officer David Slater pointed out. "Our industry creates jobs where dedicated young people can come to work, with or without a college degree, and find a place where they can grow on the job," Slater said.

As in many industries, those in the oil and gas workforce have to adapt to new technologies on a regular basis. "It's been interesting and fun to watch how our industry and the people [who] work in it have embraced technology,"

Slater said. In turn, new technologies have allowed his company to keep production steady and become increasingly energy efficient.

SHP was the first company in the Los Angeles Basin to use seismic imaging technology, combing through current and historic data in search of undiscovered oil production sites. The company also uses a technique called secondary recovery – commonly referred to as waterflooding – to retrieve residual oil reserves. Following the primary recovery of oil through traditional wells, this technique involves pumping saltwater into the reservoir, which washes out residual oil reserves. "Oil and gas reservoirs have a natural decline in their production rates," Slater explained. However, Slater stated "we have been able to keep production from this field flat for over 20 years."

The saltwater used for secondary recovery is fully recycled and used for future waterflooding cycles, Slater ex-

(Please Continue to Page 20)



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(Continued from Page 18)
plained. Additionally, the company’s operations are powered in part by natural gas produced on site. “We generate a significant amount of the electricity we need,” Slater said.

Gillespie noted that CRC has already achieved some success in working toward its 2030 sustainability goals on emissions, water recycling and the integration of renewable energy sources. Alongside other achievements, Gillespie said the company has been able to reduce its methane emissions by 60% since 2013.

Energy companies big and small have taken steps to reduce their reliance on outside power, make their operations more efficient and incorporate renewable energy, Reheis-Boyd noted, pointing to the solar and thermal power plant at the Belridge oil field as an example. The plant, which is currently being built on a 770-acre site near Bakersfield, will be used to power Aera Energy’s local oil operations and – once completed – will be the largest solar field in California, according to its developer, Glasspoint. “That’s an exciting step in the right direction,” Reheis-Boyd said.

While the industry has begun to embrace renewable energy to power part of its operations, Reheis-Boyd said that fossil fuels will still have a place in California for many years to come. “California still has 26 million combustion engines to move [39] million people

around,” she pointed out. “Even though it’s very exciting that the electric vehicle market has certainly increased and continues to increase, it’s at 600,000 [vehicles], so we [have] a long way to go.”

Slater said eventually it will be consumers’ responsibility to decide the future of fossil fuels in the state. “If nobody bought gasoline in California, we’d be out of business really quickly,” he said. But Reheis-Boyd observed that public policy and urban design also play a role, especially when it comes to moving millions of Californians across the state’s rural plains and urban sprawl. “[We] really have to talk about different modes of transportation than the traditional California dream of everybody owning a car,” she explained.

Aside from concerns over greenhouse gas emissions’ climate changing effects, the L.A. Basin is also impacted by the detrimental effect car emissions have on local air quality. Ongoing efforts to reduce car emissions in the state have made a significant difference when it comes to air quality, Slater said, and he welcomes the state’s efforts to achieve similar goals in the energy production sector.

“Attacking automotive emissions back in the 1980s made a huge difference in air quality in L.A., and now regulators are looking more at smaller potential sources,” Slater said. “That’s assisted us in understanding and operat-



Signal Hill Petroleum employs 110 workers and produces 1.1 million barrels of oil per year, according to Slater. (Photograph by Brandon Richardson)

ing a virtually leak-free system.” While some of the equipment standards, monitoring and reporting requirements set forward by state agencies can be labor-intensive and costly to implement, Slater said he approves of the state’s regulatory environment overall. “We view the regulatory environment as really necessary for our society, so that we keep everybody above a reasonable bar,” he explained.

Both Reheis-Boyd and Slater said there were still many conversations to

be had to ensure that California’s efforts to reduce emissions and create a sustainable energy mix for the future reach their full potential, while maintaining the economic gains of oil and gas production in the state. “Our state government and the federal government are diametrically opposed on fossil fuels,” Slater pointed out. “Directing our efforts at national and international solutions is really our hope. That the effort [focuses] in that direction, where we can really make a difference.” ■

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Energy Transition

(Continued from Page 1)

focused on fossil fuel for energy production have expanded their portfolio of renewable production sites. "What we do are clean energy jobs," Reheis-Boyd noted, pointing toward BP's wind operations spanning 11 sites in 10 states as an example. "These are energy companies and they are looking toward what their future will look like and what [their energy] mix will look like," Reheis-Boyd said.

The Brookings Institute's report also noted that future studies on the employment impact of the energy transition must consider the transition taking place within the workforce of traditional energy producers. "Considering that many of today's industries that contribute to dirtier activities will become central to tomorrow's clean energy economy, defining clean energy economy occupations means looking much wider than just the newest green occupations," the report stated. The natural gas, petroleum and fossil fuel industry currently employs over 888,000 Americans, according to the 2019 U.S. Energy and Employment Report published by the National Association of State Energy Officials and the Energy Futures Initiative.

Cost

The cost of the energy transition toward a higher percentage of renewable energy and – potentially – an energy mix completely free of fossil fuels, can be measured at an individual company level and as a change in tax revenues collected by the local, state and federal governments.

The oil and gas industry in California generated a total of \$21.5 billion in taxes in 2017, according to a report commissioned by WSPA and published by the Los Angeles Economic Development Corporation (LAEDC). A majority of the total tax revenue generated by the industry came from sales, property and income tax, according to the report. The potential tax revenue from renewable energy production remains to be explored as wind farms, biomass plants and solar fields continue to grow across the country. Currently, the State of California offers a large number of grant programs and tax incentives to encourage residents and businesses to make the switch toward renewable energy sources and become more energy efficient.

The technology available for fossil-free energy production is still significantly more expensive than traditional oil and gas production, according to Weikko Wirta, operations and maintenance manager at AES Southland. The company, which operates natural gas plants in Alamitos, Huntington Beach and Redondo Beach, also runs a wind park near Palm Springs. "Despite the fact that solar, wind and battery energy storage costs have come down dramatically, they still continue to be prohibitive," Wirta said.

Timeline And Feasibility

AES is currently in the process of bringing its South Bay gas operations into compliance with new standards set forth by the state government. In 2010, the State Water Resources Control Board kicked off the process of phasing out the use of seawater for the cooling of natural gas plants by the end of 2020. Several aging coastal gas plants are expected to shut down by that deadline. Critics of the regulation, which seeks to protect

marine life and reduce emissions by curbing the use of natural gas power in the state, say shutting down natural gas plants may endanger the state's energy transition.

"Storage technology has not matured at [a large enough] scale to be able to store solar for the times that we need it, because as we know, the sun doesn't shine all the time and the wind doesn't blow all the time," Reheis-Boyd explained. "So natural gas was always the backup."

This concern was echoed by the California Independent Systems Operator (CAISO). In July 2019, CAISO submitted a letter to the California Public Utilities Commission (CPUC), expressing concerns that California could face power shortages if gas plants were taken off the grid by the 2020 deadline. On September 12, the CPUC proposed a procurement process for 2.5-gigawatt in additional power production resources across the state to ensure grid reliability, which could include both an expansion of renewable power production capacities and an extension of the operations at coastal gas facilities until 2023.

"This gap is real and it needs to be addressed from a reliability standpoint," Wirta said. "It's just a matter of time before battery storage gets off the ground [and] catches up with the real generation demand, and that's when California will really have achieved its goals." In 2017, natural gas made up 33% of the state's electricity mix, according to the California Energy Commission.

The Union of Concerned Scientists, a nonprofit science advocacy organization, agreed that the state will have to rely on some level of natural gas power production until at least 2030 to ensure energy reliability as renewable energy production processes mature. "But for California to realize the benefits of its clean energy transition and achieve its global warming emissions targets, it needs to reduce its dependence on natural gas electricity generation significantly," a 2018 release by the organization stated. "This transition should prioritize reducing natural gas generation in communities most negatively affected by the pollution resulting from burning fossil fuels and by the social, economic and health burdens associated with global warming."

Experts from both the renewable and fossil fuel sectors have described the state's goals for phasing out fossil fuels as ambitious. "You have to give the State of California credit for really pushing the envelope," Wirta noted. "The goals are realistic; the timeline was a little optimistic."

Among U.S. consumers, the adoption of renewable technologies, for example to power personal vehicles, still lags behind adoption levels in other parts of the world, Roche said. "Historically, gasoline has always been very inexpensive, so the auto manufacturers – until recently – have not really been pushing alternatives to gasoline cars," he explained. "I don't know if the auto manufacturers would be willing to make the investment to bring [alternatively-fueled] consumer vehicles to market here like they have in Europe, South America and elsewhere."

Until then, Reheis-Boyd argued, California shouldn't count out its local fossil fuel production just yet. "If you don't produce it in California, under the strictest regulations – because California has them – and the very well-paying jobs that go with it, you still have to import it," she noted. "California loses in that equation." ■

What Westsiders Want

(Continued from Page 1)

industrial area of Long Beach to gather their thoughts on what they would like to see in their new councilmember. Six responded to the query. Although responses varied, nearly all business owners emphasized the need to address a pervasive homelessness issue in the area. Visual blight and employee safety are also paramount concerns.

One Westside business owner expressed concern about the Port of Long Beach's Pier B On-Dock Rail Support Facility project, which is intended to expand and enhance the existing Pier B rail facility that currently borders Anaheim Street and the 710 Freeway. Some businesses in Westside Long Beach are in the direct path of the Pier B On-Dock Rail Support Facility project and may have to relocate. Other business owners desire a councilmember that will listen to community feedback and frequently meet with Westside residents and business owners.

Some of these establishments, many of which offer services in disciplines like manufacturing and woodworking, have been staples of the Westside industrial area for decades. Although distinct in their business offerings and priorities, all six business owners shared a desire to improve the Westside. The following responses outline the issues these business owners believe the new 1st District councilmember must prioritize for the Westside of Long Beach.

Matt Cullen, Owner and President, Amber Resources, 1543 W. 16th St.

As a longtime Westside business resident and major employer in the City of Long Beach, we are looking for a councilmember that will serve as an advocate for our area. The Westside is a core economic engine for the city, yet employers in the district receive little support or basic city services. A quick trip around our neighborhood provides you with an example of what I have described. [We have] numerous broken-down motorhomes parked with trash surrounding them, [and] our streets and alleys are littered with garbage. We need someone who will demand action and provide

vide the business owners with a clean and safe neighborhood to create value for the city and its residents. Business owners on the Westside are working together to revitalize the Westside Project Area Council (PAC), and we welcome our new councilmember to be an active participant.

German Ibarra, President, Snugtop, 1711 Harbor Ave.

2019 has become the year that Westside Long Beach experienced a dramatic increase in homelessness and drug abuse. This is greatly due to the change in law that now makes it illegal to reside along the riverbed. This change has forced so many homeless individuals to relocate to neighborhoods, such as those surrounding Snugtop. The owners of these motorhomes understand that they simply need to move their vehicles every 72 hours at a minimum of five feet in order to be in compliance. They dump all of their trash just outside their vehicles, and when they move their vehicles, they leave their trash behind. They dump their bodily fluids (human waste) on the street. We have seen them carrying gallons of this and disposing of them near street corners. This poses a severe hygienic and safety hazard for all of our employees. The reality is that Snugtop isn't in one of the safest locations in Long Beach. There are some days we can see as many as six or seven vehicles parked in front of our facility and as many as 13 in the first two blocks from Pacific Coast Highway. This doesn't leave much room for our nearly 200 employees making our employee parking even worse than it already is. Employees report that it takes them more than 30 minutes to find parking and are forced to park blocks away from Snugtop. Tuesday and Wednesdays are the worst because that is when street sweeping is scheduled. By parking so far away, employees are unable to keep a close eye on their vehicles to try to discourage vehicle thefts and vandalism.

Stan Janocha, Chief Operations Officer, Superior Electrical Advertising, 1700 W. Anaheim St.

The most important things I am



One business resident said Westside Long Beach is a core economic driver for the city, with industries such as manufacturing providing key services to the region. However, some business owners feel there is little support from city representatives, and they hope the next 1st District Long Beach councilmember will make the Westside more of a priority. (Photograph by Brandon Richardson)

looking for from the new councilmember is honesty, integrity and support of the Westside business community. Long has Westside Long Beach been ignored by the mayor and council. During the approval process for the Pier B On-Dock Rail Project, which will certainly bring noise and pollution to the Westside, we certainly did not receive support from our councilmember. Business owners on the Westside – more than 300 – were lied to and betrayed. There was no honesty and certainly no support from our councilmember. The Westside needs help with the homeless situation, the marijuana industry, street maintenance and monitoring of traffic on Anaheim Street and Pacific Coast Highway. I would like to see a councilmember that visits the Westside more than once or twice a year and pays attention to us as much as they do to the downtown area. We generate a lot of tax dollars on this side of Long Beach. Visit us sometimes and attend a few WestPAC meetings. Be honest, be sincere and have a genuine interest in the Westside.

Tania Lopez, Co-owner, RTL Woodwork, 1660 Hayes Ave.

They must have a passion for the City of Long Beach! He or she must want to build upon those things that make Long Beach a great city to live and work [and] know the great quality the city possesses. In addition to having courage to ask difficult questions and able to hear responses that they do not necessarily agree with, [they must have the] ability to listen to the community. [That's] what is most important. Despite being a great city, there are business owners who feel like they aren't being heard, and the candidate needs to hear the comments and complaints of the business owners. They [must have the] nerve to make decisions with the city's best interest in mind. Sometimes the best decisions are not the most popular.

Shawnte Marquez, Owner, Joyful Paws Pet Hotel & Daycare, 1701 Fashion Ave.

The Westside district creates the most significant revenue stream, [more] than any other region in Long Beach, yet our neighborhood doesn't receive

the attention it deserves. I'd love to see a more considerable effort from the councilmember to keep our streets free of trash and graffiti, removal of recreational vehicle dwelling and homeless encampments and an increase of assigned police patrols to our area. The neighborhood can often look uninviting, which makes it tough for business owners to attract customers. In years past, the Westside business community has been a thriving district with much pride. It would be great if we could inspire that again!

Mike Zupanovich, President, Harbor Diesel Industries, 537 W. Anaheim St.

As a property and business owner on the Westside in the Magnolia Industrial Group area since 1976, I have been part of one of the, if not the most, neglected areas in the City of Long Beach. The quality of life in the area is very poor for residents, businesses, employees and property owners. The area is inhabited daily by homeless criminal, drug-addicted and mentally ill vagrants that bring blight, theft, health and safety issues to all of us Westsiders. I want to be clear: our problem is [not with] homeless individuals looking for a helping hand to get back on their feet and contribute to society, for whom I support doing what we can to give them the help they need. The next councilmember needs to work for 1st District residents and businesses alike and not focus only on social issues to attract more business and create more jobs. [We need to] give the Long Beach Police Department what they need to enforce the law and remove the . . . vagrants from the Westside. There are streets deteriorated beyond repair all over the Westside [that] need to be replaced. [We can] reach out to the Port of Long Beach for help to subsidize new infrastructure in the industrial area. A significant amount of businesses are doing business in the port, and the heavy truck traffic has, and is, contributing to the deterioration of our streets. [We need more police] patrol on the Westside regularly, especially in the industrial areas. Streets, alleys and sidewalks need to be cleaned up promptly for everyone's health and safety. ■



Ahead of the election, the Business Journal reached out to business owners in the Westside industrial area of Long Beach to gather their thoughts on what they would like to see in their new councilmember. Although responses varied, nearly all business owners emphasized the need to address a pervasive homelessness issue in the area. (Photograph by Brandon Richardson)

Homelessness And Infrastructure Top Westside Business Concerns



The Westside Project Area Committee (Westside PAC), which consists of hundreds of Westside business owners, convenes monthly to address a variety of issues plaguing the area. Recently, a subcommittee was formed to focus on the area's longstanding homeless problem. Pictured, from left: Daryl Phillips, owner and president of Phillips Steel Co.; Paul Collins, president of the Westside PAC and owner of PAC Design; and Lawrence Maehara, vice president of the Westside PAC and owner of Berth 55. (Photograph by Brandon Richardson)

■ By **DENNY CRISTALES**
Staff Writer

The Westside has long been plagued with issues related to homelessness and deteriorating infrastructure, according to area business owners. Homeless issues are creating health and safety concerns among business owners, while other chronic problems include infrastructure issues related to degrading streets, storm drainage and a lack of fiber optics.

Daryl Phillips, owner and president of Phillips Steel Co. at 1368 W. Anaheim St., said these issues have persisted for years. But although there has long been a sense that the Westside has been neglected by city officials, Phillips said there has been a “turnaround” in recent months.

The Westside Project Area Committee (Westside PAC), consisting of hundreds of Westside business owners, convenes monthly at the Long Beach Police Department's (LBPd) West Division Office to address a variety of issues plaguing the area. Recently, a subcommittee focused on the homeless problem has been formed and meets on a bi-weekly basis.

In August, Westside PAC leaders, including Phillips and Westside PAC President Paul Collins, escorted city officials with the public works and health departments around the Westside industrial area to survey the scene firsthand. This tour helped city officials open their eyes to the problem, Phillips said, adding that “we have [received] a tremendous, tremendous response” since then.

Among the city officials that surveyed the Westside was Diko Melko-

nian, deputy manager of public works. Melkonian said he witnessed illegally dumped items, as well as many parked recreational vehicles (RVs) and homeless encampments. The Long Beach Clean Team, a public works program focused on removing litter and debris throughout the city, has assisted in addressing some of the Westside blight, Melkonian said. The Long Beach Public Works Department's stormwater/environmental compliance division, which works to address citywide stormwater, dumping and flooding issues, also sends out information publicly and in-person to prevent the dumping of items.

“We make sure they understand what is and isn't appropriate,” Melkonian said. “We need to make sure people are not dumping any waste into the storm drains – which would be illegal – and just to kind of provide some general education about rights and wrongs and dos and don'ts.”

Phillips' biggest concern is security. Some Westside PAC members who own restaurants mentioned that homeless individuals often enter their establishments screaming and shouting, Phillips said. “It's a mess,” he added.

During a four-week period in September, the LBPd moved roughly 200 illegally parked motor homes and their homeless occupants in the industrial area, Collins told the Business Journal. Phillips said the area now has roughly 14 such vehicles. However, Collins expressed concern that the solution is only temporary, since most of these vehicles will simply park elsewhere. “I think it's a very difficult situation,” he said. “I don't think there is any magic bullet to

fix it.”

In spite of Collins' and Phillips' praise of the LBPd's efforts, some business owners aren't seeing much of a change. Joe Pearson, president of Hi Standard Manufacturing & Engineering at 1510 W. Cowles St., called the influx of RVs “absolutely ridiculous.” Vandalism is also a major problem with Westside businesses, he said. “I mean, my building just got tagged [recently],” he noted.

Pearson proposed setting aside a specific area for homeless campers and vehicles, like a parking lot, where there would be basic utilities, such as a shower and bathroom. “We could put these campers on [that] property. Maybe you'd

have to enroll in a program,” he said. Pearson said he has discussed this strategy with some Westside business owners. Collins mentioned a similar approach.

Tamery McCrabb, president of Cowelco Steel Contractors at 1634 W. 14th St., said the RV presence has gradually become worse. Her business's proximity to an alley also poses a safety threat, she said. “We are constantly getting vagrants, like people doing drugs [and] using needles,” McCrabb said. “I mean, it's not safe for homeless people to be out there. And it's not safe for my employees either when they're stepping over needles and sewage. We have a lot of human waste that's been dumped in the corner here.”

Janie Cozine has been a LBPd patrol resources officer with the West Division since May. Collins and McCrabb both praised Cozine for her work in referring homeless individuals to the Long Beach Multi-Service Center, a public health department service located 1301 W. 12th St. that offers resources to homeless individuals. “My role as a resource officer is to help provide resources for subjects that are experiencing homelessness and direct them to some help,” she said.

The Multi-Service Center collaborates with the LBPd to provide these services, according to Shannon Parker, the City of Long Beach homeless services officer. “The police are very well trained to offer resources,” she said.

Parker said the police have been proactive in approaching RVs that are unlicensed and illegally parked, but the challenge in doing that begins with properly identifying these vehicles as homeless dwellings. “It's a subjective choice,” she said. “We have to distinguish all the time between what it is illegal activity and what is being homeless. In situations where the RV is not operable or the licensing has expired and things like that, we will work with the police department, because that is their area of expertise.”

Parker added that she has met with Westside PAC members periodically



Westside Long Beach has seen an increase in parked recreational vehicles and homeless encampments, according to area business owners. The Long Beach Police Department recently assisted in relocating some of these illegally parked and unlicensed vehicles, but Westside business owners said this is only a temporary solution. (Photograph by Brandon Richardson)



Infrastructure issues plaguing Westside Long Beach include damaged sidewalks and streets. Daryl Phillips, owner of Phillips Steel Co. and member of the Westside Project Area Committee, said some Westside business owners also face other challenges, such as storm drain issues that have led to water runoff into the streets. (Photograph by Brandon Richardson)



Westside Long Beach has been plagued with deteriorating infrastructure, including degrading streets and storm drainage, according to Long Beach business owners. (Photograph by Brandon Richardson)

to update them on the service's efforts to address the homeless problem. Phillips praised Parker and the work at the Multi-Service Center.

As a security measure, Cozine said Westside businesses should always report suspicious activity to the police. Precautionary tactics may include installing security cameras or alarms and securing windows and doors. Investing in extra lighting may also deter any criminal activity, Cozine said.

Another uncertainty looming over Westside business owners is the pending Pier B On-Dock Rail Support Facility project, a Port of Long Beach effort that is intended to expand and enhance the existing Pier B rail facility. Some Westside businesses are in the direct path of the project. Port officials have told the Business Journal that they intend to mitigate all potential risks associated with the project, which includes relocation assistance for Westside businesses.

Utilities are also lacking for Westside business owners, Phillips said. Storm drain issues have led to water runoff into some of the streets, while aging fiber optic connections have led to pervasive problems with internet and phone line connectivity. "We're not privy to that here on the Westside," Phillips said.

McCrabb said some of these infra-

structure issues have improved "considerably" over the last few years, but there are still "a few glitches here and there." Regardless, the Westside is a far cry from the shape it was in a few years ago, McCrabb said. "Flooding was just a normal part of the year," she said. "We did have flooding about five years ago, and it covered the entire street. And we would just clean up and keep moving forward."

Melkonian said the public works department has at least one major project planned that would increase the size of storm drains at the intersections of Judson Avenue and 16th Street and Seabright Avenue and Cowles Street to remediate flooding. "We as city employees are going to do our best to make sure that we have a clean and safe environment for them to maintain their businesses," Melkonian said.

Phillips said the Westside PAC is in the early stages of meeting with the City of Long Beach Economic Development Department to consider establishing a business improvement district specifically for Westside industrial business owners. The Westside PAC has met with the city once, and PAC members are meeting in early November to discuss options and developing a potential member database. Eric Romero, project manager with the city's economic devel-

opment department, said members of his team plan on attending this meeting.

The Westside's homeless problem is part of a bigger nationwide epidemic, Phillips said. And although he said it's not his place to offer a solution to the nationwide homeless problem, he did mention that developing a strategy starts with proactively working with community members and city government entities.

The City of Long Beach's involve-

ment in addressing the Westside's chronic issues has Phillips feeling optimistic. "I do believe that all these issues are cyclical," Phillips said. "They come in waves. And I do think that this will settle down and slow down a little bit. The business owners and property owners are grouping together to address these issues. And there are answers. We're not saying we have those answers, but I think they will come." ■



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(Continued from Page 1)

otherwise – continued on with the next generations in varying forms.

When it comes to Millennials, I am puzzled lately by how our response to this aspect of American culture has taken shape. In one breath, we encourage others to pursue our true selves and identities. In another, we advocate for letting go of anything that isn't "serving" us. In pursuit of both of these avenues, we expect to find fulfillment. But it seems to me that instead, somehow in our quest for happiness, we ended up advocating not for emotional freedom, but for emotional avoidance.

If you don't often peruse Instagram, you may not have any idea what I'm alluding to. So allow me to let you in on my pet peeve – the trend among young people, particularly the Millennials and Generation Z-ers that rule social media, to advocate for removing people or elements from their lives that "do not serve" them.

I suspect the origination of this topic's proliferation on social media was a 2017 article published on Medium.com – a popular online resource where anyone can post think pieces – entitled "This Is How To Let Go Of What No Longer Serves You, So You Can Attract More Of What You Really Need." The author, Tony Fahkry, is described as a "self-empowerment author, expert speaker and coach."

Fahkry argued that suffering is caused by holding on to things that do not serve us, but which offer us comfort because they are familiar. "The truth of the matter

is, the space will be filled when you make a conscious decision to let go of that which does not serve you," he wrote. He advocated for removing anything that makes you feel unfulfilled, or which is "taxing you mentally, emotionally, physically and spiritually."

In theory, that sounds like a decent life strategy. But it seems some have been taken this original, well-meaning attempt to encourage happiness to an extreme – emotional avoidance.

For the past couple of years, my Instagram feed has become increasingly filled with people bragging about letting go of toxic relationships, avoiding social gatherings that stress them out, and eliminating all sorts of people, places and things that "do not serve them" in pursuit of a more fulfilled existence. I originally felt OK about this concept. I mean, if you have a crappy boyfriend, by all means, dump him!

But what happens when we start avoiding friends and family because they are a bit high-maintenance and stress us out a little, or because they, with the best-intentions, point out areas of our lives that admittedly need a little fixing up? Is avoiding negative emotion really "serving" us? Or is it stifling our personal growth? There is a difference between addressing an issue and then letting go of it – that's healthy. But not addressing it because you don't like how it makes you feel and then expecting life to carry on for the better, well, that just seems psychologically problematic.

I've known people to disappear into

this sinkhole, one by one removing people from their lives until they were largely without any close relations, settling instead for fly-by-night buddies who only have nice things to say because it's a more pleasant experience than the rigors of developing intimacy. I've had friends who have made it their mission to completely rid their lives of negativity. I say "had" because, ultimately, these people vanished into their own presumably blissful existence, where everything is amazing because there is no one to tell them otherwise.

Well, you know what's not serving me, or probably you, for that matter? That attitude. At the risk of sounding like an elder Millennial, I propose this: sure, rid your life of truly toxic relationships and activities. But don't think that just because you have been challenged with a negative emotion – regret or shame or disappointment – that it is a hindrance to your development. It seems to me that the happiest, most successful people in the world didn't hide from the things that challenged them – they faced them head on, and came out better for it.

That being said, by all means, please do dump your crappy boyfriend. I'm not advocating for purposefully engaging in things that make you miserable for misery's sake. Let that ish go. But don't run away from everything that makes you feel something unpleasant without first taking a good hard look at why that is.

Now, let's take a moment to contemplate the things that aren't serving ME

right now, because bygummit, it's my turn:

- Cable news networks, which have apparently adopted the manifesto, "If it is not related to President Trump, it's not news." As far as I can tell, they serve up just one hour of "news" in the evenings, which consists of paid talking heads arguing about the president for 30 minutes, with 25 minutes spent on commercials and just 5 minutes – if we're lucky – paid to national and international news.

- The "insulation" between my upstairs neighbors' floors and my ceiling, and, while we're at it, drugstore earplugs. Spoiler alert: they might drown out snoring, but not Stompy McStomperson's 5 a.m. Riverdance.

- Unreliable on-demand delivery estimates. How does 30-40 minutes always become an hour and a half? This woman needs her pho and she needs it within a specified timeframe!

- Dating apps. Enough said.

- The Santa Ana winds, which make the temperature nice but turn my nose into a faucet and my eyes into itchy balls of fire.

- My family, literally. I had dinner at their house the other night, and they had the gall to suggest I serve myself. I mean, really. Who do they think I am, a full-grown adult with fully functioning hands and feet?

- Generation Z. As far as I can tell, these kids have done nothing to serve their elder Millennial Generation. They're too busy trying to fight climate change and keep guns out of schools. The nerve. ■

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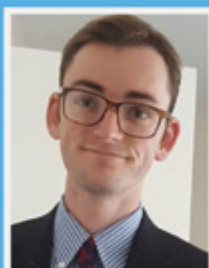
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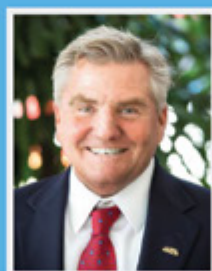


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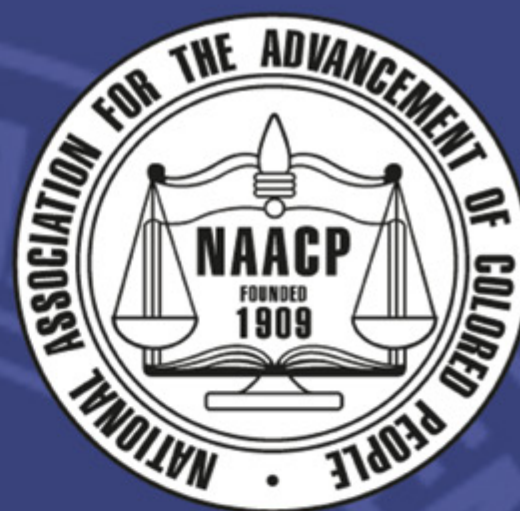
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