For any compassionate person, when the powerful forces of Mother Nature devastate entire communities, a natural reaction to help others beckons.

For most communities, the American Red Cross, United Way, community foundations and other recognized emergency relief and fundraising organizations have a contingency plan for managing the outpouring of generosity and distributing donated resources to where they are needed most.

What’s more difficult to understand is how to respond when unthinkable levels of community devastation have been human generated. As a nation, we are stunned by the trail of bloodshed that spans from Columbine High School in 1999 and before to the worst massacre in U.S. history at Pulse nightclub in Orlando 17 years later.

America certainly isn’t alone. The Istanbul and Brussels airports, a theater in Germany and multiple locations throughout the City of Paris have all been stages of human-invoked tragedy, to name just a few.

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Even in the disbelief, outrage and sorrow, the power of human compassion prevails that knows no bounds.

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Signal Hill Police Foundation Luncheon
Featuring Guest Speaker
LOS ANGELES COUNTY SHERIFF JIM MCDONNELL
July 20th, 2016 • 11:30 a.m.
The Grand Event Center, 4101 E. Willow Street, Long Beach, CA 90815

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Make your reservation online at www.shpolicefoundation.org
Or RSVP in advance to SHPF, 2201 E. Willow St, D #235, Signal Hill, CA 90755
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Celebrating America’s Strongest, since 1907.
Steven Cochrane, managing director of Moody’s Analytics, also predicted 1.9% GDP growth for 2016. Locally based economist Robert Kleinhenz, who serves as executive director of research for Beacon Economics, had a slightly better outlook, estimating national GDP could increase by between 2% to 2.5% this year.

Slow growth in China’s economy and volatility in its equity markets were creating uncertainty in the states at the start of 2016, Cochrane and Vitner both pointed out. Now, news of the Brexit has created further uncertainty, playing into both of their concerns. “There’s really nothing exceptional about the performance of the [national] economy right now. We’re talking about an economy that’s doing okay, or it’s doing not badly, but nowhere can I say that the economy is doing great. The exception to that statement would be that when we talk about the California economy there are some great things to say.”

Robert Kleinhenz, Executive Director of Research, Beacon Economics

While California’s May unemployment rate of 5.2% is higher than the country’s rate of 4.7%, the state is adding jobs faster than the nation, Kleinhenz pointed out. While the United States as a whole has been adding jobs at a rate of about 2% annually, California has been pacing at about 3% growth annually, he explained.

In Long Beach, the unemployment rate in May was 4.7%, down from 7.5% a year ago, according to Kleinhenz. “This is really good news for Long Beach,” he said.

Major job-creating industries in Los Angeles County are in the business, retail, and hospitality sectors, as well as in the health care and transportation and warehousing sectors, he added.

International trade through the San Pedro Bay ports increased 4% from January through April compared to the same period in 2015, Kleinhenz said. If that rate of growth continues, the combined ports of Long Beach and Los Angeles could achieve a record year, he said. However, while the Port of Long Beach Chief Executive Officer Jon Slangerup expects growth to continue at his port this year, he has downgraded his forecast (see story in this economic outlook section).

Despite international uncertainties causing a slight pullback in expected economic growth this year, Kleinhenz emphasized that the U.S. is largely driven by domestic factors. “It’s really important to note that the U.S. economy, however strong its linkages happen to be with the rest of the world, is still a fairly insular economy,” he said. “The external dynamics – domestic consumer spending, domestic business spending and domestic government spending – make up 85% or so of the overall economy. As long as those parts are growing well, then the situation with foreign trade is not going to derail growth in the U.S. economy. And it is certainly not going to be a source of recession anytime soon.”

While Vitner said a recession isn’t currently outlined in his forecast for the next few years, it doesn’t mean it won’t happen. “I am not trying to scare people, and I’m not trying to downplay the risk,” he said. “We are seven years into this economic expansion. Rarely has the economy gone as long as we have between recessions – and we don’t go into recession just because we’re due. But the further you get out into the business cycle, the more strains are likely to be present that could potentially trip us up and put us into recession,” he explained.

“At this point in the business cycle, the risk/reward relationship has changed to the point that, whenever we have some sort of shock in the global economy, it can have a surprisingly significant impact on business fixed investment,” Vitner continued. “And that’s one of the reasons that we are as concerned as we are about the Brexit. . . . It’s one of the reasons I’m concerned about the presidential election – because of where we are in the business cycle. So if someone were to say, when’s the next most likely time to have a recession? I’d say it’s somewhere in 2017 or 2018, even though it’s not in our forecast.”
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T he economic volatility of the late 2000s (commonly referred to as the Great Recession) created a series of financial lows that, years later, have served to heighten fiscal awareness – and re- finances and their assets in the context of the Great Recession) created a series of financial lows that, years later, have served to heighten fiscal awareness – and re-

By THYDA DUONG

‘Wiser Spenders And Better Savers’

How Spending And Savings Habits Have Changed Since The End Of The Recession

By TYDVA DUONG

Contributing Writer

The recession, while very concerning and very challenging and difficult for a lot of people, I think has helped clients get more focused on the conversations that we’re having with them about their goals,” says Nathan Lee, senior vice president of wealth management at Merrill Lynch. “There’s been a lot of education that individuals since the recession. “People are paying much closer attention to the risks that they’re taking and making sure that they preserve their assets, so that if we see a recession or if we see a downturn, they’re not going to go through the same thing they did in ’08 or ’09.”

For many, the recession – along with external political and global economic matters – has forced them to turn inward toward establishing or refining their own financial goals.

“There’s been a lot of education that has definitely impacted what we do now,” says J.C. Abusaid, president and chief operating officer of Halbert Hargrove. “We’re starting to see that clients are much more interested in looking at the big picture,” he says. “People are paying much closer attention to the risks that they’re taking and making sure that they preserve their assets, so that if we see a recession or if we see a downturn, they’re not going to go through the same thing they did in ’08 or ’09.”

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Experts note that part of financial planning is an increased focus among consumers and clients on expenditures and a desire to understand the implications of their decisions.

“Clients really want to understand what they can afford to spend upfront. They’re really focused on narrowing and being very clear about their goals,” Abusaid says. “Instead of a client notifying us that they bought a boat or a new car, there’s more cooperation with us, where we work together and evaluate whether or not a new expenditure fits within their plan. . . .”

And Conscious Savings

Careful Spending

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One of the greatest takeaways from the recession, Gordon says, was the recognition of excess spending. “I think the average person is much more intelligent and is more informed about how to spend correctly and how to save correctly,” he says. “The wisdom that we have is based on our past experiences, and because we went through such a difficult recession, that has definitely impacted what we do going forward. And hopefully, it means

CITY OF LONG BEACH BID OPPORTUNITIES

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<thead>
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<td>RFP FD16-133</td>
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<td>WD-22-16</td>
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<td>Rubber and Paint Removal on Airfield</td>
<td>AP16-143</td>
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<td>On-Call Public Works Construction Materials</td>
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/*some of the presented projects have scheduled mandatory pre-bid meetings which may have already occurred due to publication lead times*/
people aren’t going back to those same types of habits that got us into that recession to begin with.” Gordon adds that his clients are much less likely to use credit cards or accumulate credit card debt. Rather, he has seen clients delay large purchases and use cash instead of credit cards for purchases.

Kobata notes there is also seeing a more cautious approach to credit, noting that there’s an increased focus on paying down debt. “We’re seeing a decrease in our customers who are late in payments or even defaulting, so there’s much more control of credit spending,” he says.

When considering purchases, local experts agree that consumers are more frequently engaging in comparison shopping in their search for the best deals—particularly with the increasing popularity of online retailers. “I think that’s empowered the consumer in a lot of ways,” Lee says. “That’s definitely changed spending habits, because if you can’t find what you’re looking for in a retail type setting, you can always go to the Internet.”

Businesses, meanwhile, are also searching for cheaper solutions for their business needs, says Kobata, who notes that he is seeing businesses opt for cloud source services in lieu of servers or choose to utilize online human resources services rather than a direct hire.

For larger scale expenditures requiring financing, such as a home or car, Gordon says consumers are increasingly paying attention to interest rates— and shopping around for the best rate. Still, while interest rates are at historic lows, Blake Christian, partner at Holt-house, Carlin & Van Trigt LLP, notes that there’s a shifting consumer mentality away from ownership.

“People are preferring to access assets on an as-needed basis, like an Airbnb instead of buying a vacation home, or using an Uber or ridesharing service,” Christian explains. “And also, because there’s such a transient workforce these days and younger people are looking at jobs as very temporary in most cases, they’re not going to bother to buy a house in an area that they [may] move from in 18 months or two years because they get an assignment in another state or overseas. The Millennial mentality is they like to be mobile, and they look for other opportunities to expand their horizons geographically.”

For many, conservative and careful spending contributes to building a healthy savings—something that local experts say has increased since the recession.

“People have learned that they have to ratchet down their expectations, especially around their spending expectations,” Kobata says. “So they’re really learned to be wiser spenders and better savers.”

Kobata notes that he has seen an uptick in customers interested in building their emergency fund. “That’s different from what we saw prior to the recession,” he says. “People are much more cautious. They just don’t want to be caught in a situation where they feel helpless in not having the emergency resources set aside.”

“We’ve gone through this throughout our history, whether it was the Great Depression or a recession—people realize that savings is a must,” adds Valerie Magness, first vice president and branch banking administrator for Long Beach-based Farmers & Merchants Bank. Still, she says, savings can be challenging. “With the economy the way it is, people find it hard to save—it’s hard to put money away every month,” she explains. “So we reach out to our clients and talk to them about savings for a purpose—saving for a life event or something they want to purchase rather than building up debt or using credit to purchase things.”

Savings rates, in particular, are increasing among Millennials, Christian notes. “Part of that is they’re not wasting their money on high-end cars and buying things, so they’re a lot more liquid,” he explains, noting that Millennials generally steer away from accumulating debt due to student loan burdens.

Gordon agrees, adding that he’s seeing Millennials opt for moving in with their parents after college rather than renting or buying their own home. “Even if they do have a job, they’re being smarter with what they do with that income,” he says. “They’re using it to pay down debt before they go on and buy a house or a condo or a car . . . . So I think the recession not only affected the Baby Boomers and the older generations but also the younger generations who are coming out of college. I think it’s impacted how they view debt.”

Interestingly, Kobata says, there’s an increasing desire among younger customers to build savings, including retirement accounts, and enhance their financial literacy.

“They may not fully understand what their parents went through, but they want to learn, they want to understand, and they want to prepare themselves,” Kobata says. “So we’re seeing an increase in a need from schools and nonprofits asking us to have bankers come out and provide financial literacy classes.”

The importance of understanding one’s personal finances and individual goals, coupled with preparedness, experts say, is one of the biggest lessons learned from the recession—one that has helped shape the way consumers spend and save.

“Change can happen at any moment,” Magness says. “I think we all saw how bad it can get, and we saw how the world can change within minutes. We should always try to be prepared. Savings is part of that preparedness and in being able to cope with anything that life throws at you. I think that’s what really came out of [the recession].”
How Covered California And The Affordable Care Act Are Impacting Health Care Providers

By SAMANTHA MEHLINGER

Senior Writer

Since the Affordable Care Act (ACA) was enacted, more and more people have become insured. In California, the creation of the Covered California health care exchange and the expansion of Medi-Cal have given millions more people access to health care coverage. There’s one major positive outcome health care providers agree on – people are seeking care earlier and more frequently, leading to better diagnoses and management of chronic health problems.

But the ACA has also caused issues for health care providers – particularly for hospitals – and has exposed a glaring lack of access to primary care in California.

Growth Under Covered California And The Affordable Care Act

“The numbers speak for themselves that Covered California has had a positive impact on making health insurance accessible to more people,” Joel Yuhas, president and CEO of Dignity Health St. Mary Medical Center, told the Business Journal. During the open enrollment period for 2015, a total of 1,408,362 Californians signed up for health plans through the state health care exchange, he said. For 2016, Covered California had 1,572,974 new enrollees.

Under the ACA, Medi-Cal expanded in 2014 to cover one in three Californians. “When you look at our number of uninsured that we see at this hospital, I would say 10 years ago our uninsured rate could have been as high as 10% in the hospital. Today it’s really down to like 2%,” Yuhas said. Because St. Mary takes care of many people in underserved communities, much of this growth has been due to the Medi-Cal expansion, he noted.

“In family medicine, we’ve seen a surge of newly insured patients, many of who have not seen a physician in years, sometimes decades,” Dr. Jay Lee, a family medicine physician and the associate medical director of practice transformation for MemorialCare Medical Group, wrote in an e-mailed response to the Business Journal. The chief complaint of new patients is, “I haven’t seen a doctor in a long while,” he added.

“In my 10 years at MemorialCare, I can’t recall a time when we’ve been more clinically busy both in the ambulatory [outpatient] setting and in the hospital.” Lee continued. “And based on my experience as immediate past president of the 9,000-member California Academy of Family Physicians, the busyness is the new norm for primary care offices up and down our state,” he wrote.

In the same e-mail, John Bishop, CEO of MemorialCare’s three Long Beach hospitals, wrote that he is “thrilled” that because more people are insured they aren’t waiting to seek care until their condition worsens. “From an overall provider standpoint, it has been a very good thing,” John Molina, CFO of Long Beach-based Molina Healthcare, said. “If you look at the hospitals, what we’ve seen in Long Beach and in other geographies, the additional expansion of Medi-Cal and the ability to have people get insured who couldn’t be covered before has greatly reduced uncompensated care.”

In addition to providing health plans through Covered California, Medi-Cal and Medicare, the company also operates health clinics, which have been “very busy” since the implementation of the ACA. They’ve been so busy, in fact, that the company continues to open new clinics, including an upcoming new location on Atlantic Avenue in Long Beach’s 6th District.

The increase in insured Americans has spurred growth for Molina Healthcare, which has nationwide operations, and other health care providers. “To give you a sense, I know we’ve more than doubled...
the employment across the country because of the ACA – I’d say probably up to 150%,” Molina said.

In Long Beach, Molina Healthcare has expanded its footprint. “We’ve got the Molina towers. We also have a few floors over at the World Trade Center. We have the two buildings at 6th [Street] and Pine [Avenue] and a building just over at Hughes Way. That’s not including the clinics we have here in Long Beach,” he said.

To prepare for health care reform, MemorialCare Health System has been growing its local footprint for a decade, according to Bishop. “Years ago – well before ACA – MemorialCare began preparing for health care’s transformation by building, expanding and adding physician practices, ambulatory surgery, urgent care, medical imaging and other outpatient centers,” Bishop wrote. “Recently, we partnered to offer kidney dialysis centers as well throughout the region and expect to see tremendous growth in outpatient services.”

MemorialCare’s effort to “embark on a practice transformation model” to achieve the “triple aim” of the ACA – better care, experience and value – has opened up new opportunities for the provider, according to Lee.

“I believe the ACA has accelerated our ability to build capacity for practice transformation – manifested by our success in securing Accountable Care Organization contracts with health plans, the government and now the new Boeing contract to care for its employees and families,” Lee said. In mid-June, MemorialCare announced that it was chosen to provide health care services through a special contract to most of Boeing’s Southern California employees [refer to separate story in this edition].

Challenges

While health care providers lauded the expanded access to care created by the ACA, there have been issues associated with the rapidly increasing number of insured patients.

“One of the things we’ve seen some of our competitors do is they really increase the out-of-pocket costs in order to have the premiums lower,” Molina observed. “Our preference is that people buy the silver plans because the bronze plans are designed to have high deductibles,” he said of his company’s health plan offerings. “We want to keep it affordable for them. But I can see how that might be a problem for some of the hospitals on the procedure side.”

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ECONOMIC OUTLOOK MID-YEAR REPORT

Long Beach Business Journal 9

July 5-18, 2016

Yuhas said the shortage of primary care physicians is “profound” in Long Beach. As a result, St. Mary Medical Center has seen an increase in patients accessing primary care services via its emergency department. Bishop made the same observation with respect to MemorialCare’s hospitals.

“Our hospital emergency department currently has 23 beds, and we’re working on a plan to expand to 47 beds in the upcoming years,” Yuhas said. “And that is borne about by additional demand for primary care services and for emergency care services at our hospital.”

MemorialCare has a “long-standing” program that helps patients in the emergency room find primary care providers, Bishop noted.

Molina said some universities and even health care providers are creating new medical schools to train more doctors and meet growing demand for primary care. University of California, Riverside is one such school, he noted. “It’s going to be really challenging over the next 20 years to make sure we have enough doctors and mid-level practitioners to take care of everybody,” he said.

The health plans offered through Covered California are also putting financial stress on hospitals, including St. Mary, according to Yuhas. “Our experience is that a lot of people who are accessing care under Covered California plans are choosing the lower [tier] bronze and silver plans that are more affordable but are essentially catastrophic,” he said.

“When you really have something serious that needs to be done, they have very high out of pocket co-insurances and co-pays,” Yuhas said of these plans. “What happens is that people are not always able to afford to pay their co-insurances and co-pays, and as they are unable to pay them, they end up translating to an increased amount of bad debt for a hospital,” he explained. “So we have seen an increase in our hospitals’ bad debt reserves as a result of the Covered California program.”

When asked what the strategy is to deal with this dilemma, Yuhas responded, “I don’t know that we have one.” But it’s not just St. Mary that is unsure of how to approach the situation. “I don’t know that hospitals have a plan B for mitigating bad debt associated with bronze and silver plans and the high deductibles,” he said.

“It’s incumbent on hospitals to continue to work with our legislators to understand the impact of health reform and how that translates to the ability of hospitals to deliver care.”

“One of the things we’ve seen some of our competitors do is they really increase the out-of-pocket costs in order to have the premiums lower,” Molina observed. “Our preference is that people buy the silver plans because the bronze plans are designed to have high deductibles,” he said of his company’s health plan offerings. “We want to keep it affordable for them. But I can see how that might be a problem for some of the hospitals on the procedure side.”
In the face of international uncertainties – the most recent being the United Kingdom’s vote to leave the European Union in a move dubbed the “Brexit” – consumers appear to be reticent about spending, despite positive economic factors on the home front, according to Ben Hackett, partner of international maritime strategy and trade logistics firm Hackett Associates.

Hackett, whose firm produces the National Retail Federation’s Global Port Tracker report, said this dynamic is behind his prediction that the San Pedro Bay ports should only expect to see a half percent growth in imports and a slight decrease in exports this year.

According to officials at the ports, who have somewhat higher expectations for the year than Hackett, financial pressure on the shipping industry and slow economic growth in China are also at play in their own modest cargo forecasts.

Hackett referred to his half percent import growth projection as “not very good” for the San Pedro Bay ports but did note that he expected them to do better than West Coast ports overall. The issue isn’t that cargo is moving away from the ports of Long Beach and Los Angeles, according to Hackett. Rather, it’s “weak trade” across the board.

Weaker than expected consumer demand has led to an imbalance in the inventory-to-sales ratio for retailers, which Hackett said is currently “dangerously high in terms of it possibly being a precursor to lead into a recession or [economic] weakness.” The inventory-to-sales ratio is about 1.40, down from 1.41 in the first quarter, he noted. This figure means retailers have inventories that cost about 40 percent higher than the total revenues they’re earning in sales.

There are several factors contributing to less than robust consumer demand, but all of them have one characteristic in common: uncertainty. This uncertainty is being spurred by a mixed bag of economic data that’s making consumers unsure as to the nation’s standing, instability in the Middle East, “the Trump factor,” and most recently, Brexit, according to Hackett.

Hackett, who happens to be British, said the process of Great Britain leaving the European Union (EU) will take two to three years. “That allows time to negotiate the free trade agreements,” he said. “Unless the EU wants to destroy its industries, it will enter into free trade agreements.”

Jon Slangerup, CEO of the Port of Long Beach, has pulled back on his earlier forecast that the port would see 3% to 3.5% growth this year. Since the first quarter, he has readjusted his outlook to 1% or 1.5% growth in overall cargo volumes by the end of the calendar year, he told the Business Journal.

“It has an awful lot to do with the declining consumer demand around the world, particularly in non-U.S. markets,” Slangerup said of his adjusted outlook. “The U.S. still has decent demand, but that’s even way off. Almost all of the retail associations you might talk to, who had a pretty robust view four or five months ago, have a much more modest view for this year as a result of how everything shifted so fast.”

Slangerup noted that while the inventory-to-sales ratio for national retailers is “still high,” he expects inventories to diminish over the next month or so, with retailers then starting to replenish inventories starting in July. But the ratio doesn’t indicate any red flags, in Slangerup’s view.
“They built up a tremendous amount of inventory because the growth rate was robust last year,” Slangerup said of retailers. Last year, the port nearly surpassed its best year ever for cargo growth, partially because the port experienced a surge in cargo traffic following its recovery from a prolonged period of congestion, he explained. “I think that’s a healthy, normal cycle. But it’s just smaller growth numbers than we and the industry had predicted.”

Slangerup also pointed out that Chinese manufacturing has been slowing down, and because the country is responsible for a major chunk of the port’s business, the trend has been felt at the port. “The good news is that was picked up by some of the neighboring Asian economies, so on a net basis there’s the same amount of manufacturing going on,” he noted. Asian countries with expanding manufacturing sectors are largely clustered in the southeastern portion of the continent, including Vietnam, Thailand, Indonesia and Malaysia, he explained. While the Port of Los Angeles typically budgets with the expectation of 2% to 3% cargo growth annually, this year the port is expecting an increase of 3% to 4%, according to Mike Keenan, the port’s director of planning and strategy.

Year to date, the Port of Los Angeles is pacing 8.6% of last year’s overall cargo traffic. Keenan attributed growth to the port’s efforts to optimize the flow of goods through the supply chain and to win back confidence following the prolonged period of congestion it experienced from late 2014 to early 2015. In Keenan’s view, consumer confidence in the U.S. is “fairly good” but hasn’t caught up with growth and stability in the overall economy. But as longer people keep waiting for the shoe to drop and it doesn’t drop, “that confidence builds,” he said.

Keenan said the “downside risk” is that the U.S. economy’s growth outpaces that of China and other trading partners, the dollar becomes too strong to support an increase in exports. Brexit has already caused the U.S. dollar to gain ground over other foreign currencies, Slangerup noted. “We had actually seen some improvement in exports in the last few months. I just have a fear that, until things stabilize with this British withdrawal from the EU, it’s hard to predict,” he said. “But I don’t think, at the end of the day, that it means much at all for the U.S. in terms of import or export. It’s such a tiny number.”

Financial stresses on the shipping industry are more at play in Slangerup’s outlook. The prices shipping companies are charging to ship individual containers are at historic lows, he noted. These companies invested in megaships before the Great Recession, when the outlook for trade was strong, he explained. “We’re seeing a structural issue related to capacity because all those ships that are coming online this decade were ordered when there were very robust views of what the future looked like,” Slangerup said. “So all this capacity was purchased, and it’s coming online at a time when demand is off. With capacity exceeding demand, shippers have had to lower their prices considerably.

“It’s probably never been as bad as it has been right now in terms of the financial pressures on that segment of the business,” Slangerup said of the shipping industry. “It’s coupled with the fact that the railroads are also recovering from some really serious shortfalls in volume and revenues and profits. So you have two major segments of the maritime business feeling tremendous financial pressure,” he explained. “And it has trickled down impacts on terminal operations. . . . It’s had a big impact.”

The shipping industry may look to major airlines for a way of solving this problem. “The obvious answer is the same answer that the airline industry struggled with over the last couple of decades and has now solved — and that is the ability to match capacity with demand,” Slangerup said. Airlines have formed alliances and consolidated, leveraging their combined resources to “cross-sell and manage capacity,” he explained.

In April, CMA CGM, China Cosco Shipping, Evergreen Line and Orient Overseas Carrier Line announced a new partnership called the Ocean Alliance. The move shook up existing alliances, leaving some shipping companies without partners.

“You’re seeing the realignment of alliances, which can cause problems for the ports in terms of which terminals are being called at,” Hackett said.

Another issue is that as more mega-ships are put into service, ocean carrier lines are going to have to reevaluate where to send them, according to Hackett. “They will show up on the West Coast just because there is nowhere else to put them,” he said.

Although the Panama Canal just reopened after an expansion to accommodate larger vessels, it is still unable to handle mega-ships able to carry more than 14,000 twenty-foot equivalent units (a twenty-foot-long container) of cargo, Slangerup noted. Many have speculated that the canal’s reopening might cause the San Pedro Bay ports and others along the West Coast to lose out on business, but Slangerup said any impact should be small. “The fear that a lot of people wrote about — that we’re going to see this big fall off in the West Coast business — is not based in reality,” Slangerup said.

Kurt Strassman, Southern California industrial and logistics market leader for CBRE, Inc., estimated that the San Pedro Bay ports might experience a 3% to 5% drop-off in business related to diverted trade through the Panama Canal. He called the decrease “nominal.”

“It’s interesting, you read so much about the East Coast ports benefiting from the Panama Canal expansion — and they certainly have benefited and will — but one of the things people sometimes overlook is that these ports just can’t handle one of these mega-ships . . . that are carrying large volumes of cargo,” he said. “You need port and business infrastructure, and that takes a long time. And the ports of Long Beach and Los Angeles have done a fabulous job of reinvesting to maintain a dominant market share in goods coming in to America.”

Although Slangerup’s projection for cargo growth isn’t as rosy as it was at the start of the year, he said that 2016 “is just a hiccup.” Moving forward, he expects 3% to 4% growth in the years ahead based on a long-term forecast recently completed by both ports. “Even with that modest rate of growth, we [will] more than double in 20 years, probably,” he said of cargo traffic.

Keenan also cited future estimated growth of about 4% a year, which he called “a fairly reasonable, very healthy growth rate for us to follow long term.”
Twin Ports’ Capital Projects Reshaping Skyline, Bolstering Competitive Edge

By SAMANTHA MEHLINGER
Senior Writer

From a towering new bridge to the installation of automated, clean-running equipment and the build-out of additional rail capacity, the San Pedro Bay ports are investing millions of dollars into upgrading their facilities on a daily basis. Perhaps the biggest driving force behind these investments is the advent of megaships—vessels as long as the Empire State Building is tall. The dual port complex is now on the regular schedule of ocean carrier CMA CGM’s fleet of vessels able to carry 16,000 twenty-foot equivalent units of cargo each—the largest ships to ever call U.S. ports. Projects at both ports involve installing larger cranes and raising existing ones, deepening water and expanding cargo capacity to be able to accommodate these ships.

While bigger ships don’t necessarily translate to more cargo overall, it does mean much more cargo arriving at one time—a recipe for congestion, as both ports have discovered in recent years. The automated equipment and rail expansion projects at the ports are designed to help alleviate some of that congestion.

Port Of Long Beach Projects

Entering the port complex from any direction, it’s now impossible to miss the rising towers and columns for a new bridge over the Port of Long Beach. The future structure is replacing the existing Gerald Desmond Bridge directly adjacent to it, and its columns are already starting to tower over the smaller bridge.

Duane Kenagy, capital programs senior executive lead for the Port of Long Beach, oversees all the port’s capital improvement projects. The two largest ongoing developments are the Gerald Desmond Bridge Replacement Project and Middle Harbor Redevelopment Project. (Photograph by the Business Journal’s Larry Duncan)

The design for the cable-stayed bridge includes three lanes each for westbound and eastbound traffic, as well as a bike path and pedestrian walkway named after the late Mark Bixby. The bridge’s support towers will rise 515 feet above the waterline, making it the tallest structure in Long Beach. To allow larger vessels to pass beneath it, the deck will have a clearance of 205 feet above the water. The existing Gerald Desmond Bridge has a 155-foot clearance.

“The towers are now taller than the existing bridge. Those are fantastic,” Duane Kenagy, the port’s senior executive lead overseeing capital projects, told the Business Journal. At this stage of construction, they are taller than 200 feet.

“This is a bridge of firsts: it’s the first cable-stayed vehicular bridge in California,” Kenagy said. “It’s obviously constructed in a dense port-operating environment, so that creates a lot of challenges. But we’re working through those issues.”

Due to unforeseen issues and some design changes, the project budget has been adjusted multiple times. The last increase was about a year ago, bringing the total to $1.467 billion. “That budget is holding, we’re within the revised budget,” Kenagy said.

“We’re basically at the midpoint of con-

The The Port Of Long Beach’s Lesser-Known Economic Impact: Conventions

By SAMANTHA MEHLINGER
Senior Writer

The Port of Long Beach is known for being an economic engine for the city. With more than $180 billion in trade moving through the Port of Long Beach every year, it is the second-busiest port in the United States. Its operations support regional transportation, warehousing and logistics industries. Its major ongoing capital improvement projects create thousands of construction jobs, and its ongoing operations support more than 30,000 jobs in Long Beach alone, according to the port. The port also supports more than 316,000 jobs in Southern California and more than 1.4 million jobs nationwide.

Because of this regional and national impact, the port’s presence in the city regularly attracts conventions and groups to Long Beach. In 2016, the total estimated economic impact of groups visiting Long Beach because of the port is $2.8 million, according to the Long Beach Convention & Visitors Bureau (CVB).

“We’re fortunate that the Port of Long Beach is a part of our city, and we’re also fortunate to have a really aggressive management team at the port that helps us find and close on conventions for the City of Long Beach,” Steve Goodling, president and CEO of the CVB, told the Business Journal. Goodling’s staff works closely with the port to bring in this business for Long Beach, he said.

The following groups and conventions took place or are planned in Long Beach this year because of the port:

- TPM 2016 The Journal of Commerce’s annual Trans Pacific Maritime conference—February 28 to March 3; Estimated Economic Impact (EEI): $930,000
- North American Home Furnishings Association—May 19-20; EEI: $387,500
- Agriculture Transportation Coalition—June 14-17; EEI: $310,000
- California Construction Expo—July 28; EEI: $434,400
- Cargo Logistics America, presented by Informa—October 10-12; EEI: $775,000
- Worldnet Associates—October 17-20; EEI: $38,750

The following are groups scheduled for 2017 and beyond:

- TPM 2017—February 23 to March 22, 2017; EEI: $1.5 million
- IANA 2017, Intermodal Association of North America—September 17-19, 2017; EEI: $1.9 million
- AAPA, American Association of Port Authorities—October 1-4, 2017; EEI: $1.3 million
- TPM 2018—March 4-6, 2018; EEI: $1.5 million
- IANA 2018—September 16-18, 2018; EEI: $1.9 million
- IANA 2019—September 15-18, 2019; EEI: $1.9 million.

The Port of Long Beach is in the midst of a years-long project to replace the Gerald Desmond Bridge. The new bridge is being built alongside it. Its columns and towers have already surpassed the height of the existing bridge, and a moving scaffolding system has completed three segments of one of the bridge’s approaching ramps. The new structure is being built higher to let larger vessels pass beneath it. (Photograph by the Business Journal’s Larry Duncan)
Port Of Los Angeles Projects

The Port of Los Angeles (POLA) also has two major capital improvement projects underway, both of which aim to upgrade and modernize port terminals to accommodate larger ships.

The expansion project at the TraPac terminal is the larger of these projects, with the port’s share of investment totaling $510 million, according to Tony Gioiello, chief harbor engineer for POLA. About 80% of the project has been completed, including the installation of electric, automated equipment similar to that implemented in the first phase of Long Beach’s Middle Harbor project, he noted.

“It’s fully automated, pretty sophisticated stuff,” Gioiello said. Longshore workers are still operating the cranes that move cargo from ship to shore, but the stacking cranes that move the cargo on the dock are fully automated, he explained. The terminal also has automated guided vehicles to deliver containers from stacks to trucks.

About two months ago, the terminal’s interim terminal rail yard was completed, and with it, the port reached a milestone—all of its terminals now have on-dock rail, Gioiello noted. “It was actually very critical for them to have an on-dock facility for a competitive advantage,” he said of the TraPac terminal.

The TraPac terminal project upgrades are being undertaken as part of a new 30-year lease with the terminal operator, Gioiello noted. Philip Sanfield, a port spokesman, said TraPac decided to stay competitive and be able to efficiently handle mega-ships.

The five-year TraPac project is on schedule for completion at the end of 2017 and is on budget, Gioiello said. A smaller, $67 million project to upgrade the Yusen terminal is also underway at the port. The project involves deepening the water at berth to allow for larger ships, as well as strengthening portions of the berth itself, according to Gioiello. A larger crane is also being installed, he noted. That project, which began construction about a year ago, is on schedule for completion in 2018.

The port is wrapping up a $383 million transportation infrastructure improvement program this year. The program’s end goal is to reduce the impact of port truck traffic on public roadways. It includes the following projects: the South Wilmington Grade Separation, $72 million; Berth 200 Rail Yard Project, $120 million; and construction on various I-110 Freeway interchanges and connectors, $101 million.

The port recently committed to heavily investing in projects to benefit public waterfront spaces at the port, including $50 million for the revitalization of Ports O’Call Village in San Pedro and $52.7 million for the redesign of the Wilmington waterfront at Banning’s Landing. “Everything is in the design phase right now,” Gioiello said of the community projects.
What International Flights Could Mean For Long Beach

By BRANDON RICHARDSON
Staff Writer

With JetBlue leading the charge and a feasibility study nearing completion, airlines, surrounding businesses and Long Beach as a whole are beginning to think about what international flights would mean for the city.

“I hope that the community sees the benefits,” Lou Anthony, the general manager for JetBlue at Long Beach Airport (LGB), said. “I know that an international city like Long Beach, with a very vibrant port, should have a vibrant airport as well to support the international activity and growth. This a beautiful community and I think international travel is in the best interest of all.”

In January, the city council approved a $349,845 contract for the feasibility study to Texas-based Jacobs Engineering Group Inc., which also has carried out consultations for John Wayne Airport in Santa Ana and Los Angeles International Airport. The study, which will determine the impacts of international flight capabilities in tandem with a U.S. Customs and Border Protection Federal Inspection Station, is scheduled for completion and to be presented to the city council by the end of July.

Anthony has some ideas about destinations that JetBlue may consider, though he said it is all speculation on his part as the company is not likely to look into the matter until the feasibility study is complete. “I would guess that, probably, Mexico would come into play immediately. Potentially Costa Rica and some of the Central American countries,” he said.

In Los Angeles County, there are 4.9 million people of Hispanic origin according to the 2010 U.S. Census. The census estimated the population of Long Beach to be 247,140 people in July 2015. Of that, Long Beach residents are 40.8% (99,440) Hispanic, which means nearly 4% of the L.A. County Hispanic population resides in Long Beach alone.

Therefore, flights heading south of the border would be a great convenience for a large portion of Long Beach residents, as they would not have to travel to John Wayne Airport or LAX to fly.

“We talk a lot about maintaining the quality of life in the Greater Long Beach area, and I think our noise ordinance does that,” Curt Castagna, president and CEO of the Long Beach-based Aeroplex/Aerolease Group, said. “But having customs at Long Beach would also create an efficiency of operations where aircraft don’t have to stop in other destinations – Tucson, Duluth, Alaska, Hawaii, anywhere else that might be coming to the L.A. or Long Beach area – first. By allowing customs services here, we also maintain the quality of life issues in those neighborhoods, too.

“Instead of airplanes having to stop and create more noise pollution and issues there, they can overfly and keep going because the airplane has the range to do so. And do we have a responsibility to do that? I think so.”

Earlier this year, nine daily slots were added to the initial 41 commercial flights allowed by the LGB noise ordinance – Southwest Airlines being the newest addition with four daily flights to Oakland, which began June 5. Commuter flights remain limited to 25 flights per day.

With additional flights, major airlines and surrounding businesses hope the feasibility study will shed light on what they say they already know: international flights would not infringe upon the current LGB regulations as they pertain to noise pollution, number of daily flights and the curfew, and that more flights mean more jobs and more people spending money in Long Beach.

“We’re authorized for 35 flights regardless of where they fly,” Anthony said. “A flight to Portland takes up the same landing slot as a flight to Cabo San Lucas would. Right now, we’re flying between 24-26 flights a day, so if we’re able to operate international flights, the additional flight activity would be filled within those slots.

“Aside from the number of flights and where they originate or end up, using more daily flight slots would have economic benefits, not just for the airport but the city as a whole.”

“We would be able to attract corporate aircraft operators – Fortune 500, Fortune 10 operators – who might then look at Long Beach as an attractive venue in order to base their operations inside the Greater Long Beach area,” Castagna said.

John Tary, the general manager for AirFlite, said, “Being a Toyota-operated entity, our flights that come from overseas into the L.A. area usually choose to land at LAX and stay there, instead of putting the additional time on the aircraft and [using] additional fuel. So for AirFlite, Toyota wants to come in here and do business in Long Beach. But since international [flights] cannot come into this airport, it makes it more difficult to visit this city.”

With so much available land in Douglas Park, there is plenty of space for international businesses to set up operations in Long Beach. The city has already seen success from the Mercedes-Benz occupation of the former Boeing Company ‘717 plant.

“With the economic . . . growth in the Long Beach area, adding this capability would just increase the ability to do business, which would then increase the need for a larger workforce,” Tary said. “I can’t imagine – especially the tourism industry in general would benefit so much from the airline portion of this. Again, bringing people into our city would translate to direct revenue for the city.”

Julia Bueettner, the general manager for Courtyard Long Beach Airport, hopes that international flights will be approved for LGB. She thinks that the decision would increase business for her hotel and many other businesses around the city, boosting Long Beach’s economy. (Photograph by the Business Journal’s Larry Duncan)

“Usually, when you bring in international people to any city, they’re going to spend money somewhere,” Bueettner said.

“They’re going to go to the stores, they’re going to go to the malls, they’re going to go downtown, and they’re going to go to the restaurants. So I do not see where this would be a negative on the economy in any way.

“For her hotel specifically, international flights potentially means more occupancies. “The busier we are, the more people we can employ,” she said. “Hypothetically, I hope this happens.”

When asked what international flights could mean for tourism in Long Beach, Steve Goodling, president and CEO of the Long Beach Area Convention and Visitors Bureau, said, “On issues like this, I have been asked not to speak because this is a political issue that needs to be worked out through the council.”

Both SkyWest Airlines, which operates flights in and out of Long Beach on behalf of Delta Air Lines, and Southwest declined to comment on international flights based solely on speculation. An American Airlines representative was unavailable for comment.

Castagna of Aeroplex/Aerolease Group echoed the sentiment that there would be no disadvantages to the airport allowing international flights, “unless you think not driving to LAX and going out of that airport is a disadvantage.”

Julia Bueettner, the general manager of Courtyard Long Beach Airport, hopes that international flights will be approved for LGB. She thinks that the decision would increase business for her hotel and many other businesses around the city, boosting Long Beach’s economy. (Photograph by the Business Journal’s Larry Duncan)
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Utilities And Growth: Uncertain Past Means Preparation For Future

By MICHAEL G OUGIS Contributing Writer

For years, decades in some cases, utilities have been urging Southern Californians to conserve. We forgo requesting a glass of water when we sit down at a restaurant. We turn our air conditioning on only in the afternoons and evenings. We purchase high-efficiency water heaters. We turn our air conditioning on only in the afternoons and evenings. We purchase high-efficiency water heaters.

The payoff is that the utilities that serve the Greater Long Beach area all say that thinking about future growth – in terms of the number of people or the number of homes – doesn’t cost them many restless nights. Reduced demand, plentiful supplies and ample infrastructures mean that water, gas and electricity should be available to meet the needs of the region for years to come.

Long Beach’s population is expected to grow from about 462,200 in 2008 to 491,000 in 2020 and 534,100 in 2035, according to a 2012 study by the Southern California Association of Governments.

The number of households is anticipated to grow from 163,500 in 2008 to 188,900 in 2035, according to the same report. Robert Dowell, director of the Long Beach Gas and Oil Department, says that increasingly efficient new construction and efficient new appliances have reduced the amount of natural gas consumed by Long Beach residents and its businesses. Because there are no vast tracts of undeveloped land in the city, growth is anticipated to be relatively slow, and the existing system is more than capable of meeting the projected increases in population, he says.

“The advances in building codes and energy standards have really, over the past several years, led to a reduction in the amount of gas going through the system,” Dowell told the Business Journal. “The system was designed to anticipate future growth and usage. And coupled with the decline in consumption, there’s plenty of pipeline capacity available for any growth that’s anticipated now and for many, many years into the future. Supply would never be an issue. We’ve seen a steady decline at least over the last 10 years, as have all gas utilities. We have plenty of gas for any growth, whether on the commercial side or the residential side.”

Similarly, water conservation has reduced the demand in Long Beach for water, ensuring that the existing system has more than enough capacity to meet future population growth, says Chris Garner, general manager of the Long Beach Water Department. In addition, agriculture and heavy industry are not large segments of the city’s profile, so the large amounts of water needed to support those industries are not needed in the city. Residential use largely defines the city’s water needs.

“One of the good things that the Long Beach Water Department has done an excellent job of for quite a long time, well ahead of the curve in terms of California, is water conservation,” Garner says. “Today, Long Beach as a whole is using less than – or equal to – the amount of water it was using back in the 1960s, despite the large increase in the population. “It’s the result of conservation and increasingly efficient use of water. I think people are much more cognizant of the need to use it wisely, use it efficiently and not waste it. We don’t have the agricultural uses – it’s residential that is the larger consumer of water.”

And expanding the use of reclaimed and recycled water increasingly frees up potable water for residential needs, he says. “What you’re seeing is a greater use of recycled or reclaimed water. That helps expand the supply. Every drop of reclaimed or recycled water we use is a drop of potable water that would otherwise be used. We’re trying to maximize that.”

And as new construction takes place, the newer units are more water-wise than the ones they are replacing. Garner adds. “We’re putting in more and more units, but they’re more and more efficient,” he says.

Electricity is perhaps the utility where future change is likely to be most dramatic. Southern California Edison is looking forward to that change by modernizing and increasing its emphasis on renewable and clean sources of power. In addition, there are now choices for locating the generation of electricity – take a look at the roofs in your neighborhood.

And that can help the utility meet future demands for electricity, says Erik Takayesu, director of electric system planning and grid modernization team lead for Edison. “There always will be some level of growth on our system, population growth and customers moving in. We also see Edison providing more electric transportation options. We see that as a sustainable trend. When we think about reducing carbon emissions, it’s not just the generation of electricity that matters but also other sectors like transportation,” Takayesu told the Business Journal.

“Eventually we will do two things. One is we will need to invest in the system to modernize it. The second thing we want to do is to offset the needs to build more infrastructure. In the traditional energy system, we have these very far away power plants and long transmission lines to bring that power to our customers. What we’re seeing now is where more generation is happening locally. That creates an interesting dynamic.”

Prices, Production, Refining And Regulation: A Challenging Outlook For Oil

By MICHAEL G OUGIS Contributing Writer

Continuing low prices for crude oil, large reserves real and potential, and a tight regulatory environment in California make the outlook for the petroleum industry challenging in the short-term, experts and industry members say.

“The commodity price environment remains the greatest challenge facing the industry both here in California and nationally,” Thomas Blair, director of security and external relations for California Resources Corporation (CRC), Southern Operations, told the Business Journal. The spot price for West Texas Intermediate (WTI) crude, used as a benchmark for monitoring oil prices, is expected to remain below an average of $43 per barrel in 2016. In 2017, it is expected to recover to only slightly more than an average of $51 per barrel, according to the U.S. Energy Information Administration. In comparison, WTI averaged more than $93 per barrel in 2014.
CRC’s facilities in Long Beach have generated more than $4.4 billion in revenue since 2003 for the city, state and port based on the government share of ownership in these operations and from fees and taxes. As a company that operates entirely in the Golden State, CRC is honored to partner with the city of Long Beach and the State Lands Commission to supply energy for California by Californians.
The low prices are good for consumers, but in a city and state where a significant part of the economy relies on the production, refining and sale of oil, low prices are a mixed blessing, Robert Dowell, director of the Long Beach Gas and Oil Department, says.

“Price recovery would spur some activity on the drilling side. Oil fields decline as they produce. And new drilling offsets some of that decline. If we could get some price recovery, that would be the thing we’re all keeping our fingers crossed for and are hoping to see,” Dowell told the Business Journal.

“On a tax base, there are more dollars assigned to the value of the crude in the ground, so there are higher taxes paid to the county. There’s more spending. There’s more activity. It’s really beneficial to everyone, not just the city on the sale of the oil, but there are several other entities that get hit on a reduction in commodity.”

Price recovery, however, is anticipated by experts to be a long process.

Production in the U.S. is declining, with crude oil production falling from 9.43 million barrels per day in 2015 to 8.19 million barrels per day in 2017. And demand has been higher than anticipated in the first half of 2016.

But inventory remains high, with U.S. crude oil stockpiles at 519.8 million barrels in June. (During the past five years, June stocks have ranged between 355.8 million barrels and 470 million barrels.) And oil is a global commodity. Wildfires in Canada temporarily halted substantial production earlier this year, while political instability in places like Nigeria and Libya have “shut-in” production there, according to the International Energy Agency’s (IEA) latest oil market report.

The potential for a downturn in increased demand, as well as the possibility of suddenly increased production joining the higher-than-normal stockpiles of crude, means that experts are predicting slow growth in prices, and they aren’t even confident about that.

“There are large volumes of shut-in production, mainly in Nigeria and Libya, that could return to the market, and the strong start for oil demand growth seen this year might not be maintained,” the IEA report stated. “In any event, following three consecutive years of stock build at an average rate close to one million barrels per day, there is an enormous inventory overhang to clear. This is likely to dampen prospects of a significant increase in oil prices.”

CRC says the outlook for its company is brighter than the outlook for the industry as a whole.

“CRC has a high level of operational control, meaning that we effectively operate all of our assets, which allowed us to quickly reduce capital investments this year when prices declined and favorably position us to grow in a strengthening commodity market,” Blair said. “CRC is committed to living within our means, and we fund our capital budget internally with operating cash flow.

“By focusing on our core operations, we have sustained significant oil and natural gas production at lower operating costs without the need to drill new wells this year,” Blair continued. “We have also devoted our capital investments this year to our core facilities so that we are prepared for increased activity when commodity prices rebound.”

But not all are as confident. Catherine Reheis-Boyd, president of the Western States Petroleum Association, says the regulatory environment has created challenges for new production in California – despite reasonable, if pragmatic, policies from Gov. Jerry Brown.

“The governor has been rational about the need for California to produce crude oil. His approach has been practical – we’d be better off producing it here rather than shipping it in by rail or by tanker,” Reheis-Boyd says. “But there have been so many regulations placed on new production that it has been, in effect, a moratorium.”

Add it to discussion and debate about the future of the state’s climate change control policies, regulations on hydraulic fracturing and other elements of well stimulation techniques, and she calls the outlook challenging at best.

“It’s not a pretty picture for refiners in this state. It is not, in my opinion or the industry’s opinion, trying to strike a reasonable path forward. The math just doesn’t add up,” she says. “There needs to be some realism brought into the conversation.”
As an Army Reservist, Erika learned how to get things done.

The Grocery Outlet needed the right team to help open its Long Beach store.

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CONTACT:
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A free business assistance service administered by the City of Long Beach.
Imagination realized

Since its launch in November 2013, the Pacific Room has booked over $140,000,000 in economic impact for Long Beach.

And it’s still going strong.
The Pacific Room brings together sumptuous light, sound, décor and atmosphere for an infinitely versatile experience with tens of thousands of dollars worth of customizable lighting systems, mood-enhancing design elements, stylish furniture, smart sound capabilities and other amenities available to you at no extra cost. An atmosphere that invites connection and rocks the wow factor — there’s nothing like it (on this planet anyway).
Four Unanimous Votes Approve More Property Sales

Developers continue to buy up property around the city for new residential, commercial and mixed-use spaces, while previous projects move forward.

In four unanimous votes, the city council approved the sale of four former Long Beach Redevelopment Agency properties for more than $11.5 million at its meeting on June 21.

The first approval was for a property located at Broadway and Long Beach Boulevard. Raintree-Evergreen LLC, a Delaware limited liability company, was approved to buy the land for $7.3 million. The company plans to turn the temporary parking lot into a 44,849-square-foot modern luxury apartment complex and retail space in Long Beach's 2nd District.

The second development site, located at Broadway and Carson Street (B on the map), was approved to be turned into an 18-story tower, which will include 229 apartments, as well as a seven-story apartment building with 96 units. The proposal by Ensemble also includes 25,000 square feet for retail space.

The third development site, located at Anaheim Street and Lime Avenue, was approved for purchase by CJDT Development Group LLC, a California limited liability company, for $500,000. The site for the Hampton Inn and Homewood Suites dual hotel by Costa Mesa developer Nexus is currently in its grading phase. The Hampton Inn portion of the hotel will consist of 143 rooms, while Homewood Suites will have 98. The facility will also include a lounge area, a gym, an outdoor pool and a recreation area.

The last property voted on is located at 100 E. Ocean Blvd. to American Life Inc. for a 25-story hotel and business center.

This Long Beach Business Journal photograph from March 2016 shows completed projects at Douglas Park, north of the Long Beach Airport. Among the current projects are Pacific Pointe East (not pictured, located south of Lakewood Boulevard and south of Mercedes-Benz USA facilities), a 465,000-square-foot, three-building project that is in its grading phase and is currently for lease by Sares-Regis Group. Grading has begun on a Hampton Inn/Homewood Suites project (A on the map and also pictured below). A 270,000-square-foot retail project by Burnham USA Equities Inc. is planned at the corner of Lakewood Boulevard and Carson Street (B on the map). Sares-Regis Group is also planning a Pacific Pointe North development in the near future (C on map).

The project is filed for a California Environmental Quality Act (CEQA) exemption, which means the city does not need to identify any potential environmental impacts the proposed project would have.

Warren Blesofsky, a 2nd District resident and president of Citizens Against Downtowm Long Beach Giveaways, said the city is using exemptions for projects around the city that should not be eligible. “When you post the CEQA exemption tomorrow, we can head down to the recorders office, take a picture of it and we’ll be filing another lawsuit against this development.”

Blesofsky made similar comments at the May 17 meeting regarding the recent approval of the sale of property at 100 E. Ocean Blvd. to American Life Inc. for a 25-story hotel and business center.

Vice Mayor Suja Lowenthal said implying the council is taking part in any wrongdoing through its sales of property is disrespectful to anyone who spent time updating the downtown plan over the last seven years.

She went on to explain how the approach of these sales means that the properties will not simply go to the highest bidder but rather to a company with a plan that fits the best interest of the community. “So I’m not only thankful for the process, but I’m actually very proud of it,” she said.

The next sale to be approved was for property at Anaheim Street and Walnut Avenue to BRIDGE Housing Corporation and The Children’s Clinic “Serving Children and Their Families,” both California-based, for $2.5 million.

The property in the 6th District would create 408 temporary jobs and 42 permanent jobs, according to the district’s councilmember, Dee Andrews.

“[The district’s] greatest need would be housing for our aging community and affordable health care clinics for our children and our families,” Andrews said. “I do appreciate the fact that the developers understood the importance of our Cambodian community in the areas by providing space for two active non-profit organizations in serving the Cambodian community, as well as housing and a small-business development center. It’s nice to see services in our neighborhoods outweigh the mighty dollar.”

The third development site, located at Anaheim Street and Lime Avenue, was approved for purchase by CJDT Development Group LLC, a California limited liability company, for $500,000. Also in the 6th District, Andrews said the project would create 10 temporary jobs and 24 permanent jobs, positions which he hopes will be filled by residents of the district. The ground floor of the building will house two restaurants, including a contemporary Asian noodle eatery.

During the public comments section for this project, Charles Lewis, the project manager, said, “We want to take one minute to thank you for the opportunity to participate in what we think is the fastest-growing and best city in the state. We are excited to see what we can do with the location.”

The last property voted on is located at 4800 Long Beach Blvd. In the 8th District, City Ventures LLC, a Delaware limited liability company, was approved to buy the land for $1.25 million with plans to build a condominium complex.

A major project approved for sale by the council at its June 14 meeting was a 52,500-square-foot lot on the northeast corner of 3rd Street and Pacific Avenue to Ensemble Investments. The company paid $6 million for the land and plans on building an 18-story tower, which will include 229 apartments, as well as a seven-story apartment building with 96 units. The proposal by Ensemble also includes 25,000 square feet for retail space.

Approved sales by the city council in May included property at The Promenade
and Broadway Avenue for $8.2 million to Raintree-Evergreen LLC for residential, retail and flexible workspace; 120 E. 3rd St. for $480,000 to William Morris Commercial Inc. for adaptive co-work and incubator space; and 5100 Long Beach Blvd. for $1.25 million to City Ventures LLC for 27 townhomes.

New Civic Center And The Former Boeing C-17 Plant

The demolition of the 58-year-old county courthouse at 415 W. Ocean Blvd. to make way for the new Long Beach Civic Center was completed on schedule and under budget. The site was delivered to Plenary Edgemoor Civic Partners on June 1 as required by the agreement. The project is scheduled to break ground in July.

Additionally, property on the southwest corner of 3rd Street and Pacific Avenue was conveyed to Sares-Regis Group for a residential development. In all the civic center project includes the new city hall, port headquarters, main library and Lincoln Park – plans for which were completed last year. The project also includes plans for retail space, 650 multi-family units and 200 hotel rooms, which have not been finalized.

As for the site of the former Boeing C-17 plant on the west side of the Long Beach Airport, Michael Conway, Long Beach’s director of economic and property development, said, “Boeing has not yet completed its environmental review to be conducted as part of its decommissioning. Once that review is complete, the city can more actively assist in determining future uses, timelines and entitlement.

Douglas Park Projects

Four projects are currently being approved, in their grading phase or are already under construction at the Douglas Park project north of the Long Beach Airport.

Pacific Pointe East is the largest of the projects, totaling 465,000 square feet on 25 acres of land east of Lakewood Boulevard and south of the Mercedes-Benz complex. Larry Lukinish, senior vice president of Sares-Regis Group, said the site will consist of three buildings.

“We plan to have those buildings completed by the first quarter of 2017,” he said. “This project is currently for lease, so we do not have any tenants yet. But we are marketing the project.”

Sares-Regis also sold four acres of property fronting Lakewood Boulevard at Cover Street to Nexus, a development company based in Costa Mesa. Nexus is preparing the land for the construction phase on a Hampton Inn and Homewood Suites dual hotel. According to the Nexus website, the hotel will include 143 Hampton Inn rooms and 98 Homewood Suites rooms. Also included will be a lounge area, a gym, an outdoor pool and a recreation area with barbecuing, ping pong and a putting green. The project is scheduled for completion in 2017.

Long Beach’s Urbania Development LLC is in the process of getting site plans approved for 100,000 square feet of offices on 6 acres of land just south of the Nexus site. Lukinish said the project would hopefully be completed by August 2017.

Lastly, Burnham USA Equities Inc., located in Newport Beach, has plans for a 270,000-square-foot retail project.

“A lot is going on in Douglas Park,” Lukinish said. “Within the next year, we will have a lot of new buildings and different amenities there for the current tenants and the nearby residents to use.”

Additional Development Projects

In The Pipeline As Of June 2016

• 101 Alamitos Ave. – At 1st Street in the East Village Arts District, the project by Sares-Regis Group includes 136 condominiums with 10 studio units and 2,560 square feet of pedestrian-oriented retail and restaurant space in a seven-story building. Entitlements for the project are completed.

• 137 W. 6th St. – The mixed-use development project will include 10 residential units, an at-grade parking garage for residents and an additional 1,200 square feet of commercial retail space. The project is currently under construction and is scheduled for completion this summer.

• 157 Linden Ave. – A project for a five-story building includes up to 44 residential units above approximately 2,688 square feet of retail space. The project site plans are in the review process.

• 1570-1598 Long Beach Blvd. – At 16th Street, the project includes a 36-unit condominium complex with 10,000 square feet of retail space on the ground floor. The project is currently in plan check with the city.

• 2nd Street and Pacific Coast Hwy. – A retail center has been proposed by the property owner to replace the aging SeaPort Marina Hotel at the corner of 2nd Street and Pacific Coast Hwy. The Long Beach Development Services staff is working with the development team on a revised proposal of the project.

• 200 W. Ocean Blvd. – The adaptive reuse project will add two stories, including a total of 94 residential units and 4,397 square feet of retail space. Entitlements for the project were approved in December 2015 and the city is awaiting submittal for a plan check.

• 270 Seaside Way – The proposed mixed-use development project includes 113 residential units and 2,000 square feet of retail in a five-story building. Construction has begun on a public pedestrian bridge adjacent to the site. The project is currently in plan check with the city.

• 227 Elm Ave. – Developer City Ventures proposed 40 three-story townhomes over one-car garages. The project is currently in plan check with the city.

• 230 W. 3rd St. – The proposed mixed-use residential complex includes 163 residential units, 261 subterranean parking spaces, community spaces for tenants, a pool deck and a fitness area. The conceptual site plans are in the review process.

• 300 Alamitos Ave. – The proposed project includes 77 market-rate apartments with 109 parking stalls on two levels (below grade and grade level). The conceptual site plans are in the review process.

• 434 E. 4th St. – The proposed mixed-use project includes 49 apartment units over ground floor resident amenities and retail space with 82 parking stalls. The project site plans are in the review process.

• 442 W. Ocean Blvd. – Long Beach developer Ensemble Investments proposed a mixed-use development of an eight-story building to include 94 residential units and

[Please Continue To Page 24]
1,455 square feet of retail space. The project is currently in plan check with the city.

• **495 Promenade North – The Residences at City Place project includes a four-story mixed-use building with 20 residential units and 5,220 square feet of commercial space on the ground floor. The project is currently in plan check with the city.

• **635 Pine Ave. – The project includes 156 residential units in a 22-story building. The conceptual site plans are in the review process.

• **810 Pine Ave. – The project includes 64 residential units in an 11-story building. The conceptual site plans are in the review process.

• **Anchor Place – The five-story complex will include 75 units reserved for homeless veterans and 45 units set aside for extremely low-income residents located within the Century Villas at Cabrillo campus in West Long Beach. The conceptual site plans are in the review process.

• **City Place Shopping Center – Local design firm Studio One Eleven plans to redevelop the City Place Shopping Center in Downtown Long Beach and move into a former Nordstrom Rack building that is also slated for redevelopment. The project is currently under construction.

• **Golden Shore Master Plan – The development agreement for residential condominiums and office, retail, hotel and parking space on a 5.87-acre site at Ocean Boulevard and Golden Shore. The city is awaiting site plan review applications for individual development sites.

• **Ocean Center Building – An adaptive reuse project proposed by the property owner, Santa Monica-based Levy and Associates, will convert office space at the historic Ocean Center Building at 110 W. Ocean Blvd. into approximately 74 residential units with retail and restaurant space on the ground floor. The project is currently in plan check with the city.

• **Olympus Fitness Center – This adaptive reuse project by property owner Kurt Schniefer of Maverick Investments will turn the former Yankee Doodles bar and adjoining salon at 4100 E. Ocean Blvd. in Belmont Shore into a fitness center. The project is currently under construction and estimated for completion in October.

• **Pacific Lots – The project, located at 140 W. 7th St., includes 36 residential units in a five-story building. The project site plans are in the review process.

• **Pare Broadway – The project, located at 245 W. Broadway, the site of a former office building, includes 222 residential units with 8,500 square feet of retail space on the ground floor, including an art gallery, cafe and "bike kitchen." The project is currently in plan check with the city.

• **Pine Square/Pacific Court – The project involves converting the former

### Status Of Former Long Beach Redevelopment Agency Properties

<table>
<thead>
<tr>
<th>Property Type</th>
<th>Address</th>
<th>Lot Size (Sq. Feet)</th>
<th>Status</th>
<th>Buyer</th>
<th>Cost</th>
<th>Proposed Use</th>
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<tbody>
<tr>
<td>Mixed-Use</td>
<td>101 E. Willow St.</td>
<td>221,285</td>
<td>Property to be marketed in 2016</td>
<td>Davila Properties</td>
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<tr>
<td>Lot/Land</td>
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<td>Lot/Land</td>
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<td>Infrasciences Partners, LP</td>
<td>$260,000</td>
<td>Industrial</td>
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</table>

Source: City of Long Beach Economic and Property Development Department. Current as of late June 2016.
AMC Pine Square movie theater at 245 Pine Ave/250 Pacific Ave. into 69 loft-style apartment units with new retail space on the ground floor. The project proposes 112,079 square feet of new residential space at Pine Avenue, 3rd Street and Broadway. Construction of this project is nearly completed and a temporary certificate of occupancy has been granted by the city, allowing tenants to move in.

- **Riverwalk** – Orange County-based developer Integral Communities proposed a residential development on 10.56 acres at 4747 Daisy Ave., formerly the site of the Will J. Reid Boy Scout Camp. The project includes 131 single-family homes in a gated community. Entitlements for this project are completed.

- **Security Pacific National Bank Building** – An adaptive reuse project at 110 Pine Ave. will convert office space at the 13-story building into 118 residential units above The Federal Bar. The project is currently in plan check with the city.

- **Shoreline Gateway** – The project by Anderson Pacific, LLC includes a 35-story condominium tower at Ocean Boulevard and Alamitos Avenue with 315 residential units. Entitlements for the project are being processed.

- **Steel Craft** – At the corner of Long Beach Boulevard and Bixby Road, the project by developer and general contractor Howard CDM is repurposing shipping containers into a multi-tenant commercial retail park. The project is currently in plan check with the city.

- **The Breakers** – The adaptive reuse project includes 138 market-rate residential units. Project site plans are in the review process.

Construction continues on the City Place Shopping center on the corner of 3rd Street and North Waite Center. The 350,000-square-foot retail center in downtown is in its first year of a four-year, three-phase, multimillion-dollar renovation. The center, which stretches along 3rd Street, 6th Street, Pine Avenue and Long Beach Boulevard, will also be renamed with the help of the public. (Photograph by the Business Journal’s Larry Duncan)
A s technology progresses and society needs human interaction less, opting for a text-don’t-call approach, retail stores see more and more business being done online. For local brick-and-mortar stores, this can mean being forced to close their doors for good.

“When I think of shopping online, I think of cultural deforestation,” Sean Moor, owner of Gatsby Books, said. “The clear-cutting of local jobs and the small businesses that give our town its character and community.”

Moor is not far off. Around Long Beach and across the nation, vacant storefronts are not an unusual sight— with certain locations seeming to be a revolving door for business after business to fail—as more and more small businesses are forced out by the likes of Walmart, Target and heavy-hitting nationwide retailers. It opens up new opportunities for small businesses, which typically do not have full web stores.

However, for omnichannel stores (utilizing in-person, online and mobile markets), an online presence also means easy price comparison before shoppers set foot in their stores, advertising new products which can bring new customers and getting customers into the store for pickups and purchases, which could lead to more sales.

“About 40% of our online orders are completed at the store,” Holmes said. “Of that 40%, about 20% of customers buy something else while they’re in that store.”

Home Depot’s greatest challenge with the rise of online shopping’s popularity and the introduction of its Buy Online Deliver From Store program, according to Holmes, is keeping up with demand. He also explained that being able to store Buy Online Pick Up In Store purchases is a challenge due to space and trying to make the experience as convenient as possible for customers.

According to the Year Ahead 2016 report by Bloomberg Intelligence, “The growing use of technology by consumers is driving major changes in consumption, inventory management and delivery in the retail industry. Traditional brick-and-mortar retailers are being pushed by Amazon.com and ecommerce peers to invest in technology and enhance omnichannel capabilities, from content to payment, to boost sales, while margins may be pressured.”

“Our average store is 105,000 square feet,” Holmes said. “No one’s pretending it’s simple to find anything in the store, but with the Home Depot app, you can literally say to your app ‘faucets’ and it will show you where the faucets are— what aisle and where in the bay that particular product is.”

Getting into the online shopping universe seems to be an easier transition for large, nationwide retailers. It opens up new opportunities for sales and they have the funding to try new things and not go bankrupt if these new ideas fail. But for small local shops, which add character to communities, it’s becoming more and more difficult to keep up.

“It’s an existential choice,” Gatsby Books’ Moor said. “You can sell out or buy in. Let’s buy into our local communities and make the place where we live better.”

Will Online Shopping Kill Brick-And-Mortar Stores?

A s technology progresses and society needs human interaction less, opting for a text-don’t-call approach, retail stores see more and more business being done online. For local brick-and-mortar stores, this can mean being forced to close their doors for good.

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Home Depot’s greatest challenge with the rise of online shopping’s popularity and the introduction of its Buy Online Deliver From Store program, according to Holmes, is keeping up with demand. He also explained that being able to store Buy Online Pick Up In Store purchases is a challenge due to space and trying to make the experience as convenient as possible for customers.

According to the Year Ahead 2016 report by Bloomberg Intelligence, “The growing use of technology by consumers is driving major changes in consumption, inventory management and delivery in the retail industry. Traditional brick-and-mortar retailers are being pushed by Amazon.com and ecommerce peers to invest in technology and enhance omnichannel capabilities, from content to payment, to boost sales, while margins may be pressured.”

“Our average store is 105,000 square feet,” Holmes said. “No one’s pretending it’s simple to find anything in the store, but with the Home Depot app, you can literally say to your app ‘faucets’ and it will show you where the faucets are— what aisle and where in the bay that particular product is.”

Getting into the online shopping universe seems to be an easier transition for large, nationwide retailers. It opens up new opportunities for sales and they have the funding to try new things and not go bankrupt if these new ideas fail. But for small local shops, which add character to communities, it’s becoming more and more difficult to keep up.

“It’s an existential choice,” Gatsby Books’ Moor said. “You can sell out or buy in. Let’s buy into our local communities and make the place where we live better.”

Though ecommerce sales made up less than 8%, or $228 billion, of total retail sales during 2016’s first quarter, according to the U.S. Census Bureau, it is still not good news for small businesses, which typically do not have full web stores.

Rick Freeman, chief executive officer of 2nd Street Beauty, has noticed a decline in foot traffic at his three Long Beach locations and his Seal Beach store since ecommerce has been on the rise. He admits that only 50%-60% of his inventory makes it onto his web store, though some of the products do not reach the site because vendors have asked for them to be sold in-store only.

But whether their products are in-store or online, competing with online retailers that can slash prices lower than a brick-and-mortar store’s cost has reduced business noticeably over the years. He said that the downside to the ever-growing tendency for shoppers to purchase goods online is most of the products are not guaranteed and customers will get “burned” when their expectations are not met.

“[Amazon] is the largest retailer in the world, not much else to say about it,” Freeman said. “They cater to certain people that don’t care about customer service. We are education-driven. Our people are on a continual education program. So, people who want to be serviced and want to be helped, that’s our customer.”

Freeman said that his stores are still “come-in-and-see-us” family businesses and that 97% of sales are conducted face-to-face. The small chain of beauty shops offer its customers tips and tutorials on products and how to use them—something that Freeman prides himself on, since online retailers do not offer such personalized service.

That’s not to say that he does not wish to be just as helpful to his online customers, who he said are typically out of state.

“We’re working very diligently to get our education to these online customers,” Freeman said. “We do now give a lot of tips and a lot of tutorials, but we need to do more and that’s our big emphasis online, education to the online buyer.”

For his team’s knowledge to reach and educate online shoppers, 2nd Street Beauty has a blog linked on its website where they post beauty tips, how-to guides and product reviews.

Much like Freeman’s effort to provide hands-on service, record stores are notorious for giving their customers an ambiance that is impossible to provide online. Music is always playing and there are often like-minded people browsing the shelves to start conversations with.

“We try to inject value that you don’t get in an online experience,” Rand Foster, owner of Fingerprints record store, said. “I think we can fill those kinds of voids. We all, speaking for the other stores in town, try to create a place that’s a reflection of the community and gives people a space that they can go and meet people and talk about Beatles versus Stones, or whatever their passions are.”

Foster recalled the ’90s and what it was like for record stores competing with big-box retailers such as Best Buy and Target.

He mentioned that these stores would get “preferential pricing” and be able to sell new releases for less than local shops could buy them.

Regarding online shopping, Foster seems hopeful saying, “We’ve overcome in the past. I’m certainly putting our money on us, but I think ultimately it’s going to come down to consumers. Do people value the experience they get when they come into their local store?”

The difference in mentality for companies with deep pockets seems to be drastic. These companies have the monetary means and workforce to keep up with technology and demands and take risks on new ventures.

“We’ve been able to look at it in terms of an opportunity. It’s been a significant strategy shift that we began making back in 2007,” Stephen Holmes, the Home Depot director of corporate communications, said. “Interconnecting the digital and the physical space, where our online supports our stores and our stores support online, has been a key driver in that strategy.”

For Home Depot and other large, nationwide retailers, their online presence isn’t just beneficial for online sales but also to store stock more products than they could possibly store physically in their facilities.

“It’s the expanded aisle,” Holmes said. “We have about 35,000 SKUs [products] in the typical store. Online now we have more than a million SKUs.”

Retailers who are strictly online have the ability to stock an outlandish number of products, Amazon, for example, currently stocks upwards of 450 million products—a number that no brick-and-mortar store can fathom and national chains with booming web stores cannot come close to.

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three ships doing five calls a week,” de Navarra said. Carnival would like to replace the largest of these ships with an even bigger one, which would translate to more passenger movements through Long Beach. “What is a passenger movement? You get on the ship and you come off the ship, so for the purposes of economic benefit and fees and all that, they are counted twice,” he explained. “So it’s about 1.2 million guests per year that we bring through the terminal, in and out.”

In 2009, Carnival brought a larger ship to Long Beach but was unable to negotiate taking up the remainder of the dome to expand its terminal, de Navarra recalled. “What we decided was to build shade structures outside to act as a quasi two-way terminal,” he said. “But after several years of trying that, we realized that it just didn’t work for us. There wasn’t enough space.” So, Carnival swapped its larger ship for a smaller one.

About two years ago, Carnival approached its landlord, Garrison Investment Group, to again discuss taking up the remainder of the dome. Garrison wouldn’t act on the request, so Carnival moved on to discussions with the City of Long Beach, the owner of the property. “We went to the city and we said, look, we’d like to grow. Whatever you guys decide to do in the future, please keep in mind we’d like the other side of the dome,” he recalled.

Shortly thereafter, Garrison transferred its lease to the Los Angeles-based firm Urban Commons. “There was an understanding – this is all public information – that the city had put onto Urban Commons not a demand but a preference that Carnival be given the other side of the dome with commensurate new lease terms,” de Navarra said. “But for whatever reason, when the transfer happened there wasn’t an amendment at that time.”

After the lease was transferred to Urban Commons – which controls the entire site, including the Queen Mary – Carnival staff met with key city staffers to discuss their desires yet again. “We met with [City Manager] Pat West and [Economic and Property Development Director] Mike Conway... as well as with Mark Taylor, who is the mayor’s chief of staff, in a separate meeting.” Carnival “couldn’t be happier” with its relationship with the city, de Navarra said. “In the past, if we’ve ever requested anything, they have been more than accommodating. They understand the value of our business. So there are no issues,” he said. “The purpose of my meeting with them was to say thank you for the relationship, and also to say, look, we’re still having some issues with the new landlord and the city’s timing in terms of getting our approval to move forward with the improvements... to allow for this two-way terminal and thus to allow for a larger ship.” Carnival’s desire is to expand sooner...
Carnival Cruise Lines
(Continued From Page 27)

rather than later, de Navarra said. Consid-
ering that cruises are planned up to a year
and a half in advance, the firm needs a de-
cision made soon in order to plan where
to deploy its assets in 2018.

“[Neither] the city nor the landlord
would be on the hook for any type of ter-
minal improvements inside the dome,” de
Navarra said. “That would be all coming
through us. So it seems like a win-win.”
While de Navarra said the city seems to
understand Carnival’s desire to move
quickly, he speculated that Urban Com-
mon’s efforts to master plan the area may
be holding things up. “Like with anything,
these decisions take four years or more to
get completed, so it doesn’t necessarily
correlate with our immediate desire to
grow the business,” he said.

Another issue for Carnival has been that
it hasn’t had a say in the Queen Mary Land
Development Task Force’s visioning pro-
cess for the site. de Navarra said that
when the mayor was forming the task force
he asked for his company to have a repre-
sentative included in the group.

“For whatever reason, we never got the
invitation and we never received any in-
quiries from the task force in terms of what
is our long-term outlook for Long Beach
from a cruise perspective,” de Navarra said.
“I just wish that they had maybe spoken
to us at some point just to get some feed-
back in terms of what our experience has
been and what we see for the future of
our business there, which is a big percent-
age of the land that constitutes the Queen
Mary property.”

He added, “It would be interesting to see
what they say to that question – why hasn’t
Carnival been asked to participate in some
of these meetings or been asked its opinion
on things?”

Jeff Hoffman, vice chair of the task force,
told the Business Journal that Carnival hasn’t
presented at a meeting simply because “they
didn’t ask to come and speak.” He added, “I
mean, they might have gotten our phone
number just to some point just to get some
feedback in terms of what our experience has
been and what we see in the future of our
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age of the land that constitutes the Queen
Mary property.”

Months after celebrating the 45th an-
iversary of the Queen Mary’s arrival, Long
Beach city officials may finally have viable
plans for more than 43 acres of land sur-
rounding the iconic ship.

The Queen Mary Land Development Task
Force has been brainstorming ideas for the
land since January and will share its
progress with the public on Saturday, July
9, at 11 a.m. at the First Congregational
Church. (Photograph by the Business Journal’s Larry Duncan)

Michael Bohn, Queen Mary Land Development task force chair, left, and Jeff Hoffman, task force vice chair, stand in front of the iconic Long Beach landmark. (Photograph by the Business Journal’s Larry Duncan)

By BRANDON RICHARDSON

Staff Writer

Queen Mary Task Force To Share Progress With Public

Briefing This Saturday, July 9

Suggestions on how to ease the problem
of connectivity are being included in the
presentation by the task force, as well as so-
lutions to other problems such as parking.

Bahn and Hoffman are “excited” for the task force presentation of its progress to the public on Saturday, July 9, at 11 a.m. at the First
Congregational Church, 241 Cedar Ave. ■

While there are no statistics available, it
is known from local hotel managers that
many passengers drive or fly in from as far
away as Utah and spend at least one night
at a Long Beach hotel. Others combine the
shorter cruises with a longer vacation in
Southern California.

Currently, Carnival Cruise Line offers
cruises year-round through Long Beach
aboard the Carnival Imagination, Carnival
Inspiration and Carnival Miracle. The latter is
the largest of these ships, weighing 88,500
tons with a 2,124-passenger capacity.

The Queen Mary Land Development Task
Force is holding a public meeting to discuss
the future of the Queen Mary site this Satur-
day, July 9, at 11 a.m. to 1 p.m., at the First
Congregational Church, 241 Cedar Ave. ■

(Continued From Page 27)
The Grand Slam Indoor Of Show Jumping: The Longines Masters Series Comes To Long Beach

By MICHAEL DOUGIS Contributing Writer

They are the best riders, the best show jumping horses, in the world – Olympic champions and world champions. They face off in internationally televised competitions in Paris, in Hong Kong, and for the first time, in Long Beach.

The Longines Masters Series, billed as the Grand Slam Indoor of Show Jumping, is set to take place September 29-October 2 at the Long Beach Convention Center. Long Beach landed the event after its first two editions took place in Downtown Los Angeles, and the city is set to host the next several editions of the three-day equestrian event.

The series is the creation of Christophe Ameeuw, Founder & CEO, EEM, which is the creator and operator of the Longines Masters series. Ameeuw has been an equestrian enthusiast since childhood, and today he is the owner of the horse training, trading and breeding facility Ecuries d’Ecaussines in Belgium.

The series is the embodiment of Ameeuw’s passion for the sport and his desire to revive it as a high-level worldwide sporting event – and as a platform for high-end networking and B2B opportunities.

“Show jumping, with the best in the world – the horses – from Europe, EEM leases a Boeing 777 set up as, in effect, a flying stable carrying 52 horses in comfort and safety. “They travel business class, because they are very precious,” Ameeuw says.

But the publicity also is significant. The event is broadcast in 100 countries around the world and reaches an audience of approximately 500 million households in Europe, the Middle East, South America and Asia, says Anouk Blain-Mailhot, marketing and communications director for EEM. That is a massive amount of exposure to a high-end clientele for the city.

“We are talking about the best horses and the best riders in the world. It is really the top, top end of the show jumping world. You have the champions here – that is the level we are talking about,” she says. “The broadcast is very important for us. Since the beginning of this concept, broadcast always has been a big priority.”

And as Ameeuw points out, staging three events over three continents ensures continued publicity for Long Beach over several months, not only as the event is taking place.

“Long Beach provides exactly the backdrop that EEM was looking for when it came to the Los Angeles event, Ameeuw says.

“We come to Long Beach because the venue is amazing. We come here because we receive the red carpet. We are very happy and very proud to come to Long Beach because it is very international – and it is very California!” Ameeuw says.

“We have the palm trees, we have the beach, we have the harbor – we are in California. It is, for me, like a postcard. I think we will be a very good ambassador for Long Beach. Here in Long Beach, this is only the beginning of the story. It will get better and better.”

By MICHAEL DOUGIS Contributing Writer

Putting on the event is a horse-sized task – the horses, the people, the logistics. But the publicity also is significant. The event is broadcast in 100 countries around the world and reaches an audience of approximately 500 million households in Europe, the Middle East, South America and Asia, says Anouk Blain-Mailhot, marketing and communications director for EEM. That is a massive amount of exposure to a high-end clientele for the city.

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Suja Lowenthal Reflects On 10 Years Leading The 2nd District

BY SAMANTHA MEHUNGER
Senior Writer

A few weeks before turning over her seat in council chambers at Long Beach City Hall to the next 2nd District councilmember, Vice Mayor Suja Lowenthal stood in the center of a vast pit of dirt that was once a Los Angeles County courthouse and re-alized – for the first time, she said – that in her 10 years in office she has helped re-shape the downtown skyline.

In several years, that pit will be transformed into a gleaming new civic center, complete with a new city hall, port head-quarters, library, retail and more. After she posed with shovel in hand for the Business Journal’s photo, she sat down in her office – full of stacks of paperwork and empty boxes waiting to be packed – and explained that when the civic center is completed, when a new hotel is built at Pine Avenue and Ocean Boulevard, when the second tower of the Shoreline Gateway project at Alamitos Avenue and Ocean Boulevard comes on line, and when many other developments are completed, all those projects will have forever changed the skyline of the City of Long Beach.

“In visible ways like that, the city is much better off than when I first arrived,” she said. “I do believe the city as a whole is better off today than when I first came into office.

Before running and winning a special election for the Long Beach City Council 2nd District seat in 2006, Lowenthal served in another elected role on the Long Beach Unified School District Board of Education. She has also served as an alternate on the California Coastal Commission and is currently on the board of directors of the Metropolitan Water District of Southern California. She is also a boardmember of the water quality advocacy organization Heal the Bay.

Professionally, Lowenthal has held positions as the coordinator of the domestic violence unit in the Los Angeles City Attorney’s Office and at the City of Los Angeles Department of Aging. An urban planner by trade, she currently manages the planning and community engagement team within the City of Santa Monica’s Big Blue Bus department.

“I have a deep passion for the city that took root long before I decided to run for council,” Lowenthal reflected. “When we moved here in ’97, it was dicey. We bought the most expensive residential property in a multi-family structure, and I think people thought we were fools,” she recalled. Back then, people – especially those living in East Long Beach – rarely visited downtown “because you just didn’t,” she said. “But we knew when we moved down here that it was really at the precipice of something happening.”

That “something” turned out to be what Lowenthal and many others have come to refer to as the “downtown renaissance” – a more active downtown area thanks to new restaurants, bars and other businesses, and what has now become an onslaught of investment from private developers.

As Lowenthal tells it, her push to revise the Downtown Plan, the planning docu-
ment for the Downtown Long Beach development area, was crucial in moving this renaissance forward.

“None of this would be possible if we didn’t spend five years revising the code for the downtown planned development area,” she said. “Our codes, if left alone, would have required that every single project that’s appropriate for a thriving downtown would have had to be done on a variance and an exception because the old codes didn’t allow for this kind of density and height.”

Without this foundational work to revise the city’s planning code, none of the high-rise residential developments planned or underway in the downtown area would have been possible, she explained. “That’s a big deal,” she said. “I feel really fortunate that, as someone who is a planner by education and profession, I had this magical opportunity for 10 years to be the councilmember of an area where planning and building are fundamental to its resur-ence and the resurgence of the entire city.”

Another visible change Lowenthal’s ef-forts have made in the district – although visitors might not notice it so much as the new developments underway – is creating more parking opportunities. “The immediate need that I heard when I was running for office for the 2nd District 10 years ago was parking,” she said. “The parking reform plan brought forward 1,300 to 1,400 spaces without building a parking structure.”

To accomplish this, Lowenthal and her team canvassed her district, forming verbal planning teams and community engagement teams within the City of Santa Monica’s Big Blue Bus department.

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To accomplish this, Lowenthal and her team canvassed her district, forming verbal contracts with business owners who agreed to let residents park in their lots overnight so long as the cars were gone before busi-

ness hours. Parking lots on the beach were opened to residents, and perpendicular parking was implemented to create more spaces on city streets.

“The 2nd District is not better off if we take vacant parcels and just build a parking structure,” Lowenthal said. “No good downtown in any great city in the United States or around the world does that . . . It actually is like this Midas effect of drawing more need. In that regard, I think we have de-finitely done a great job and have moved the city forward in thinking about what so-lutions exist outside of building parking.”

Urban planning elements – like the Downtown Plan and new parking – have created a visible mark on her district, but Lowenthal noted that she is also leaving behind a less visibly apparent, but still im-pactful, legacy in the way of policy change.

One such policy change was making the city’s shopping cart ordinance enforceable.

“My staff commented today that 10 years ago there were shopping carts all over the 2nd District because there was no incentive for the markets to pick them up,” Lowenthal said. “Now, there’s a huge fine if you don’t pick them up and you don’t collect them. You hardly see them in the 2nd District.”

The vice mayor has also been a long time champion of improving the city’s water quality. “When I joined [the city council], Heal The Bay pretty much gave us D’s and F’s across our entire coastline,” she said.

So Lowenthal took action. “I asked the mayor to transfer the city manager’s water quality task force to a mayoral task force because I think having that sort of backing of the political body of the city takes the effort to a different level,” she said. “I worked on that group and made sure the city was actually working with Heal the Bay and scientists and firms that actually do this type of work to point out where our weak points were and what we could do to improve our water quality. Ever since then, it’s always been A’s and B’s.”

Pushing for and succeeding in passing an ordinance to ban plastic bags has also helped the city’s water quality, she noted.

Policies like these have benefited the entire city, Lowenthal pointed out. “When we look at the animal care reform, that was a sweeping set of reforms,” she said as an example. These reforms included mandatory spaying and neutering of cats and dogs, requiring cat owners to license their pets, funding a city veterinarian, and expanding subsidies and vouchers to make spaying and neutering more affordable. As a result of these reforms, the number of animals eutha-nized by the city has decreased, she noted.

There are some things Lowenthal wasn’t able to see through in her time on the council that she’d like her colleagues to take up in the future, a project she would likely be necessary.

“Something I worked on for a couple of years, initially,” Lowenthal said. “So that’s something I would love for the next councilmember or the city to pick up. It has to be done.” She added that because the city doesn’t have the funding for such a project, a public-private partnership similar to the one being used to build the civic center would likely be necessary.

Another issue the city has yet to resolve is how – and if – to allow and regulate the sale of medical marijuana. Lowenthal has spear-headed ordinances in the past, one of which was approved and then repealed. “I feel I worked on that so long – six or seven years,” she said. “Then there was a ban. Then we tried it again with this new council. And then last week, it was on the [council] agenda. “A couple of councilmembers brought forward an item to have a competing meas-ure alternative to what signature gatherers believe they have enough signatures [for] to put on the ballot,” Lowenthal continued.

“That was the last straw for me. I said, ‘We’ve had our chance, we failed miser-

(Please Continue To Page 32)
“Cities have the capability of providing something for everybody, only because, and only when, they are created by everybody.”

- Jane Jacobs

Thank you, Suja!
Suja Lowenthal

(Continued From Page 30)

A vast dirt pit is all that remains of the former Los Angeles County Courthouse in Downtown Long Beach, which was recently demolished to make way for the city’s new civic center. It’s a project for which Vice Mayor Suja Lowenthal – pictured in the distance at center – has strongly advocated. (Photograph by the Business Journal’s Larry Duncan)

“A vast dirt pit is all that remains of the former Los Angeles County Courthouse in Downtown Long Beach, which was recently demolished to make way for the city’s new civic center. It’s a project for which Vice Mayor Suja Lowenthal – pictured in the distance at center – has strongly advocated. (Photograph by the Business Journal’s Larry Duncan)

Suja Lowenthal, Vice Mayor-Councilmember, City of Long Beach

‘Oh, but we have an alternative for you.’

Lowenthal is most proud of her District, Lowenthal is most proud of her District, Lowenthal is most proud of her

Suja Lowenthal, Vice Mayor-Councilmember, City of Long Beach

I would be honored to serve in any commission,” Lowenthal said. “I would love to serve in a capacity that I think taps into what expertise I may have.”

Asking about political ambitions, she said, “I don’t have my eye on a higher office. I would love to serve in a capacity that I think taps into what expertise I may have.”

While she hasn’t spoken with the mayor about serving on any commissions, she said, “I would be honored to serve in any commission.”

For each of these studies, Lowenthal provided seed funding to kick-start initial projects. The first three of these have been completed, and the 10th Street corridor study is about to wrap up.

It’s for physical space improvements, treatments to the street and corners of the sidewalks, lighting. All the little pieces that make the public space much more relevant to the community that’s living there now,” Lowenthal said. For each of these studies, Lowenthal provided seed funding to kick-start initial projects.

Now that she’s leaving the council, Lowenthal does have some advice for her colleagues on what they’ll need to look out for in the years ahead. “In the next few years, when we look at the price of oil, we will . . . have hit a hurdle,” she said. “This city council will have to remember its fiscal prudence history and be disciplined about it.”

So, what’s next for Suja Lowenthal? “As radical as this sounds, I am going to try one full-time job for a change,” she said. “My son starts high school this fall, and that will be exciting for him and for me. And it will be great to not be so pressed in the evenings and the weekends.”

Asked about political ambitions, she said, “I don’t have my eye on a higher office. I would love to serve in a capacity that I think taps into what expertise I may have.”

While she hasn’t spoken with the mayor about serving on any commissions, she noted, “I would be honored to serve in whatever capacity he requested.”

“The will probably be the first time where I’m gladly walking down a path of uncertainty knowing that purpose can be wherever you show up. I think a lot of times we decide that purpose is here and only here. But you can just show up and find purpose. I’m looking forward to doing that.”
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New Ballast Point Location Gets A Warm Welcome

By Brandon Richardson
Staff Writer

With the popularity of craft beers booming, Long Beach welcomes the Ballast Point Tasting Room & Kitchen to Alamosita Bay Landing. The opening of its 6th location – the first in Los Angeles County – on Thursday, June 30, comes more than seven months after its billion-dollar partnership with Constellation Brands, the producer of such beers as Corona, Pacifico and Modelo.

“We saw the site and saw that it was right for us with our whole nautical theme of the brand,” Cocalis said. “So we renovated the building – it has a two-level outdoor patio and deck with a great view of the water.”

About 85 employees tend three bars with 118 taps, according to Hass. He and Cocalis said the Long Beach location will be focusing on expanding Ballast’s sour beer line.

“We thought it would be a great opportunity to have a dedicated sour brewery where we can focus on expanding our sours. We can’t do that in full at any of our existing brewing locations because of the risk of contamination with brewing sour beers next to our regular beers.”

Cocalis said the company is not targeting a specific demographic at its new location in Long Beach. “Our target audience is anyone who appreciates drinking good beer,” Cocalis said. “Our philosophy is we make what we like to drink and hope that others will too. We’re excited to officially have a footprint in Long Beach.”

People In The News

Ace Robinson
Dignity Health St. Mary Medical

Ace Robinson has been appointed executive director of the C.A.R.E. Program for Dignity Health St. Mary Medical Center. The program, founded in 1986, helps meet the needs of those affected by HIV.

Deborah Harrington
First Bank

Deborah Harrington has been named first vice president, wealth advisor for First Bank’s Wealth Management Group in Newport Beach. She has 30 years of experience in the financial services industry and most recently served with James Capital Partners. She earned her masters from Claremont Graduate School and her bachelors from USC.

Lisa Farley
City National Bank

Lisa Farley has joined City National Bank as a senior vice president and senior private client advisor with the bank’s private client services division. Based in the South Bay, she “advises and counsels wealthy individuals and families, professional service firms and nonprofit organizations on a full range of financial solutions and expertise.” She most recently served with UBS Private Wealth Management. She earned her masters from Columbia University and her bachelors from UC Santa Barbara.

Misty May-Treanor
Long Beach City College

Olympic gold-medalist Misty May-Treanor has been named director of volleyball operations at Long Beach City College. She will oversee the college’s men’s and women’s volleyball program and serve as head coach for the indoor women’s volleyball team being launched in the 2016-17 school year. May-Treanor earned a masters from Concordia University Irvine and a bachelors from CSU Long Beach.
IN THE NEWS

College Of Engineering At CSU Long Beach Receives Donation From DENSO North America Foundation

The DENSO North America Foundation (DNAAF) awarded more than $1 million to 24 colleges and universities across North America on June 20. California State University Long Beach was among the recipients, receiving about $50,000, which will be used to buy equipment for instructional and research laboratories at the university, according to Dr. Forouzan Golshani, dean of CSULB’s College of Engineering. “DENSO has been instrumental in enabling the college to improve the instructional laboratories at our college,” Golshani said. “Over the past 10 years, they have been a consistent contributor for laboratory reinstrumentation and acquisition of state-of-the-art equipment by which we can better prepare graduates for the workforce.” The DNAAF is part of the DENSO Corporation, an automotive parts manufacturer headquartered in Karay, Aichi, Japan, with the DENSO Products & Services operation located in Long Beach. “The Foundation not only focuses on engineering programs, but also skilled trades and robotics as these are becoming increasingly important in the automotive and technology industries,” Mike Brackett, member of the DNAAF Board of Directors and senior vice president at DENSO Manufacturing Tennessee, said. “Many students have an incorrect image of what manufacturing is today. It’s very high tech, interesting and exciting!” Pictured at DENSO’s Long Beach location are, from left: Richard Shiozaki, DENSO senior vice president; Dean Golshani; and Peter Cavallo, DENSO manager of robotics sales and planning. (Photograph by the Business Journal’s Larry Duncan)

Terry Geiling Named 2016 Veteran Of The Year

Lt. Commander Terry Geiling, right, was recognized by Assemblymember Patrick O’Donnell on the floor of the State Assembly on June 29 as the “70th Assembly District’s 2016 Veteran of the Year.” The award was presented as part of the 9th Annual Veterans Recognition ceremony in Sacramento. Geiling, who is president and CEO of American Gold Star Manor in West Long Beach, served from 1960 to 1975 both at the Long Beach Naval Station and the Pearl Harbor Naval Base, where he was stationed aboard the USS Bluegill and USS Remora. Following his active duty service, Geiling was the commanding officer of a U.S. Naval Reserve Unit and served as a military intelligence officer with IBM. According to a statement, “Assemblymember O’Donnell presented Geiling with an Assembly Resolution for a lifetime of achievements that have cemented his reputation as a visionary business and community leader, philanthropist, family man and proud veteran.” (Photograph provided by Assemblymember O’Donnell.)

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Kaiser Permanente Opens New Signal Hill Medical Offices
Kaiser Permanente celebrated the completion of its new Signal Hill Medical Offices with a ribbon-cutting and tours on June 22. The health care provider serves more than 75,000 residents in Signal Hill and Long Beach, according to Kaiser. The 20,000-square-foot facility at 845 E. Willow St. opened on June 29 and includes the following services: adult primary care, pediatric care, obstetrics-gynecology, behavioral health, nurse clinic, X-ray, pharmacy, laboratory and video appointments. A statement from Kaiser indicated that its Long Beach Medical Offices at 3900 E. Pacific Coast Hwy. are undergoing renovations and will start offering behavioral health services in August. “We’re excited to offer more care delivery options than ever before, bringing health care to our members when and where they need it,” Dr. Barbara Carnes, Kaiser’s area medical director, stated. Pictured from left are: Janice Shim, outpatient pharmacy director, Kaiser Permanente South Bay; Anthonia Chugbo, RN, department administrator, Signal Hill Medical Offices; Vy Trinh, outpatient pharmacy supervisor, Kaiser Permanente South Bay; Dr. Diana Shiba, ophthalmology, Kaiser Permanente Southern California; Ozzie Martinez, chief administrative officer, Kaiser Permanente South Bay; Dr. Timothy Stocker, assistant physician in charge, Signal Hill Medical Offices; Dr. Wadie Marcos, physician in charge, Signal Hill Medical Offices; Dr. Barbara Carnes, Area Medical Director, Kaiser Permanente South Bay; Lesley Wille, RN, senior vice president and area manager, Kaiser Permanente South Bay; Dr. Doug Killion, chief compliance officer, Southern California Permanente Medical Group; Jeff Moses, assistant medical group administrator, Kaiser Permanente South Bay; Stephanie Wall, project manager, Kaiser Permanente South Bay; and Sun Kim, outpatient pharmacy supervisor, Kaiser Permanente South Bay. (Photograph by the Long Beach Business Journal’s Larry Duncan)

Cityology Opens
Cityology is the newest addition to the line of shops on 2nd Street in Belmont Shore. The store is located at 4718 E. 2nd St. and co-owned by Donna Gurr (pictured) and Angela Jakum. The new shop is an expansion for the pair who own City Lights Streetwear, also on 2nd Street. Whereas City Lights focuses on women’s fashion and accessories, Cityology offers contemporary gifts, as well as clothing for men and women. Handmade leather journals, countless candles, hygiene products, art and yoga apparel are just some of the products that shoppers can find at Cityology. The store hours are Sunday-Wednesday from 10 a.m.-7 p.m., Thursday from 10 a.m.-8 p.m., Friday from 10 a.m.-9 p.m. and Sunday from 10 a.m.-8 p.m. For more information, call the store at 562/386-8292 or to shop online visit www.city-ology.com. (Photograph by the Long Beach Business Journal’s Larry Duncan)

Holiday Inn Long Beach Airport Hotel And Conference Center Celebrates Completed Renovations
Fifth District Councilmember Stacy Mungo, Long Beach Area Convention & Visitors Bureau President & CEO Steve Goodling and local businesspeople came out to celebrate recently completed renovations at the Holiday Inn Long Beach Airport Hotel and Conference Center with a ribbon-cutting ceremony on June 29. At the event (far left photograph), Mungo, presented Robert Smit, vice president of operations for YHB Hospitality Group and general manager of the hotel, with a certificate of recognition for the Holiday Inn’s 48-year service to the Greater Long Beach community. In a recent interview with the Business Journal, Smit said all the guest rooms, meeting spaces and public areas were renovated. Work to revamp the hotel’s top-floor restaurant will take place from September through December, he estimated. Pictured, from left are: Tawana McCallister, community relations liaison for JetBlue Airways; Terry Rodgers, a realtor with Coldwell Banker and representative of the Signal Hill Chamber of Commerce; Tiffany Allen, front office manager for Holiday Inn Long Beach Airport; Bess Cruz, director of sales for the hotel; Randy Gordon, president and CEO of the Long Beach Area Chamber of Commerce; Mungo, Joshua Castellanos, president and CEO of the Greater Lakewood Chamber of Commerce; Smit and Goodling. The hotel is located at 2640 N. Lakewood Blvd. For more information, call 562/597-4401. (Photographs by the Business Journal’s Larry Duncan)
Anxious and upset, don’t ya think? You know they would have been on the phone asking, “Why the heck is it taking so long to count the ballots?” But they had no worries about the tax proposal because the outcome was never in doubt from the first reporting of absentee ballots.

The decision on another important vote on the June 7 ballot, however, wasn’t so clear cut and did take 25 days to certify a winner: the runoff for the 2nd District City Council seat.

City officials from the top on down should be embarrassed at how the ballots for the city council race were handled, especially for a city which touts itself as being tech friendly and one that always wants to maintain local control.

Think about these items:

• Despite leaving two measures associated with the proposed Long Beach sales tax increase on the ballot, and the 2nd District runoff, the city chose to have the Los Angeles County Registrar handle all the ballots and the counting.

• We were unable to find a city council agenda item following the April 12 primary recommending the city use the county, nor a report explaining why they did so. In past elections when the county was used, options were presented showing a cost savings or some other reason.

• On Election Day, the county reported it had processed 1,438,909 ballots county-wide. By the final day of counting on July 1, the number processed grew to 2,026,068. The disparity in those figures boggles the mind.

• On June 26, the Registrar’s office located another 40,000 ballots that had to be processed, which included ballots cast by Long Beach 2nd District residents.

• On June 7, there were 6,980 votes processed and counted for the 2nd District City Council race. By July 1, the total had grown to 11,090. The race remained close the entire time, ending with a separation of 322 votes between eventual winner Jeanine Pearce and opponent Eric Gray. That means that 37% of all ballots cast for the district race were not counted on Election Day: unheard of.

• On June 21, despite a close race and just 225 votes separating the two candidates and with more votes to count, candidate Pearce posted a picture on her Facebook page showing the “Long Beach City Council Briefing Binder” that someone at city hall gave her. The picture came down soon after the Business Journal posted a story about it. Why would that occur? Who made the decision to give her the binder?

• The Business Journal received many complaints from 2nd District residents about voting issues (see adjacent list for some of them). The issues should be reviewed and resolved prior to the next election.

• The city, from the mayor on down, needs to correct the flaws in our local election system. Much of the time is spent accounting local. There is zero excuse for the way this past election was handled. That’s why local control is vital. That starts with the city clerk, who is hired by the city council.

• This person is Maria de la Luz Garcia, who was hired last July from a field of more than 30 candidates. We understand she even beat out the person being groomed for the position by the former city clerk, Larry Herrera-Cabrera, who was highly regarded. “This is the best staff the clerk’s office has ever had,” he told the Press-Telegram in a January 2015 interview.

• In a press release announcing her appointment, Mayor Garcia said: “Maria Garcia is an outstanding choice for City Clerk, and the council and I have full confidence that she will provide strong and inclusive leadership at the Clerk's office. Her extensive experience in

Are Citizens Oversight Committees Really Able To Do Their Job?

Guest Commentary by Elizabeth Thomas, Long Beach Resident

Long Beach voters passed measures A and LB, increasing taxes to pay for billions of dollars in infrastructure, safety and building projects for the city and Long Beach City College.

Taxpayers were promised that Citizen Oversight Committees (COC) would assure their money was being spent wisely. But upon closer scrutiny, there are serious doubts that these supposedly independent Citizens Oversight Committees can do the job. COCs are supposed to be an independent “watchdog,” reviewing all spending and protocols to ensure funds are used as promised, and used efficiently. looking at what has happened at Long Beach City College (LBCC), it is doubtful that appointed members of the LBCC COC would be impartial or even qualified to do the job. Apparently all have been hand-chosen by the college administration and are likely pre-disposed to favor college management without question.

Bylaws state the committee should have: one student enrolled in the district, one active in the LBCC community, one active in a senior citizen’s organization, one in a “bona-fide taxpayers association,” one in a support organization for the college and two members of the community at large.

Sounds fine. Unfortunately the COC for LBCC's Measure E (2008), for $440 million in building projects, met only twice a year. How can anyone oversee building projects so dynamic that the original budget of $440 million ended up with “adjustments” of over $200 million – an over 45% increase? There would be no time to raise concerns and have them acted upon.

In fact, when looking at auditor’s reports delivered to this COC for review, the professional auditors only verified that money was being used per the language of the bond. There is nothing that addresses how well the money was managed – nor is there any kind of target budget process that makes it possible to track expenditures.

The new LB Bond, that will cost taxpayers nearly $1.9 billion, is supposed to finish the projects that Bond E failed to do. But already the process is flawed.

Three new LBCC COC members were appointed on June 28, 2016, and three existing committee members’ term were extended.

There was no defined process for the candidate selection – and in fact, the candidates were determined entirely by the superintendent’s office without input from the LBCC Board of Trustees (elected by voters) or anyone else.

The city council (the body that consists of five members) quickly opened the process: Sunny Zia, the only no vote on a rushed approval vote. A debate at the meeting revealed that neither the trustees nor district were provided candidate biographies before the vote. (Interestingly, qualifications do not require experience in managing building projects.)

The public was not even invited to apply, and none of the applications were made available to the public. (Interestingly, qualifications do not require experience in managing building projects.)

Since being elected, Zia has been pressing for more fiscal transparency and videotaped board sessions reveal the animosity other members of the board have for her outspoken insistence. Interestingly, Stella Ursua was Zia’s opponent in the election for the LBCC’s Senate seat.

More discussion regarding Measure E construction updates ensued at the June 28 meeting, and revealed even bigger flaws.

Several in the audience noted that important building industry project management best practices did not seem to be in place:

• One was the lack of budget targets, i.e., a budget for the work actually completed by a contractor. "Known as the Gold Book, it’s a management technique for measuring project performance and progress in an objective manner;"

• Project risks, issues or problems, and project red flags were also not reported in the meeting, although typically they are a source of project failures; and

• Change control boards are another critical project management practice to ensure stakeholder visibility and control of project requirements and scope changes.

In summary, although the college says it is committed to fiscal responsibility and transparency it was not apparent from the Trustee Board Meeting of June 28.
City government could take a page from the Rotary International and adopt the “4-Way Test” that was developed in the 1930s by Herbert Taylor, who was attempting to change the ethical climate of a business which was facing bankruptcy. This test has survived because it is a simple 24 words that serve as a guide for behavior of Rotary members, but it also “has been used successfully around the world in business, government and schools as an effective measuring stick for conduct.”

Rotarians promote the 4-way test because they believe that it can help people evaluate the ways they do things and help discover if there are any inconsistencies. It also assists organizations in shaping policy and planning decisions. Finally, it develops and maintains high ethical standards in human relations.

Many organizations have adopted the 4-Way Test because it is so simple but complete. Often corporations utilize a lengthy “code of conduct” when, in fact, ethical behavior is not that complex.

The 4-Way Test is simple and can be applied to the things the city government says and does: 1. Is it the TRUTH? 2. Is it FAIR to all Concerned? 3. Will it build GOODWILL and BETTER FRIENDSHIPS? 4. Will it be BENEFICIAL to all concerned? Why are these 4 tests important to city government?

• Truth builds trust and the ability of meaningful communication. It also provides the ability of citizens to make their own decisions because they can weigh accurate information.

• Fairness, according to ethicist Michael Josephson, “requires that the process of decision making reveals a conscious concern with reaching a fair, just and equitable result.”

• Paying attention to people, communicating openly, and appreciating each other are just some of the ways to build goodwill and better friendships which results in community support.

• Because there are so many interested parties in the outcome of government decisions, figuring out how something can be beneficial to all concerned is perhaps the most difficult to determine in government and requires an elected official to think long-term and beyond the next election.

The League of California Cities provides a much more robust list of things local government can do to promote an ethical culture:

• Understand public service ethics and laws.

• Engage the public in decision making.

• Foster community traditions of public engagement.

• Reach out beyond the usual participants—seek those who don’t usually attend meetings.

• Ensure authentic engagement, not just going through the motions.

• Support responsible and conscientious participants in the community’s information infrastructure—watchdogs keep local government honest

• Utilize staff members that the training, expertise and access to peers who help them give the right answers, make hard choices and speak truth to those in power.

• Understand the reality of public administration is that the public is entitled to virtually all information related to how the city conducts the public’s business.

• Make ethics a priority in elections and in hiring city employees and then enforce them. Walk the walk.

I urge you, every time the mayor and city council says or does something, to take a piece of paper and write down the 4-way test and ask yourself, do they pass?

Next column: Why Does Long Beach Have Both a City Attorney and City Prosecutor? (Gerrit Schipske was elected to both the Long Beach Community College Board of Trustees and the Long Beach City Council. She is the author of several books on Long Beach history. Her blog is www.longbeachinsiders.blogspot.com.)

Fundraising During a Tragedy: A Word To The Wise

By Jeffery Wilcox

no international borders. In the aftermath of tragedy, communities have been overwhelmed by the outpouring of support and, freely admit, were ill-prepared to manage it. In the aftermath of the Orlando massacre generated $4 million from 87,000 people within a day of the attack. Five days later, more than 300 campaigns raised in excess of $6 million.

A natural question for many would be, “How could 300 different campaigns come up as a result of a single tragic event?” The answer is simple if one understands a technique called “crowdfunding.” People and organizations can set up fundraising vehicles very quickly on over 2,000 websites like GoFundMe, Razoo or CrowdRise. Shared links, mined contact lists and a compelling purpose can mobilize people and money at lightning speed.

Crowdfunding is a recognized science in the fundraising business. Great organizations, websites, software and marketing firms have been established to help charitable causes develop legitimate viral strategies for building community engagement and support through crowdfunding techniques. But just as the crimes against the living have escalated so have the crimes against the giving. While crowdfunding — originally a sweeping capital-sourcing strategy for entrepreneurs — is catching the attention of the Internal Revenue Service, state administrations and shysters.

Unfortunately, the raising of money during tragedies is among the leading causes of American distrust in charitable organizations. Allegations of misuse of charitable funds have made headlines as part of the aftermaths of hurricanes, college campus tragedies and 9/11 in New York City.

Everything happens quickly. A media drama unfolds; and thankfully, in the moment of truth, human generosity, kindred spirits and community bonding prevail despite these proven criticisms. The volume of fundraising requests and campaigns pop up from more points of origin than ever before. Individuals create campaigns, organizations mobilize giving and a floodgate is opened that can find the well-connected barraged with giving choices.

The purveyors of less than above-board fundraising campaigns prey on the sympathetic emotions and urgency that accompany tragedies. It’s also difficult to get answers to typical fundraising questions in the moment as requests go viral. Those who take advantage of the good-heartedness of people to act in the moment want there to be an awkwardness about asking such questions in the aftermath of devastation.

In the short term, give generously but give wisely. A little digging into a tragedy-related appeal would be prudent: Which platform is being used? Who is behind the campaign? Don’t simply go with the crowd.

For the long-run, however, it’s time to reconvene the organizations who hold the plan for how our community will respond, manage, distribute and acknowledge public outpouring of support during times of natural and human-generated disasters. The discussion of how a managed and thoughtful crowdfunding approach can be immediately launched in front of so many private and questionable campaigns is just plain smart if we truly want to make sure our citizens get the donated resources from around the world that they deserve in any tragedy.

It’s time to take a step to plan and a plan that should never have to be enacted.
The Impact Of Housing On November Elections

Although the nominating conventions are still weeks away, many in the real estate industry are already weighing in on how much housing may influence the presidential races this November.

The 24-hour news cycle is overheating with endless insults being hurled from both camps of the probable nominees. But occasionally some hard information about what the voters are thinking comes out and lends some kind of indication as to what the American populace wants in their next leader.

When it comes to homes and finance, it appears that the candidates’ policies on these subjects may have more impact on how people vote than many realize. How the candidates address these issues in the months ahead may have a lot to do with who occupies the White House come next January. According to a survey conducted by LoanDepot, one in five Americans could base their vote on the housing and finance policies given by the candidates – but 36% of those polled indicated that these candidates were not doing a very good job of providing and explaining their positions in these areas. Twenty-one percent of those surveyed said that the stated policies will influence how they vote.

This comes as the housing market is having one of its best years in a decade, with home sales in May at a pace not seen in almost 10 years and the median price approaching almost his.

The Key To Personal Greatness

By Terry Ross

The real estate market is having one of its best years in a decade, with home sales in May at a pace not seen in almost 10 years and the median price approaching almost his.


4. Self-Differentiation. This is the balance between the force for “togetherness” and the force for “separateness.” Knowing where you end and others begin is the key to healthy living. These forces are powerful. They can cause people to get enmeshed with others and fall into group think, or what some refer to as the herd instinct. On the other extreme it can cause people to disconnect from others and lose important feedback loops – the keys to learning. When we self-differentiate we take responsibility for who and where we are. Response-Ability means we have the ability to respond. This powerful skill gives us increased choices and freedoms. It strengthens our immune system to the opinions and actions of others. To not do this is to become the victim of needless suffering.


5. Self-Love. This might sound narcissistic, but nothing could be further from the truth. You cannot give what you don’t have. If we are to “love our neighbor as our self”, then I will submit that your love for others cannot and will not exceed your love for yourself. To “love” others without loving yourself is often an act of desperation to seek someone’s approval. As a result it says more about the “sender’s” needs than the needs of the receiver. Sometimes wanting the best for others can involve pain. And wanting the best for yourself includes telling yourself the truth. And who, at times, hasn’t found that to include some pain? There’s a reason why the airline’s safety instructions tell you to put the oxygen mask on yourself before helping others. You’ll be no good to them without it. You can’t give what you don’t have.


These five self’s will help you discover and express what you want. They lead to clear communication and help avoid drama, regret, sadness and misunderstanding. How have these worked for you?

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

Effective Leadership

Grow Your Five ‘Self’s’: The Key To Personal Greatness

By Mick Ukleja

Nurturing these five “self’s” will fuel your quest for personal mastery.

1. Self-Knowledge. Knowing your strengths and weaknesses is not as easy as it sounds. To understand your personal surpluses and deficits is not an option on our journey to personal greatness. If we want to drive our performance, then we must be able to manage our emotions in ways that energize and direct that drive. Self-awareness means we are growing in our ability to read our emotions accurately. This gives us the ability to self-regulate and self-manage destructive moods and attitudes.


2. Self-Affirmation. We know it’s not healthy to speak against or gossip about others. It becomes even more destructive when we use words to speak against ourselves. Self-affirmation is a matter of choosing what we focus on. If others talked to us the way we sometimes talk to ourselves, we would avoid them. Use the power of the word toward yourself in the direction of truth and love. Instead of letting other people and circumstances decide what you will focus on, make it your choice. The world can be a negative place. You must counteract toxic noise.

Principle – Be self-affirming instead of self-degrading.

3. Self-Motivation. If you are waiting to be motivated by someone else, personal mastery will elude you. Always giving your best is an inside job. Some days are better than others, but each day you give your best. Anything less leads to a “thin” life and ultimately, regret. Motivation is the underlying reason why a person does or does not do something. It’s about knowing how you are hardwired and drawing on your natural sense of intrigue.

Principle – Be self-motivating instead of self-pitying.

4. Self-Differentiation. This is the balance between the force for “togetherness” and the force for “separateness.” Knowing where you end and others begin is the key to healthy living. These forces are powerful. They can cause people to get enmeshed with others and fall into group think, or what some refer to as the herd instinct. On the other extreme it can cause people to disconnect from others and lose important feedback loops – the keys to learning. When we self-differentiate we take responsibility for who and where we are. Response-Ability means we have the ability to respond. This powerful skill gives us increased choices and freedoms. It strengthens our immune system to the opinions and actions of others. To not do this is to become the victim of needless suffering.


5. Self-Love. This might sound narcissistic, but nothing could be further from the truth. You cannot give what you don’t have. If we are to “love our neighbor as our self”, then I will submit that your love for others cannot and will not exceed your love for yourself. To “love” others without loving yourself is often an act of desperation to seek someone’s approval. As a result it says more about the “sender’s” needs than the needs of the receiver. Sometimes wanting the best for others can involve pain. And wanting the best for yourself includes telling yourself the truth. And who, at times, hasn’t found that to include some pain? There’s a reason why the airline’s safety instructions tell you to put the oxygen mask on yourself before helping others. You’ll be no good to them without it. You can’t give what you don’t have.


These five self’s will help you discover and express what you want. They lead to clear communication and help avoid drama, regret, sadness and misunderstanding. How have these worked for you?

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