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The San Pedro Bay Ports A Year Later: Rebounding From Epic Congestion



■ By **SAMANTHA MEHLINGER**
Senior Writer

This time last year, in the thick of the peak shipping season for holiday goods arriving from international markets, the movement of these goods through the San Pedro Bay ports began slowing to a crawl. At issue were stalled longshore labor contract negotiations, a shortage of chassis and other supply chain complications. By January, there were more than two dozen ships at anchor in the bay. In February, the White House Secretary of Labor finally stepped into the middle of contentious West Coast longshore labor contract negotiations, ushering in a contract resolution and getting cargo moving again.

Since then, the ports have not only recovered lost business, but have grown cargo volumes in comparison to years prior. The progress has been the result of a joint effort, not just among the ports, but also with supply chain stakeholders, to resolve many of the issues that had caused the turmoil in the first place.

"This year is obviously much better," Jon Slingerup, chief executive of the Port of Long Beach (POLB), told the Business Journal. "You don't see any ships at anchor, which is a massive difference from last year. . . . We do have spot congestion and spot shortages of chassis, but we don't have a system-wide meltdown like we did last year," he explained. "We have heavy volumes – record volumes – with no system-wide congestion. That's a big difference."

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THE GOVERNOR'S EXECUTIVE ORDER

Can State's Business And Environmental Interests Create A Successful And Mutually Beneficial Freight Strategy?

■ By **SAMANTHA MEHLINGER**
Senior Writer

California is often cited as having some of the toughest environmental regulations, not only in the nation but in the world. When new environmental regulations have been imposed by the state on industries and private interests, protestations have inevitably followed in respect to additional costs on affected parties and associated economic impacts.

It's a dynamic that has not escaped the attention of Gov. Jerry

Brown, who in July penned an executive order for the creation of an action plan that would improve not only the environmental sustainability of the state's freight infrastructure, but pay equal attention to increasing the industry's efficiency and competitiveness.

The governor's order directs the state agencies for transportation, environmental protection and natural resources to work with the California Air Resources Board (CARB), the Governor's Office of Business and Economic Development (GO-Biz), and the

California Department of Energy and Energy Commission to create the action plan.

"If the state wants to be a global environmental leader, it also has to be a global economic leader. So the process has to ensure that we move forward hand in hand."

**John McLaurin, President
Pacific Merchant
Shipping Association**

The groups are specifically directed "to develop an integrated action plan by July 2016 that establishes clear targets to improve freight efficiency, transition to zero-emission technologies and increase competitiveness of California's freight system." The executive order also calls for "broad stakeholder input," and specifies that the final plan must "identify state policies, programs and investments to achieve these targets."

Brown put his mandate in the context of the freight industry's

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Other Articles About The Goods Movement Industry: Inland Port Concept Revisited; Supply Chain Optimization; Warehousing; Technology Advancements To Stay Competitive • See Pages 17-29

Long Beach Employers, Workers And Business Leaders Weigh In On Minimum Wage

More Small Business Owners Speaking Out As They Add Up The Negative Impacts

■ By **SEAN BELK**
Staff Writer

Confronting an emotional and politically charged issue, employers, workers and business leaders convened at two meetings in the past two weeks to share their perspectives on the potential effects of raising the minimum wage in Long Beach.

On September, 29, more than a dozen people spoke at city hall at the first of six public forums scheduled by the city, which has commissioned the Los Angeles County Economic Development Corporation (LAEDC) to conduct a study on the feasibility of a citywide minimum wage policy and to look into possible incentives or exemptions for employers to comply with such a law.

The second meeting was conducted last week in which Mayor Robert Garcia hosted a roundtable discussion in Bixby Knolls with some of the city's top employers and nonprofits, drawing a crowd of nearly 150 people.

During the meeting at city hall, the 11-member Long Beach Economic Development Commission, appointed by Garcia, heard testimony from speakers in favor of and against a city-mandated minimum wage hike, while some remained neutral.

City staff clarified that the forums at various locations across the city are meant to provide an opportunity for public testimony and are not necessarily meant to give direction to the LAEDC, which is expected to present the results of an independent and objective study to the city council in early December.

The next meeting is set for 7:30 a.m., October 29, at Long Beach City College, before the city council's three-member economic development and finance committee.

The study and public forums follow a recent wave of large cities across the state and the country passing minimum wage laws, as labor union groups have led a grassroots movement to organize workers to fight for higher pay. The City of Los Angeles, for instance, passed an ordinance earlier this year requiring its minimum wage be increased to \$15 an hour incrementally between 2016 and 2020.

Those who spoke in support of the "Raise the Wage" campaign, which has

been promoted by the union-sponsored Los Angeles County Federation of Labor and which calls for a \$15-an-hour minimum wage in Long Beach, mostly consisted of minimum wage workers in hospitality, warehousing and fast-food industries.

Policy Fit To Long Beach

While Long Beach city officials have yet to bring forward a proposal, business leaders, speaking on behalf of employers in the city and across the region, stressed the im-

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Focus On Going Green

"It's a city facility so we're trying to help them minimize their [carbon] footprint. They've taken it way beyond what we started with."

**Jim Kuhl, Manager,
Long Beach Environmental Services Bureau, about the
Long Beach Convention & Entertainment Center's eco-friendly practices**

See Story On Page 6 . . . Also, on Page 8, read about
SCS Engineers: A Green Long Beach Firm With National Reach

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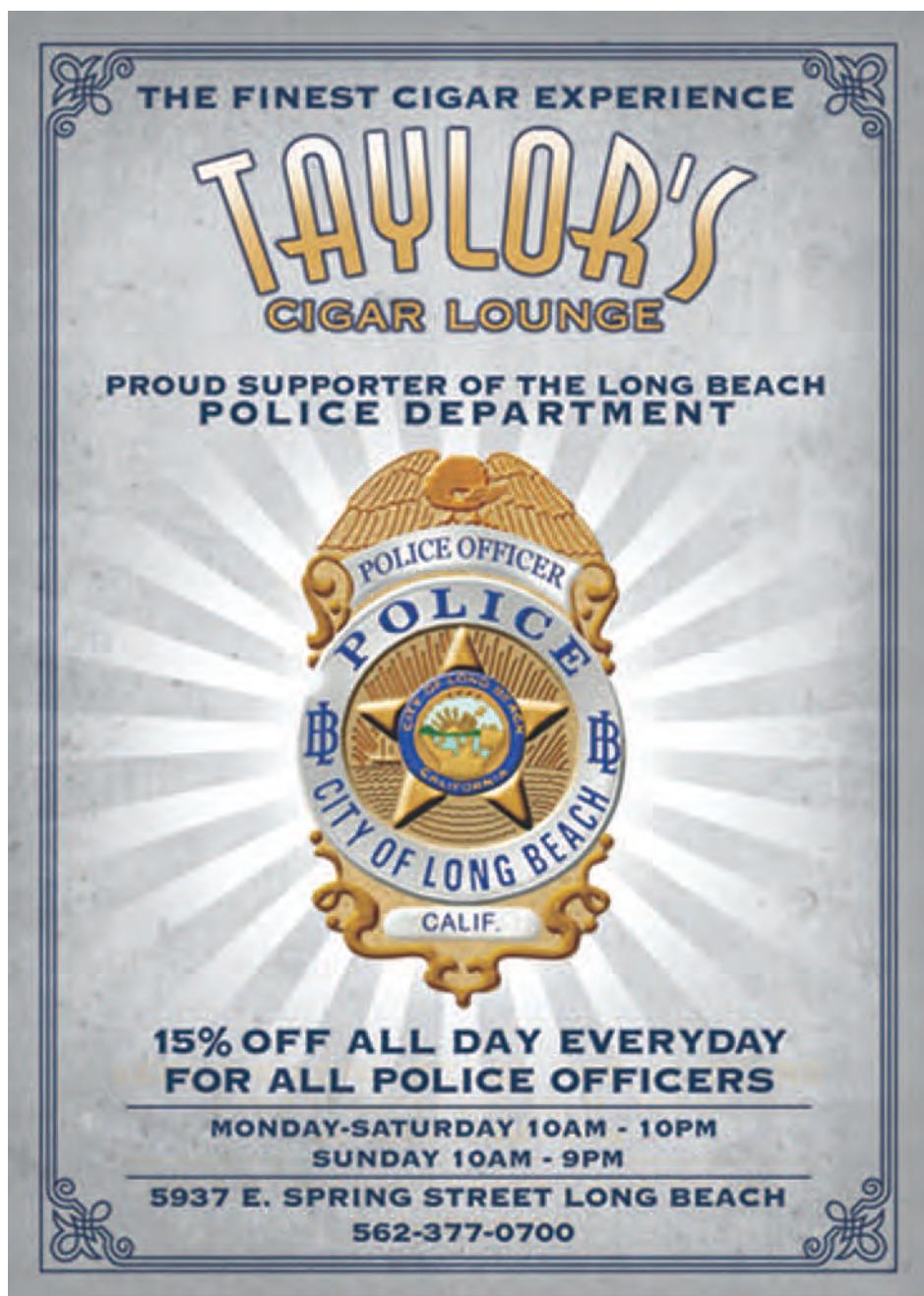
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Re-Thinking Term Limits In Long Beach



■ By **GERRIE SCHIPSKE**
Contributing Writer

BIAS ALERT: Okay readers. Before you read the column I will disclose that under the current Long Beach City Charter I am termed out of the Long Beach City Council (unless I do a write-in campaign). Admittedly, a change in the law would make it easier to be elected again, but put that aside and please consider the larger impact of how term limits have harmed our city. Let me explain.

Firstly, the movement to limit the number of times someone could be elected to municipal public office took off in the 1990s. Long Beach voters approved a charter amendment that limited city councilmembers and the mayor to two four-year terms, but allowed a termed-out councilmember/mayor to run again as a “write in” candidate.

The push for term limits in Long Beach coincided with the push statewide to rid voters of elected officials who won election after election. Despite the argument that the ballot box should determine who can run for office, term limits were approved.

The effort to limit terms of office seemed to be narrowly focused. Councilmembers and mayors are only allowed two terms, but other elected officials such as city attorney, city prosecutor, and city auditor can be elected without limit and in the process rack up hefty pensions. In essence, we limit the least expensive elected officials (councilmembers earn about \$34,000 annually) to two terms, while the most expensive elected officials (all of whom make in excess of \$200,000) can run forever. (We also let the City



Charter set the salary of the council and mayor, while the attorney, prosecutor and auditor set their own salaries subject to a vote by the city council.)

The impact of limiting councilmembers and mayor to two terms has been negative. We have essentially turned over local government to the full-time staff who doesn't have to respond to constituent/voter concerns. We have also greatly empowered special interests who line up to contribute funds to help elected officials get to their next office.

From a business perspective, it makes no sense to hire people who don't know what they are doing and then have them leave after a short period of time, which is essentially what term limits has done to local government.

We wouldn't go to an inexperienced doctor or want our children taught by someone who is constantly brand new, so why is it okay to entrust California's 7th largest city with an annual budget in the billions, to a group of people who every four years don't understand how the city operates let alone each other?

Councilmembers spend the first year in office dealing with a budget set by the prior council and figuring out how

to work with eight others and a mayor who are setting their sights on perhaps the same next elected office once they are termed out.

By year three they finally get the hang of things and then they start campaigning for reelection to their final term of office. Term limits have removed the ultimate cudgel voters have to keep politicians in line: the threat of not winning reelection.

Most incumbents won't face a challenge because the “wannabes” know they just have to wait until the incumbent is termed out to make a run for the seat.

There is little if any substantive discussion of the issues facing the city, partially due to the fact that councilmembers haven't put in the years and time necessary to know an issue in depth.

At the state level we learned that term limits turned over the power to lobbyists and campaign money. Voters recently changed term limits to increase the maximum allowed in office to 12 years in order to change back the dynamic of power that only experienced legislators can bring.

Long Beach voters should consider either eliminating term limits and let the ballot box decide who stays and who goes as is the case for city attorney, prosecutor and auditor or, extend term limits for council and mayor to four four-year terms and get the power back to the voters where it belongs.

Next column: Do we really need a college board?

(Gerrie Schipske is a native of Long Beach, an attorney, registered nurse practitioner and full time instructor at CSULB Department of Health Care Administration. She 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 and her blog, www.longbeachinside.blogspot.com.) ■

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Response To Schipske Column On ‘Watering Dead People’

This is in response to the September 29-October 12 Long Beach Business Journal article by Gerrie Schipske, “They Are Watering Dead People.”

In her article, Ms. Schipske questions “why any cemetery should be allowed to use potable (drinkable) water to keep grass alive.” She notes that two cemeteries on Willow Street in Long Beach do not have access to reclaimed water, which is why any lawn watering at these sites involves potable water. There are no existing pipelines that could carry reclaimed water to these sites, and there are currently very valid reasons for this fact.

The first reason is that the cost to build pipeline extensions to the cemeteries is about \$2.2 million. The potential savings in costs to the cemeteries would be about \$3,500 annually, which doesn't financially justify the expenditure of \$2.2 million, as the pay-back would be about 600 years, slightly less than that if grants could be obtained to partially offset this cost.

Secondly, the Long Beach Water Department has access to a very limited, finite supply of reclaimed water. Therefore, to provide the cemeteries with a share of this reclaimed water, the water department would have to reduce its provision of a like volume to an existing reclaimed water customer which would then utilize potable water. This would result in no net gain in the usage of reclaimed water and, likewise, no net reduction in the use of potable water.

The article also finds it “interesting” that these cemeteries were not included in the 2010 Long Beach Water Department and Water Replenishment District of Southern California Final Report Recycled Water Master Plan. The plan indicates that the prime customer targets for justifying the expense to extend pipeline connections to reclaimed water were “generally a user with a minimum recycled water demand of 50 acre-feet/year. The two cemeteries represent a water demand of only about 2 acre-/feet/year so were not considered prime candidates.

This year, the Long Beach Water Department and its customers have achieved historic reductions in the usage of potable water through conservation and water efficiency improvements. The State Water Resources Control Board (SWRCB) has mandated Long Beach to cut its water use by 16 percent cumulatively compared to 2013 until February of next year. Long Beach has surpassed the state mandate every month, coming in at reductions between 18 percent to 19 percent each month, despite the above-average temperatures this summer. Long Beach's current monthly water usage is the lowest since 1959, and the city has dropped its gallons per capita per day to an unprecedented 100 GPCD.

Long Beach Board of Water Commissioners

Helping Long Beach Businesses Grow Warehouse Shoe Sale



Warehouse Shoe Sale in North Long Beach often works with Pacific Gateway to employ local students through the Youth Jobs Program. Store Manager Paula Santillan (center) hired Ashley McFarland (left) full time after she completed the program. Martin Martinez (right) is currently employed through the program. (Photograph by the Business Journal's Larry Duncan)

■ By **SAMANTHA MEHLINGER**
Senior Writer

For Warehouse Shoe Sale (WSS) in North Long Beach, Pacific Gateway's Youth Jobs Program has proven to be a reliable source both for fulfilling temporary employment needs and even finding qualified employees to work on a permanent basis. Administered by the City of Long Beach, Pacific Gateway is an organization dedicated to meeting the employment needs of individuals and businesses in Long Beach, Signal Hill and the Los Angeles Harbor Communities.

Warehouse Shoe Sale, a retailer selling major shoe brands such as Nike, Reebok and Adidas, operates dozens of stores in urban areas throughout California and Nevada, and plans to expand to Arizona and Texas. The company operates three locations in Long Beach. The North Long Beach location off Cherry Avenue and Market Street regularly employs local students through Pacific Gateway's Youth Jobs Program, according to Store Manager Paula Santillan.

"Pacific Gateway [originally] got in contact with us because they have to look for retail businesses that are actually willing to work with students," Santillan said. "Our relationship with them is really good. Every time I hire somebody [through the Youth Jobs Program] they get really happy and really excited," she reflected. "I love them for sending me the extra help."

Through the Youth Jobs Program, businesses are able to employ local youth, and Pacific Gateway covers their wages for about 100 hours of work while they gain training and work experience. For WSS, the process is simple – Pacific Gateway calls Santillan when students are available to work, and she then interviews and takes them on as temporary employees. "Once I schedule them, I will walk the store with them, tell them a little bit about the company, policies in the store, and they pretty much start working [right away]," she explained.

While WSS is fully staffed, having more workers is helpful to the business. "They benefit our business really well, because it is extra help for us," Santillan said. "They do everything a regular employee does: stocking, shipments, labels, customer service," she explained.

"It is a good opportunity for the youth out there," Santillan said, noting that she knows this from experience, having started with Warehouse Shoe Sale through a similar program in L.A. County.

After students complete their hours, Santillan has them fill out job applications for future opportunities at WSS. "Once I have openings, I call them back in for interviews," she said. "They pretty much are going to get hired through our company because they are already experienced."

Santillan said the youth who end up permanently employed by WSS have the opportunity to advance to higher positions. "Chances are these people are going to move up quick, from sales associate to cashier to head cashier," she explained. "And next thing you know, they are already a manager like me. So that is a good opportunity for them."

Santillan said she currently has two students actively enrolled in the Youth Jobs Program working at her store, and has three full-time employees who she hired after they completed the program. One of the employees, Ashley, has already worked her way up to the position of cashier due to her work ethic and quick learning. Santillan said she plans to continue hiring through the Youth Jobs Program in the future.

For more information about Pacific Gateway's employment services, call 562/570-3700. ■

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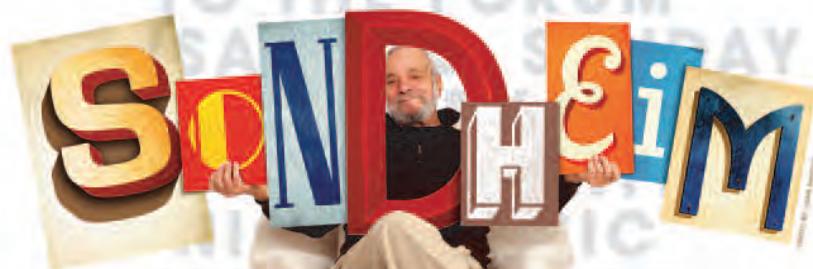
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Eco-Friendly, Sustainable Practices A Top Priority For Convention Center And Restaurants In Long Beach

■ By SEAN BELK
Staff Writer

Visitors might pass right by without noticing, but eco-friendly practices are a top priority at the Long Beach Convention & Entertainment Center, which hosts hundreds of events and conventions a year. In fact, sustainability has become integrated into nearly every aspect of the venue.

In particular, the convention center's caterer SAVOR Long Beach continues to make strides in staying environmentally friendly, whether its using herbs from an onsite garden for luncheons and dinners, turning pallets into bars, composting tons of scraps to be used as fertilizer or recycling hundreds of thousands of pounds worth of materials a year.

"The volume of recyclables coming off of a cocktail bar is pretty intense," said Veronica Quintero, regional manager for SAVOR, which also provides food and beverage services for the Aquarium of the Pacific.

She said eco-friendly practices are now a big part of the convention business with nearly 45 to 50 percent of organizations requesting that events be green or sustainable, adding that for some groups not meeting that requirement is a deal breaker.

The convention center, which has won state awards for its waste reduction efforts, is just one example of how sustainable practices are commonplace in Long Beach,



One of the many ways that the Long Beach Convention & Entertainment Center diverts waste is by reusing materials, such as building a bar out of pallets seen here. (Photograph provided by SAVOR Long Beach)

said Leigh Behrens, recycling specialist for the city's environmental services bureau.

She added that eco-friendly practices aren't just promoted for residents at home but are used by city venues, facilities, businesses, restaurants and schools as well, so that sustainability becomes a part of everyday life.

"We like to promote the idea of walking the talk," Behrens said. "Recycling and waste reduction aren't just at-home activities. It's really something where anywhere you are at – work, school, an event or a conference – you're going to see those aspects . . . It's something we value as a community."

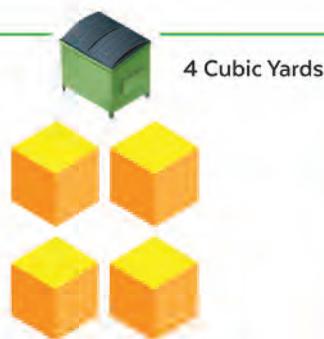
She noted that the City of Long Beach in 2014 had a 74 percent waste diversion rate, slightly under California's new ambitious goal of requiring that 75 percent of all solid waste in the state be diverted through source reducing, recycling or composting by 2020.

Recycling is a major operation at the

Recycling is Everyone's Business

*It's mandatory. The commercial sector generates nearly 75% of the solid waste in California.**

State law (AB 341) makes recycling mandatory for any commercial property or multi-family residential property (with five or more units) that generates four or more cubic yards of waste per week.



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ENVIRONMENTAL SERVICES BUREAU | DEPARTMENT OF PUBLIC WORKS | CITY OF LONG BEACH

* CalRecycle 2008 Statewide Waste Characterization data





Long Beach Convention & Entertainment Center management met with Long Beach Environmental Services Bureau staff on a recent tour to showcase the convention center's eco-friendly practices. Pictured, from left to right, are: Environmental Services Bureau Manager Jim Kuhl; SAVOR Regional General Manager Veronica Quintero; Convention Center General Manager Charlie Beirne; Convention Center Assistant General Manager John Braun; Convention Center Guest Services Director Anthony Ary; Environmental Services Bureau Recycling Specialist Elisa Calderon; and Environmental Services Bureau Recycling Specialist Leigh Behrens. (Photograph by the Business Journal's Larry Duncan)

convention center, which uses three large bailers to bundle cardboard that is then picked up and hauled off to recycling facilities. The venue also recycles metal, e-waste and just about any other material used during events.

Jim Kuhl, Long Beach Environmental

Services Bureau manager, said the city has worked alongside the convention center for years helping to find funding for sustainable projects, such as the cardboard bailers, adding that the center has surpassed expectations.

"It's a city facility so we're trying to help

them minimize their [carbon] footprint," he said. "They've taken it way beyond what we started with."

During major events, such as the Toyota Grand Prix of Long Beach, recycling is more important than ever. In fact, SAVOR works with local high school students who

volunteer to recycle during such events. The partnership allows the convention center to give back tens of thousands of dollars in recycling profits to schools.

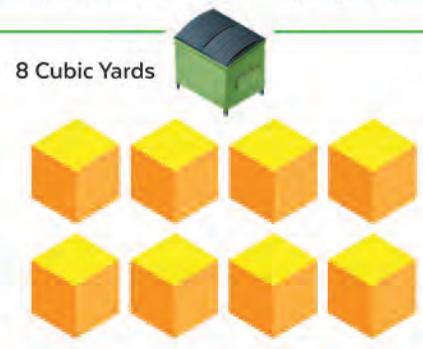
One of the convention center's first eco-friendly projects more than a decade ago

(Please Continue To Page 9)

Commercial Organics Recycling will be mandatory in Spring 2016



Starting April 2016, State law (AB 1826) will require businesses that generate 8 cubic yards of organic waste to arrange for organic waste recycling services. Organics include **food, yard trimmings, nonhazardous wood, and food soiled paper.**



Visit www.longbeach-recycles.org learn how to **prepare for organics recycling**

ENVIRONMENTAL SERVICES BUREAU | DEPARTMENT OF PUBLIC WORKS | CITY OF LONG BEACH





SCS Engineers, an environmental consulting and contracting firm, has been based in Long Beach since it was founded in 1970. Its corporate headquarters are at Kilroy Airport Center. Vice President Julio Nuno, pictured, oversees the company's environmental services. He said SCS Engineers expects its land remediation and other services for property developers to be in high demand locally over the next few years due to a strong local commercial real estate market. (Photographs by the Business Journal's Larry Duncan)

SCS Engineers: A Green Long Beach Firm With National Reach

■ By **SAMANTHA MEHLINGER**
Senior Writer

Founded in Long Beach in 1970, environmental contracting and consulting company SCS Engineers has expanded significantly over the decades and now has about 800 employees in more than 60 offices across 32 states. The company, which provides a dizzying array of environmental services to public and private clients, remains headquartered in Long Beach.

SCS Engineers has divisions dedicated to construction of environmental systems, management of environmental control facilities, clean air monitoring, and technology for tracking environmental data. As environmental regulations become increasingly complex, particularly in California, SCS continues to monitor legislation and assess both current practices and potential areas for growth.

"We track new legislation . . . to see how that would affect our business and to see if that is an area we should start getting geared up for," SCS's Julio Nuno, vice president overseeing environmental services, told the Business Journal in an interview at the company's headquarters. "I think we have probably grown the most over the last five to 10 years. We have grown by acquisition."

About 60 percent of SCS Engineers' business is in the field of solid waste, according to Nuno. Specifically, the company is most active in the design, construction and management of landfills. "One of the things SCS is known for is our work in the solid waste business," Nuno said. "We do a lot of work associated with landfills – siting and designs and expansions."

But SCS doesn't just build and monitor landfills – the company also has a division dedicated to capturing the energy generated by decomposing materials. The company has about 30 biogas-fueled power plants either completed or planned. "We do have an energy division that is involved in designing systems that will take the methane gas and use it like in a micro turbine and generate electricity," Nuno explained. This energy is often used to offset the energy needs of landfill operations.

SCS's expertise in this area may prove a future growth

area for the company due to upcoming organics waste recycling requirements. The State of California recently passed legislation mandating governmental jurisdictions such as cities and counties to oversee organics waste recycling. It requires these jurisdictions to have facilities and systems in place to enable organics waste recycling, one option being the sort of energy-capturing systems engineered by SCS. "That is really where things seem to be heading, is away from our landfills and trying to use other processes to keep [waste] from going into landfills," Nuno said.

Another area of growth for SCS is environmental remediation of property for development, also known as "brownfield" projects. "On that side of our business our work is really tied to the real estate market," Nuno said. While commercial real estate development experienced a lull during the Great Recession, "it seems to be coming back very strongly now," Nuno observed, referring to local developments such as Douglas Park.

"Right now, we see a lot of demand in our services for assessing and cleaning up pieces of property in preparation for development," Nuno said. SCS does a lot of work in Phase 1 environmental assessments associated with regulatory due diligence processes required before a developer can build on a site that may need remediation, he explained.

A major past brownfield project by SCS was the remediation for the Autoclub Speedway of California in Fontana, built on the site of a former steel mill. SCS was also involved in remediation for Petco Park, where the San Diego Padres play, and for land around the Staples Center in Los Angeles. SCS has provided land remediation services to the City of Long Beach along downtown's shoreline, Pine Avenue and Long Beach Boulevard, Nuno pointed out.

Currently, SCS is working with a client who owns multiple pieces of property in the Long Beach area. "That client has a piece of property in the Douglas Park development, and so there are some environmental issues associated with Boeing and their predecessor's operations," Nuno said. "So they had us kind of review and let them know what they needed to do."

Due to past and current oilfield exploration, Long Beach and other local cities such as Signal Hill have called upon SCS's services to ensure land is safe to build on. "There are some issues associated with those old oil field properties," Nuno said. For example, some former oil field sites have old sumps left behind, which contain drilling muds used in oil extraction that have "elevated concentrations of petroleum hydrocarbons and some metals," he explained. SCS assesses these sumps and cleans them up.

"Then we will do methane gas assessments because . . . the old abandoned wells sometimes leak, so you will have the potential for methane gas to accumulate," Nuno said. "We will design protection systems for buildings if we think that methane gas could be a problem. We did a lot in the past for the City of Long Beach."

Many of SCS's other services involve monitoring and preventing various substances from industrial operations such as oil drilling or even dry cleaning from entering storm water, groundwater supplies, soil and the air. For example, SCS frequently works with gas stations to replace their underground storage tanks to prevent gas from leaking into the ground.

"We also do a lot of assessments on releases from dry cleaning facilities," Nuno said. "Typically they don't handle their solvents very well and it has resulted in some releases to the ground. And sometimes, it is not only a problem for soil, but it also could get into groundwater," he continued. "And there is something called a vapor migration, too. So those vapors can migrate independently and get up into structures."

Not only does SCS help contribute to a cleaner environment and more energy and environmentally efficient practices by public and private entities, the company is also dedicated to implementing its own sustainable business practices. "I have worked at SCS now for 33 years, and for as long as I can remember we have always collected paper," Nuno said. "We have a recycling program for the paper we generate." At the company's Long Beach headquarters, at the Kilroy Airport Center, employees also use reusable plates, mugs and utensils, he noted. Additionally, many of the company's fleet vehicles are hybrid cars. ■

Eco-Friendly Practices

(Continued From Page 7)

was installing a 750-kilowatt, 5,800-solar panel array on its roof that is considered one of the largest public facility solar panel systems on the U.S. West Coast, generating more than 1 million kilowatt hours of clean electricity a year.

Charlie Beirne, the convention center's general manager, said the venue is working with a contractor to keep the solar panels up to speed with new technology. He added that having such a large roof to generate energy from sunlight makes the system worthwhile.

The convention center now plans to start using its roof for another sustainable purpose – catching rain.

The convention center is creating a "rain-catch" system at the entrance of the Long Beach Arena in which rooftop gutters allow water to flow into barrels when it rains. The rainwater will then be used to water a nearby raised-bed garden as well as herb gardens and fruit trees located in other areas on site.

Quintero, who has installed her own rain-catch system at home with 40- and 50-gallon barrels, said the convention center might be able to catch up to 400 gallons of rain water a day during heavy rains.

The convention center is also planning to purchase its own small composter that would enable food and produce scraps to eventually be used as fertilizer for the convention center's landscaping, she said.

For large jobs, convention center staff members fill 40-foot roll-off containers with compostable material, such as orange peels and food scraps, which are then hauled away to a composting site in Lancaster.

In order to maintain a reduced carbon footprint, however, composting has to be done in large volumes since driving the waste so far to the site causes pollution, Quintero explained.

Convention center staff noted that the venue uses reclaimed water for fountains and for watering vegetation, while converting much of its plants to drought-tolerant landscaping.

During conventions, conferences and events, saving water is also a priority, Quintero said, adding that SAVOR no longer automatically provides water to guests, since a majority goes to waste. The caterer also stopped offering coffee from large containers since they require water-intensive washing.

In addition to using biodegradable or compostable plates and serveware, SAVOR also uses sustainable food practices, such as incorporating only seasonal produce in dishes, Quintero said, adding that "farm-to-cocktail" is also popular for catering and entertaining.

'Ocean Friendly Restaurants'

Restaurants in Long Beach have also heeded the call to become more environmentally friendly by continuing to integrate greener practices into their food as well as their facilities, supplies, equipment and overall business plans.

For the past four years, the Long Beach Chapter Surfrider Foundation has given out "Ocean Friendly Restaurant" awards to restaurants and food establishments as part of a campaign to encourage businesses to not use Styrofoam or plastic for takeout containers.

The nonprofit has different criteria for silver, gold and platinum level awards, ranging

from not using Styrofoam takeout containers to proper recycling and trash disposal practices to not using any plastic at all.

Seamus Ian Innes, chair of the Surfrider Foundation Long Beach Chapter, said plastic and Styrofoam are both devastating to the ocean habitat because the materials "last forever" since they don't biodegrade, adding that they also emit toxins and end up being eaten by sea life, which ultimately ends up in the food that people eat.

The ultimate goal, he said, is to encourage people and businesses to stop littering, adding that most of the plastic and trash that is washed into the ocean from the Los Angeles River comes from street gutters and factories up stream.

So far, the nonprofit has bestowed 28 restaurants with the award, including McDonalds, which no longer uses Styrofoam. The first restaurant to receive the platinum award is BO-beau kitchen + roof tap in Downtown Long Beach, which uses paper bags for takeout while using cardboard and clam shells for serving food with reusable bamboo utensils, Ian Innes said.

BO-beau and the Surfrider Foundation Long Beach Chapter are co-sponsoring an event at the restaurant, located at 144 Pine Ave., tomorrow, October 14, at 6:30 p.m. to coincide with Rise Above Plastics awareness month.

During the event, the restaurant will be recognized for its eco-friendly efforts. In addition, the event will include a Trash Art Expo in which students and artists will be displaying art made out of trash picked up on the beach. ■

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The graphic features a white faucet icon at the top center, with water droplets falling into two white rectangular containers below it. The left container is labeled 'TUE' and the right container is labeled 'SAT'. The background is a solid blue color.

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Drake/Chavez Soccer Fields & Greenbelt	R-7002	11/11/2015
Purchase and Development Opportunity at 100 East Ocean Boulevard	RFP CM15-163	10/30/2015
Purchase and Development Opportunity at 3rd Street & Pacific Avenue	RFP CM15-162	10/30/2015
Purchase and Development Opportunity at Anaheim Street & Walnut Avenue	RFP CM15-159	10/30/2015
Proactive Rental Housing Inspection Program (PRHIP) Education & Outreach	RFP DV15-207	10/21/2015
Less Lethal Munitions	ITB PD15-198	10/20/2015
Automated Playback Channel System	ITB TI 15-189	10/20/2015
Field and Post Production Equipment for LBTV	ITB TI 15-205	10/20/2015
Purchase of one (1) Ford Transit-350 Passenger Wagon	ITB FS15-212	10/19/2015
Shoreline Drive Between Ocean Boulevard and Linden Avenue Traffic Improvements	R-7037	10/19/2015
Purchase of Three (3) Ford F-150 CNG Super Cab XL	ITB FS15-116	10/16/2015 REBID
Airport Parking Operations and Management	RFP AP15-153	10/15/2015
Turf Removal	R-7034	10/15/2015
Turf Conversion	R-7033	10/15/2015
Pine Avenue Pier Public Dock	R-6995	10/14/2015

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

Bidder Registration

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

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Beacon Economics To Draft Economic Development Report And A Regional Profile For City Of Long Beach

■ By **SEAN BELK**, Staff Writer

The Long Beach Economic Development Commission unanimously approved contracting with economic consulting firm Beacon Economics in a \$95,000 contract for the preparation of an economic development report and regional economic profile with a mid-year update.

Mayor Robert Garcia has requested that the commission lead the process to prepare and complete the report, providing public input, commission guidance, report delivery and dissemination, according to a staff report. Additionally, a mid-year update will be generated to confirm trends and refine findings of the report.

The regional economic profile with mid-year update will analyze and highlight: the city's industrial make-up; employment; mix of jobs; demographics; business performance; real estate and construction activity; consumer spending; and sales tax leakage.

A detailed employment analysis will review and analyze confidential employment data covering: historical employment; payroll; employment and payroll by industry; and increases or decreases in employment and payroll by industry and sector.

A detailed demographic analysis will collect and report on trends in population, race, ethnicity, labor force, income, education and housing. An economic development strategic guide will focus on identifying and recommending policies to help direct the city in seizing economic opportunities to enhance the city's economic and fiscal health.

The report will also include optional sub-regional/geospatial breakouts, potentially focusing on downtown, Bixby Knolls, Belmont Shore and the airport area.

City staff is preparing a purchase order to allow Beacon Economics to begin the project within the next few weeks. Beacon is expected to deliver the report within 45 to 60 days of notice-to-proceed. ■

Negotiations Conclude For Free Trade Agreement With Pacific Rim Countries

■ By **SAMANTHA MEHLINGER**, Senior Writer

The United States and 11 other Pacific Rim countries concluded negotiations on October 5 for the Trans-Pacific Partnership (TPP), a free trade agreement the White House argues will boost America's economy by facilitating more exports. Retailers, manufacturers and others lauded the conclusion of the negotiations and expressed hopes for what the final agreement may accomplish.

President Barack Obama has been an unwavering proponent of the TPP, which is an agreement between the U.S., Australia, Brunei Darussalam, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam.

According to a White House fact sheet, the TPP eliminates more than 18,000 taxes, or tariffs, on American exports, which creates a more level playing field for American goods to compete with those of other countries. Tariffs applying to American-made manufactured, agriculture, automotive, and information and communication technology products would be removed if the U.S. Congress approves the TPP.

"For example, TPP eliminates import taxes as high as 59 percent on U.S. machinery products exports to TPP countries," the White House fact sheet stated. "In 2014, the U.S. exported \$56 billion in machinery products to TPP countries."

The California Chamber of Commerce, which backs the trade partnership, emphasized in a recent statement that the TPP "promises significant economic benefits for American businesses, workers, farmers, ranchers and service providers." The agreement also includes a section advocating for small and medium-sized businesses to benefit from trade with Pacific Rim countries.

The National Retail Federation (NRF) praised the partnership agreement in a statement released the day negotiations concluded. "International trade supports millions of jobs in the retail industry, and that number will only grow with passage of TPP," NRF Senior Vice President for Government Relations David French stated. "NRF looks forward to reviewing the final agreement with our members to identify the benefits for retailers and their customers."

The Boeing Company also expressed support of the TPP. "Free trade agreements create new opportunities for American companies and their workers," Boeing President and CEO Dennis Muilenburg said in a company statement. "U.S. companies need to be able to compete and win in global markets to support well-paying jobs at home. It's critical we provide our manufacturers and exporters with the best tools to compete on a level playing field in markets worldwide."

The TPP establishes what the White House calls "the highest labor standards of any trade agreement in history." If the agreement is approved, all 12 countries in the partnership must "meet core, enforceable labor standards as stated in the International Labor Organization's (ILO) Declaration on Fundamental Principles and Rights at Work," according to the White House.

"The fully-enforceable labor standards we have won in TPP include the freedom to form unions and bargain collectively; prohibitions against child labor and forced labor; requirements for acceptable conditions of work such as minimum wage, hours of work, and safe workplace conditions; and protections against employment discrimination," the White House TPP fact sheet stated.

U.S. Secretary of Commerce Penny Pritzker praised the TPP for including these provisions.

"The Trans-Pacific Partnership is a tough, high-standard, and modern trade agreement that reflects our values on labor, the environment and human rights," she stated in an October 7 press release. "TPP will strengthen the hand of American workers and ensure that our businesses can compete on a level playing field in some of the world's most significant markets."

The partnership also creates new environmental protections by requiring member coun-

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tries “to combat wildlife trafficking,” and illegal logging and fishing, in addition to promoting sustainable fisheries. “TPP also requires that the 12 countries promote long-term conservation of whales, dolphins, sharks, sea turtles and other marine species, as well as to protect and conserve iconic species like rhinos and elephants,” according to the White House. Provisions are also included to combat harmful air emissions.

Other focuses of the partnership include promoting an open Internet and digital freedom, as well as trade capacity building.

Not everyone supports the trade agreement. Presidential candidate Hillary Clinton recently reversed her stance on the partnership and now publicly opposes it. Multiple labor unions, including the Teamsters, opposed Congress’s decision to give the Obama administration the authority to fast track the TPP.

A statement from Obama said that Congress and the American people would have months to look over the agreement before Congress makes a final vote. “If we can get this agreement to my desk, then we can help our businesses sell more Made in America goods and services around the world, and we can help more American workers compete and win,” he wrote. ■

End Of Life Option Act Signed By Governor Brown

■ By SAMANTHA MEHLINGER, Senior Writer

Terminally ill Californians who meet certain criteria now have the right to end their lives with medicine prescribed by a physician following Gov. Jerry Brown’s signing of Senate Bill 128, the End of Life Option Act, on October 5.

A signing statement by the governor indicated that he weighed all sides of the issue before putting his name to the bill. “I have carefully read the thoughtful opposition materials presented by a number of doctors, religious leaders and those who champion disability rights,” Brown wrote. “I have considered the theological and religious perspectives that any deliberate shortening of one’s life is sinful.”

Brown wrote that he also spoke with supporters of the bill.

“In the end, I was left to reflect on what I would want in the face of my own death,” Brown wrote. “I do now know what I would do if I were dying in prolonged and excruciating pain. I am certain, however, that it would be a comfort to be able to consider the options afforded by this bill. And I wouldn’t deny that right to others,” he concluded.

The bill, whose effective date has not been determined, was authored by Senate Majority Leader Bill Monning, Senate Majority Whip Lois Wolk and Assemblymember Susan Talamantes Eggman. It allows terminally ill California residents over the age of 18 who have six or less months to live to end their lives with assistance from a physician.

Qualifying individuals must also be found by a mental health specialist to have the capacity to make medical decisions. The individual seeking aid-in-dying medication must

(Please Continue To Page 12)

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be the one to make the request; no one is authorized to make the request for the dying patient, according to the legislation. The individual seeking life-ending medication would also be solely responsible for administering the drug.

To ensure the law isn't abused, safeguards were included. The individual seeking life-ending medication must submit two oral requests, at least 15 days apart, to an attending physician. A written request signed and dated in front of witnesses related to or in a domestic partnership with the terminally ill person must also be submitted.

The legislation was championed by Compassion & Choices, a nonprofit group advocating for medical end of life options for terminally ill patients. The group made headlines last year when it partnered with Brittany Maynard, a terminally ill Californian who had to move to Oregon and establish residency in order to take advantage of that state's end of life legislation, for lack of a similar option in her home state.

"I am glad to see that our legislators have listened to Brittany and the hundreds of terminally ill Californians who are in a similar crisis," Maynard's husband, Dan Diaz, said in a statement from Compassion & Choices. "Thank you, Governor Brown!"

Opponents of the law, including the American Medical Association, have argued that it violates the basic tenets of medical care laid out in the Hippocratic Oath, and that it would lead to a slippery slope of arguments to allow more people to seek death in inappropriate situations. According to Compassion & Choices, this law applies to more than one in 10 Californians. ■

City Council To Vote On Allocating \$1 Million For Queen Mary Improvement And Maintenance Projects

■ By **SEAN BELK**, Staff Writer

The Long Beach City Council is scheduled to vote at tonight's (October 13) meeting on allocating \$1 million from the city's public works department for various improvement and maintenance projects for the Queen Mary. The costs will be offset by the ship's lease revenue, according to a staff report.

The proposed projects to be funded include spending \$350,000 on a marine survey, \$100,000 on a historic structures report and \$22,000 on a repair reserve fund analysis.

The remaining \$528,000 will go toward unforeseen or emergency repairs, such as repairs to the hull, utility lines and safety/accessibility resources as required under the ship's lease with the city, according to city staff.

The marine survey will determine the existing general condition of the ship, including structural conditions, watertight integrity of the riveted steel hull and viability of the ship's systems, while making recommendations for potential repairs and corrective actions, among other specifications. Findings and recommendations of the survey will inform and guide future preservation efforts.

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The historic structures report will provide narrative and graphic information about the ship's history, alterations and existing conditions in support of the preservation management goals for continued use of the ship.

According to city staff, the current repair reserve fund is likely not sufficient enough to address the survey and report. Funding will be utilized to evaluate the current funding mechanism under existing lease terms and identify potential modifications to the lease that would provide greater benefit to the reserve.

The reserve is funded in the form of pass-through rent from the lessee at \$189,000 a year. While the lessee is required under the terms of the lease to provide for routine and capital maintenance of the ship, the city is responsible for capital repairs, as the ship remains a city-owned capital asset. ■

9th District Councilmember Launches Second Participatory Budgeting Process With Assemblies

■ By SEAN BELK, Staff Writer

Ninth District Long Beach Councilmember Rex Richardson has launched the second participatory budgeting process for his council district in which residents and stakeholders will gather input from the community and eventually vote on how to allocate \$250,000 in one-time infrastructure funds.

The 9th District Council office this year has scheduled what it calls six neighborhood assemblies, the first of which took place last Saturday, October 10. The budgeting process is in preparation for the Fiscal Year 2017 budget to be passed by the city council next year.

This year is the second Richardson has launched the participatory budgeting, or PB, process, an innovative community budgeting strategy developed by a national nonprofit called the Participatory Budgeting Project (PBP). According to a statement from his office, Richardson is the first councilmember to introduce PB in a council district in Southern California.

"PB is a great way for residents and stakeholders to be part of government and the democratic process," stated Richardson, who is encouraging the community to participate.

The process will begin with a series of neighborhood assemblies for community members to submit ideas on how to spend \$250,000 in one-time infrastructure funds. Assemblies will be held throughout the district in October and November. After ideas are collected, volunteers will turn the ideas into full proposals and 9th District residents will vote on the proposals to be implemented.

The next assemblies take place on October 17 from 10 a.m. to noon at Community Grace Brethren Church, 5885 Downey Ave. and from 1 p.m. to 3 p.m. at the California Aquatic and Wellness Center, 6801 Long Beach Blvd. For more information about the PB process, or a complete list of assemblies, visit www.pblongbeach.org or call the 9th District Council office at 562/570-6137. ■

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Minimum Wage

(Continued From Page 1)

portance of drafting a policy that fits Long Beach rather than merely copying ordinances that have been passed by other jurisdictions.

Business Journal Publisher George Economides pointed out several times earlier this year that Long Beach, unlike Los Angeles, Seattle, San Jose and others, is all about small businesses, and that an increase in the minimum wage will have a much more negative impact here than in other cities. In August he wrote: "This is a city of small businesses, mom-and-pop shops, family-owned businesses, etc., with a growing start-up creative sector. The number of private sector businesses employing more than 1,000 people in this city can be counted on one hand. Long Beach is small business America."

Jeremy Harris, senior vice president of the Long Beach Area Chamber of Commerce, said raising the minimum wage to the level requested by labor groups without considering factors specific to Long Beach would only put businesses at a "competitive disadvantage," adding that "data, outreach and testimony" should be what drives public policy rather than "momentum" of other cities.

"We understand there's a momentum for increasing the minimum wage around the region and in parts of the country; however, momentum alone should not be the reason to enact an ordinance," he said. "It takes sound data, outreach and testimony from those who will be impacted most."

Dustan Batton, policy associate for the Los Angeles County Business Federation (BizFed), which represents 150 business organizations in the county, called Long Beach a "leader" on the issue for researching its own economic profile and considering potential impacts and incentives before moving forward with an ordinance.

"Copy-and-paste policy is not the way to go," he said, asserting that the county and city of Los Angeles both adopted nearly identical ordinances that had originally been drafted for cities in other states.

Harris, who estimates that there are 15,000 businesses in Long Beach, said a minimum wage policy should clarify the definition of a "small business" in terms of number of employees with respect to the number of businesses in the city. Conversely, such a policy should also determine what defines an "employee" and "entry level worker," he said.

In addition, Harris pointed out that raising the minimum wage also increases payroll costs for employers that cover employer contributions for health care benefits, social security, Medicare, unemployment benefits and disability insurance.

Harris added that the city should particularly consider the potential impacts on nonprofits, stating that California State University, Long Beach conducted a study that indicates one in 10 jobs in the city is a nonprofit job.

Kraig Kojian, president of the Downtown Long Beach Associates (DLBA), said the Council of Business Associations (COBA), which represents all business districts in the city, plans to conduct its own private, independent study on the issue, to identify and reach out to business sectors that would be impacted.

Restaurants Take A Stand

Restaurants and hospitality businesses should also be contemplated, Harris said, noting that workers aren't compensated only by their employers, since they often take home gratuities from customers.

During the forum, four restaurant owners expressed concerns, stating that mandating an across-the-board minimum wage hike would only put them at a competitive disadvantage with other restaurants in nearby cities and force them to raise prices or possibly close.

Matt Peterson, co-owner of Legends Sports Bar on 2nd Street in Belmont Shore that employs 100 people, cautioned city officials and consultants to "look at studies carefully" and to "get both sides" of the issue, as a minimum wage increase would have widespread impacts.

"It's going to impact everybody in this community," said Peterson, a member of the Belmont Shore Business Association (BSBA). "My type of business is very, very elastic. I'm going to raise my prices. But, if people want to get paid more . . . goods and services are going to cost more. So let's just proceed with caution and be very careful about it."

Mike Sheldrake, president of the BSBA and owner of Polly's Gourmet Coffee also located on 2nd Street, said employees may see a larger paycheck with a minimum wage of \$15 an hour, but it would also raise his labor costs by nearly 40 percent, adding that businesses throughout the city may be forced to cut jobs as a result, a point he had made in a previous article in the Business Journal.

"[Employees are] going to get more

money," he said. "Great. But, if it's not done properly, there are going to be fewer employees employed in the business."

Sheldrake noted that a study on Seattle, which last year enacted an ordinance that raises its minimum wage incrementally to \$15 an hour by 2017, has already seen the loss of more than 1,000 restaurant jobs while surrounding areas saw employment gains.

Costs Of Enforcement

Another issue brought up was the potential costs to the City of Long Beach to pay for enforcing a minimum wage policy.

Both Sheldrake and Peterson stated that enforcing such a law might require the city to hire additional city workers since state and federal governments are only required to enforce laws under their own labor codes. They said the City of San Francisco has nearly 140 employees enforcing labor laws.

Max Norris, a local civil service attorney and Long Beach resident, however, interjected that a way to make such a program "self sufficient" would be to enforce penalties.

Many supporters of raising the minimum wage, meanwhile, requested that Long Beach draft a policy that would include certain protections, such as stricter labor law enforcement provisions that would prevent "wage theft" and ensure workers are provided adequate paid sick days.

Other speakers, however, said such matters are valid concerns but should be dealt with separately from the minimum wage issue.

'Unsustainable Wage Increase'

Vince Passanisi, owner of Santa Fe Importers, an Italian delicatessen that has been located in West Long Beach for 68 years and employs about 50 people, said helping the "free market" to compete while creating more educational resources is a solution to poverty rather than increasing the minimum wage through a city ordinance.

He added that, if employers are left alone to compete, wages in Long Beach, which as of August had an unemployment rate at a seven-year low of 7.6 percent, will rise "automatically" due to an improving economy.

"Instead of sabotaging growth with an unsustainable wage increase, the city should be asking, 'how do we create a better educated and more skilled workforce?'" Passanisi said, adding that the city should also be focusing on incentives for businesses to train and educate workers while making neighborhoods safer and upgrading infrastructure.

"I hope the commission will do what's

Correction

In the September 29 issue of the Business Journal, the article "Long Beach Small Business Owners Rattled By Prospect Of Minimum Wage Hike," incorrectly reported that, according to a study, an increase in the minimum wage to \$15 an hour by 2017 in Seattle has resulted in 1,000 restaurant closures. It should have stated that the study found the minimum wage increase resulted in the loss of more than 1,000 restaurant jobs.

best for Long Beach by giving workers and businesses the freedom to make their own decisions," he said.

Balancing 'Trade-Offs'

Still, Commissioner Walter Larkins, an entrepreneur specializing in life and health insurance for businesses, non-profits and governmental agencies, said that, if a minimum wage policy is proposed, the city may need to address such issues as wage theft and labor costs to businesses that he called "unintended consequences."

Christine Cooper, vice president of LAEDC's Institute for Applied Economics, which is heading up the study for Long Beach, said the city is going to eventually have to weigh the costs and benefits for both workers and employers in drafting an ordinance, adding that, in the end, "some people will be suffering and some people will gain."

"There are trade-offs," she said. "This is, unfortunately, what economics is about."

Cooper added that the study, which includes using a San Diego-based survey firm to take a random sample of 600 businesses in Long Beach, would include analysis of literature and highly qualified economic studies to show evidence of the outcomes of different wage policies.

She added, however, that accurately determining the effects of minimum wage laws often takes decades and, even then, the evidence is still "quite mixed."

Commission Chair Frank Colonna, a local real estate agent, said an important factor to consider is that Long Beach is still transitioning out of being a city with an abundance of manufacturing jobs from a naval shipyard and Boeing's C-17 aircraft production line that have both shut down.

Cooper agreed, adding that cities across the country are struggling with the fact that "middle-paying" production-based jobs are being replaced by low wage service-based jobs.

(Please Continue To Next Page)

“We do struggle with the idea of how we’re going to transition to this new information-led economy and what we’re doing through that transition period,” she said. “It does seem that a lot of our middle class, middle-paying jobs have left, and it is a problem nationwide.”

Mayor’s Roundtable Held In Bixby Knolls

During a two-hour roundtable discussion at the Expo Arts Center in Bixby Knolls on October 5, Mayor Garcia spoke with a diverse group of people made up of residents, workers, restaurant owners, business leaders, healthcare executives and non-profit directors.

“I’ve committed that this process be very open, inclusive and balanced,” Garcia said. “I think we’re interested in hearing the entire community. I think it’s important that everyone has a voice so when this comes back to the council months from now, we have all the data and we’ve heard everyone.”

Many speakers expressed sympathy for low-wage workers, particularly for an employee who said she has worked at Taco Bell for nine years and is still making minimum wage since she has yet to receive a raise.

Restaurant owners, however, expressed concerns about raising the minimum wage and how it would impact tipped employees, adding that they may have to be exempt or it would have a very negative impact on the industry.

Jimmy Loizides, owner of George’s Greek Cafés whose two restaurants in Long Beach employ about 160 people, said raising the minimum wage to \$15 an hour for all workers would potentially change the service of restaurants if restaurant owners were forced to do away with tips.

“We are a performance-based restaurant, meaning our servers who sell the most and do the best job, will always make more money,” he said. “But what’s the incentive to do better with a straight salary? We’ll lose our good employees. They’ll go to another city and use their talents there. I’ve been around long enough that any increase on that side will be an increase on this side.

Loizides added that small minimum wage increases and additional healthcare benefits mandated by Obamacare add up for small businesses, costing hundreds of thousands of dollars in extra labor costs.

“This year I have been hit with \$200,000,” he said. “I don’t make millions. \$200,000 is a lot of money. At what point do we stop raising prices?”

Mike Rhodes, owner of Domenico’s Italian Restaurant in Belmont Shore that he said is the oldest restaurant in Long Beach and has 42 employees, echoed many of the same concerns, adding that he will likely have to raise prices, putting him at a competitive disadvantage with other nearby restaurants.

“The public doesn’t understand what small business people like me are up against,” he said. “My lease is up in two years. Rent will probably go up \$4,000 a month and now this? Hopefully the public understands why I have to raise my prices.”

Luis Navarro, who owns Lola’s Mexican Cuisine on 4th Street and other restaurants in Long Beach totaling about 60 employees, said he understands the need for workers to want higher pay having been “groomed through labor unions.”

However, he expressed confusion as to how such a law would work for all businesses and employees. Navarro added that

Long Beach is different than Los Angeles in that it’s a “community of small businesses,” and would be impacted more than most cities.

“My philosophy is how do we get there where it works for everyone?” Navarro asked. “We are a small business. We are different than a corporation. If you’re a small business owner, you’re the first one there in the morning, the last one to leave, and also the last to get paid. That’s the reality.”

Gary Godshall, owner PrideStaff, a staffing agency in Long Beach, questioned whether temporary workers who often take jobs in other cities would be covered under the city’s mandated minimum wage policy.

“If we go through a minimum wage hike, and I service surrounding cities, do I have to pay my workers minimum wage working in those cities because my business is located

in Long Beach?” he asked. “If that’s the case, then there are a lot of other staffing agencies that will basically put me out of business providing lower wages in those other cities.”

John Molina, chief financial officer of Molina Healthcare, which employs 3,300 people in Long Beach and 20,000 people across the country, said his company receives 98 percent of its income from federal Medicare and MediCal programs so, unlike retail businesses, Molina can’t simply raise prices if the minimum wage is increased.

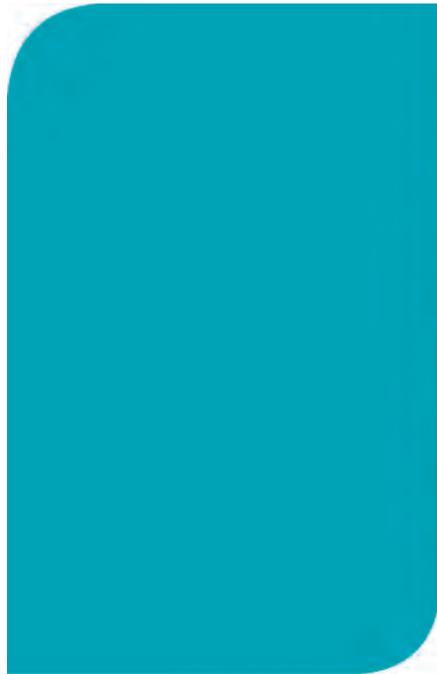
“You can’t raise your price to those folks,” he said. “You need to figure out how to do more with less.”

Nonprofit executives expressed similar concerns, adding that they receive most income from donations in addition to state and federal programs, making it difficult to budget for increased labor costs.

Furthermore, Molina said exempting certain businesses from the mandatory minimum wage increase would only “cheapen” their workers when the point of such a policy is to help employees. He added that 10 percent of his employees make less than \$15 an hour but make more than that when health care benefits are factored in.

Still, Molina said it’s only a matter of time before the minimum wage is increased, adding that the city could help alleviate the burden on businesses by lowering costs for certain city services.

“We have to figure out a way to work together, because it is not an ‘if’ minimum wage will be increased – it’s ‘when’ and ‘how,’” he said. “For people who own businesses, labor costs are a significant cost, but they’re not the only one. There are other costs that the city could help lower.” ■



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Leases And Transactions

Lee & Associates Los Angeles-Long Beach announced the following transactions:

Calko Transport Company, a third-party logistics provider offering services in warehousing, distribution and transportation signed a five-year lease extension for a 135,727-square-foot industrial building on Watson Center Road in the City of Carson. Lee's Don Smith represented Calko in the \$6.5 million transaction. The building owner, Watson Land Company, was represented by in-house agent Mike Bodiovich.

Legal Express leased 2,013 square feet of office space at the 249 E. Ocean office building in Downtown Long Beach. The building is owned by Adler Realty Investments. Adler was represented by Lee's Jeff Coburn and Shaun McCullough, while Erik Van't Hof represented the tenant.

Phoenix Prime Inc. signed a lease for five years for 900 square feet of industrial space at 2500 Palm Dr. in Signal Hill. Lee's Brando Carrillo, Garrett Massano and Ryan Endres handled the transaction.

Tabata USA Inc. signed a three-year lease for 9,768 square feet of industrial space at 279 Redondo Beach Blvd. in Gardena. Lee's Carrillo and Coburn handled the transaction.

Coast Cities Escrow signed a lease for 2,185 square feet of office space at 12501 Seal Beach Blvd. in the City of Seal Beach. Lee's McCullough and Coburn represented the landlord, while John Bucher of Madison Street Partners represented the tenant.

Kirakosian Trust purchased a 3,444-square-foot industrial building at 21016 Alameda St. in Long Beach for \$520,000. Lee's Carrillo and Massaro handled the transaction.

Inco Commercial Realty announced the following transactions:

Paramount Dialysis Associates Building Partners purchased an industrial building at 8319 Alondra Blvd. in Paramount for \$1,465,000. Inco's Paul Phillips and James Arias handled the transaction.

Mistras Group signed a 62-month lease for 21,087 square feet of industrial space at 2230 E. Artesia Blvd. in North Long Beach. The transaction, valued at \$776,978, was handled by Inco's Bill Townsend.

Wilmington Retail Center signed a 14-month lease for 36,000 square feet of industrial space at 218 E. Anaheim St. in Wilmington. Inco's Debra Orth and Phillips handled the transaction.

NSPS Partnership signed a five-year lease for 2,000 square feet of retail space at 10900 Los Alamitos Blvd. in the City of Los Alamitos. Inco's Brad Miles and Orth handled the transaction valued at \$266,320.

Chris Castillo leased a 1,523-square-foot industrial facility at 1893 Obispo Ave. in Signal Hill. The three-year lease is valued at \$68,436.99. Inco's Doug Shea and Peter Pappageorge handled the transaction.

Margay Properties LLC purchased an industrial building at 17150 S. Margay Ave. in the City of Carson for \$9,700,00. Inco's Arias handled the transaction.

GJ Property Services, Inc.-AMO announced the following transactions:

Bond Consulting Services signed a five-year lease for 2,725-square-feet of of-

office space at 3450 E. Spring St in Long Beach. The firm has provided computer software assistance for the past 10 years. The transaction, valued at \$222,600, was handled by GJ/AMO's Don Johnson.

S. Leiann Harker, Psy.D., a clinical psychologist, signed a five-year lease for office space at 10601 Walker St. in Cypress. Johnson handled the transaction.

Coldwell Banker Commercial BLAIR WESTMAC announced the following transactions:

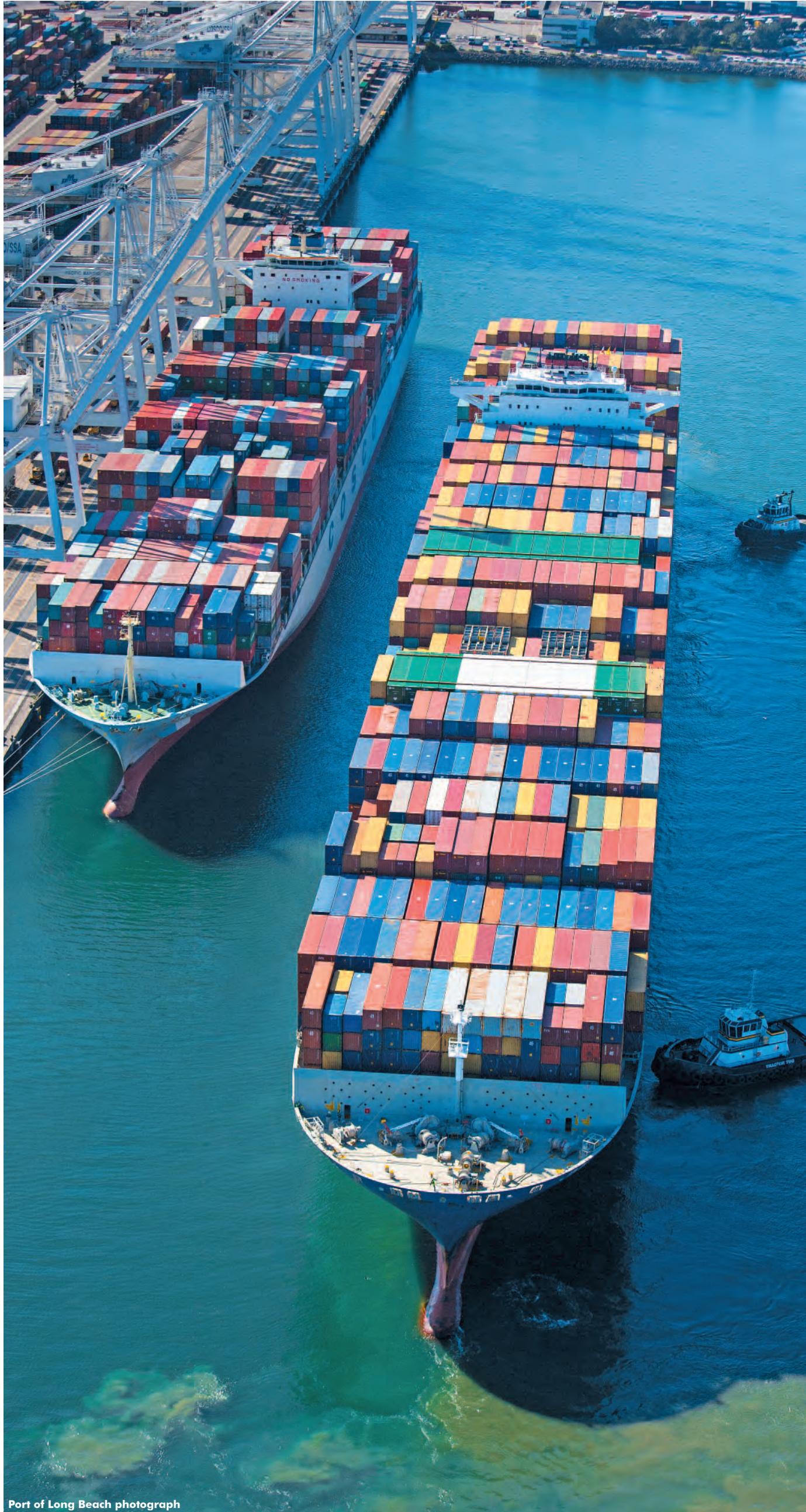
Florida 1323 LLC purchased a 3,480-square-foot residential facility at 1323-1327 E. Florida St. in Long Beach for \$650,000. The buyer was represented by George Bustamante, Steve Warshauer and Cameron Jacques, all with CBC Blair Westmac.

An undisclosed buyer recently paid \$8.2 million for Bellagio Manor, a 208-bed assisted living residential care facility at 1046 E. 4th St. in Long Beach. The transaction for the 51,000-square-foot facility was handled CBC's Becky Blair and CBRE's Bryan Lewitt and Chris Isola. ■

Molina Healthcare Inks Big Lease With One World Trade Center



Long Beach-based Molina Healthcare signed a lease earlier this month to occupy 73,486 square feet of office space at One World Trade Center in Downtown Long Beach. It's the largest office space lease this year in Long Beach. The corporate offices for the growing Fortune 500 company is located at 200 and 300 Oceangate in the Molina Center towers, directly across the street from the World Trade Center. John Molina, the company's chief financial officer, told the Business Journal, "We are excited about our company's continued growth. This also reinforces our commitment to the City of Long Beach as we expand our presence here in downtown. With the paucity of space for our current operations, we are fortunate to be able to grow in this new building." The 574,381-square-foot World Trade Center was purchased recently for \$105 million by Greenlaw Partners, Walton St. Capital and Stillwater Investment Group. The owners are planning a large-scale renovation, which, according to the statement, "will include a dramatic repurposing of the existing outdoor plaza area to create a superior amenity for their tenants and local area." JLL's Steve Solomon, Jason Fine and Kristen Bowman, and CBRE's Dave Smith represented the landlord in the transaction, while Damion McKinney and Jamie Keller of McKinney Advisory Group represented Molina. (Business Journal photograph)



Port of Long Beach photograph

San Pedro Bay Ports A Year Later

(Continued From Page 1)

The system-wide congestion Slangerup referred to had begun when ocean carriers formed alliances to ship their cargo together on new ships, which were larger than West Coast ports had ever dealt with on a regular basis. When the cargo on these ships began arriving ahead of peak shipping season at the docks of the ports of Long Beach and Los Angeles around August last year, workers found it haphazardly stowed, creating a logistical mess to sort through when unloaded.

“I have always contended publicly and remain convinced that the core issue was the randomness of the loads on these big ships that caused the initial wave of congestion,” Slangerup said. “I think it took everybody by surprise.”

On top of that, shipping lines had sold off their chassis – the trailer used by semi-trucks to carry shipping containers – to three private companies that were no longer allowing the equipment to be used interchangeably, and were not supplying enough chassis to meet peak demand. This change created “a shock to the system,” Slangerup said.

This was enough to cause a backup of ships at anchor in the San Pedro Bay as they waited for docks to clear. But contentious labor negotiations between the International Longshore & Warehouse Union, which represents longshore workers, and the Pacific Maritime Association (PMA), which represents their employers, led to work slowdowns and stoppages, worsening the situation considerably.

While the resolution of labor negotiations in February with a five-year contract for longshore workers may have been the impetus for getting things moving again, much more has changed, according to executives from the ports of Long Beach and Los Angeles.

“Last year there was a strain on the labor force because there was so much work out there and a lack of skilled folks as crane operators,” Mike DiBernardo, deputy executive director of marketing and customer relations for the Port of Los Angeles (POLA), said. Since then, the PMA has trained more longshore workers to operate cranes at terminals, he noted.

Another key change has been the creation of a gray pool of chassis, also known as a pool of pools. Three local suppliers of chassis – Direct ChassisLink, DCLI, Inc. and Flexi-Van – entered into an agreement that allows truckers to interchangeably use the chassis, rather than requiring the equipment to be dropped off or picked up at specific locations for each company. This gray pool policy has been in place since March.

Prior to the interoperable chassis agreement, the Long Beach Board of Harbor Commissioners had voted for the port to purchase and operate its own chassis fleet to be used during peak demand. “We got permission to do so, but when the pool of pools started happening and we saw the significant improvement in the results, we drew back from that,” Slangerup said. Local chassis suppliers are now building their own supply of chassis for peak times into their inventories, he noted.

Still, some improvements to the new chassis model are needed, both Slangerup and DiBernardo pointed out. These include shortening the length of time chassis dwell unused on terminal property and the amount of time they remain outside of terminal gates. Expediting the maintenance and repair of chassis is also a priority moving forward. At any given time, 18 percent of the 83,000 chassis based in the San Pedro Bay port complex are unavailable due to these issues, Slangerup said.

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San Pedro Bay Ports A Year Later

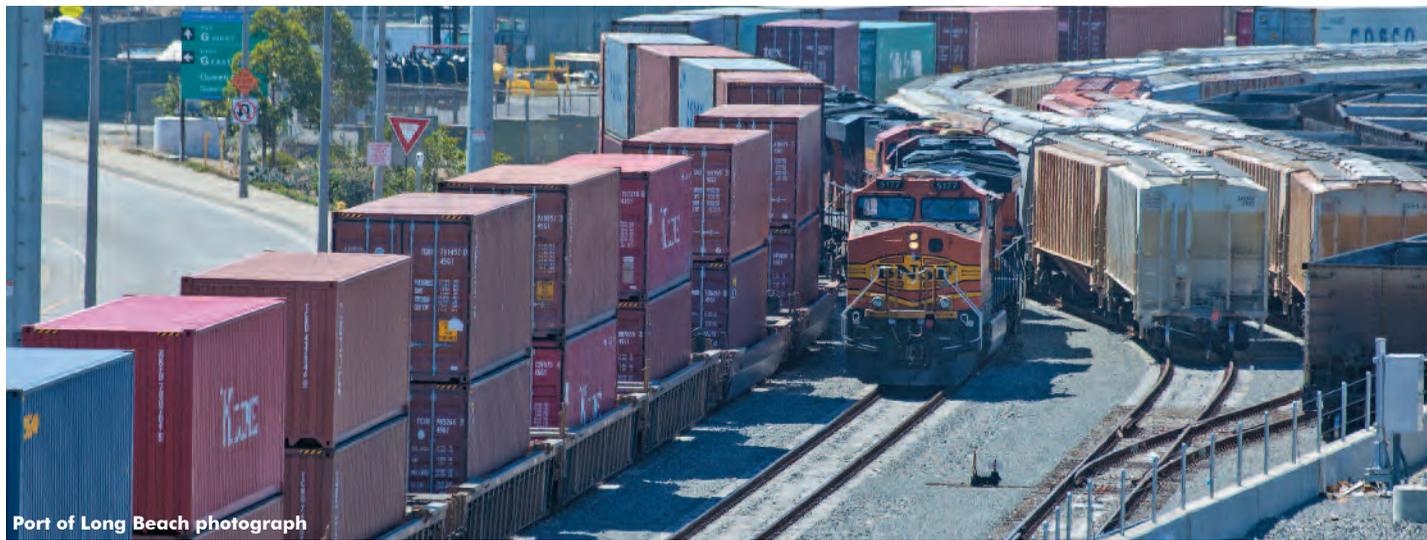
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Other major improvements have been driven by joint meetings of port representatives and partners in the supply chain, including warehousing, trucking, terminals, ocean carrier lines, rail lines, labor and more. These meetings have been made possible by a Federal Maritime Commission-approved discussion agreement to facilitate dialogue between the ports and these stakeholders to identify issues within the supply chain, propose solutions and increase goods movement efficiency.

“We are getting the cargo owners, the terminal operators, the trucking companies [and others] all in the same room to talk about issues, and we are working together towards an improvement,” DiBernardo said. “We are seeing good communication taking place – something that has been lacking for a number of years.”



Port of Los Angeles photograph



Port of Long Beach photograph

“Just the dialogue alone has been incredibly valuable,” Slingerup said. What’s even more valuable, he added, is that these discussions began in April, well ahead of peak shipping season. “Our first meeting in April was all around peak operations and preparing for peak. [We examined] the short-term things we could do to prepare as best we could with the knowledge we had gained to avoid some of the issues from last year.”

“Now, we didn’t solve them all, but we identified a host of issues around the handling and movement of containers through the system,” Slingerup said.

A significant issue throughout the past year has been the lengthy amount of time truckers spend in queues both outside and inside of terminal gates as they wait to pick up cargo. “That’s where the peel-off concept began to emerge,” Slingerup said. “That has begun to have an impact, because inside the gate they are starting to form these peel-off blocks where, instead of waiting for a specific container, they can grab a container bound for this common destination,” he explained.

The peel-off practice of picking up the nearest container rather than waiting for a specific container, which might be piled beneath several others, has helped speed up truck

turn times. “The impact of just that over the course of the last few months has been that we improved [terminal] gate efficiency by 30 percent,” Slingerup said.

The amount of time trucks wait inside terminal gates to pick up a container has been cut from 130 minutes to 88 minutes, according to Slingerup. “And the dwell time outside the gate, which has always been the issue, moved down to 20 minutes on average,” Slingerup said. This compares to what had been hours-long wait times outside of terminal gates prior to this improvement, he noted.

Last fall, the Port of Long Beach began operating a temporary peel-off yard for truckers to drop off containers for off dock storage before they could be distributed. The Port of Los Angeles later did the same. “Basically, containers are drayed off from the terminal and put at a satellite yard until their next move to the customer,” DiBernardo said. “So a driver is able to come in [to a terminal], take the top container and go right out and then take it to a satellite yard. That has been successful.”

Because the peel-off yards used by the ports were created

of our cargo is moving via on-dock rail,” DiBernardo said.

Terminal improvements are expected to help the ports prepare for the mega-ships of today and of the future. Currently, ships capable of carrying 14,000 twenty-foot equivalent units (TEUs) – the measurement of a standard shipping container – regularly call the ports. These are the massive vessels with randomized loads that caused congestion issues last year. And much bigger ships are coming.

Phase 1 of the Middle Harbor Redevelopment Project, a capital improvement project combining two aging terminals at the Port of Long Beach for use by Orient Overseas Container Line’s (OOCL) Long Beach Container Terminal, is built to handle 18,000 TEU ships. Phase 1 is targeted for an April 2016 opening.

“Phase 2 has been redesigned to handle up to 24,000 TEU ships,” Slingerup said. “The reason we are doing it is because we know that OOCL . . . has over-21,000 TEU vessels on order, and they are being deployed this decade.”

Middle Harbor features automated equipment, some of the tallest cranes in the world and deep water to accommodate these ships. When both Phase 1 and 2 are operational, the Port of Long Beach’s capacity will increase by 20 percent.

While a few people speculate that the opening of a widened Panama Canal next year will take some business away from the West Coast ports, Slingerup is anticipating the contrary. “Fifty-six percent of all of the ships on order right now worldwide will not fit through the Panama Canal,” he said. The canal’s expansion will only accommodate ships able to carry about 13,000 TEUs, he said. “That’s a big oops. And so that means, where are [the ships] going? They are coming to the West Coast. And who is going to handle them? This complex.”

The Port of Los Angeles has plans in the works to create deeper water and install upgraded infrastructure at its YTI, Evergreen and Yang Ming terminals to prepare for larger vessels. “Investment in our container terminals is crucial, as well as some of the investment outside the port complex with off-dock rail yards and in IT solutions as well,” DiBernardo said.

Technology may play a significant role in improving supply chain efficiencies in the future. DiBernardo has his eye on multiple technologies that he believes hold promise. “Today, there is a company called Cargomatic that is doing something along the lines of an Uber [-type model] for trucking,” he said. Cargomatic is testing its smartphone application, which connects truckers to beneficial cargo owners and others needing their services, within the POLA.

DiBernardo also has interest in a program created by the U.S. Department of Transportation that helps truck drivers identify an optimal route, and alerts terminals to incoming trucks in advance.

While both ports continue to work with stakeholders to identify and solve supply chain issues, enough progress has been made that cargo volumes have already rebounded.

“Calendar year to date, eight months in, we’re 5.4 percent ahead of last year,” Slingerup said of POLB’s cargo traffic. The port experienced 18 to 22 percent spikes in cargo traffic in July and August. “It was a healthy increase in trade, but a lot of it was returning volume,” Slingerup said.

This year, the Port of Los Angeles had its strongest August for container traffic since 2006, which was a record year for cargo volumes at both ports. “As you can see, we are doing well through this peak season,” DiBernardo said. “Year over year, total San Pedro Bay growth should be around the 2 percent number for both ports combined,” he said.

“Our future forecast is going to be in the range of, on a conservative basis, 3 to 4 percent a year,” Slingerup said. “We could bump that up to 4 to 5 percent with a little bit of good luck.”

Slingerup reflected, “We have to continue to focus on velocity, efficiency and information improvement. And every year, we are going to get better and better.” ■

for temporary relief during congestion, both ports are now seeking to create permanent peel-off areas. The Port of Los Angeles has released a request for proposals for the development of 80 acres of port land into a peel-off yard, or perhaps even a chassis storage or repair yard. Slingerup hopes to eventually use all 150 acres at Pier S within the Port of Long Beach as a peel-off yard to benefit all terminal operators.

Both ports continue to invest in infrastructure to improve efficiencies. Slingerup has focused on creating more on-dock rail capacity as a means to achieve this end. “I think on-dock rail is the ticket to ride for velocity improvement, congestion relief on the highways and environmental improvements,” he said. “We have revised the entire capital program around on-dock rail. We are investing over \$1 billion over the next 10 years in moving on-dock capacity from what was 23 percent a year ago to as close to 50 percent as possible,” he said. Those percentage figures refer to the amount of cargo flowing through the port that travels via on-dock rail.

The Port of Los Angeles has on-dock rail facilities at all but one terminal, TraPac, which will have new on-dock rail infrastructure in early 2016. “Currently, about 25 percent

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Warehousing: The Agility To Serve Many Masters

■ By **MICHAEL GOUGIS**
Contributing Writer

The word, warehouse, may evoke an image of a huge, dusty, dimly lit building stuffed with crates, devoid of human life except an occasional forklift driver, reminiscent of the final scene from "Raiders of the Lost Ark" with Indiana Jones.

No longer.

The economic benefits of just-in-time deliveries, the foundation-wrenching impact of e-commerce on the practice of retailing and simple land cost/benefit calculations are transforming the modern regional distribution center into a thrumming hive of high-tech activity.

"There is very little 'warehousing' going on in a warehouse nowadays," Lance Ryan, executive vice president and chief operating officer of Watson Land Company, told the Business Journal.

Warehouses and distribution centers used to serve simply as a holding point for goods headed for retail outlets. But the next step in the supply chain has diverged, with retail outlets, other distributors and even individual consumers as the next link in the chain.

"The landscape of the supply chain has evolved dramatically over the last 20 years and is continuing to do so," said Nick Vyas, assistant professor of clinical data sciences and operations, USC Marshall School of Business, a nationally recognized expert in global supply chain who has coordinated supply chain operations for Fortune 500 companies.

"What we used to use in warehousing and distribution was truly for access to assets. So your initial demand for the product would typically be a push, then wait for some data points to come and tell me, 'How much more do I need?' And then, from then on, future demand (for warehousing needs) would be driven by this distribution. That was the traditional supply chain," Vyas told the Business Journal.

"What is happening now with omni-channel, multi-channel concepts is that DCs (distribution centers) are required to do a lot more multi-tasking, if you will. They have to create a model that serves many masters. So the bottom line, if you look at it now, is that the needs and the demands on the DCs and warehouses mean that they have to be much more agile."

The new model involves locating and shipping a much wider variety of goods, in a much greater mix of sizes of shipments, than in the past, said Jim Flynn, president of The Carson Companies, which has industrial parks in Southern California, the Inland Empire and Houston.

"There's a lot of tech that goes along with it. There's a lot of optical scanners, there's a lot of picking, there's a lot of software, there's a lot of logistics that are required," Flynn told the Business Journal.

"It used to be that, if you were going to sell TVs through Walmart, you'd have a forklift driver who would pick up a pallet of TVs, stuff it in a truck and drive it to Walmart.

"Now someone orders one TV. So someone has to go pick one TV, send it through the routing systems which are highly technical to, maybe FedEx Ground, which delivers it to your home, one at a time. The types of labor which are required in these buildings are significantly higher than what they used to be. Some of it is moving people from the store to the warehouse. But there are a

lot of technical pieces and parts that go into moving those parts through the warehouse."

And the goods themselves are being handled, packaged, bundled and reconfigured in the warehouses. Ryan said that today modern warehouses are more like light industrial or manufacturing. A "warehousing" company may, for example, bring in shipments of individual computers, monitors and printers, bundle them into entirely new packages and ship the packages to retail outlets or individual consumers.

As the level of agility and flexibility demanded of a distribution center changes, the needs for the facility change. With more human labor required at the facility, more parking, bigger break areas and more carefully planned accommodations for a greater number of people are becoming high priority items for companies looking for a distribution facility.

"A lot of employee parking is very important. It didn't use to be that way, but it has evolved to where a lot of employee parking is critical," Flynn said.

And with real estate prices close to population centers higher than for similar structures in outlying areas, taller buildings with greater internal "clear height" also is important; "The more cubic feet they have, the more goods they can store for the price," Flynn said.

One of the most intriguing impacts of e-commerce has been a reversal of the flight to remote outlying distribution centers. Flynn noted that companies like Amazon are moving into grocery sales to individuals, and you simply can't distribute lettuce to individual homes in the Long Beach area from a location in the Antelope Valley. "Amazon is going to have to move some of its platforms from Redlands and Moreno Valley into Carson and Long Beach," he said. "It's a different model, and the world is evolving quickly."

What has happened is that companies are being forced to recalculate the balance between their warehousing costs and their transportation costs now that they are increasingly shipping, not from a distribution center to a retail outlet, but to an individual home. Proximity to a port – or airport for just-in-time inventory delivery – can save twice on transportation costs.

For example, if a distribution center is located near the Port of Long Beach, and the goods are shipped directly from there to the consumer, the company avoids the costs of trucking pallets of goods to a distant distribution center – and then trucking those goods back to a retail outlet in the Long Beach area.

"You may have a retail network, then you have retail customers – that is you and I – individually clicking a list of items that you might be replenishing. You may have other needs – you might be servicing some small distributors. You may be servicing the customers on the e-commerce side. Now you are trying to integrate all of them into your warehouse distribution network," Vyas said.

"You still have to have access to a network of transportation – an infrastructure of access to a port, an airport, rail network. And in most cases [the center needs to be] close to where the demand is, so that you ultimately don't save a penny of warehousing costs and pay a dollar on transportation. That is still striking a balance – finding a location that strikes the right balance." ■



Headquartered at Douglas Park in Long Beach, LD Products has grown into one of the largest online retailers of printer supplies in the U.S. Its 110,000-square-foot warehouse is equipped with the latest technology to provide quick and efficient customer service. To view its products, visit www.ldproducts.com. (Photographs by the Business Journal's Larry Duncan and Erin Kleekamp)



DAMCO is a freight forwarding and supply chain management services company that is part of the Maersk Group. The photograph is taken at a DAMCO warehouse in the City of Carson leased from Watson Land Company. (Photograph by the Business Journal's Erin Kleekamp)

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Stakeholder Collaboration Advances Supply Chain Optimization

■ By **SAMANTHA MEHLINGER**
Senior Writer

Since April, representatives from every link in the supply chain – labor, freight forwarders, beneficial cargo owners, terminal operators, rail lines, truckers and others – have been meeting at least once a month under the guidance of the ports of Long Beach and Los Angeles to resolve issues impacting goods movement. The competing ports are able to facilitate these meetings thanks to a discussion agreement authorized by the Federal Maritime Commission following massive congestion that lasted from August 2014 through spring of this year.

Several supply chain stakeholders involved in what has become known as the supply chain optimization working group told the Business Journal that being able to meet together regularly around one table is progress in itself because, to their knowledge, it has never been done before.

“I have been doing this for 30 years, and this is the first time I have seen every member of the supply chain sitting around the table at one time,” Mark Hirzel, president of the board of directors of the Los Angeles Customs Brokers & Freight Forwarders Association (LACBFFA) Inc., reflected. The LACBFFA represents 325 member companies and 6,000 jobs in the customs brokering and freight forwarding industry, which works with beneficial cargo owners (BCOs) to route their cargo

shipments from the point of departure to the final destination.

Lena Kent, director of public affairs for BNSF Railway, said the freight rail line has already seen benefits from the dialogue at these meetings. “We appreciate [the ports’] role in bringing all the key partners across the goods movement industry together and the opportunity to work collaboratively as the ports plan for the peak season, a critical time of year for many of our customers,” she wrote in an e-mail to the Business Journal.

During last year’s peak shipping season, the ports experienced epic levels of congestion due to changes within the supply chain. These changes included use of larger ships by ocean carrier alliances with randomly loaded cargo, a change in the ownership of chassis (the truck trailer equipment used to carry cargo), and a contentious labor contract negotiation process between the longshore workers at West Coast ports and their employers.

While the congestion has since been cleared, it became evident to the ports and supply chain stakeholders that they needed to work together to identify and resolve the issues that had caused it.

The first step in the process has been getting to know the other parties involved in the supply chain, according to Reade Kidd, director of logistics for The Home Depot. “That has been sort of a necessary part of the journey . . . to understand everyone’s perspectives and how they are coming into this,” he said.

Anderson Hay & Grain Co., Inc., which has a plant in Wilmington to export alfalfa and other animal feeds, views the supply chain working group meetings as an opportunity to network, according to Craig Larson, director of plant operations. “The other thing, too, is we have also been able to go talk to terminals to get their perspective of how they think we can help them,” he said.

Right now, Kidd is focused on resolving the most basic supply chain issues. “Maybe it’s because we’re a home improvement company . . . but we believe in the foundation being the most important part,” he said.

One issue identified by the working group early on was the way terminals and truckers were calculating turn times – the time it takes a truck to enter a terminal, pick up or drop off a container, and leave again – was fundamentally different. The inconsistency in logging turn times comes down to “where that information begins and ends,” according to Robert Loya, director of operations for California Multimodal LLC. Loya represents the California Trucking Association in the ports’ supply chain optimization group meetings.

The trucking community includes the amount of time a trucker waits outside of a terminal gate and the amount of time spent inside the gate when calculating turn times. Terminal operators typically only measure time spent inside the gate,

Loya explained. That can amount to hours’ worth of discrepancies.

The supply chain optimization group has identified creating a common system for measuring turn times as a priority. Kidd said it is at the top of the list of goals for Home Depot.

“We feel like a lot of the conversations around terminal productivity is some times a very heated, passionate and subjective conversation, and we find it a little ironic that metrics and numbers become the subject of conversation as opposed to objective,” Kidd explained. “So we find that the first step is to really just get some objectivity around the numbers.”

In general, Loya feels there should be more transparency around information affecting supply chain stakeholders. “I don’t know if this is a pie-in-the-sky thing, but every stakeholder would love to see transparency,” he said. For example, “I would love to know how many chassis are at the port at any given time,” he explained. “If we know that there are chassis available at any particular point in the day, that helps a trucker be more efficient.”

Loya understands that making this information readily available to all involved parties is not going to be an easy task. “To get there, it takes a lot of work, because that means there has got to be a central web portal that all terminal operating systems are communicating to,” he said.

A major topic of discussion during supply chain group meetings has been ways



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to not just document but actually improve truck turn times. John Cushing, president of PierPass, said one cause of slow turn times has been the amount of time containers are allowed to dwell within terminal gates. PierPass works with marine terminal operators to improve congestion issues by incentivizing truckers to come during nighttime shifts by imposing a fee to enter terminals during the daytime. The collected funds are used to fund night shifts at the terminals.

“The sooner a container is picked up and taken off the terminal, the better, because it frees up space on the terminal,” Cushing said. “It is a big concern when containers stay on the terminal for extended periods of time, because that means that they continue to be put into stacks or blocks that become storage,” he explained. “And when a truck arrives to pick up a container, the likelihood is that the terminal operator will have to move several containers to get to the one that is needed. Right now, on average, three containers must be moved out of the way to get one container.”

A focus of the supply chain working group has been to promote further use of peel-off programs, in which importers, shipping lines, terminal operators and trucking companies agree to group containers on a terminal by common destination. With this approach, a trucker picks up the top container in a stack rather than waiting for others to be moved to pick up a specific container, thus saving time. “It has been in place at terminals in the past but we continue to promote it as something for everyone in the supply chain to



Port of Long Beach photograph

One issue identified by the working group early on was the way terminals and truckers were calculating turn times – the time it takes a truck to enter a terminal, pick up or drop off a container, and leave again – was fundamentally different.

work together to utilize,” Cushing said.

Cushing said the group has also been discussing the possibility of more marine terminals using appointment systems for trucks to pick up containers. While currently only five of 13 terminals in the San Pedro Bay port complex use appointment systems, another five will start using them next year, he said.

Another issue being discussed at length during supply chain optimization group

meetings is a shortage of chassis within the ports. While partially resolved earlier this year by a new system in which chassis owners allow their equipment to be used interoperably, issues remain. “One of the biggest ones we’ve been working on now is during peak times there is a chassis shortage,” Larson said.

Anderson Hay has its own fleet of chassis to accommodate its heavy loads, but Larson said his company is still keenly in-

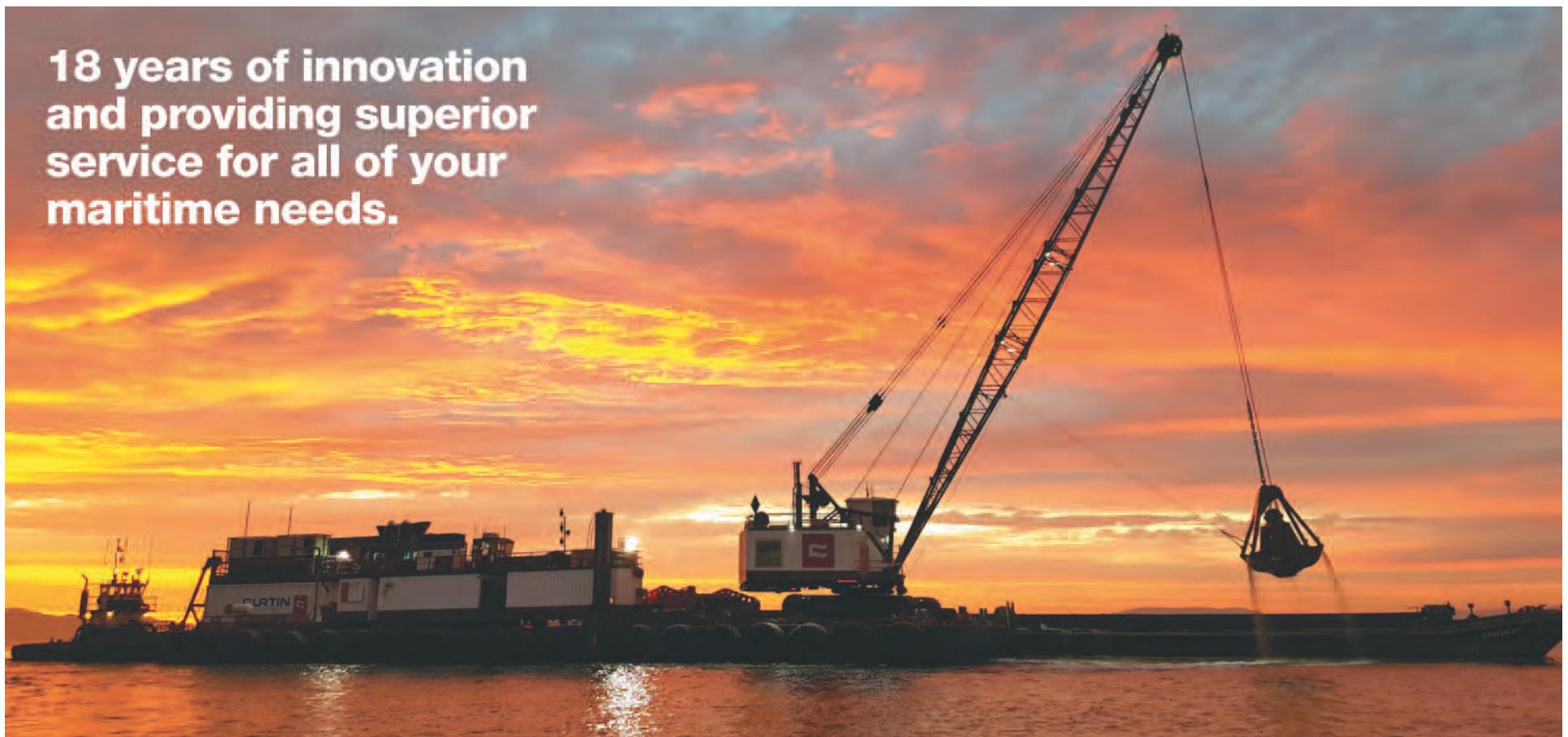
terested in ensuring the chassis pool in the port complex is functioning efficiently. “I look at it from a larger picture where it is important to us as a company, because if there is a lot of congestion, people can’t find chassis. Then my trucks can’t get in and out efficiently either,” Larson said.

Ultimately, Hirzel said the goal of the group is to “help increase the efficacy with which cargo moves through our ports, so we could have more business in both the San Pedro Bay ports.”

Not accomplishing this end could – and to some extent, already has – result in lost business. “What we all know is that even the threat of a disruption is enough to cause the BCOs to route their cargo through other ports,” Hirzel said. “I know of customers, BCOs who I can’t name, who have told me proudly that they have routed 100 percent of their cargo around L.A. and Long Beach. They would rather pay more for a more reliable supply chain so that they can calculate with greater precision when a part will be at their factory so they can incorporate it into the products they manufacture.”

“I would say there have been issues that have gone on for a long time and haven’t been addressed,” Hirzel said. “Sometimes, when things break, it helps to identify what really needs to be fixed in the long run to make it even better in the future.” The supply chain optimization working group of stakeholders is key in that process, in his view. He concluded, “I think this is the best thing that has happened to the ports since containerization.” ■

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Technology Will Inevitably Change Labor's Role At Local Ports But With Long-Term Benefits, Experts Say

■ By **SEAN BELK**
Staff Writer

Workers at the San Pedro Bay ports and logistics operations across the region are amid a major shift in the global trade industry in which larger container ships are pushing ports to become more efficient and, therefore, more technologically advanced.

Technological advancements in cargo handling stand to greatly benefit the local ports by increasing efficiency and improving competitiveness while also helping U.S. West Coast ports to repair what some in the industry see as a bruised reputation from work stoppages brought on by stalled labor negotiations last year and into spring of this year.

Labor unions, although cautious about how technology will impact the workforce, also realize that technological changes, such as automation – which will likely reduce manual labor jobs but also create new technology-based higher paying jobs – are inevitable, according to industry experts.

“Technological advances and automation are not an option or a choice; they’re a requirement,” said Peter Friedmann, executive director of the Agriculture Transportation Coalition (AgTC), the largest national trade organization for agriculture and forest product exporters.

Technological advances are already becoming apparent at the Port of Long Beach’s Middle Harbor terminal, which is set to be the most automated, efficient and greenest terminal in the United States, and at the TraPac terminal in the Port of Los Angeles.

The first phase of the \$1.3 billion Middle Harbor project, which involves consolidating two terminals into one for Orient Overseas Container Line’s (OOCL) Long Beach Container Terminal (LBCT), has been completed. After testing new equipment and systems, the terminal is preparing to open around April of next year.

Friedmann said members of AgTC, which is hosting its annual meeting in Long Beach next year, recently visited with International Longshore and Warehouse Union (ILWU) leadership at the Middle Harbor terminal to see how union dockworkers are being incorporated into new jobs that technology is creating.

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"It's changing the nature of the jobs in that it takes fewer people to do things. But somebody has got to take care of all that equipment. So what you end up with is a different kind of job being created than the jobs we've had before."

John Husing, International Trade Consultant

Port of Long Beach photograph



Technology – Staying Competitive

(Continued From Page 25)

He said the highly advanced terminal shows how the Port of Long Beach is progressing technologically along with the union's "cooperation and engagement" faster and more effectively than any other port in the United States.

Although the new jobs may be more mechanical or technology based, such as gate operating, the longer-term benefit is that technological advances will help keep cargo moving through West Coast ports rather than through U.S. Gulf, East Coast and Canadian ports as has recently been the case because of work stoppages caused by labor disputes, Friedmann said. If changes aren't made, the trend of cargo moving to other ports will only "accelerate," he said.

"Labor as well as the port authorities understand that there is a major shift in global cargo flow taking place right now," Friedmann said, adding that the U.S. government's new Trans Pacific Partnership (TPP) deal if approved would only encourage more cargo to be diverted from West Coast ports if technological advances aren't made.

He pointed out that U.S. West Coast ports have benefited from having naturally deep harbors that enable larger ships to dock. However, up to six other ports on the East Coast are working to deepen their harbors while the Panama Canal has already been widened for larger ships to pass as well, Friedmann said.

He added that goods for U.S. consumers are no longer coming just from China but also from Vietnam and India, which are closer to the Suez Canal. In addition, two-thirds of U.S. consumers live on the eastern one third of the country, Friedmann noted.

"Automation or any other advantage that the West Coast can bring to bear is essential," he said.

With regard to exports, technological advancements are also critical, Friedmann stressed, adding that farmers and forest product producers in California may lose the global marketplace if local ports don't become more efficient since such goods can't be exported through any other ports.

In Southern California, automation is already being used in some warehousing facilities, according to John Husing, an international trade economist for the Inland Empire.

Shoe company Skechers, for instance, operates a more than 1 million-square-foot distribution center in Moreno Valley that is fully automated, Husing said. While the facility employs 600 people, all the employees handle technology that does all the manual labor, he said.

Husing said that, throughout history, technological advancements have reduced the use of labor but have also increased efficiency and productivity, leading to higher pay for the people who can handle the new technology.

"It's changing the nature of the jobs in that it takes fewer people to do things," he said. "But somebody has got to take care of all that equipment. So what you end up with is a different kind of job being created than the jobs we've had before."

While labor unions have concerns about how technological advancements, such as automation, will change the workforce, industry leaders say companies have no other choice but to automate in order to stay competitive.

B.J. Patterson, CEO and founder of Pacific Mountain Logistics, LLC and member of the International Warehouse Logistics Association (IWLA), said work stoppages at local ports caused by labor disputes between the ILWU and the Pacific Maritime Association (PMA) were "devastating" to the industry and harmed the local workforce's reputation.

The only way to rebuild trust in the dependability of U.S. West Coast ports long term is to become more efficient by implementing new technology and automation, he said.

"We have to protect ourselves, our business and our industry from these mind-numbing stoppages," Patterson said. "It's unfortunate. We lost a lot of business. It's going to take a long time to recoup that."

According to PMA officials, the new five-year contract reached with the ILWU earlier this year comes with a new arbitration system that will help reduce work slowdowns and stoppages while providing a "clear path forward for automation projects."

(The Business Journal made numerous efforts to reach out to the ILWU for comment, but calls were not returned.)

Barriers to implement technological advancements at the ports, however, go beyond just labor, Friedmann said. He noted that local governments enforcing burdensome permitting processes and environmental regulations in California have also stymied various technological advancements, such as making rail connections more efficient.

For instance, Burlington Northern Santa Fe Railway (BNSF) has been prevented from building its Southern California International Gateway (SCIG) rail yard as the City of Long Beach and other entities have sued the Port of Los Angeles over potential environmental impacts.

Friedmann said local governments should have allowed the rail yard to be built years ago, adding that the project would implement new technology and automation, both which would help reduce emissions.

He said technological advancements in cargo handling are inevitable, adding that both labor unions and local governments should realize that other ports now have more of a chance to take cargo away from the U.S. West Coast ports.

"The rules are changing whether we like it or not, so you might as well take advantage of the efficiencies it offers," Friedmann said. "Because, if California doesn't, other areas will." ■

California's Freight Strategy

(Continued From Page 1)

economic impact to the state. His order notes that, in 2013, the industry supported five million jobs and accounted for more than \$700 billion in revenue. This acknowledgement, combined with a focus on improving the industry's efficiency and competitiveness, has many industry stakeholders optimistic about the process of creating the action plan.

"We want it to succeed because we think it is the first time the competitiveness issue of Southern California's economy has been given equal standing to efficiency improvements and environmental improvements," Kirk Marckwald, principal of California Environmental Associates, told the Business Journal. His organization represents Union Pacific Railroad and BNSF Railway. "I think that is the right way to do it. It has not been done before, and we would love to see the order get implemented in that fashion," he said.

Others echoed Marckwald's sentiments. "We are very happy that [the governor] highlighted the importance and economic engine of the freight and goods movement system to the state," Peter Herzog, assistant director of legislative affairs for NAIOP SoCal, said of the governor's executive order. NAIOP (once an acronym for National Association of Industrial and Office Parks, now Commercial Real Estate Development Association) represents developers and investors in commercial real estate, a business that is tied to the warehousing sector of the freight industry. "Even more importantly, what he called for was a plan that increased the competitive nature of the goods movement and freight system," Marckwald noted.

Representatives from the rail, shipping, trucking and warehousing sectors all emphasized the importance of creating a plan that pays equal attention to each component of the governor's order. "The best case for us is that we see a balanced plan come out of this whole process," Chris Shimoda, director of policy for the California Trucking Association, said. "I think that is spoken to in the executive order, that it is not merely a plan to produce a specific amount of zero-emission vehicles."

John McLaurin, president of the Pacific Merchant Shipping Association, which represents owners and operators of marine terminals and trade vessels, also emphasized the need for balance. "I would like to see a process that does carry out the spirit of the governor's executive order," he said. "What he laid out was the elements of a three-legged stool. We have to look at efficiency. We have to remain competitive, but we have to achieve environmental goals. And if you remove one of the legs, the stool falls over."

Kish Rajan, president of the nonprofit Southern California Leadership Council, led the governor's GO-Biz office when the executive order was being drafted. "We all approached it as a collaborative effort because we felt it was important that there be a statement from the administration that was clear about the importance of balancing the

... economic implications, the environmental implications and the infrastructure needs," Rajan said of his work assisting in the creation of the executive order.

In his new role, Rajan leads the Southern California Leadership Council in representing the public policy interests of business and community leaders in Southern California. "We continue to be a convener of those different elements of the freight and goods movement economy," Rajan said. "In order to get the order implemented properly, there has to be a very clear and well-informed industry perspective brought into the mix so that data and analysis and those business needs are adequately represented as the plan is further developed."

In an interview with the Business Journal, Heather Arias, chief of the freight transport branch of CARB, and her colleague, Doug Ito, assistant chief of CARB's transportation and toxics division, also emphasized the importance of creating a balanced plan. "Freight is very important to our state, so the action plan is asking that we put forth balancing the economic, environmental and efficiency efforts to move our freight system to a sustainable freight transport system," Arias said.

"The action plan will include some targets of how we might be able to progress in those three areas of environmental, economic and efficiency. It will include specific actions that will help us to meet those targets," Arias explained.

Concerns And Challenges Moving Forward

Despite the wording of the executive order, some are concerned that the final plan will not be so balanced after all.

"Our primary concern is the plan will focus too much on the pathways to reduce emissions, and too little on the ways to create enhanced efficiency and competitiveness," Marckwald said. "Our concerns are that such a lopsided outcome would likely lead to requirements and regulations that could not only be of concern to the goods movement providers, but most importantly could lead the beneficial cargo owners to decide that, if they could serve their customers more cost effectively in another manner, they have the option to bypass the Southern California ports."

Marckwald continued, "With that cargo will go California jobs and California economic prosperity. I don't think anyone wants to see that happen, but how to avoid that, how to assess that, how to get the right metric to avoid that is what the challenge of the next eight to 10 months is."

According to Rajan, competition in the freight and goods movement sector is only getting more intense as time goes on. "We have to preserve California's competitiveness and our market share position," he said.

Because California is the gateway for international trade from Pacific Rim countries, improving the state's infrastructure is critical, not only to the state's economy, but to that of the country as a whole, Herzog said. "Quite frankly, if our freight system is not

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California's Freight Strategy

(Continued From Page 27)

improving and getting more competitive, then the rest of the country is going to suffer," he said.

While many stakeholders acknowledge the need to invest in more environmentally efficient technologies, the improvements they hope to see in the state's freight industry have more to do with the infrastructure itself. "We already have the most stringent regulations in the state, if not the world," Herzog said. "Now is the time to focus on the kind of infrastructure that is needed, not more regulations."

"Earlier this year the governor's office released a study that says we need something like \$58 billion over the next 10 years just to fund the maintenance of the existing roadways," Shimoda pointed out. "So that is going to be a significant challenge moving forward."

One of the state's efforts in creating the action plan is to identify and implement pilot projects for zero emission or near-zero emission technologies. "The executive order calls for us to identify some pilot projects within the state that would advance technologies and local economic development," Arias said.

"There has been significant progress in emissions reductions, and that is all due to the help of our private and public partners, Arias said. "We have also seen upwards of an 80 percent reduction in emissions near the ports . . . There is still, though a pretty important impact of the existing freight system," she explained. "We need to continue to get reductions to achieve our toxic reduction goals, our air quality goals."

In April, CARB released a document called "Sustainable Freight: Pathways to Zero and Near-Zero Emissions" on this topic. "[In the document], we do lay out that we need a system that is powered by equipment that is zero and near-zero emissions, and that the fuel source for those are a renewable fuel source," Arias said. "The technologies we use to achieve that have not been defined." This is where the pilot projects come into play.

But some goods movement and freight industry representatives aren't convinced that developing this technology is going to be affordable or feasible any time soon.

"You do not have a commercially available zero emission truck today," Shimoda said, adding that it is likely to be "some time" before one is available. "The engineering challenges to get there are pretty significant," he noted.

"Just to give you an example, your typical diesel truck has a range of up to and over 1,000 miles before they need to refuel," Shimoda said. "The typical zero emission truck we have seen . . . has a range of well under 100 miles before it has to be recharged for quite some time." Additionally, batteries for electrically powered trucks are quite heavy, which factors into weight penalties for truckers, he noted.

"The technology is about two to three times more expensive on a pilot basis," Shimoda said. "Could we remain competitive with the pilot and demonstration projects that we have seen now? Absolutely not. But the question is, how does that technology actually get developed to the point where it could actually be a viable option, which it just is not right now."

Rail lines also have concerns about the sort of technology the state hopes to see piloted in various projects. According to Marckwald, no batteries exist that are able to power freight locomotives, and other electric options aren't very viable.

"There have been past proposals to consider electrification of the railroad system via catenary electric," Marckwald said. "That technology is known, but is super expensive,

and it would also create a fragmented system in which you would have to change the power source at the edge of an air basin or the edge of the state, and that changing of power would increase inefficiencies in the system and add billions of dollars to the cost." The State of California has 15 air basins, geographical areas created by CARB to manage air emissions and resources regionally.

Arias said there are "various funding pots" for pilot projects to demonstrate environmentally efficient technologies, but qualified her statement. "We are not in any way shape or form saying that we will earmark any funds. We can't do that," she said. "All of the agencies that have funding have statutory requirements associated with those funds. So, although some of the pilot projects may be able to apply under the normal processes for funds, we currently don't have any funding earmarked for that."

Arias continued, "We can analyze the pilot project to see if they might be eligible for any of the existing funding programs and then help direct them towards those application processes. We can't earmark funds, we can't promise funding, but we can help them to identify funding opportunities and help direct them towards that."

Marckwald said that, while state incentives have some role to play in developing near-zero and zero emission technologies, funding would not be enough to cover costs. "When you are talking about transforming the very backbone of the transportation system, I don't think incentives alone are going to allow that to happen," he said. "I don't think there is enough money in the state or federal treasury to do that."

Costs and complications to industry may also come in the form of regulations that could be included in the plan. "One I would highlight that is a concern, is there has been discussion of something called a facility emissions cap throughout this process," Shimoda said. Under such a cap, any warehouse or distribution center would be responsible for emissions generated not only by its own equipment, but also by visiting vehicles.

"The facility owner would then have to reduce emissions from those sources calling on that warehouse or distribution center," Shimoda said. "And so you can imagine with trucks and the amount of facilities that we visit, you could have the potential for thousands of different individualized emissions reduction plans, which would not be something we would support."

All freight executives and representatives interviewed said they hope the state does its due diligence in weighing the economic impact of any pilot projects or new regulations. "We want to see a very clear game plan to capture all of the necessary economic analysis so that it is fully vetted and considered as the plan develops," Rajan said.

Arias said that CARB has worked for years with the freight and goods movement industry to gather feedback and input on its "Pathways" document, and that the agency continues to reach out to private interests. Also, the California Department of Transportation regularly convenes the California Freight Advisory Committee, a 50-plus member group with representatives from the freight industry and environmental organizations.

"In our discussions with industry over the last several years, it has been a very good dialogue," Ito, Arias's colleague, said. "They have expressed appreciation for us being open to have some conversations in advance of all the stuff we have been thinking about."

In the end, McLaurin hopes the plan reflects one key concept. "If the state wants to be a global environmental leader, it also has to be a global economic leader," he said. "So the process has to ensure that we move forward hand in hand." ■



Port of Los Angeles photograph

'Inland Port' Concept Being Revisited As Bigger Ships Bring More Cargo

By SEAN BELK
Staff Writer

With mega ships hauling considerably larger cargo volumes, the San Pedro Bay ports are facing new challenges of having to load and unload containers faster and more efficiently than ever before to prevent massive congestion.

Among a multitude of ways to potentially solve this problem, one idea is to develop an "inland port," a concept that has been around for nearly a decade and which is now being seriously reconsidered by stakeholders, according to international trade experts and port officials.

Though there are various versions of inland ports throughout the country, the main premise locally is to develop a logistics center in the Inland Empire, expanding distribution and warehousing operations miles away from the local seaports.

Cargo containers would be shuttled there by short-haul rail, sorted and then distributed throughout the region. Likewise, such facilities would energize inland markets by creating a direct connection for inbound and outbound cargo.

The main benefit locally is that it would make the ports of Long Beach and Los Angeles more competitive and efficient by alleviating congestion and reducing truck trips on local highways.

Still, for such a plan to move forward, the business case would have to be made that an inland port is not only needed but that it would be financially beneficial for all parties in the supply chain. Other considerations would also have to be taken into account, such as labor costs, environmental impacts, jurisdictional limitations and land use restrictions.

The last time stakeholders took a serious look at the inland port concept was in 2008, when a report for the Southern California Association of Governments (SCAG) found that the idea, although plausible, was unwarranted at the time.

The report concluded that, although an inland port would have benefited the local region, "efforts required to overcome the implementation barriers wouldn't be justified, especially when the region has other, more pressing needs for goods movement resources."

However, a lot has changed since then, said John Husing, an economist who specializes in international trade in the Inland Empire, and who has recently been hired to conduct a new study on the feasibility of developing an inland port.

"It's an idea that's been reactivated and a serious look is going to be taken at it," he said.



This map, provided by the Port of Long Beach, shows rail options throughout the Southern California region, with two thirds of imports moving through rail yards. According to industry officials, an "inland port," if justified for using short-hauling rail service, would have to be centrally located in the Inland Empire, either in San Bernardino or Fontana.

The key reason the concept is being revisited is that imported cargo containers are not only being shipped in larger quantities on larger ships but are also being stowed differently, changing the way terminals digest container flows, said Mike Christensen, senior executive lead in supply chain optimization for the Port of Long Beach.

"It's almost like a tsunami of unsorted boxes compared to the relatively measured flow of containers that came out of the smaller vessels," he said. "So we're having to look at every option of how we can make this supply chain work more smoothly."

B.J. Patterson, CEO and president of Pacific Mountain Logistics, LLC, a warehousing and distribution company in Ontario, said developing an inland port might now make financial sense as larger cargo volumes have the potential to cause major congestion and a truck driver shortage.

"I think up to this point it's been very difficult to make the economics of it work, but now we're getting to a volume that appears that we have got to do something to relieve the congestion at the port," he said. "Particularly with the issues with driver capacity and not having enough drivers, we're going to have to do something to increase the competitiveness of the inland areas, and I think the best way to do that is probably an inland port."

Patterson, a member of the International Warehouse Logistics Association (IWLA) and the Distribution Management Association (DMA), said that industry representatives are considering locations in Fontana or San Bernardino for an inland port that would be centrally located in the Inland Empire.

Tom O'Brien, director of research at the Center for International Trade and Transportation (CITT) at California State University, Long Beach (CSULB), said there are inland ports functioning in other parts of the country but whether they are successful and make financial sense really depends on the type.

In Texas and Chicago, for instance, cargo handling facilities that bring "value-added services" to inland locations at crossroads of trade lanes in rail or truck corridors, have been "fairly successful," he said. However, the concept of merely "moving port operations out further" is more challenging, O'Brien said.

The main drawback to such an inland port

in the past has been that moving cargo twice or "double loading" comes with added costs, creating trade-offs in the supply chain.

"You can eliminate some very congested areas if you move your activity out," he said. "But are you increasing turn times for trucks? Are you increasing costs moving the goods in time of the market? Those are all part of the equation."

One of the costs associated with an inland port is labor, O'Brien said.

While building an inland port would create more jobs in the inland area, dockworker union members may argue that they

have jurisdictional authority over the work, he said. It's unclear whether union representation could be expanded. On the other side, shippers might find it more beneficial to handle goods outside of the port to reduce labor costs.

Another obstacle is convincing inland community members that building warehousing and distribution facilities, which would add rail and truck traffic, would be beneficial to them, O'Brien said.

"In some cases there is going to be strong community interest in where the facility is located and how much truck and rail traffic it generates," he said.

Also, rail lines, which already have thin profit margins, would have to commit to investing in short-haul service, Christensen pointed out.

Union Pacific and Burlington Northern Santa Fe (BNSF) Railway, the Port of Long Beach's Class 1 rail partners, both derive their revenue from long-haul service, which offsets the costs of the more expensive short-haul trips, he said.

While the port has budgeted \$1 billion toward rail infrastructure upgrades, with only 20 percent allocated, most of the funds are going to increase on-dock and near-dock rail capacity and other local rail infrastructure projects. Investing funds outside of the port would be a bit more challenging, Christensen said.

An inland port could be financed, however, through a public-private partnership, he said, adding that such a financial arrangement would be more complicated and would take a strong justification for private equity to come into play. ■



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Michelle Molina New Chair Of Downtown Long Beach Associates

Michelle Molina, a principal at Millworks, is the new president of the Downtown Long Beach Associates. She replaces Hilda Sanchez, owner of Minuteman Press, whose term ended September 30. Sanchez remains on the seven-member DLBA Executive Committee as past board chair. The DLBA's website defines the group as "a non-profit organization operating on behalf of the tenants and commercial and residential property owners of the Business Improvement District. It is dedicated to the management, marketing, security, maintenance, advocacy, economic and community development of the assessment districts in cooperation with the City of Long Beach and the private sector." Pictured from left are: Kraig Kojian, DLBA president and CEO, and executive committee members Juan Lopez-Rios, manager-economic and property development for the City of Long Beach; Molina; Sanchez; Board Chair Elect Toliver Morris, broker, Manulife Real Estate; and Board Secretary Ryan Altoon, executive vice president, AndersonPacific LLC. Not pictured are David Cannon, president/principal engineer with Everest International Consultants, who is serving as the board's treasurer, and is also the board representative for downtown residential property owners; and executive committee member Tony Shooshani, president of ETC Real Estate Services, Inc. (Photograph by the Business Journal's Larry Duncan)



Tesoro Donates \$15,000 To Operation School Bell

Tesoro Corporation recently donated \$15,000 to Operation School Bell, a philanthropic program of Assistance League of Long Beach (ALLB). The program provides complimentary new school uniforms, supplies and backpacks to Long Beach Unified School District students whose families cannot afford these items. In doing so, the program enables the school district to have a mandatory uniform policy. ALLB plans to clothe 10,000 students through the program this year alone. Pictured from left are: Susan Rivard, ALLB's corporate partnership chair; Ken Dami, director, Southern California public and government affairs, Tesoro; Blair Carty, chair of ALLB's Rick Rackers Auxiliary; Annette Kashiwabara, executive director of ALLB; Karin Jenkins, chair of Operation School Bell; Olga Chavez, associate public relations representative, Southern California public and government affairs, Tesoro; and Dr. Felton Williams, president of the Long Beach Unified School District Board of Education. (ALLB Photograph by Patricia Pollock)



Nekter Juice Bar Celebrates Fifth Anniversary

Nekter Juice Bar's location at 6467 E. Pacific Coast Hwy. at the Marketplace Long Beach shopping center is celebrating its fifth anniversary this month. The juice bar's first location opened in Costa Mesa in 2010. Since then, owners Steve and Alexis Schulze have expanded with 54 locations across five states, including nine stores operating in L.A. County. According to a company press release, the pair was inspired to open their first location to offer freshly made juices and a "healthy-living perspective to their neighborhoods." Their menu has grown from their signature Greenie Juice to include cold-pressed and made-to-order juices, smoothies, acai bowls and a juice cleanse program. To celebrate its fifth anniversary, Nekter is holding an Instagram promotion encouraging fans to submit stories of how the business has helped change their lives using the hashtag #IAmNekter. Winning fans will receive gift cards, merchandise and more, and one grand prize winner will receive a Nekter Juice Truck Party. The promotion runs through October 26. For Long Beach store hours and more information, call 562/375-4400. Store Manager Megan Marcy, at right, pours some samples of Nekter Juices. (Photographs by the Long Beach Business Journal's Larry Duncan)



Ground Broken On New Housing For Veterans

The Fisher House Foundation and the Veterans Affairs (VA) Long Beach Healthcare System broke ground on a 16-suite home for veterans and their families on October 6. Fisher House is a nonprofit organization that provides housing to the families of military members and veterans while their loved ones are receiving medical care. The planned facility is on the campus of the VA Long Beach hospital. The \$6 million construction of the new Long Beach Fisher House is covered by donations from businesses and organizations including Delta Air Lines, Masco Corporation Foundation, Shipley Foundation and Petersen International Underwriters. This is the eighth Fisher House in California; there are 65 of these facilities across the U.S. and in Germany and England. "We are extremely honored to be the recipient of the newest Fisher House in Southern California," Michael Fisher (no relationship), director of VA Long Beach Healthcare System said in a statement. "With highly specialized spinal cord injury care, a cutting edge blind rehabilitation center and access to a team of world class clinicians, our Fisher House will allow our veteran families to be steps away from their loved ones in a safe, comfortable, supportive environment." Pictured, from left, are: Mark Mayes of SoCal Tee It Up For The Troops; Karen Karanickolas of American Legion Port 291; Nancy Gaines of the Evalyn Bauer Foundation; Major Gen. Paul Mock of the Association of the U.S. Army; Mike Walter, donor; Mike Levis, Delta Air Lines pilot; Mary Considine, chief of staff of the Fisher House Foundation; Fisher; Steve Kuykendall, former U.S. congressman, and president and CEO of Fisher House Southern California; Nancy Soltes, boardmember of Fisher House Southern California and a representative of Gold Star Mothers and Blue Star Mothers; Elizabeth Lucas, donor; Greg and Valerie Owen, members of the Long Beach Rotary Club and boardmembers of Fisher House Southern California; Dan Munzer and Patricia Carambelas of the California Veteran Charity Fund; and Drew Hatcher of Masco Corporation. (Photograph by the Business Journal's Larry Duncan)



Rendering of Fisher House Long Beach

Kafe Neo Celebrates Eight Years In Business

In celebration of eight years in business, Kafe Neo owners and brothers Gus (left) and Pete Sverkos are hosting a free, open block party this Sunday, October 18. The event, which takes place in Kafe Neo's parking lot at 2800 E. 4th St., will feature a whole roasted lamb served from the spit, a beer garden, special menu items, performances by Greek and American bands, a DJ and more. The block party for the



Greek restaurant takes place from 1-6 p.m. According to Gus, the business opened at the start of the Great Recession, and has since endured and grown, now employing more than twice as many people as it did when it opened. He said he and his brother value being able to contribute to 4th Street's Retro Row area business improvement district, and have expansion plans in the near future. For hours and more information, contact 562/987-1210. (Photographs by the Business Journal's Larry Duncan)



Long Beach Restaurateur Opens New Pizza Place, Pieology

John Sangmeister, owner of Gladstone's in Downtown Long Beach, opened his latest restaurant venture, Pieology, in the Los Altos area of the city on October 5. Pieology is a build-your-own, quick-serve pizza franchise. "We have two [other Pieology] stores in San Diego, and in three days we had passed our two-week milestone of either one of our stores," Sangmeister said of the new Long Beach location. "In respect to build-your-own-pizza, what differentiates Pieology from our competitors is that we have a higher level of customer service," he explained. Made-to-order Pieology pizzas bake within five minutes, and feature fresh ingredients and homemade crusts, according to the company's website. Prior to the restaurant's official opening, Sangmeister and his wife, Sarah, held a fundraising event to benefit Miller Children's & Women's Hospital Long Beach. "My wife and I offered to give everyone a pizza if they would consider donating directly to Miller Children's Hospital," he said. They raised more than \$4,200 for the hospital. Sangmeister said he looks forward to opening more Pieology locations in Long Beach and Los Alamitos in the future. Pieology is located at 2092 N. Bellflower Blvd. Store hours: Monday-Thursday, 11 a.m. to 9:30 p.m.; Friday-Saturday, 11 a.m. to 10:30 p.m.; Sunday, 11 a.m. to 9 p.m. For more information, call 562/430-5890. Pictured from left are: Pieology employees Naomi Sutton and Juana Martinez; Scott Hewitt; John Sangmeister, store owner; Michele Kreinheder; Chris Andrews of CBRE, Inc., property manager; Rita Goshert of Miller Children's & Women's Hospital Long Beach; Michael Mercier; Daryl Supernaw, 4th District councilmember; Sarah Sangmeister, co-owner; and Pieology employees Jessica Fulbright and James Leis. (Photograph by the Business Journal's Larry Duncan)



State Of The Arts 2015

Mayor Robert Garcia, Arts Council for Long Beach President Marco Schindelmann, Arts Council Executive Director Victoria Bryan, and Museum of Latin American Art President, CEO Stuart Fishman and Philanthropist Nancy Gaines at State of the Arts 2015 with the 2015 arts awards winners. The James H. Ackerman Arts Philanthropist award went to Dr. Ronald and Sylvia Hartman; Danny Flores was named Arts Educator; Victor Ladd was awarded Arts Volunteer; the Arts Innovator award went to MADE in Long Beach; and the Bixby Knolls Business Improvement Association took home the Economic Development Arts Trailblazer award. (Photograph by the Business Journal's Erin Kleekamp)

HealthWise

Cosmetic Surgery: Guide To Getting Started



By Marcel F. Daniels, MD

According to the American Society of Plastic Surgeons, 15.6 million cosmetic procedures, both minimally invasive and surgical, were performed in the U.S. in 2014, the most popular included breast augmentation, nose reshaping and liposuction. Cosmetic minimally invasive procedures, like Botox injections and laser hair removal, also continue to rise.

With this many Americans electing cosmetic procedures, it's important to do your due diligence before making your decision.

Finding a Surgeon – Seeking a board-certified plastic surgeon is the beginning of the journey. In the state of California, any physician with a license can offer cosmetic services. However, without board-certification, physicians can't perform procedures in an accredited hospital/surgery center. Your primary care physician may be a resource. Many primary care physicians have seen the work of local plastic surgeons and can recommend one. Most surgeons have their own website, and the American Society of Plastic Surgeons website matches patients geographically with board-certified plastic surgeons.

Finding a surgeon that is a member of the American Society of Plastic Surgeons will ensure they have at least the minimum qualifications:

- Certified by the American Board of Plastic Surgery and trained specifically in plastic surgery
- At least 6 years surgical training, minimum of 3 years plastic surgery training
- Operate only in accredited hospitals/centers
- Fulfill continuing education requirements, including patient safety techniques

Additional Questions to Ask:

- Experience/Training: How long has the surgeon been in practice? Do they have any additional training, like a plastic surgery fellowship?
- Scope of Practice: What procedures do they perform the most? What percentage of their practice is in the area you're interested in? Not all plastic surgeons are the same. Seek out a surgeon who has experience in the procedure you're interested in.
- Location: Ask the surgeon where they operate and if it's accredited. Going to an accredited hospital/center ensures the surgeon has been vetted and this is his/her area of expertise. Only hospitals allow overnight stays for recovery. If your procedure requires a longer recovery, a hospital may be a better option for you.

Barriers to Cosmetic Surgery

- Health: Because there are risks with any surgery, you should be in reasonably good health or any health problems you have should be well managed. People with poorly controlled diabetes or hypertension may not be appropriate for surgery.
- Cost: Since cosmetic surgery is elective, insurance won't cover the procedure. There are a number of financing options available to patients. Each practice is different, so it's important to bring up payment at your consultation.

Finding the Right Time – The best time to do cosmetic surgery is when you're mentally ready. However, depending on recovery, you may want to pick a certain time of the year. For example, if you're doing facial resurfacing that involves using a laser, doing it in the middle of summer will put you at risk for more UV exposure, which can slow your recovery.

If the procedure requires an extended recovery, consider your vacation schedule. December is a popular time to have surgery, since many people get time off during the holidays.

It's smart to get more than one opinion. Depending upon the surgeon's training and expertise, they may recommend different things. Trust your gut, and don't make a decision until you feel comfortable. (Marcel F. Daniels, M.D., is a plastic surgeon with Community Hospital Long Beach.)

Effective Leadership

5 Habits Of Highly Interesting People

(And Why They Seem To Have That Sense of Presence)

What makes people interesting? Those with presence seem to create a halo effect around themselves. There's a sense of passion, confidence, enthusiasm, authenticity, captivation and comfortableness about them. So we say, "They have presence."

In reality, these ladies and gentlemen have developed 5 habits that make both introverts and extroverts interesting. Try these:

1. Ditch the dominance demeanor. We were taught to shake with a firm hand and stand tall. But playing the gorilla (they come in both genders), is stepping over the line. Overdone nonverbal confidence makes the engagement all about you. As counterintuitive as it seems, it makes you uninteresting. Avoid the power poses. Put aside the posture of self-importance or status.

2. Make the encounter about them. Practice the art of getting them to talk about themselves. Use your curiosity, politeness, and social graces to cast a "spell" over them. Ask how they did it, or what they learned about it, or what advice they'd give you in a similar situation. When you respect another person's opinion, you are respecting the other person.

3. Be real. Don't get involved in a "stature" contest. Nobody wins in the long run – or even in the short run. Be impressed. Compliment in a genuine manner. When you hear an accomplishment, say "that's awesome." Ask, "How did you pull that off?" Let your vulnerability show through. "I've never thought of that," or "you just taught me something." People are temporarily impressed with the artificial, but sincerely like the authentic.

4. Give more than you get. Don't underestimate the value of asking for nothing. People know when you are playing the networking card. The hard charging, always-one-kind-of-person creates a desire to look for the exit routes. If you need something, give something first. The most interesting people focus on what they can do for you. People are tuned into station WIIFM (what's in it for me)? Kicking into your sales pitch can communicate you are bored with their presence. And that does nothing for your "presence."

5. Make a great "last" impression. Don't just end with "nice to meet you." That doesn't leave much of an impression and it's easily forgettable. Go back to the beginning.

Small Business Dollars & Sense

Five Things You Should Know About Getting Approved For A Business Loan



By BEN ALVARADO

Myths and misconceptions about the reason banks decline loans and the rate at which this happens are as common today as ever. As a banker, it's my goal to bring clarity to the process, and explain what it takes for a business to get a loan and why a loan application may be declined.

Let me share a few credit basics small business owners should know before applying for a loan that may make the loan review process easier to understand.

Business and personal credit history are important when pursuing business credit. Looking at credit history helps us answer the question: How has the borrower handled credit obligations? Both business and personal credit are relevant. On the personal side, a lender will look at the business owner's history of credit management including FICO score and details of their credit record. A lender also will want to know whether the business applying for credit has paid suppliers and other business obligations in a timely manner, including those to other financial institutions.

Bankers want to see that an owner has a significant investment of personal capital in the business. When a lender sees the owner invest money in the business, it shows that the business owner is committed to succeeding. What's more, a business owner with assets that can be converted into cash in case of a sudden downturn in revenue will be better able to operate his or her business and repay debt.

Internal and external factors affect the ability of a business to repay a loan. External conditions can be economic factors, such as the strength of the housing market for businesses that are tied closely to this important sector. Internal conditions can include the borrower's business experience and knowledge. Both types can be important indicators of a business' ability to survive and thrive, and therefore its ability to repay its credit obligations.

Collateral is a secondary source of repayment to a lender in case of default. Collateral doesn't replace good payment history or show your ability to handle the proposed debt level. Nobody wins when a bank turns to the final option for repayment of liquidating collateral. In fact, it often results in a loss to the financial institution – it's absolutely the last thing a bank wants to do. A healthy business that's using credit the right way is a win for the business, for the bank and for the community.

Cash flow and debt help determine whether a business has the capacity to handle new credit. Before extending a loan, a banker wants to make sure a business has the ability to repay a loan given its other pre-existing obligations. Typically lenders look for a business seeking credit to have a debt-to-income ratio of no more than 40 to 50 percent, depending on its credit score.

A long-term relationship with a bank can help, since the banker knows the customer, the business and income and sales. Now, it's up to all of us in banking to keep spreading the word about how more small businesses can get credit-ready before pursuing a loan.

(Ben Alvarado, a 24-year veteran of Wells Fargo, is the president of the bank's So. Calif. Region, which stretches from Long Beach to Orange, Imperial and San Diego counties.)

Shake hands and say, "I really enjoyed talking with you." Make eye contact with a genuine smile. Self-promotion takes very little self-awareness. Being interesting and having a sense of presence is built on self-awareness. Be self-aware, not self-absorbed.

Effective managers, supervisors, directors, CEOs and people in general, have this sense of presence. When having a one-on-one, work on these 5 habits. If it's a direct report, let them tell you what's going well. Find out where they are challenged (sometimes called "venting"). Ask them where they need your support. Make sure they need it – no micro-managing. When finished, thank them for their time.

Good managers, mentors, and mutual acquaintances are intentional about these behaviors: (1) they ditch the dominance platform; (2) make it about the other person; (3) are real; (4) give more than they get; and (5) make a great last impression.

Charisma is not identical to presence. And presence is not automatic. It is not something you have. It's something you develop. It's a skill. And since repetition is the mother of skill, it starts with your habits.

(Mick Ukleja keynotes on topics related to leadership and personal productivity. He's president of LeadershipTraq, and author of several books. His clients have included Fortune 500 corporations and nonprofit organizations. Check his weekly blog at www.leadershiptraq.com.)

Realty Views

Owning Can Be More Expensive Than Renting



By TERRY ROSS

For a number of years – going back way before the recession and to the early days of very low interest rates in the United States in the 1990s – the common mantra has been that in many instances it is cheaper to own than to rent.

This theory has further taken hold as populations have grown larger in many markets and the supply of rental housing has not kept pace with the population demand. The rental rates have climbed in California steadily for various reasons while housing prices dropped and then have come back in large part because of increased economic activity and continued low interest rates.

On the surface – and just looking at mortgage payments versus rental payments and figuring the income tax savings from the mortgage deduction credit – the impression is that in many instances owning is cheaper than renting on a monthly basis.

The answer to this is yes and no. A recent study by the John Burns Real Estate Consulting practice has shown that in most areas of the country the various factors such as market rents, tax brackets and the amount of down payment have a widely varying influence as to which path is less expensive.

As the study concludes: “If owning were truly cheaper than renting, far more renters would be buying homes. Never forget that headlines can be misleading.”

This is not to say that the Burns group is anti-homeownership, and they point out that there can be huge advantages in buying a home – such as the mortgage deduction credit, a nicer home, stability and investing in something that will appreciate over time as opposed to just handing money over to a landlord so they can pay for their investment. But in terms of a monthly dollar-for-dollar cost, especially in markets like California, it is more economical to rent.

The Burns Group points out three outdated assumptions in

showing that owning is not always the most economical solution to having a place to live.

First of all, most people who make the rent-versus-own decision are first-time buyers, and in reality the vast majority of first-time buyers make down payments of 10 percent or less, which results in a much larger monthly mortgage payment.

Secondly, most of the rent-buy calculations are based on buyers who are in the 25 percent tax bracket and save 25 percent of their interest payments in taxes. Today, half of all home buyers obtain a mortgage less than the median resale price of \$236,000, and 100 percent of the annual interest on that mortgage is less than the standard itemized deduction of \$12,000 per couple, so many entry-level buyers actually save zero dollars in taxes. Those who itemize likely only save a small percentage of the interest payment in taxes.

Thirdly, many who calculate the rent-versus-buy benefits include future home price appreciation in the own-versus-rent decision, but extensive price appreciation might be an aggressive assumption. Just look at the last eight years.

Not all markets are the same, and the premium homeowners pay to own versus rent varies across all cities. While the average U.S. homeownership premium over renting is \$146 per month, the premium varies widely. Like in San Francisco, housing payments are over \$2,500 more per month to own an entry-level home than to rent an apartment, which is also expensive. In San Jose, the gap is almost \$1,800 per month. This is based on renting an apartment in a large apartment complex and buying a home valued at 80 percent of the median home price (a reasonable assumption for first-time buyers) with a 95 percent loan-to-value loan.

Among other California markets, it costs \$541 more in Los Angeles to buy, \$1,472 more in Orange County and \$792 more in San Diego. In some markets in the Midwest and the Southeast, the monthly payments (excluding maintenance) are currently cheaper to own than rent. These areas are still extremely affordable, thanks to ultra-low mortgage rates and home prices that have increased over the past few years but not enough to return to their long-term average. Among these markets are Minneapolis (\$72 less to own), Chicago (\$343 less) and Tampa (\$125 less).

What this study shows is that anyone making this decision needs to look at all of the facts, really understand their own financial situation, and then make an informed choice.

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

Trade & Transportation

The Heart Of The Urban Freight World



By TOM O'BRIEN

Southern California is a trade gateway not only because of the presence of North America's largest maritime port complex. The density of warehousing, transloading and other cargo processing activities also distinguish our region.

All of this activity has a positive effect on education and training for logistics and supply chain management as well. Students want to be prepared for career opportunities in the industry. This translates into a market for a wide range of educational offerings. Southern California is also a hotbed for trade and transportation related research which hopefully finds an audience with our partners in industry, government and the non-profit sectors.

These partnerships will be on display in late October when Long Beach plays host to the 6th International Urban Freight Conference (I-NUF). Sponsored by the METRANS Transportation Center – a partnership of CSULB and USC – and held every two years, INUF provides a forum for sharing state-of-the-art research on all aspects of goods movement within and through metropolitan areas. The conference features a little something for everyone with an interest in freight. This includes how you accom-

modate truck deliveries through better zoning regulations, the impacts of e-commerce and home shopping on urban delivery patterns, environmental impacts, better use of technology, the economics of freight movement, and Best Practices from around the world.

As a region, we can all be proud that I-NUF is recognized as the leading gathering of professionals of all kinds interested in urban freight. As proof, this year's conference will have presentations from participants representing 18 different countries. That's not surprising. Urban freight is a growing area of interest for industry, the academic community and policy makers alike. As the population becomes increasingly urbanized and urban cores revitalized, the movement of both people and goods becomes more difficult to manage.

You don't have to look any further than Downtown Los Angeles to see the conflict played out. New economic activity and a rejuvenated housing sector have been great for the area. But they have also generated more traffic and congestion, and more noise. All of those restaurants, sports venues and businesses mean more (and more frequent) deliveries of supplies and small packages. At the same time, some of the solutions that solve passenger transport problems, such as more use of non-motorized modes or alternative fuel vehicles, are much more difficult to apply to freight transport. Other ways to manage the complex interplay between freight and people need to be identified.

The I-NUF conference will attempt to look at the potential for new ways to better manage freight demand, to make possible more efficient freight flows, and to deploy new technologies in the service of both of these. Experts will discuss local and last mile pickup and delivery; the impact of ports, airports, and distribution hubs on urban development and the demand for services; the rise of e-commerce; and the relationship between freight and the sustainability of the urban environment.

We get to show off a bit as well. Special sessions will showcase the efforts of the Ports of Los Angeles and Long Beach to coordinate on system-wide supply chain strategies that eliminate bottlenecks in and around the ports. These efforts involve some home grown industry partners, like Venice-based Cargomatic, which uses innovative technology solutions to match shippers and truckers. A site visit will take participants to the still-under-construction Long Beach Container Terminal at the Port's Middle Harbor. The facility will set the standard for technologically advanced and environmentally friendly marine terminals moving forward. It should be a highlight for those from outside the region as well as those of us who are local.

I-NUF also provides an opportunity for local goods movement stakeholders to hear about how the rest of the world is tackling similar problems. A team from Paris will be presenting the findings from one of the world's largest urban freight surveys, a survey which reveals much about the dynamics of logistics in the French capital. The findings will be of interest to anyone who hasn't looked at Paris from the perspective of the shipper (which I assume is most of us).

Planners, policy makers, engineers, and modelers will also find a home at the conference. As a host university and host city, Long Beach should be proud of the role we play in bringing this world class group together. It speaks volumes about the contributions of our region to global trade.

For more information on the 6th International Urban Freight Conference, visit <https://www.metrans.org/2015-inuf-overview>.

(Dr. Thomas O'Brien is the executive director of the Center for International Trade and Transportation at CSULB and an associate director for the METRANS Transportation Center, a partnership of USC and CSULB.)

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EDITOR & PUBLISHER

George Economides

SALES & MARKETING EXECUTIVE

Heather Dann

STAFF ASSISTANT/PHOTOGRAPHER

Larry Duncan

INTERN/PHOTOGRAPHER

Erin Kleekamp

EDITORIAL DEPARTMENT

SENIOR WRITER

Samantha Mehlinger

STAFF WRITER

Sean Belk

CONTRIBUTING WRITER

Michael Gougis, Gerrie Schipske

COPY EDITOR

Pat Flynn

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South Coast Publishing, Inc.

2599 E. 28th Street, Suite 212

Signal Hill, CA 90755

Ph: 562/988-1222 • Fx: 562/988-1239

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Arts Council Partners With Mayor's Office, Highlights Innovation and Economic Development in State of the Arts Event

By ARTS COUNCIL STAFF

More than 250 people attended the Arts Council for Long Beach's annual State of the Arts event on October 9 at the Museum of Latin American Art, which for the first time in its 39-year history was held in partnership with the Mayor's Office.

The heart of the occasion was to recognize the extraordinary work and commitment of five individuals or organizations making our city a great place through the arts, and Mayor Garcia himself announced the Arts Council's chosen winners.

This year's James H. Ackerman Arts Philanthropist award went to Dr. Ronald and Sylvia Hartman for their major gifts to several art institutions; Danny Flores was named Arts Educator for his work to keep youth out of gangs; and Victor Ladd was awarded Arts Volunteer for his leadership at the Cultural Alliance of Long Beach and its Shoreline Village



The annual State of the Arts event was held October 9 at the Museum of Latin American Art. (Photograph by Erin Kleekamp)

gallery. Two new awards were created this year: the Arts Innovator award, which went to MADE in Long Beach for its creative business model to support local artisans and create community; and the Bixby Knolls Business Improvement Association took home the Economic Development Arts Trailblazer award for the sustainable economic impact its monthly First Fridays event has on the business district.

The Arts Innovator award and Mayor's Office partnership caught the attention of the Long Beach Innovation Team and Los Angeles Economic Development Corporation, both of which featured the event in their innovation week promotions.

"The arts not only make our communities culturally richer, they are also instrumental to education, economic development and innovation," Garcia said. "You can't have a successful city without a successful arts sector."

The Arts Council made several other announcements as well, including a new \$5,000 Risk and Innovation grant to encourage risk-taking and innovation in the arts, the Mobile ArtSpace project and capital campaign (see adjacent story) and nine new board members: Daniel Alvarado, Loara Cadavona, Tasha Hunter, Cyrus Parker-Jeanette, Jessica Quintana, Darick Simpson, Gordon Snead, Griselda Suarez and Sayon Syprasoeuth.

The event featured live music by Long Beach's own Jazz Angels, and two local artists,

Gallery Corner

For the third year in a row, the Arts Council for Long Beach has partnered with the Port of Long Beach for Port of Long Beach Photo, a three-part photography learning experience for amateur and professional photographers alike. The free program consists of a workshop taught by Port photographers, a twilight shoot aboard a boat, culminating with a photo contest and gallery exhibition in conjunction with October is Arts Month. Eighty-nine photographers participated in the program and each one has a photo in the exhibition. This year's judges, Brian Doan, associate professor at Long Beach City College and Stuart Ashman, president and CEO of the Museum of Latin American Art, selected the three winning photographs: 1st place winner, Norman Harris, "Dock"; 2nd place winner, Denise Dube, "Tug Club"; and 3rd place winner, Laurie Mortara, "Last Flight of the Night" (shown at left). The exhibit is on view at the Museum of Latin American Art, 628 Alamitos Avenue, through January 3, 2016.



Emily Kiwa Tanaka and Ramon Rodriguez, created the recognition awards. The stage backdrop was created by 16 local artists for a recent Groundwork Fitness event and, at 230-feet-long, is expected to be named by Guinness Book of World Records as the largest glow-in-the-dark painting. The Arts Council surprised Groundwork Fitness with a \$500 check to kick-start its efforts to pay the artists for their contribution.

The event was sponsored by Tesoro, Long Beach Convention and Visitor's Bureau, California Resources Corporation, Plenary-Edgemoor Civic Partners, Yellow Cab Long Beach, Farmers & Merchants Bank, Keesal Young & Logan, Downtown Long Beach Associates, Long Beach Museum of Art, Long Beach Transit, Long Beach Community Foundation, Cambodian Town Inc., Bixby Knolls Business Improvement Association, Uptown Property Business Improvement District, East Anaheim Street Business Alliance, TGIS Catering, Museum of Latin American Art, as well as the Long Beach Mayor's Office and Arts Council for Long Beach.

A webcast of the event is available on the Arts Council's website at artslb.org/news. ■

Arts Council Launches Innovative Mobile ArtSpace

By SARAH BENNETT

Arts Council For Long Beach Contributor

When the Mobile ArtSpace first gets dropped in the middle of an empty dirt lot, you might think it doesn't look like much. But when the sun sets, the box is illuminated to become a light and sound sculpture. A compact black industrial cube with a perforated pattern, an LED display constantly emanates a remixed soundtrack of previous performances – that then slowly unfolds to reveal so much more.

Out of the box comes a high-flying helium balloon, the 'beacon,' which will be visible to the surrounding community and serves as an ad or marquee for what's coming. After the beacon, the box unfolds to form a cruciform stage. Connected by demountable hinges, it can support a wide array of stage and audience configurations. Lastly, there is the cloud canopy, comprised of cables and more helium balloons that can accommodate lighting and backdrop for the performances below.

When built, this innovative – and completely unprecedented – mobile performance venue will be used by everyone from the Long Beach Opera to The Jazz Angels to the Khmer Arts Academy to bring the arts to the people of Long Beach in ways never attempted before.

"The real genius of the project is the Arts Council's initial concept – that you don't have to go to an opera house or gallery to see art. Instead, the Mobile ArtSpace will bring the arts into a more



direct dialogue with communities that don't have the same access to the arts," Wil Carson, design principal at 64North, said. "This kind of access to the arts will take vacant lots that are void or negative within the city fabric and make those an asset."

Designed by a multidisciplinary team of artists and designers led by L.A. architecture firm 64North, the Mobile ArtSpace is a project initiated by the Arts Council for Long Beach, which will catapult the arts into a more direct engagement with an extraordinarily diverse community across all of Long Beach's nine council districts, in surrounding cities including Compton, East Los Angeles, San Bernardino, as well as other California cities.

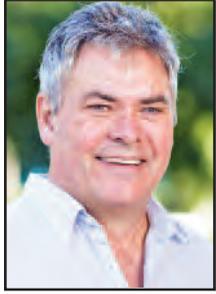
In addition to being a platform for art and performance, the Mobile ArtSpace can also serve as an important place of civic dialogue, a place for town hall meetings, symposia and informal community gatherings.

No matter where it goes, the promise of the Mobile ArtSpace is one of education, entertainment and dialogue. Each weekend over the course of the year, the industrial-looking box will travel from site to site throughout the city, opening to reveal a pop-up forum for artistic performance, community engagement and placemaking. With the temporary venue a feat of technological mastery and a work of art in itself, the Mobile ArtSpace's programming and impact extends both before, during and after performances.

"The Mobile ArtSpace frees art from the confines of institutional ivory towers and allows it to dance in the streets throughout the city," Arts Council President Marco Schindelmann said.

The capital campaign was launched with the October 9 announcement, and the Mobile ArtSpace performances are expected to commence in a few years. ■

On the Go with Our Heads in the Cloud



Paul Brindley,
Principal Advisor,
paul.brindley
consults

Most nonprofits are constantly striving to do more with the same level of resources. Studies show that they often have to do more with less.

New technologies and the rise of social media have provided low-cost tools for nonprofits to spread their message and cultivate stakeholders and supporters. The latest in cost saving innovations are mobile technology and cloud computing.

In April, the Pew Research Center reported that *64% of Americans adults own a smartphone of some kind, up from 35% in the spring of 2011.* Last year, the worldwide usage of mobile devices outstripped desktop and laptop computer usage. Statistics reveal that mobile search, shopping, customer engagement and communication continue to trend past static device usage.

We have been told for a while now that the future is mobile. Well, welcome to the future.

The vast majority of customers, clients, partners, funding sources, influencers, mavens, and the public at large are walking around using their tiny computers as they go about their day, and keeping them close when they are not. A portal to the whole spectrum of your audience is open and accessible whenever and wherever. Your audience is mobile so should you be.

Here are some strategies for "going mobile." Start by Making sure you

have a mobile responsive website. The layout and content responds or adapts based on the size of the screen it's presented on. A responsive website automatically changes to fit the device you're reading it on.

Provide a way for your clients to sign up for courses and events or donate through their mobile devices via a mobile optimized online form or third party service.

Design your emails and marketing collateral with the mobile viewer in mind. Will people be reading it on the phone, or is it something to be sent via email as a mobile download? Don't try and do too much. Keep fonts large, sentences short, use single columns and get the recipient to click to your website for more information.

Try a text message fundraising drive. An article on the Nonprofit Hub website states that the Human Rights Campaign found that text message subscribers are 2.5 times more likely to donate than a non-text message subscriber. The Humane Society of the United States found that members who received a text message reminding them to donate were more likely to give online by 77 percent.

In managing your nonprofit, mobile technology is allowing team members to remain connected wherever they are. This results in more time servicing clients and networking with donors and less time stuck behind a desk. Depending on the sensitivity of the organization's information, put in place policies and practices for mobile communication by voice, text or email.

Ensuring that your communications, systems and practices are mobile friendly sends the message (excuse the pun) to your stakeholders and

supporters that your nonprofit is a professional organization that is responsive and sensitive to current trends.

What is cloud computing? What does it mean that "something is in the cloud"?

Cloud computing means that instead of housing software, applications and files on your computer or your own server, they are hosted by someone else online or "in the cloud". You gain access from anywhere using the internet. Gmail is a good example. Office 365 is another program that offered as a cloud based subscription. You don't need your own servers or storage.

First, let's review the advantages:

- Portability and convenience – you can access your files and programs from anywhere using an internet connection. Team members can access files from home, on the road or in the office. Work flow is increased by easy file sharing. Team communication is sped up with secure messaging programs.

- Cost savings – this is a big selling point for the nonprofit world. There is little IT cost when using the cloud. There is no server. Installs, upgrades, back-ups and other maintenance are done for you. You are not paying to power your own network infrastructure.

- Security – all your files and programs are saved off site. If there is a system crash at the office or one of your computers fails, everything is safely stored and ready to be downloaded.

- Environmentally friendly - with cloud computing, you only use the server space you need which decreases your carbon footprint and can result in at least 30% less energy consumption and carbon emissions than using on-site servers.

- Low cost options – there are many low cost, no-cost solutions like OneDrive, Dropbox, Hightail, Gmail, Office 365 subscription service, VaultPress.

There are a number disadvantages

as well. Without an internet connection there is no access so it is important to have a reliable internet provider. Many people are rightly concerned that their information is not secure. Cloud services providers have made security their top priority and you can do your best with strong password protection. And, it important to know that some applications don't run well in the cloud or need significant conversion to migrate. Fortunately, many cloud providers assist with migration.

If you are a little jumpy about this new amorphous cloud universe, don't go all in. Pick and choose which cloud based solutions you are comfortable with. That's what I have done. The more I have used cloud services, the more comfortable I have become with giving up important emails and documents that I used to hold tight on my laptop.

Cloud computing solutions are maturing and improving all the time. As the technology continues to evolve, costs will continue to fall and reliability and security standards will improve. I am certain that in the future, operating in the cloud will be as routine as all the other technological advances that used to bamboozle many of us.

There is an old Latin saying, *Tempora mutantur, nos et mutamur in illis*, which translates to "Times change, and we change with them". We have changed a lot with the technological advances of the past 20 years.

The portability, flexibility and cost savings of mobile technology and cloud computing will ensure they are two of the most profound and lasting changes so far. They have the potential to relieve nonprofits of the time, energy and costs that can be redirected towards their irreplaceable missions that assist so many in need in our communities.

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Capacity Corner: Upcoming Calendar of Events

From the Nonprofit Partnership

The Case Statement: Essential Elements for Fundraising Success

Wednesday, October 28, 2015, 9 am-Noon

Defined by the Association of Fundraising Professionals as one of the essential elements required for fundraising success, the case for support is a written document that explains why an organization both needs and merits philanthropic support. Gain understanding of the process involved in building a case statement including what to include and what to do with it once you have it while receiving peer-to-peer support and feedback.

Tesoro Foundation Nonprofit Partnership Leadership Institute:

Board Leadership Series – Purposeful Boards, Powerful Fundraising

Thursday, November 19, 2015, 9am-4pm

Join us for a full-day intensive workshop designed for executive/board teams to uncover best practices in governance and fundraising. This highly engaged workshop will help your organization gain tips and tools on board recruitment, structure, operations, and culture to understand the correlation between effective boards and successful fundraising.

From our Partners

The Benefits of Virtual Desktop Solutions

Wednesday, October 14, 2015, 11am PDT – Webinar

The webinar will cover the basics of virtual desktop architecture, options for deployment, and benefits of each approach. This is an introductory webinar and appropriate for users with general IT knowledge. For more info, visit: nten.org.

Using Collective Impact for Community Change

Thursday, October 30, 2015, Noon EST – Webinar

Understand how government, philanthropy, corporations, and social sector organizations of all types, acting in diverse settings, are implementing a collective impact approach to solve large-scale social problems, together. For more info, visit: boardsource.org.

CalNonprofits 2015 Policy Convention

November 3-4, 2015 – Oakland, California

Focusing on the economic and political forecast for California's nonprofit sector. Join experts from the economic and political fields for a discussion of what 2016 will bring. For more info, visit: calnonprofits.org.

MOBILE AMERICA

According to a study by the Pew Research Center in April 2015, Americans are connected to their mobile devices:

- 64% of American adults own a smartphone, up from 35% in spring 2011.
- 67% of cellphone owners check their phone for messages, alerts, or calls – even when they don't notice their phone ringing or vibrating.
- 44% have slept with their phone next to their bed because they wanted to make sure they didn't miss any calls, texts, or other updates at night.
- 29% of cell owners describe their cell phone as "something they can't imagine living without."



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Iconic

The replacement for the Gerald Desmond Bridge will rise high over the Port — an iconic landmark for the City of Long Beach. With a pathway for cyclists and pedestrians, its 200-foot-high observation deck will offer sweeping views of the waterfront. Eat your heart out Golden Gate. newgdbridge.com