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Measure CCC	Yes	(Ethics Commission)
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## Aquarium's New Wing, Pacific Visions, Celebrates Completion Of Exterior Glass Facade Installation



Last week, the Aquarium of the Pacific not only celebrated the completion of the exterior glass facade installation for its new exhibit, Pacific Visions, but also announced that the San Gabriel and Lower Los Angeles River and Mountains Conservancy awarded it a \$1.9 million grant in support of the wing expansion. The new exhibit, scheduled to open in spring 2019, includes the two-story, 300-seat immersive Honda Pacific Visions Theater, special exhibition and art galleries, and live animal exhibits. This marks the first major expansion in the Aquarium's 20-year history. Pictured at the event are, from left: Frank Colonna, board chair of the conservancy; Jerry Schubel, Aquarium president and CEO; and Long Beach Mayor Robert Garcia. See story on Page 8. (Photograph courtesy of the Aquarium)

### FOCUS ON THE OIL & GAS INDUSTRY

## Improved Prices Lead to Strong Investment From Area Oil And Gas Operators

By **PIERCE NAHIGYAN**  
STAFF WRITER

**A**fter the Brent and Western Texas Intermediate (WTI) crude oil benchmarks reached a four-year high in October, the Energy Information Administration

expects prices to remain steady into next year. Prices are forecast to average \$74 per barrel (bbl) by the end of 2018, a marked improvement over 2017's \$54.25 bbl.

The oil and gas industry is a major employer in California, responsible for 1.6% of California

employment and 2.2% – or \$33 billion – of its labor income, according to an analysis by the Los Angeles County Economic Development Corporation. The industry generates \$26.4 billion in state and local tax revenues.

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## Local Women In Business Optimistic About The Future

By **SAMANTHA MEHLINGER**  
EDITOR

**W**omen in business are proliferating throughout the United States. The latest American Express OPEN State of

Women-Owned Businesses report found that, as of 2017, women were starting businesses two-and-a-half times faster than the national average, and that there were 114% more women-owned businesses in the U.S. than there

were two decades ago. By comparison, in the same time period the overall national growth rate for businesses was 44%.

In Long Beach, local women in business are strategizing for

(Please Continue To Page 22)

### Women In Business Profiles



Entrepreneurs from left: Sheri Baughman, A.P. Fischer; Dr. Emily Dodds, Dodds Dental; Sara Jane Martini, HoboJane Boutique; Diana Vu McDonough, Lacquered; and Silvia Quinones, National Cleaners & Laundry. See profiles Pages 22-24.

## Prop 10 Stirs Passion On Both Sides

By **PIERCE NAHIGYAN**  
STAFF WRITER

**S**hould California rents be regulated by local government or priced at what the market will bear? That is the controversy at the heart of the Proposition 10 debate. Framed one way, it's unscrupulous landlords against working class tenants. Framed another: an economic disaster in the making. So what are the facts of California's Proposition 10?

### Prop 10 Would Repeal Costa-Hawkins

A Yes vote on Proposition 10 would repeal the Costa-Hawkins Rental Housing Act, a statewide law that prohibits rent control on single-family dwellings and condominiums, as well as all apartment units constructed after February 1995. If passed, Prop 10 would not mandate statewide rent control, but it would grant cities

(Please Continue To Page 14)

## The Prop 8 Debate

Would It Improve  
Dialysis Care, Or  
Reduce Access?

By **SAMANTHA MEHLINGER**  
EDITOR

**A** measure appearing on the November 6 ballot in California would cap the profits of dialysis clinics at 115% of "all direct patient care service costs and all health care quality improvement costs." If clinics were to exceed that cap, they would be required to issue rebates to private payers, which are typically private insurance compa-

(Please Continue To Page 15)

## MILLENNIAL PULSE

By Editor Samantha Mehlinger

### Which Millennial Should You Be For Halloween?

I expend most of my energies in this column attempting to portray the varying aspects of the Millennial generation to dissuade stereotypes – or, in the event that those stereotypes are right, find out why.

But this time, I am engaging in some generational self-deprecation in order to provide you, last minute

planners, with some inspiration. I sacrifice my dignity this once so that you might accomplish the all-important feat for partiers, mischief makers and lazy inner cosplayers everywhere: an adult Halloween costume that isn't creepily juvenile or pathetically sexy.

You want a clever, on (Please Continue To Page 6)

# PortSide Keeping Up With The Port Of Long Beach

As an assistant manager of the port's business development division, Joel Perler's job is always evolving to keep up with the dynamic trade industry. "It's really exciting working for the port because it's got a 'wow' factor," he said. "I like the customer service aspect to it. I get to help solve issues and answer questions for our customers and stakeholders. And I like being part of something big." Perler's day-to-day consists of promoting the Port of Long Beach's facilities and services by highlighting its competitive advantages to current and prospective customers. "We are the second busiest port in North America, but I think we're number one in customer service and efficiency," Perler said. "We are doing all the right things for our customers to satisfy their needs [by] essentially getting goods to market more quickly and more cost effectively." Before his position at the port, Perler sold memberships and assisted small businesses with their growth plans for the Long Beach Area Chamber of Commerce. Perler learned more about the port from the chamber's international business committee, which led him to pursue a career there. Now, as he enters his fifth year with the port this upcoming January, Perler plans to build up its economic development efforts. "We collaborate with the City of Long Beach and other regional partners to attract foreign direct investment, port ancillary businesses and promote export opportunities to local businesses," he said. "And I'd like to do more of that, and I think it's starting to happen."

Article and photograph by Staff Writer Annette Semerdjian



## Long Beach Legacy Companies And Organizations

The September 25 edition of the Business Journal included a focus on local companies and organizations that have been in operation in Long Beach for nearly 50 years – since 1969. More than 200 firms and nonprofit groups were identified, but we knew we missed some. We covered two in our October 9 edition and here's another one.

## Long Beach Branch NAACP – 1940

The Long Beach Branch National Association for the Advancement of Colored People (NAACP) was founded in 1940 by Ernest McBride, Sr. The group's objective is to ensure the political, social, educational and economic quality of all citizens and to eradicate prejudice, according to its mission statement. "The NAACP represents the conscience of our nation, guiding America toward fulfilling its promise of liberty, equality and justice for all," Branch President Naomi Rainey-Pierson stated. The organization puts an emphasis on outreach to local young people with numerous programs, such as scholarships, internships, camps, leadership academies, training, mentorship and more. Last year, the Long Beach Branch won two National Thalheimer Awards – the NAACP's top award for its branches – for its programs and publications. Of the NAACP's more than 2,000 branches, only 27 are recognized with Thalheimer Awards each year. The Long Beach Branch has received more than 40 Thalheimer Awards in its 78-year history. On November 2, the group is celebrating its 39th annual Founders Dinner Gala and Awards Presentation with the theme "Celebrating Compassion & Justice." During the event, members of the community will be recognized for their service and support of the organization. Money generated by the event will fund the group's various youth programs. The NAACP was founded in 1909 by a group of Black and white citizens to combat racial prejudice and injustice. Pictured from left: graduate interns Shirley Valverde, Diana Romero and Zulma De Leon; Natalie Lagunas, executive committee member from the Keesal, Young & Logan Law Day Program; Ernest McBride Jr., branch historian and son of branch founder Ernest McBride Sr. (painting); Marie Treadwell, secretary and membership chair; Rainey-Pierson; Jesse Johnson, third vice president; and Bill Ward, branch armed services and veteran affairs committee. (Photograph by the Business Journal's Brandon Richardson)

## Long Beach Business Journal

Vol. XXXI No. 21 • October 23-November 5, 2018

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#### Advertising/Editorial Deadlines

Wednesday prior to publication date. Note: Press releases should be faxed, mailed or e-mailed to: info@lbbj.com. No follow up calls, please. For a copy of the 2019 advertising and editorial calendar, please e-mail or fax request to 562/988-1239. Include your name, company and address and a copy will be sent to you. Distribution: Minimum 22,000.

#### Regular Office Hours

Monday-Friday 8:30 a.m.-5:30 p.m.

#### Subscriptions:

25 issues – 1 year

Standard Bulk Rate: \$30.00

(add \$2 if paying with credit card)

1st Class: \$70.00

(add \$3 if paying with credit card)

The Long Beach Business Journal is a publication of South Coast Publishing, Inc., incorporated in the State of California in July 1985. It is published every other Tuesday (except between Christmas and mid-January) – 25 copies annually. The Business Journal premiered March 1987 as the Long Beach Airport Business Journal. **Reproduction in whole or in part without written permission is strictly prohibited unless otherwise stated.** Opinions expressed by perspective writers and guest columnists are their views and not necessarily those of the Long Beach Business

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# 2019

## CENTENNIAL

### LONG BEACH AREA COUNCIL

A CENTURY OF SCOUTING, THE ADVENTURE CONTINUES

## 100 YEARS IN LONG BEACH

On January 6, 1919, a group of 27 Long Beach businessmen and community leaders gathered in the Board of Education office in the National Bank Building downtown. They had the welfare of local boys at heart and met to consider the Boy Scout Movement.

The group included the Justice of the Peace, the Superintendent of Schools, the Chief of Police, the Postmaster, an attorney, nine businessmen, two pastors, three physicians, two bankers, a newspaper publisher, and a newspaper editor.

Several of those present spoke about the service rendered by local Scouts and the positive influence of the movement on its participants.

Nearly 100 years later, Scouting is still thriving as the leader in youth development. Business and community leaders remain dedicated to Scouting as an important piece of the fabric of this community.

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



**For more information about upcoming events go to:**  
[www.longbeachbsa.org/100](http://www.longbeachbsa.org/100)



Photograph at Tierra Mia Coffee, 425 E. Pacific Coast Hwy. Long Beach, by the Business Journal's Brandon Richardson

# Dee Andrews

## 6th District

■ By **SAMANTHA MEHLINGER**  
EDITOR

**LBBJ:** Do you feel business owners in your Council District are happy with the direction the city is going?

**Andrews:** Yes, for the most part, because business is booming. They do have concerns on quality of life issues. But there is a lot of potential in my district. We have the Anaheim [Street] corridor, the Pacific [Avenue] corridor, and the Willow [Street] corridor. Pacific Coast Highway is a work in progress. We have new development coming in these areas, and they will be attracting consumers, not only for the district, [but] for the other areas as well.

**LBBJ:** Which projects are you referring to?

**Andrews:** Here at Pacific Coast Highway and Pacific [Avenue], we are planning on bringing in one of the finest marketplaces that has ever been in the City of Long Beach. I am hoping that we can get low-income housing on the top. It has been many years in the works. Hopefully this will come to fruition before I get out of office.

**LBBJ:** You mentioned there are some quality of life issues people are concerned about. What are those?

**Andrews:** In my district and in most of the districts, that's the homeless issue. We all know that is one of the largest issues we have, especially along the Willow corridor and Anaheim corridor. There is a lot of vandalism occurring there. As a matter of fact, I have walked these corridors myself, and I have seen windows being etched. I have seen also carts being left behind. In order to be there to address it, you have to be there to see it.

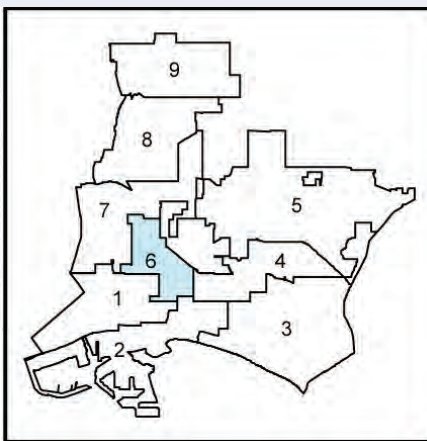
I think if you ask any of the council people, it is a large concern. We are trying to address it, but that is going to take a long time. Because it comes with policy on building. . . . I don't think we can build fast enough and long enough to be able to really completely eliminate homelessness, because it's not just here; it's all over the county.

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

**Andrews:** During my time on the city council I have worked with business corridors to provide them with information and the tools the city provides. Any business that reached out to me, I have directed to business licensing. I have attended ribbon cutting ceremonies and welcomed them into our district. Recently, I have been reaching out to business license applicants, and notifying the residents about the new business coming not only to promote their business but to keep the residents informed about the new face that they may encounter. Another thing here in our 6th District is the fear factor. But we are trying to get away from that. You can come to the 6th District and feel safe. You can feel comfortable. We want you to feel like any other place you go in the City of Long Beach.

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

**Andrews:** It's always the same thing. You're talking about homelessness. I have been here for 75 years, right here in the 6th District. So I know my community. I know the people in my community. And that is one of their biggest concerns, because it wasn't like this maybe 10 or 15 years ago. It was just like an explosion. That is the biggest challenge we're trying to work on. And in order to get that taken care of, we need to get permission to be able to build. And we have to build high. We can't just build low, we have to build high. And it has to be affordable. I think that's one of the biggest cries,



because if you are living in a residential area you don't want to see a big old high rise put up. It's along the corridors we're talking about building high rises, not on the side of your residence. You wouldn't want that. But at least we can try to do something to try to break that blight of homelessness that's going on now. . . . We have to be compassionate enough to know we must do something about that. And we must build.

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

**Andrews:** I always try to encourage my staff to be understanding and work diligently. And I do not like to hear from potential business owners that their applications have not been taken and the process is too long, so they have to submit applications several

times. I put one-time dollars behind the kick-start of a BID [business improvement district] along Pacific. . . . You know the BIDs in Belmont Shore and Naples? Well, we want ours to look a little like that too. We don't have that kind of taxpayer money, but at least we have people out there concerned enough to say, 'We want to keep our streets clean.' You keep your streets clean, and the homeless find another place to go. . . . That's sad but that's what a lot of them do.

Stakeholders who have businesses along the corridor, we would like for them to be more involved. A lot of them talk about, 'Why should I put money into these streets?' Well, this is where your business is. Why wouldn't you want it clean? . . . We're trying to let you know, if you don't do it, we will do it. . . . We want to make it as clean and as safe as we can for any people that go out in those corridors.

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

**Andrews:** I want everyone in my district to have a healthy food option. We would like to see a supermarket, gyms, coffeeshops. For me, it's about activating space and making it attractive to the business owners to come into our area. We are going to have a thing called Wrigley Wednesdays. It's coming soon, and we're planning to roll it out to Wrigley stakeholders and let them give their input. . . . We have clean-up activities twice a month. We let people know and pass out flyers on the block we're going to clean up. Twice a year, we have a big cleanup. But twice a month we go to every part of our district. And a lot of those individuals who need community service, that's where we get a lot of our help. Those individuals give us a big hand. It goes a long way. And people are thankful. But I just don't think that's enough. You have to get more involved. Don't expect for us to do it all, because this is your community, it's not just ours.

**LBBJ:** Is there anything you'd like to add?

**Andrews:** When you have lived here as long as I have, there are a lot of things you like to see and don't like to see. But it's there. Even as rough and tough as they say it is, it's a family. And it's getting much better. I can remember times when it was really tough. But we have come a long ways. I think people now are getting much more concerned. They're getting involved . . . to make our district and our community a much safer, cleaner place. . . . We're doing well.

You know my slogan: a job will stop a bullet. . . . We put money into a program to make sure kids get jobs every summer. They can't work all day, but at least we get them off the streets. . . . I cannot tell you how grateful I am to our local businesses who give these teenagers an opportunity to learn what a real job is like. ■



**Nearly 40-Year-Old Mosaic Uncovered At International City Bank – Event Set For October 25, 4:30 P.M.**

International City Bank (ICB), in partnership with Rockwell Properties, restored a large mosaic that has been covered for more than 30 years above the doors of its Long Beach headquarters at 249 E. Ocean Blvd. The mosaic from the Millard Sheets Studios is believed to be from 1979, as reported by ABC7 Eyewitness News. Millard Sheets created mosaics on bank buildings from the 1950s through the 1980s. On Thursday, October 25, beginning at 4:30 p.m., ICB and Rockwell are hosting an event to “celebrate this historical mosaic reemerging as part of the Long Beach community’s art landscape,” according to the event description. Pictured from left: Maryann Covarrubias, vice president, loan operations manager; Ysidro Vazquez, vice president, portfolio manager; Janet Nelson, vice president, deposit relationship specialist; Jeff Delva, vice president, relationship manager; Yvonne Santos, vice president, Small Business Administration department manager; Michael Miller, president and CEO; Maria Alonso, teller; Darin Nishimura, executive vice president, chief credit officer; Loyda Morales, area vice president, Long Beach operations officer; and Paula-Rose Wihongi, senior vice president, chief financial officer. (Photograph by the Business Journal’s Brandon Richardson)



**Naples Rib Celebrates 35th Anniversary By Giving Back**

In celebration of the restaurant’s 35th anniversary, Naples Rib Company is donating 20% of all dine-in and take-out sales from November 1 to November 20 to 35 local and national charities. Both the original Long Beach location at 5800 E. 2nd St. and the family’s second location in Costa Mesa are participating in the program. “As a family-run business, we’re thankful that our community has dined with us so faithfully over the years, enabling us to celebrate our 35th anniversary,” co-owner Dave Ursini (pictured) stated. “Giving back to the community that has supported us for three decades is the right thing to do.” Charities receiving donations include those serving children, veterans, animals and other causes, with each guest choosing which charity their money benefits. On November 26, the company is hosting a check presentation ceremony, with each charity in attendance. The company expects to donate more than \$50,000. For more information or to nominate a charity, visit [ribcompany.com](http://ribcompany.com). (Photograph by the Business Journal’s Brandon Richardson)

**DLBA Announces New Board Of Directors And Executive Committee**

The Downtown Long Beach Alliance has announced its 31-member board of directors and nine-member executive committee for fiscal year 2018-2019. Tony Shooshani, managing member of Shooshani Developers, owner of The Streets (formerly City Place), is serving as committee chair, with Silvano Merlo, general manager of Courtyard by Marriott Long Beach Downtown, serving as chair-elect. Other executive committee members include outgoing chair and Anderson Pacific Executive Vice President Ryan Altoon, Den Salon owner Allison Kripp as secretary, Shoreline Village property manager Debra Fixen as treasurer, as well as The Pie Bar owner Laurie Gray, William Morris Commercial President Toliver Morris, Studio One Eleven Founder and Senior Principal Alan Pullman and Long Beach Development Services Director Linda Tatum. Two additional seats have yet to be appointed.

**Long Beach Opera New Executive Director and CEO**

The Long Beach Opera has announced Jennifer Rivera as its new executive director and CEO. Rivera joined the Long Beach Opera in early 2017 as director of development and major gifts officer. A graduate of The Juilliard School in New York and Grammy Award nominee, Rivera specializes in baroque and contemporary repertoire. Some of her accomplishments thus far at the Long Beach Opera include raising over \$100,000 in grants and implementing a \$1.5 million campaign that is already one-third of the way toward its goal.



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Port



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## Help Plan Our Future

### *Workshop Focused on Updating the Port Master Plan*

The Port of Long Beach is updating its Master Plan, which guides development and land uses. The update is needed to integrate the Green Port Policy and current regulations, and consider industry changes, technological advances, climate change and energy resources.

Building on the first workshop this past spring, this second workshop will focus on the proposed goals and recommended actions for the Master Plan Update. The program begins with an open house, which will offer the opportunity to talk one-on-one with Port staff and consultants, followed by a presentation and an interactive feedback activity for participants to provide input.

Visit [www.polb.com/masterplanupdate](http://www.polb.com/masterplanupdate) to review existing project information in preparation for the workshop.



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# Millennial Pulse

(Continued From Page 1)  
point, passable costume, don't you? What better costume, I ask, then.... A Millennial?

### Feminist Millennial

Your essentials for this empowered look are:

- A bright pink knit cap with pointed corners that look like cat ears – the signature hat from the Women's March of 2016.
- A shirt proudly proclaiming you are a "Nasty Woman," because you're reclaiming that phrase. Alternatively, a shirt with Ruth Bader Ginsburg's face on it.
- A sign that reads, "... But her e-mails!" Alternatively, one that reads, "Nevertheless, she persisted," another reclaimed slogan adopted by feminists after Senator Mitch McConnell used it as a criticism of Senator Elizabeth Warren.

- A perpetual scowl because the patriarchy has permanently destroyed your mood.

For a couple's costume, have your significant other go as Ronan Farrow, famed journalist/ruiner of Harvey Weinstein. Or, if you want to go more for recognizable stereotype rather than be clever: a cat.

### Hipster Millennial

The Hipster Millennial is a curious creature. Found throughout the various enclaves of Long Beach, the Hipster Millennial's aesthetic varies depending on taste in music, locale, and the extent of his or her sense of irony. There are, however, a few key identifiers you can count on for a recognizable costume:

- A full, untamed beard that evokes the essence of a wannabe mountain man
- A fitted graphic tee that is either ironic,

depicts some type of odd vintage advertisement, or references something nerdy from the 1990s

- Short-shorts that your dad would have worn in 1987

- As accessories: a bag of fair-trade, locally roasted coffee; a can of PBR; and a Walkman, "because the sound is better."

- If applicable, for transportation: a one-speed bicycle. No helmet of course. Can't muss up the beard.

For a couple's costume, your significant other can go as a manic pixie dream girl or a giant can of PBR.

### Brunch Millennial

"Millennials have officially ruined brunch," the New York Post lamented last year. Why? Well, we love brunch – probably a little too much. And can you blame us? You get good food, bottomless mimosas, and, if you "brunch hard," you can nip that hangover in the bud on the same day and still wake up the next morning feeling fine, ready to brunch all over again. As a result of our universal brunch love, we pack every establishment offering bottomless drinks every weekend morning. The lines are out the door. We're sorry, but not sorry.

This costume requires a series of steps:

- Go to Target. Beeline to the young women's section, and pick from a variety of shirts that say either "Brunch Life" or the coveted "Rose all day." Trust me, you'll find one.
- Walk the half mile to the back of the store, where you will find the wine. You're looking for the White Girl Rosé. Yes, that's a real brand.
- Grab several avocados from the produce section.

- To complete costume, pair your new shirt with whatever bottoms you want. Put those avocados in flimsy canvas tote bag to sling over your shoulder, or if you've got it, in one of those weird clear plastic backpacks they make kids wear to school now. Hand them out at random.

- Carry that rosé with you wherever you go. Depending on the venue, open and swig from it freely, because brunch isn't classy anymore; it's Millennial.

### Cultural Appropriation Millennial

No age group is exempt from criticism about acts of cultural appropriation, but Millennials tend to get knocked for it more than others – probably because, given our more "woke" and culturally sensitive upbringing, we should really know better.

You know that non-Hindu girl who likes to sport a bindi because she thinks it's "pretty?" Remember the time Ke\$ha went on Saturday Night Live covered in glow-in-the-dark paint in vaguely tribal patterns? Seen pictures of non-native people at Coachella wearing traditional Native American headdresses as a fashion statement?

Now, imagine that all of those people have been amalgamated into one person determined to rage against the machine, if the machine is all ethnicities telling you not to borrow their cultural traditions to improve your sense of style. This is your costume.

Done right, and this statement costume will glean appreciative nods from the people who understand you're trying to mock Millennials who are oblivious to their habitual cultural appropriation. Done wrong, and you're just going to offend everyone. Tread carefully. ■



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■ By **BRANDON RICHARDSON**  
SENIOR WRITER

## Aquarium Receives \$1.9 Million Grant For New Pacific Visions Wing

During a ceremony for the placement of the final glass panel on the exterior of the new Pacific Visions wing at the Aquarium of the Pacific on October 17, the San Gabriel and Lower Los Angeles River and Mountains Conservancy announced a \$1.9 million grant in support of the expansion.

“With the new expansion, the Aquarium will . . . [be] the Aquarium of the future – a combination of museum, science center, art gallery, performing arts space, and a think tank to explore solutions to some of the world’s biggest environmental issues,” Aquarium President and CEO Dr. Jerry Schubel, stated. “The Rivers and Mountains Conservancy shares our vision of improving human connections to the natural environment and our use of natural resources. We are grateful for their support.”

The new wing includes the two-story, 300-seat immersive Honda Pacific Visions Theater, special exhibition and art galleries, and live animal exhibits. The theater will feature a 180-degree arced screen that measures 130 feet wide by 32 feet tall, as well as a tilting 30-foot-diameter floor projection disc. The Aquarium and Cocina Productions are developing content for the theater in partnership with leading scientists, filmmakers, storytellers and digital artists. Aside from screenings, the theater will serve as a space for panel discussions, community meetings, educational seminars and as a performing arts venue.

“The Aquarium of the Pacific is the fourth most attended aquarium in the country, and the addition of Pacific Visions will boost attendance significantly, bringing many additional visitors to Long Beach,” Steve Goodling, president and CEO of the Long Beach Area Convention & Visitors Bureau, stated in an e-mail to the Business Journal. “More than just a dramatic entertainment venue, the new wing will educate the public about our ocean environment.”

Designed by San Francisco-based EDHH, Pacific Visions is a biomorphic structure that pays homage to the Pacific Ocean’s size and diversity. The exterior of



The final glass panel was set in place for the exterior of the new Pacific Visions wing at the Aquarium of the Pacific on October 17. (Photograph courtesy of the Aquarium of the Pacific)

the structure is made up of 839 colored, light-diffusing glass panels, all uniquely sized. The color of the panels changes throughout the day in response to shifts in lighting and climate conditions, resembling sunlight on the ocean’s surface. Panel installation began in July 2018, with the new wing scheduled to open in spring 2019.

“Over its 20-year history, the Aquarium of the Pacific has become a leader in the Long Beach community and beyond through its commitment to educating the public about the ocean and how we, as humans, impact our world,” Long Beach Mayor Robert Garcia stated. “We are grateful to the Aquarium and Dr. Jerry Schubel for their continued partnership with the city on our Sustainable Cities Initiative and are happy to support the institution and the Pacific Visions expansion, which will continue to inspire people to work toward a better future for our planet.”

Pacific Visions, the Aquarium’s first major expansion project since opening in 1998, is budgeted at \$53 million, which includes the building and exhibitions. With the grant by the conservancy, along with previous donations, capital investment by the Aquarium and anticipated savings, the project is fully funded. Previous donations include: a \$15 million matching grant from the City of Long Beach; \$5 million from American Honda Motor Co. Inc.; a \$5 million matching



Antioch Church of Long Beach Senior Pastor Wayne Chaney, Jr., recently purchased the former Vault 350 building at 350 Pine Ave. from Millworks. The former music venue will host weekend church services and weekday events such as live music, meetings and more. Pictured from left: Sheva Hosseinzadeh, an associate with Coldwell Banker Commercial Blair WESTMAC; Becky Blair, president and principal of Blair WESTMAC; Chaney; Myesha Chaney, executive director of Antioch; and Michelle Molina, managing partner of Millworks. (Photograph by the Business Journal’s Brandon Richardson)

grant from John, Michelle, Mario and Therese Molina; and \$1 million or more donations by James and Marilyn Simons, Dr. Allen and Charlotte Ginsburg, the Don Temple Family Charitable Foundation, Premier/SMG, and an anonymous donor. Additional funding has come from foundations, corporations, individual donors and anonymous gifts.

## Local Church Buys Former Vault Building; Will Host Serv- ices And Entertainment Events

On October 11, Millworks announced that it sold 350 Pine Ave., a long-vacant former music venue, to Antioch Church of Long Beach. Antioch Senior Pastor Wayne Chaney, Jr., has already sold and vacated

## Realty Views

### The Answer Is More Building



By **TERRY ROSS**

While political factions spend millions of dollars campaigning for and against the bureaucratic boondoggle on the November ballot known as Proposition 10 that could actually make a bad situation – the affordability of housing – worse, the real root of the problem has not been realistically addressed by government at every level.

Although the talk in Sacramento and Washington is always about affordability – which is a serious problem, especially

in states like California – the proposed remedies rarely address the true issue: the lack of building of both rental and owner-user properties to help bridge the supply and demand gap that have kept prices and rents on an upward swing.

According to the website RentCafe, 87% of all large-scale apartment buildings completed nationally during the first half of this year are in the high-end tier. Compare this with 2012 when this segment was just more than 50% of new construction. Last year this category was 79%. So the trend is to build for the luxury segment, or the A+ or A-rated rentals, with rents averaging \$2,146 for a 900-square-foot unit. For the next tier down, or the “B” class of apartments, the average rent is \$1,340 – but only 2.3% of new construction is for this type of building.

Similar to other business ventures, when developers build projects, they do so in anticipation of a profit, otherwise there is no reason to go into the endeavor. Therefore,

creating incentives for builders to develop projects geared toward moderate or low-income residents who are paying lower rents is essential. These incentives include below-market financing, tax credits, fee waivers and reduced regulation. Building more housing also creates jobs and generates other economic spending that benefits the economy in general.

In California over the past few years, ever increasing regulation and the shifting priorities of state leaders has dried up the financial resources to help incentivize builders to construct affordable housing. For instance, redevelopment funds that many cities had banked over the years to use for purposes like this where taken by the state several years ago. It is fair to say that the legislature has not adequately addressed the housing issue or helped local communities solve their housing issues that were made worse by taking these funds away.

While it appears that more attention to

affordable housing is being given in the legislature during the past year, it is disappointing that the highest profile issue on this subject in this election cycle is a proposition that widens rent control in this state. Prop 10 creates more regulation, a bigger bureaucracy and will not positively impact the creation of more housing. How do you create a climate to produce more housing by telling those who own and build that they can only charge so much rent – yet do nothing to make it economically viable or attractive?

The real answer to the affordability issue is to build more housing, which can be done and has been in the past with the private sector working with government to produce real solutions to making lower-cost housing a feasible business again.

(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](mailto:terryross1@cs.com) or call 949/457-4922.)

the church's previous location at 1535 Gundry Ave. in Central Long Beach, the same location where his grandfather founded the church 57 years ago.

"Our last service in the building was [October 7], and it was really emotional. You know, I have a lot of memories there," Chaney told the Business Journal. "I was baptized there. Two out of three of my children were baptized there. I met my wife there. To walk away from that place knowing that it'll never be the same wasn't easy, but it was necessary."

During the first phase of the buildout, Chaney's congregation of more than 2,000 people is meeting in the auditorium of Long Beach Polytechnic High School for several services on Sundays. Once the first phase is completed in 12 to 15 months, the 350 Pine Ave. location will seat between 900 and 1,100 people, and host two or three services Sunday mornings and occasionally on weekdays and Saturdays, Chaney said. Outside of nonprofit church functions, the space will operate as a for-profit venue and hopefully feature a coffee shop or other retail component, he explained, bringing in taxable income to stimulate the city's economy.

"Part of the vision is that this is not strictly a church building," Chaney said. "We want to honor the rhythm of the community and also have a full-fledged venue where there are still events, productions, concerts, as well as other activities outside of our local church context."

Chaney explained that the venue would not only be open to religious acts but also secular ones, include bands, comedy, plays and more. Chaney said a committee com-

prised of residents, a representative from the Downtown Long Beach Alliance, church representatives and people with event promotion experience will likely be formed to select future entertainment.

While many entertainment venues have permanent bars for the 21-and-over crowd, Chaney said that would not be the case here. However, he added that he is not opposed to promotion companies bringing in a temporary bar for events.

Aside from entertainment, Chaney explained that he wants the space to bring the community together through meetings, events and town halls. The space will likely not serve as a wedding venue, Chaney said, adding that it could "never compete" with The Loft on Pine up the street at 230 Pine Ave.

Along with generating tax revenue for the city, Chaney said he would encourage his congregation – which hails from all across Long Beach and surrounding cities – to be active in Downtown Long Beach. Michelle Molina, manager and co-owner of Millworks, said Sundays are the slowest day of the week for Pine Avenue businesses. Chaney plans to encourage his congregation eat at downtown restaurants and shop at nearby stores on Sundays following services.

Questions have been raised about the impact the church will have on downtown parking. Chaney said his would advocate for his congregation to use public transportation, carpooling or bikes to minimize the number of vehicles in the area. Additionally, he noted that the slow business day should

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(Continued From Page 9)

reduce the chance of overcrowding. Chaney added that he is working with the city and will pay a fee for nearby parking lot space.

The former Vault building was purchased for \$3.5 million in 2015 by Millworks, which had originally planned to return it to its former glory as a music venue. “Everyone in the music biz we met with passed on lease and sale opportunities. That was disappointing,” Molina told the Business Journal via e-mail. “We were faced with retail options that would have put good friends out of business; we couldn’t do that.”

Though he did not want to disclose how much he paid for the building, Chaney said it was “quite a bit more” than what Molina paid for it three years ago. However, he noted that in the current real estate market it was a “fair” price. The full buildout of the space could take several years and will cost between \$3.5 and \$5 million, Chaney added.

“Everything we do is done in excellence; better than the marketplace standard. With that said, quality takes time,” Chaney said. “This is going to be one of the best-looking buildings on Pine Avenue and one of the most functional spaces in downtown. I think this space needs what we’re bringing to the table – not only in terms of the project, but the hope and inspiration that we want to bring, as well.”

The transaction was handled by Becky Blair, president and principal of Coldwell Banker Commercial Blair WESTMAC, and Sheva Hosseinzadeh, an associate of Blair WESTMAC.



Construction of the 2nd & PCH retail center has surpassed “huge milestones,” according to Barret Bradley, a development associate with developer CenterCal Properties LLC. The retail center is slated to open in late October 2019. (Photograph courtesy of CenterCal)

## 2nd & PCH Retail Center Development Update

The 220,000-square-foot 2nd & PCH retail center has passed several construction milestones, according to Barret Bradley, a development associate with developer CenterCal Properties LLC.

“We celebrated a huge milestone on September 12, which was the topping out of our structural steel. In the construction business, that is always seen as a significant milestone and a celebration time when you complete the highest structural element of a project,” Bradley said. “The two-level buildings along Marina Drive are the steel

buildings – we’re now beginning on framing those buildings. They have moved very quickly, and we are very happy with the timeline and the progress there.”

The concrete buildings have also made significant progress. The form work is up for Whole Foods’ building on the corner of 2nd Street and Pacific Coast Highway (PCH), and the concrete slab on grade in front of the store has been poured. Work is underway on the elevated deck pours, which will serve as the upper level of the parking deck adjacent to Whole Foods, the mezzanine and the roof of Whole Foods itself.

The concrete slab for the southeast parking deck and the ramp on the first level has been built. The foundation and structural columns are complete for the building that runs along PCH, Bradley added. Overall, he said the project is about 50% complete.

The retail center was originally slated for a late summer 2019 opening, which has since been pushed back to late October 2019, Bradley said. “There was some front-end ground improvement work that we needed to complete,” he explained. “We ran into a couple issues underground that were unexpected that simply required us to spend a little more time on that, which prevents you from going vertical for a while.”

Previously announced tenants for 2nd & PCH include women’s clothing store Free People; Ola Mexican Kitchen; organic fast-casual Mexican restaurant Tocaya Organica; high-end nail lounge and spa Holly & Hudson; women’s fashion store Linne’s

Boutique; makeup and hair salon Cotton Blow Dry Bar; and Motion Stretch Studio. Bradley said several more tenants have signed on, and an announcement of 10 to 14 more will be made in the next month or two. Once fully leased, 2nd & PCH will house approximately 60 tenants, he added.

“We’ve been having a lot of conversations with a lot of great tenants, a lot of great brands that we are excited to bring here to Long Beach,” Bradley said.

## Smart & Final Extra! Opens In Bixby Knolls

Smart & Final Extra!, an upscale spin on the Smart & Final warehouse stores, opened on October 17 at 4480 Atlantic Ave. in Bixby Knolls. The concept features an expanded selection of products for businesses and households, including organic and natural groceries, to-go containers, janitorial supplies and food service items.

“We have deep roots in the community of Long Beach, where we opened our very first Smart & Final location, so it’s fitting that we celebrate our 200th Extra! store



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here,” Store Manager Jason Oliva stated. “We look forward to welcoming our friends and neighbors and showing them that they’ll find much more than a traditional grocery store. Whether they’re shopping for their family, business or organization, or looking to host a memorable event, we can be their one-stop shop for farm-fresh produce, organic foods, party supplies and bulk-sizes on hard-to-find items.”

The 30,000-square-foot store is the former site of Orchard Supply Hardware. Store hours are 6 a.m. to 10 p.m. every day. During the grand opening and ribbon cutting event, the Smart & Final Charitable Foundation presented \$2,500 donations to the Boys & Girls Club of Long Beach and Dare to Care for the Homeless.

### Real Estate Transactions

The following is a list of transactions recently closed in Long Beach by agents at INCO Commercial, Lee & Associates Commercial Real Estate Services, Marcus & Millichap’s Bogie Investment Group and William Morris Commercial:

- 2119 W. Gaylord St. – Case Family Trust leased an industrial contractors’ yard, including 6,504 square feet of land with 1,559 square feet of improvements, to A+ Portables for three years. INCO Brokers Bill Townsend and Jay Price represented both parties.

- 245 W. Wardlow Rd. – INCO Brokers Bill Townsend, Paul Phillips and Jerry Ristrom represented American MOA Foundations Inc. in the \$2,450,000 purchase of the 1.07-acre property with approximately 9,800 square feet of improvements. Chris Bury of Foundry Commercial represented the seller.

- 1336 Gladys Ave. – Lee & Associates Principal Brandon Carrillo recently leased the site of the Gladys Avenue Urban Farm to Long Beach-based Algalita Marine Research and Education. Since the nonprofit recently opened a retail store in its 148 N. Marina Dr. facility, Algalita Executive Director Katie Allen said the new space will be used as an extended workspace to put together teaching kits and as storage for 20 years’ worth of samples collected from the North Pacific Gyre, a field of trash in the Pacific Ocean. Algalita is subleasing the farm area, which takes up two-thirds of the property, to Long Beach-based MAYE Center for its work with survivors of the Cambodian genocide. Allen said MAYE will pay a reduced rent.

- William Morris Commercial leased 4,341 square feet to law firm Peacock Piper Tong & Voss and 2,573 square feet to software company OSHYN at The Hubb, 100 W. Broadway. The agency also closed the



730 Magnolia Ave. and, below, 1540 Stanley Ave. (Photographs courtesy of Bogie Investment Group)



following leases: 3,149 square feet in Landmark Square, 111 W. Ocean Blvd., to BNG Engineering; 1,917 square feet to swimsuit design company SCC at 211 E. Ocean Blvd.; and 1,400 square feet to advertising company ItBrands at 130 Pine Ave.

- Catherine Morris of William Morris Commercial recently closed a 480-square-foot lease at 345 Promenade N. with Churrinho, a new gourmet dessert company that is expected to open in the coming months.

- 1912 E. 2nd St. – Bogie Investment Group’s Steve Bogoyevac and Shane Young represented the buyer and seller in the \$4.12 million sale of the 19-unit apartment complex. The 1923 building consists of 11 studio and eight one-bedroom units.

- 1540 Stanley Ave. – Bogoyevac was the listing agent for the nearly \$900,000 sale of the one bedroom, one bath cottage with three single-car garages in the Zaferia District.

- 730 Magnolia Ave. – Bogoyevac and Young represented the seller in the nearly \$4.5 million sale of the 25-unit complex. The renovated 1985 construction building consists of 20 studio and five one-bedroom units.

### New Report Forecasts Rent Increases Through 2020

Average rents are expected to increase \$91 in Los Angeles County by 2020, according to the University of Southern California (USC) Casden Economics Forecast released October 17 by the USC Lusk Center for Real Estate, in partnership with Beacon Economics. “There is a poor match between people’s housing cost and incomes right now, and no amount of sorting will, by itself, fix this issue,” Richard Green, director of the USC Lusk Center, who co-authored the study, stated. “One of the striking results we found is that where vacancy has increased slightly, there is a relief in rental increases. The way to raise vacancy rates is to build more.” ■



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# Business Journal Positions On Local Ballot Measures

## Ballot Initiative WW: Hotel Workplace Requirements And Restrictions

Measure WW is one of the most de-ceiving measures we’ve seen on a Long Beach ballot. Proponents claim its aim is to safeguard employees from abuse by hotel guests and to ensure workers are not taken advantage of by management.

Do you really believe hotel managers want to put their workers at risk?

Consider these two items:

1. The measure targets hotels and motels with 50 or more rooms. Why aren’t all lodging facilities included? Don’t workers at smaller facilities deserve the same safeguards as those employed by large hotels?

2. The measure states that if a hotel unionizes, the workload requirements suddenly become negotiable. That should make it very clear to you that the measure is not about workers or working conditions.

If this measure were solely about worker safety, we’d support it. Clearly, there are ulterior motives behind it.

No on Measure WW.

## Charter Amendment AAA Long Beach City Auditor

We are not sure this proposal is needed since the city’s independently elected auditor has the ability to audit any and all city agencies, operations, etc. We are told it “cleans up 100-year-old language.” Well, if it’s worked for that long, why change it? Our auditor, Laura Doud, and her staff have done a great job. What Doud really needs are a few more people to conduct more audits of city agencies. There are still improvements to be made.

We are neutral on AAA.

## Charter Amendment BBB Extending Term Limits

The Business Journal is concerned about the wording used for ballot measure BBB regarding the city’s term limits for the mayor and city councilmembers. We find the wording misleading and feel it was done intentionally to confuse voters.

Years ago, Long Beach voters decided the mayor and city council should be allowed to serve two terms, however a termed-out elected official could seek re-election through the write-in process. A write-in effort is challenging and expensive, as it should be, and has been accomplished only a handful of times.

Think of it this way: If you are happy with the work the mayor or your councilmember is doing, and you want to see them remain in office, why eliminate that opportunity?

The current system works. You want options, not constraints. The power to decide who represents you is in your hands –

where it should remain.

We say NO to BBB.

## Charter Amendment CCC Ethics Commission

We are supportive of any effort to improve transparency and the accountability of city and elected officials. However, we do have some reservations regarding the makeup of the seven-member commission. First, we would have preferred a nine-member commission (one from each city council district) to ensure the entire city is represented. Second, if the commission is to be truly transparent, then elected officials should not be involved with the appointments. A random system similar to what is being proposed with Measure DDD would have been preferred. Despite our

reservations, we approve the establishment of an Ethics Commission.

Yes on CCC.

## Charter Amendment DDD Redistricting Commission

Establishing a Citizen Redistricting Commission is better than having elected officials draw the council district boundaries. Past city councils have played politics with district boundaries. We know that firsthand from former councilmembers lobbying the Business Journal to support their interests – which were usually tied to campaign contributions. Voters need look no further than the disjointed boundaries drawn for the 4th, 6th and 7th Council Districts.

Yes on DDD. ■

# Study: Measure WW To Increase Hotel Costs, Reduce City Revenue

■ By **PIERCE NAHIGYAN**  
STAFF WRITER

A third-party analysis of Long Beach’s Measure WW concluded that certain provisions in the measure would impose significant costs to hotels, potentially reduce tax revenue to the city and possibly negatively impact future hotel development.

Measure WW, the Hotel Workplace Requirements and Restrictions Initiative Ordinance, appears on the November 6 Long Beach ballot. If passed, the ordinance would require hotels with more than 50 rooms to

implement certain safety provisions and workload restrictions for workers, and establish penalties for hotels that fail to comply.

However, the measure allows hotels that enter into a collective bargaining agreement to opt-out of the workload restrictions. Those opposed to the measure, including the Business Journal, point to that and say the real reason for the measure is to unionize hotels. According to the study, only five of the city’s 58 hotel properties (representing 27% of the city’s hotel rooms) operate under a collective bargaining agreement.

(Please Continue To Next Page)

## CITY OF LONG BEACH

### BID OPPORTUNITIES

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Long Beach Airport Monument Sign Improvements	R-7133	10/25/2018
Contract for Curb Ramps & Related Improvements	R-7140	10/25/2018
Pump Maintenance and Repairs	ITB PR18-122	10/25/2018
MS4 NPDES Permit Professional Compliance and Support Services	RFQ PW18-136	10/25/2018
Furnish, Deliver, & Install Three (3) Office Trailers	WD-33-18	10/29/2018
Whaley Park Concession Stand Trailer	ITB PW18-142	10/31/2018
Landscaping Services	WD-40-18	11/01/2018
Furnish, Deliver, & Install One (1) Quonset Hut	WD-37-18	11/02/2018
Video, Editing, & Production Services for the Long Beach Fire Department	RFP FD19-017	11/08/2018
On-Call Environmental, Planning & Affordable Housing Consultant Services	RFP DV19-007	11/13/2018
Airport Promotional Items	RFP AP19-019	11/13/2018
Westside Storm Drain Phase 3	R-6751	11/14/2018
Real Estate Appraisal Services	RFP EP19-011	11/14/2018
Real Estate Economic Analysis Professional Svcs	RFP EP19-012	11/14/2018
Development & Implementation of Broad-Based Employment Testing System	RFP CS18-135	11/29/2018
Arts and Crafts Supplies	ITB PR19-006	11/29/2018
West Seaside Way Storm Drain Project	R-7104	12/19/2018
Qualification and Selection of Peer Reviewers	RFQ DV17-112	Continuous

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

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On August 7, the Long Beach City Council unanimously voted to put the initiative-driven measure on the ballot. The council also engaged BAE Urban Economics, a real estate development consulting firm, to evaluate the ordinance's operational and economic impacts.

The report was forwarded to the city council, city manager, mayor and other city officials on October 11. It concluded that, while many of the worker safety provisions in the ordinance would impose "modest impacts" to hotel operations in the city, the provisions restricting room cleaner workloads "represent a fundamental shift in current housekeeping practices." The restrictions would impose staffing costs that negatively affect hotel profits – and an economic impact that could have a "dampening effect" on property investment in the area, according to the report.

To assess the practical and economic effects of the proposal, BAE conducted a series of interviews with local and

nationwide hotel operators and hospitality industry stakeholders.

BAE grouped the 58 hotel and motel properties within Long Beach into three categories: small properties (containing under 100 rooms), medium properties (100-299 rooms) and large properties (300+ rooms). In total, Long Beach hotels have 6,206 rooms, of which 27% are located in small properties, 34% in medium properties and 39% in large properties.

According to BAE's assessment, 52% of these rooms (3,200) are located in hotels that already require housekeepers to wear panic buttons, a provision Measure WW would require of all hotels with more than 50 rooms. (In a recent 5-0 vote, the city council decided to require all hotels and motels, irrespective of size, to supply panic buttons to workers.) Most hotel operators that do not yet require panic buttons indicated that they were supportive of doing so, according to the report. Costlier to implement, operators

reported, would be WW's "humane workload" standard.

Hotel operators reported to BAE that housekeepers currently clean between 13 and 15 rooms per day. The "humane workload" standard would prohibit hotel employees from cleaning more than 4,000 square feet of total room space in an eight-hour workday, or approximately 10 rooms on average. For employees who work fewer than eight hours per day, the maximum floor space would be reduced on a prorated basis. The ordinance allows an exemption to the 4,000 square foot cap if employers are willing to pay their employees twice the regular rate of pay for all hours worked.

To comply with the measure, the study reported that non-unionized hotels and motels would need to employ additional housekeepers – 31% more workers for smaller properties and 20% for larger ones. This would drive up operating costs unless a corresponding increase was made to room rates, the report noted. The yearly impact of

these operating costs was calculated at a range of between \$535 to \$1,618 per room on the low end and \$2,005 to \$2,417 per room on the upper end. Fines for non-compliance with the ordinance could be assessed at \$50 per affected employee per day.

If hotels raised their room rates to compensate for the increased costs of operating, higher room rates for hotels "may impact the Long Beach Convention Center's effectiveness in competing for convention and conference bookings," BAE reported.

BAE further noted that Long Beach could see a decline in transient occupancy tax (TOT) and sales tax receipts if investors pulled out of planned hotel developments. Five hotel projects are currently "planned or proposed" within the city. BAE calculated the cumulative annual loss of TOT if each project fails to move forward at \$8.1 million.

Long Beach Assistant City Manager Tom Modica told the Business Journal that a discussion of the BAE analysis is not currently scheduled for a city council meeting. ■

## Hotel Study Key Findings And Recommendations

### Key Findings

- Currently, many of the provisions contained in the November 2018 Ordinance are already in place: at least 11 Long Beach hotels comprising more than 3,200 rooms, for example, already require their housekeepers to wear panic buttons, representing over 52 percent of hotel rooms in the City.
- The financial impact of the Ordinance's "humane workload" standards will add significant operational costs to affected hotels. These standards are significantly more restrictive in the Long Beach ordinance than in Seattle, the closest comparable policy.
- Based on past trends and local market conditions, it is likely that hotel operators may have very limited ability to raise room rates to cover additional operational costs imposed by the Ordinance, resulting in reduced annual Net Operating Income (NOI).
- Smaller properties (e.g., fewer than 100 rooms) will face more financial difficulty complying with the Ordinance provisions than larger properties.
- Because of the potential reduction in NOI for affected properties, future hotel sales may see a reduction in price due to lower capitalized value. This could result in lower property taxes that would otherwise be generated for local taxing entities.
- If hotels ARE able to raise their room rates to mitigate the increased costs of operating, higher Citywide Average Daily Rates (ADRs) may impact the Long Beach Convention Center's effectiveness in competing for convention and conference bookings.
- Higher-than-expected costs to operate a new hotel could make currently planned and proposed projects less feasible. If this occurs, it would result in a loss of Transient Occupancy Tax (TOT) revenue that would otherwise be generated.
- Of the hotel operators consulted for this report, only one suggested that it may consider the merits of entering into a Collective Bargaining Agreement to take advantage of the Ordinance's provision to potentially waive some of the more costly Ordinance requirements.
- The City is not granted any enforcement authorities in the Ordinance that would have ongoing cost implications. However, based on the experience in Seattle, staff resources will be required in the near-term to develop rules and regulations that clarify how the Ordinance language will be implemented.

### Conclusion And Recommendations For Further Study

Generally, many of the provisions of the Hotel Workplace Requirements and Restrictions Initiative Ordinance, especially those that focus on worker safety such as panic buttons, posted notice, and reassignment rights, impose modest impacts on hotel operations, and can be absorbed by hotel operators without significant cost. The singular exception is the Humane Workload provisions, which represent a fundamental shift in current housekeeping practices, and which will impose staffing costs that are unlikely to be recouped by higher room rates. Existing hotel properties could accordingly have lower profit levels, which may tend to have a dampening effect on investments to improve properties, and on sales prices as hotels change hands in the future. The most significant impacts flow from the potential for Ordinance provisions to make future hotel projects financially infeasible, resulting in sizable lost employment opportunities and tax revenues. As an additional recommendation for further study, given the importance of tourism and hospitality in the Long beach economy, it could be instructive to explore how hotel operators may change staffing levels and patterns in response to the Humane Workload restrictions. ■

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# Proposition 10

(Continued From Page 1)

and counties the opportunity to expand existing rent control policies or to create more comprehensive programs than allowed under Costa-Hawkins. In some cities, such as Los Angeles and Santa Monica, where rent caps are already in place for homes and condos, these caps could be amended if Costa-Hawkins were repealed.

There is no guarantee that Prop 10 would change anything about California's housing situation without the action of local governing bodies.

"We have the worst housing crisis in the country," Peter Dreier, distinguished professor of politics and the founding chair of the Urban and Environmental Policy Department at Occidental College, told the Business Journal. "Rents are going up. The price of owning a home has gone up so fast that middle class families can't afford to buy homes anymore."

The California Association of Realtors (CAR) reports that the percentage of home buyers that could afford to purchase a median-priced existing single-family home in California fell to 26% in the second quarter of 2018, down from 31% in the first quarter. "This is the 21st consecutive quarter that the index has been below 40%," CAR adds. Housing affordability has dropped in five Southern California counties (Los Angeles, Orange, Riverside, San Bernardino, San Diego) compared to a year ago.

In the Los Angeles-Long Beach-Anaheim metropolitan area, more than half (53.9%) of housing units are rented, not owned, ac-

cording to the U.S. Census Bureau's 2015 American Community Survey. HSH, the nation's largest publisher of mortgage and consumer loan information, calculates that a median-priced home in the L.A. metro area requires a salary of no less than \$98,315 (with a 20% down payment) to afford. The median household income of the L.A.-Long Beach-Anaheim area is \$65,950, according to most recent census data.

Phil Jones, CEO of Long Beach-based Coldwell Banker Coastal Alliance and a director of the California Association of Realtors, emphasized that the housing crisis is a major problem. "Our state is unaffordable right now," he said. "Fewer than 20% of first-time home buyers can get into the median price [home]. It's outrageous. To keep up with population growth, California at a minimum needed to be building 180,000 new units a year. Well, for the last 14 years we have built less than 80,000 on average."

California contains six of the 11 most expensive large metropolitan rental markets in the United States, according to a 2018 analysis by the Public Policy Institute of California. In 2016, Long Beach rents climbed 10.8% year-over-year, according to an annual report by Apartment List, an online search engine for apartment listings. The last two years have seen relatively moderate increases by comparison, 3.5% (2017) and 1.6% (2018).

## **The Case For Prop 10: "The Rent Is Too Damn High"**

The ACLU of Southern California, as well as its affiliates in Northern California and San Diego and Imperial Counties, are in full support of Prop 10. "We believe economic rights, including housing, are civil

rights," Clarissa Woo Hermosillo, Economic Justice project director and director of policy advocacy for ACLU SoCal, told the Business Journal. "[Prop 10] is a very simple measure that restores the power of communities to regulate rent increases by repealing a very old, outdated, ineffective law – the Costa-Hawkins Rental Housing Act of '95."

Elena Popp, executive director of the Eviction Defense Network, a nonprofit organization that provides legal assistance and representation to tenants in Los Angeles County, explained her position in more succinct terms: "The rent is too damn high!" she said. "Every day, my office – and we are but one small office – sees between 20 and 40 people coming in with either exorbitant rent increases or 30- to 60-day notices to quit without cause because the landlords are trying to take advantage of an escalating rental market."

In its 2017 report on California's housing future, the State Department of Housing and Community Development reported that not only is supply continuing to fall short of demand, but that high housing costs are impacting residents in all sectors of life, including health, education, the environment and transportation.

The transportation issue is of particular concern to Dreier, who last year co-wrote a study on the working conditions at Disneyland. "We discovered that something like half the people who work at Disneyland are . . . traveling two to three hours every day back and forth to get to work. The cost of housing is so high that people are living further and further out, doubling up. They're paying 40-, 50-, 60-percent income for rent, which means they don't have much money to spend on the local economy."

For the sixth year running, Los Angeles topped the list of the world's most gridlocked cities on the INRIX Global Traffic Scorecard. During peak congestion hours in 2017, Angelenos spent an average of 102 hours in traffic, resulting in a cumulative \$19.2 billion in direct and indirect losses to the city. INRIX calculates the direct cost as the value of fuel and time wasted, and indirect costs as freight and business fees from company vehicles idling in traffic. These costs are passed on to households via higher prices.

For the California Democratic Party, there is no question that the state needs rent control. "We are absolutely pro Prop 10," John Vigna, the party's communications director, said. "The housing crisis has just absolutely hammered working class folks all over the state."

While Prop 10 doesn't address the totality of the housing crisis ("it addresses one very specific and one very damaging pressure"), Vigna considers it a powerful tool that cities need in their toolbelts. "You're looking at a significant population in the state who are struggling literally paycheck to paycheck just to keep a roof over their heads," he explained. "If you can't make a decent middle-class salary stretch into decent middle-class housing, obviously something is broken economically. There's a whole host of problems . . . that need to be fixed. This is the one that the proponents have chosen to address."

"If I were a landlord I'd be against Prop 10," Dreier said. "But there's got to be some balance. Society needs affordable housing. The economy needs affordable housing. So you've got to balance what the society needs with the rights of property owners and landlords to make exorbitant profits."

Prop 10 specifically mandates that land-

lords will not be precluded from making a "fair return" on their properties. According to the California Legislative Analyst's Office, this means that landlords must be allowed to increase rents enough to receive some profit each year.

## **The Case Against Prop 10: There Will Be Less Housing**

Opponents of Prop 10 fear that the potential for expanded rent control would drive away housing investors and developers. If the measure passes, low-income housing would become even less available, Jones of Coldwell Banker Coastal Alliance said, while developers would focus on the assured returns from luxury apartments.

"What happens in New York City is a prime example," he continued. "The only building that takes place in rent-controlled communities is not low-income housing, because of the cost. The investors shy away from it. Upscale housing gets built, but the low-income housing does not get built. That's one of the unintended consequences of rent control. It discourages investment in housing, it discourages building, and it just exacerbates the problem that we're trying to fix." In other words, if developers are afraid that their profits will be limited by new rent control legislation, it is more likely that they would focus on building higher-end properties that represent a guaranteed a return on investment.

Jones believes that the proponents of Prop 10 have their hearts in the right place, but that the initiative would not improve the current crisis. As a member of the California Association of Realtors, Jones participated in the 11-year process that produced the Costa-Hawkins bill. "It was rent control that chased away the investment in housing," he said. If California votes yes on 10, he argued, it would undo a critical incentive for new development.

The twin specters of gentrification and blight were cited as prime arguments for passing Costa-Hawkins in the 1990s, Debra Carlton, senior vice president of public affairs for the California Apartment Association, said. "Property owners still have the ability to decide who they're going to rent to. If they're being forced to have rents that are capped, they're going to take only a sure bet. And they're going to take the person with the ability to pay – obviously, the highest income. We saw a lot of gentrification in those cities in the '70s and '80s because owners weren't accepting people in need."

According to Carlton, single-family houses constitute almost 50% of the rental market in some cities. She fears that Prop 10 will compel homeowners to remove their properties from the market. "We saw that [occur] when cities were allowed to impose strict forms of rent control. Berkeley, for example, lost over 3,000 units, and Santa Monica over 9,000 units, because people just went out of business," she said. "They're allowed to do that if they can't make ends meet or they don't want to operate under the strict rent control system."

For Dan Yukelson, executive director of the Apartment Association of Greater Los Angeles, rent control is bad for business because it's just another leash to restrain the market. "You look at the impacts of attempts to control gasoline prices back in the '70s," he said. "It was a disaster. We had huge shortages as a result. People had to get gas on alternate days and there was limited supply. That's what's going to happen to



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housing if rent control is expanded in this way. Property owners are just going to exit the business – they’ll convert their properties into condominiums or Airbnbs or other uses and there will be no financial incentive for people to stay in the business. There will be an even worse housing shortage.”

Yukelson further predicted job losses and major drains on the state economy. “[Prop 10] is just a stupid answer to the state’s housing problems. We need to build our way out of this. We need to provide incentives to developers to build more affordable housing. They need tax breaks. We need voucher programs to help tenants that are in need and can’t afford their rent. There’s a lot of different solutions that would work far more than rent control.”

Californians are looking for a way out of their collective housing crisis, Jones said.

## Proposition 8

(Continued From Page 1)

nies. Dialysis companies would also have to pay interest on those rebates.

The measure, Proposition 8, was written and funded by the labor union SEIU-United Health Workers West (SEIU-UHW). Its backers contend that the measure would reign in what they characterize as exorbitant profits by two large dialysis companies, DaVita and Fresenius. These companies operate about 72% of all clinics in California, according to an analysis of the measure by the California Legislative Analyst’s Office (LAO). Combined, all dialysis providers operating in the state earn about \$3 billion annually from their in-state operations, the report stated.

Patients undergo dialysis to remove toxins from their blood, a function they have lost due to kidney failure. Dialysis patients typically require treatment three days per week, for hours at a time, according to a representative from the National Kidney Foundation. A nonpartisan analysis of Proposition 8 by the LAO found that, as of May, there were 588 licensed dialysis clinics providing treatment to approximately 80,000 patients per month in the state.

Sean Wherley, spokesperson for the “Yes on Prop 8” campaign and for SEIU-UHW, said that Prop 8 is intended to address issues reported by patients at dialysis clinics, including unclean environments and understaffing. “Dialysis patient care in California is in a crisis,” he said. “Workers and patients report bloodstains, cockroaches, [and] understaffing that is threatening the safety and the lives of patients. And this initiative seeks to improve care by pushing the industry to invest in hiring more staff, purchasing new equipment and improving facilities.”

A list of supporters for “Yes on Prop 8” on the campaign’s website mostly consists of: labor unions and advocacy groups; minority health care advocacy groups; regional Democratic Party offices; faith leaders; and community organizations.

Opponents argue that the measure would make it impossible or extremely difficult for dialysis clinics to remain profitable, which could cause many to close or reduce services to the detriment of dialysis patients. “The proponents are saying this will improve patient care. But our biggest concern is actually it will harm care and result in cuts to patient care,” Tonya Saffer, vice president of health policy for the National Kidney Foundation, said.

A list of opponents on the “No on Prop 10”

(Please Continue To Page 16)

Rent control may seem like the answer now, but tomorrow? “What [rent control] has done historically throughout our country – New York City, San Francisco, Santa Monica – is it discourages building,” Jones said. “Investors no longer want to come. In fact, interesting to note, when we were fighting the rent control measure here in Long Beach, just getting it on the ballot. . . investors were backing away from Long Beach even just from the threat of rent control.”

Beyond the real estate community, the California NAACP and United Latinos Vote both oppose the proposition. “Under Prop. 10, families searching for affordable housing will find themselves with even fewer choices and more expensive housing options,” Robert Apodaca, executive director of United Latinos Vote, said in a statement to the California Voter Guide.

### Who’s For It? Who’s Against It?

Supporters of Proposition 10 include Los Angeles Mayor Eric Garcetti, the California Democratic Party, the San Francisco Board of Supervisors, the League of Women Voters and both the nurses’ and teachers’ unions. Opponents include the California Republican Party, the California Chamber of Commerce, the California NAACP, United Latinos Vote and possibly both 2018 candidates for governor, Lt. Gov. Gavin Newsom and businessman John Cox. Both Phil Jones and Steven Maviglio, a spokesperson for the No on Prop 10 campaign, claim Newsom is against the proposition. John Vigna, of the California Democrats, could neither confirm nor deny the claim.

Californians will vote on Prop 10 on Tuesday, November 6, 2018. ■

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## Proposition 8

(Continued From Page 15)  
8” website largely include: national, state and regional professional health associations; chambers of commerce; veterans’ groups; patient advocacy organizations; and cultural community groups.

According to the LAO, costs allowed to be factored into dialysis clinics’ profit cap include “staff wages and benefits, staff training and development, drugs and medical supplies, facilities and electronic health information systems.” Administrative overhead costs are not “allowable,” as the LAO put it.

The report found that the new profit structure for dialysis clinics would “significantly reduce” their revenues, meaning they “would be less profitable or could even be unprof-

itable.” The LAO analysis concluded that dialysis clinic operators would likely respond to Prop 8’s passage by adjusting their operations to limit the impact of the rebate requirement. To do so, the report states, they could:

- “increase allowable costs, such as wages and benefits for non-managerial staff providing direct patient care”
- reduce other costs that do not count toward the revenue cap, such as administrative overhead
- challenge the rebate provision in court to seek a higher revenue cap
- or scale back operations by opening fewer clinics or even closing some.

“One of the ways the corporations can comply is by sending more of the profits back into patient care, whether that’s hiring staff, purchasing equipment, or improving

the facilities. But it’s really up to them,” Wherley said. “We are giving the industry the flexibility to improve care in whichever way they find necessary. They killed attempts to improve staffing levels through legislation in Sacramento. So this is a different, more broad approach in which they can improve care in all kinds of ways without it having to be explicit to staffing.”

In late September, Gov. Jerry Brown vetoed a bill backed by SEIU-UHW that would have placed a cap on profits for dialysis providers.

The SEIU-UHW has been advocating for change among dialysis clinics since at least two years ago, when Wherley said workers approached the union “with concerns about poor patient care and work conditions.” He said that “the industry came down very hard on these individuals,” and that, for now, “the union organizing effort is in the background.” He added, “The focus is on improving patient care, and this is one way if this passes on November 6 that voters can deliver to improve the care and working conditions.”

Wherley cited statistics illustrating the need for improvement at California dialysis clinics. “Last year, the department of public health documented 1,400 deficiencies during inspections of clinics. And over the last five years in California, more than 4,400 dialysis patients have died from infections,” he said.

Dr. David Aizuss, president of the California Medical Association, noted that dialysis clinics in California outperform those in other states. “Data from both federal regulators and state regulators shows that in California, we’re out-performing most states in both clinical quality and patient satisfaction,” he said. “If you look at the data from the Centers for Medicare [& Medicaid] Services, California has more four- and five-star clinics than the rest of the nation; 62% of the centers in the state are rated four and five stars, whereas in the rest of the country only about 50%.”

Aizuss continued, “And, if you look at patient satisfaction, California patients are ranking clinic staff and clinic facilities at nine or ten, which is a higher average than the rest of the nation. If you look at the infection rate, California facilities infection rate is 16% less than the national average.” He added, “In California, the dialysis clinics have to adhere to 376 different regulations and they are surveyed for compliance with those regulations. So, if someone is making a claim that the facilities aren’t clean, I find that highly doubtful.”

Wherley contended that patient care has declined at clinics operated by the two

major providers, DaVita and Fresenius, despite their sizable profit margins. “DaVita and Fresenius made a combined \$4 billion in profits last year in the country. And that is their bottom line. That is all they’re about,” Wherley said. “That is why they have committed \$100 million to defeat this initiative, making it the most expensive measure in the country.” Wherley said that the “Yes on Prop 8” campaign has about \$19 million in backing, by comparison.

Saffer does not believe the proposition addresses Wherley’s concerns about DaVita and Fresenius. “There are two large companies that provide most of the dialysis in this country. I am not sure how Prop 8 is addressing that, honestly, because this proposition actually affects all dialysis clinics, including the dialysis clinics operating in California that are smaller clinics, and nonprofit providers,” she said.

Saffer continued, “Those smaller providers and those nonprofit providers would have an even harder time operating than a large dialysis organization. So I could see a world in which Fresenius and DaVita, being the two largest [providers], are able to continue their duopoly because some of the smaller providers are not able to operate any longer, or have to scale back substantially their operations.” She noted that smaller, less profitable clinics serving publicly insured patients are often located in rural and inner-city areas.

In order for dialysis clinics to remain profitable under Prop 8, the LAO’s report noted, companies could increase their spending on the costs allowed to be factored into the 115% profit cap. As a result, the report stated, “the average cost of dialysis treatment would increase” and “rates that health insurers pay for dialysis treatment might increase above what they would have been in the absence of the measure.” Insurers might then pass on some of their higher costs by raising health insurance premiums, which, according to the report, could result in increased costs to government employers that contract with private insurers.

Aizuss contended that Prop 8 would result in a reduction of dialysis treatment access. Missing just one dialysis treatment results in a 30% increase in likelihood that a patient will die, he said. “Patients on dialysis must get dialysis or they don’t survive. And having a proposition deal with a complex medical issue is certainly not the way medical decision making should be performed,” he said.

Wherley argued that dialysis companies would still make a profit under Prop 8, adding, “It just won’t be the outrageous one that have been doing up until now.” ■

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## Flatline Art Gallery

Artist Cynthia Lujan opened Flatline Art Gallery with her co-director, Elizabeth Munzon, last year. Both Lujan and Munzon had experience in putting on exhibitions in alternative spaces before opening the art gallery. Each month, either Lujan or Munzon curate a show at Flatline Art Gallery to exhibit visual art from the Long Beach community. The gallery showcases photography, painting, sculptures, digital media and more from Long Beach artists. One of the important aspects of the gallery is to link art with education by showcasing former or current Long Beach university students, both at the undergraduate and graduate level. “Our mission is to connect Cal State Long Beach students, alumni and local artists to the Greater L.A. arts community,” Lujan said. Artists showcased in the gallery’s exhibitions may also be people who are involved with the local arts community but do not live in the area. “The communities [in North Long Beach] are really invested in the work that they do for each other, and I feel really special to be a part of that,” Lujan said. “I think North Long Beach is really vibrant with the arts, and it’s going to continue to grow.” Flatline Art Gallery’s next show, curated by Munzon, begins November 10 for the Uptown Business Improvement District’s annual Veteran’s Day festival. Flatline Art Gallery is located on 6063 Atlantic Ave. For more information, call 562/513-8536 or visit [instagram.com/flatline](https://www.instagram.com/flatline).

## Elations Extension Lounge &amp; Elations Hair Collection

After noticing a need for quality hair extensions and wigs in the area, Tina Obaid left her job in finance and opened Elations Extension Lounge & Elations Hair Collection three years ago in North Long Beach. The business offers customers products made from real human hair. “I knew I had quality [products] and I knew it was something I wanted to bring to the city,” Obaid said. North Long Beach was the perfect location for her business due to the amount of foot-traffic it offered as well as its proximity to other cities. One side of the business is a store for buying wigs and hair extensions, and the other is for hair styling services, such as getting braids. “There are a lot of beauty supplies in the city and they don’t sell real human hair, but the cost is just as high,” Obaid said. Customers tell Obaid how they enjoy buying quality products for a reasonable price. “We don’t try to rack up the price. That way people can afford to keep coming in and getting their hair done and still look the way they want to look for a cheaper cost,” she said. Obaid now looks forward to giving back to the community by working with local hospitals in the area to donate her products to cancer patients. Elations Extension Lounge & Elations Hair Collection is located at 6088 Atlantic Ave. For more information, call 562/283-3261 or visit [elation.ecwid.com](http://elation.ecwid.com).



## Bunker Design &amp; Print

Gus Luna’s business, Bunker Design & Print, has been providing specially designed and printed comp cards, which are business cards specific to the modeling and acting industries, as well as headshots, since 1997. Before the emergence of e-commerce, Bunker Design & Print was located in Hollywood, where Luna saw more walk-in customers. As the digital age changed how many businesses operate, most of Luna’s Hollywood clients began working with him online. “What models and actors do is they upload their images to our website, and what I do is design the cards and then I print the cards,” Luna said. After living in Long Beach for five years and experiencing many of his Hollywood clients switching to online orders, Luna said it made sense to move his business location to Long Beach. Luna’s shop now offers more services beyond those for his usual clientele from the modeling and acting industries. “I want to provide different types of printing service for the North Long Beach community . . . so I do want to offer more of business card, postcard and poster [services] as well for local residents here in Long Beach,” he said. As the company’s operations expand, Luna also plans to offer more design services such as retouching photos, designing fashion look books, creating apparel designs and more. Bunker Design & Print is located at 6062 Atlantic Ave. For more information, call 323/463-1070 or visit [bunkerprints.com](http://bunkerprints.com).



## Small Business Dollars &amp; Sense

## Cybersecurity Tips For Small Businesses

By NATASHA  
MATA

**T**echnology has radically transformed how small business owners operate. At the same time, the speed of technology innovations has created an increasingly difficult challenge: how to protect a business from cyber threats.

Many initially think about large companies when discussing cybersecurity breaches, but small businesses are just as vulnerable to threats. A single business can spend more than \$1 million recovering from damage or theft of IT assets.

The best defense is to be prepared, so below are some strategies you can take to make your business more resilient to cyber threats.

**Understand your unique needs for security** – Business owners must understand that having a one-size-fits-all approach to cybersecurity can leave substantial gaps making their businesses vulnerable. The first step is to think about exposure: this includes the hardware and software you are using as well as operations conducted via web or cloud-based systems. You should also consider what unique threats there are to a particular system. An important note: it isn’t enough to think about your own business. What about the third-party vendors you’ve hired? Any of their vulnerabilities will affect you, too.

**Prevent against the vulnerability of connected systems** – Connectivity of systems both internally and externally has been a major driver of technological progress, and the advent of things like cloud-based storage and mobile payment options have made doing business

easier. But while interconnected systems may make things run more efficiently, it also can increase the risk – a vulnerability in one system can affect the connected ones as well.

Keeping critical systems like payroll, business email, and point-of-sale (POS) separate can decrease the inherent risks of connectivity and help ensure that one cyber threat doesn’t compromise a business’ entire operation. Another solid strategy is to have a well-integrated backup system for both internal and customer information. Regularly backing up all files and having separate POS solutions can help you to prevent a business from being potentially crippled in the event of an attack.

**Handle employee access carefully** – Employees can also be a major threat to a company’s cybersecurity infrastructure. Ensuring proper training and clearly defining access to systems based on your employee’s roles helps to cut down the risk that they will introduce a cyber threat, intentionally or not. Managing the access of employees also includes regularly updating any security credentials like usernames and passwords, and immediately removing an employee’s access following termination. These are elements that easily can be forgotten and yet can cause serious issues if left unchecked.

**Don’t forget mobile security** – The security of mobile devices and tablets is also a key consideration in guarding against cyber threats. Regularly updating passcodes, only downloading applications and files from trusted sources, and avoiding any suspicious links or texts are all important to protecting your business from the risks of mobile technology. In addition, using anti-virus software for mobile devices helps protect them in places with public networks like airports, convention centers, and coffee shops.

Cyber attacks can cost your businesses money. With the holidays nearly upon us, addressing potential threats now can decrease your chances of facing cyber issues during a busy time of year.

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

# Long Beach College ‘Promise 2.0’ Guarantees Transition For LBCC Students To CSULB

■ By **ANNETTE SEMERDJIAN**  
STAFF WRITER

Partners in the Long Beach College Promise, an initiative that prioritizes Long Beach Unified School District (LBUSD) students for acceptance to California State University, Long Beach (CSULB) and provides them a tuition-free year at Long Beach City College (LBCC), announced new enhancements to the program with Promise 2.0 taking effect next fall.

As previously reported, the Port of Long Beach has joined as an industry partner for Promise 2.0, and has been added to the current list of partners for the program, which are the City of Long Beach, the mayor’s office, LBUSD, LBCC and CSULB.

The enhanced version of the College Promise will primarily provide local LBCC students an easier transfer to CSULB to complete their undergraduate degrees, according to a joint announcement from the program’s partners.

Promise 2.0 allows LBCC students to transition to CSULB with 45 transferrable units. The transferrable units completed at LBCC are intended to allow students to complete course requirements for CSULB at a cheaper cost than at the university level.

The program will also provide local LBCC students with priority registration as well as access to CSULB events and amenities with student identification cards from the university.

A letter will be sent out to all LBUSD high school seniors graduating in spring 2019 providing information on Promise 2.0, according to LBCC Director of Community Relations and Enrollment Development Marcia Parker. Information sessions



Sunny Zia, president of the Long Beach Community College (LBCC) District Board of Trustees, is pictured at the college’s liberal arts campus. Zia and college Superintendent-President Reagan Romali, led the effort to involve the Port of Long Beach as an industry partner for Promise 2.0. (Photograph by the Business Journal’s Brandon Richardson)

explaining details of the application process will also be provided for students.

“One of the phenomenal things Promise 2.0 is going to do for students is students are going to receive guidance from both institutions,” Parker said.

Students who begin at the community college level tend to have a higher success rate for completing their bachelor’s degrees than when they start out at a university, according to Dr. Kathleen Scott, vice president of academic affairs at LBCC. Scott said she also believes beginning higher ed-

ucation at the community college level allows for more individualized attention for students due to smaller class sizes.

“They come to us [at LBCC] sometimes not sure of what they want to do,” Scott said. “And we have a lot of services to help students find a pathway for themselves and to be successful.”

LBUSD Superintendent Christopher Steinhauser stressed the importance of the guaranteed 45 units for transfer to CSULB. “We also know that Cal State Long Beach is a very impacted campus, so if we can re-

lieve that impact by having the students take those courses at city college and still get the benefits of being an admitted student at Cal State . . . that is just a win-win for everybody,” Steinhauser said.

Jane Close Conoley, president of CSULB, said that after Promise 2.0 students transfer with 45 units to CSULB, they can still receive their associate’s degree from LBCC in what is called a “reverse transfer.”

An associate’s degree requires 60 units. That leaves only 15 units to take at CSULB for those transferring in from LBCC with 45 credits, according to Conoley. “In some cases, that can be an economic benefit for them if they are working,” she said.

Conoley also looks forward to the opportunities for involvement from LBCC students in special events at CSULB. “They could come to athletic events for free and do other things that use their ID card in the same way that the students on our campus can do,” she said. “So we hope that that increases their motivation to actually continue and to transfer over to Long Beach State.”

Sunny Zia, president of the Long Beach Community College District Board of Trustees, also spoke about the importance of incorporating the port in Promise 2.0. “With the port, we want to address the gaps in the workforce now and in the future, and be that pipeline that is set up for the high-skilled workforce that the port will need for maritime jobs,” she said. “This partnership will really gear our students to have direct access to employers.”

“Promise 2.0 is an extension of what has been happening in the past 10 years . . . and it ensures that students at community college have even more options to complete their degree,” Mayor Robert Garcia said. “It is going to be a great addition to ensuring that people have access to quality education across the city.” ■

# Assistance League’s CAMEO Program Helps Students Get Ahead

■ By **ANNETTE SEMERDJIAN**  
STAFF WRITER

Formed as a professional auxiliary of the Assistance League of Long Beach in 1986, CAMEO was inspired by the jewelry-making method of carving women’s faces on jewelry because the group was formed and represented by women, according to CAMEO Philanthropy Chair Daphne Ching-Jackson.

The founders of CAMEO consisted mostly of teachers, counselors and principals. The group’s academic backgrounds inspired them to mentor high school students, according to Ching-Jackson. Many of CAMEO’s programs focus on mentoring students to succeed in the job force and their academic careers.

One of those programs provides high school students with internship opportunities at a local government office, nonprofit or business.

Each year, CAMEO asks counselors at local schools to recommend students who have the potential to excel in their academic careers but face certain impediments, such as financial issues or lack of familial support. Each recommended student then has the chance to apply for the internship program and go through an interview process before being accepted.

Two separate summer internships take place during the course of three academic years for high school students.



CAMEO, a professional auxiliary of the Assistance League of Long Beach (ALLB), provides high school students with paid summer internships to garner full-time experience before receiving their high school diploma. Two participants of the program are pictured with the program’s lead organizer in the ALLB boardroom, where pictures of former Assistance League presidents hang. Pictured from left: Amirah Jenkins, senior at Millikan High School; Daphne Ching-Jackson, philanthropy chair for CAMEO; and Areli Morales, junior at Long Beach Polytechnic High School. (Photograph by the Business Journal’s Annette Semerdjian)

The students are paid minimum wage for their internship hours through co-funding from CAMEO and the participating organization that employs the student.

Along with the guidance from mentors assigned to each participating student, the program provides access to cul-

tural activities and career-oriented workshops for three years for each student.

After a student has completed at least 80% of the internships, activities and workshops from the three-year program, as well as maintained a C-level grade point average or higher, they are eligible to receive a \$1,000 scholarship and a laptop toward furthering their studies. According to Ching-Jackson, CAMEO gave away a total of about \$30,000 in scholarships last year.

An annual fashion show raises the funds for CAMEO to provide the program and all its amenities to local students. The fashion show typically raises about \$100,000 each year, Ching-Jackson said.

“There are not a lot of programs now that address confidence, feeling good about yourself and learning skills,” Ching-Jackson said. “Back then [when CAMEO was first formed], there were hardly any. So, we were kind of like pioneers.”

One of the first students who benefited from the internship when it first began was a young man from a Long Beach high school who eventually received a full scholarship to the University of Southern California (USC), according to Ching-Jackson. “We knew then that this would be a really good program for us to have,” she said.

“I have been a mentor for over 30 years,” Ching-Jackson



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# Local Agency Provides Skills Training For Job Seekers

## Pacific Gateway Connects Employers With Workers In Training

■ By **SAMANTHA MEHLINGER**  
EDITOR

Pacific Gateway, the workforce development arm of the City of Long Beach, provides workplace-related skills training to local residents who are underemployed or in need of employment. The agency also works with area employers to find and train local talent based on industry needs.

What do such efforts look like during a time of historically low unemployment for the City of Long Beach, the State of California and the nation as a whole? According to Nick Schultz, executive director of Pacific Gateway, many skills training requests the organization receives – both from employers and prospective workers – are related to basic communication and language skills. However, programming is “a constantly evolving menu based on what our employer base is telling us they’re looking for,” he noted.

“What we’re seeing now with the labor market and the available labor force, based on things being really tight, is we are having to work with adult education and think about . . . English language learners as our targets for those type of workshops,” Schultz said.

Many people who seek out Pacific Gateway for skills training have been disconnected from the labor force, and consequently need instruction centered on “basic employability” requirements, according to Schultz. These are often individuals who “haven’t succeeded in the educational system, haven’t been employed or gainfully employed, or haven’t been able to hold jobs,” he noted.

“I would say at this point in time we now hear three things from employers,” Schultz said. “There is a huge skill gap. It’s language skills, it’s problem solving skills, and it’s really the social-emotional skills to work with others and to be able to productively advance within the work-



Local residents participate in a workshop offered by Pacific Gateway, the workforce development arm of the City of Long Beach. The agency offers skills training and development workshops to job seekers, and helps pair them with employers. Pictured from left at Pacific Gateway’s center at 4811 Airport Plaza Dr. are: workshop participants Matthew McCoy, Rena Bishop and Nathaniel Canady; Program Coordinator Rachel Kersey; and participant Chelsea Hoilett. (Photograph by the Business Journal’s Brandon Richardson)

place. I would say those are the three things we hear the most.”

Asked why companies are struggling to find employees with basic interpersonal and communicative skillsets, Schultz said, “I don’t know where or when it became an issue. There is this default to want to blame it on the Millennial generation – and they are a large part of the workforce at this point in time. I am not sure that’s exactly it.”

He continued, “I think a lot of what we have seen is that folks who have been disadvantaged didn’t have access to quality child care or quality pre-K. So they were behind the curve in learning to begin with, and then they didn’t succeed in school.” In other words, he explained, disadvantaged communities often do not have key educational and foundational re-

sources very early on, which adversely affects them both while in school and when they enter the workforce.

Pacific Gateway receives public funding to hold workshops for job seekers who wish to strengthen these skills, as well as to provide them with one-on-one career counseling. For those in need of more specialized training, Pacific Gateway partners with other local entities. For example, Pacific Gateway is able to subsidize training at outside institutions, such as Long Beach City College, for individuals who meet certain qualifications, Schultz noted. “We have a whole state-approved list of educational institutions, from certificate programs all the way up through degrees, that folks can pick from,” he said.

Pacific Gateway is also able to work with large employers to train prospective workers at local educational institutions, giving the employer the option of hiring them once the training is completed, Schultz noted. “Either we would identify the training provider from our list, or the employer would identify the provider, or the employer would do it in-house,” he explained.

On the job training is one of the most successful forms of skills education that Pacific Gateway provides, Schultz noted. “Probably our best placement success revolves around on the job training,” he said. To place an individual with an employer for on the job training, “We come up with a skill gap assessment and we agree on the amount of time it would take somebody working in that position to come up to speed to where the employer needs them to be fully productive and functioning,” Schultz said. “And then we subsidize the wages during that agreed upon training period for a portion of time.”

Pacific Gateway is also able to collaborate with local employers looking to staff up by creating specific training programs. For example, the agency has created a “pa-

tient care assistant” program with MemorialCare Health System to provide a pathway to employment at MemorialCare’s Long Beach institutions, such as Long Beach Medical Center and Miller Children’s & Women’s Hospital. “Those types of programs are really designed with specific industry partners in mind to help them tap into availability in the labor market that they haven’t been able traditionally connect to themselves,” Schultz said.

The workforce development agency has some funding allocated for specific cohorts of jobseekers, such as individuals laid off from local firm Molina Healthcare after the company downsized, or those let go when MemorialCare closed Community Hospital. “There is a whole list of what we refer to as ‘target populations,’” Schultz said, noting that veterans, as well as youth aged 16 to 24, are some such groups.

Job seekers in need of skills training and other employment assistance are encouraged to drop by Pacific Gateway’s center at 4811 Airport Plaza Dr. Schultz suggested first visiting and familiarizing oneself with the center and its offerings, and then speaking with a Pacific Gateway representative about specific employment needs. “We always want [to place] somebody in a full time, self-sustaining, family-sustaining wage job,” he said. “But if you just need some stabilization, and we can do that by putting you in a part-time opportunity and tie some training on in addition with that, we’re open to any of those types of solutions to meet the circumstance of the individual.”

Schultz reflected, “We just need to get a good idea of where they’re at and what will work for them, and assess their suitability for the type of training they’re interested in. And then we make sure, based on our labor market analysis, that when they come out there is a relatively high chance that they are going to secure and be able to advance in a job.” ■

## CAMEO Internship Program

(Continued From Page 18)

said. “And every year that a group graduates, I always have tears in my eyes because I can see the growth.”

Amirah Jenkins, a senior at Millikan High School participating in CAMEO’s internship program, said her experience working in 8th District Councilmember Al Austin’s office was the most impactful she has ever had. A major aspect of Jenkins’s internship was to interact with 8th District constituents, which helped her improve her communication skills.

“I believe that my experience in CAMEO has definitely helped me grow as a person because I know that when I first started, I was pretty shy,” Jenkins said. “It has definitely helped me to open up and not be afraid to take on roles that I normally would not have before.”

A junior at Long Beach Polytechnic High School, Areli Morales, also gained communication skills from participating in CAMEO’s internship program and working for CTI Environmental, which is a local small business.

“I feel like the internship really helped me in that aspect of being able to put myself out there because my boss also gave me the opportunity to go with her to attend some networking events,” Morales said. “It actually also helped me open up, too. And it gives us an opportunity to actually see the real world.”

Gail Bradley, public relations chairman of CAMEO and mentor to Jenkins, sees the internship as a valuable asset for local organizations who hire the student interns. “I want to emphasize that the only way we can make this program, from a summer internship perspective, work is that we work with our community,” she said. “So, anybody who is interested in working with us, whether they are a small business or a nonprofit or a large business in the Long Beach area, they can contact us and we would be very happy to talk about that with them.”

For more information about CAMEO, contact the Assistance League of Long Beach at 562/627-5650, or visit: CAMEO@ALLB.org. ■



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(Continued From Page 1)

growth. Women business owners reported optimism for the year ahead, based on growth within their industries as well as increasing consumer spending.

Dayna Mance, owner of Prism Boutique in Belmont Heights, has been steadily growing her business since she opened its doors in 2013. We started out in a really small space off of Termino [Avenue]. It was 650 square feet,” Mance recalled. As spaces adjacent to her shop became available, she expanded into them. “After two years, we expanded and remodeled and opened the store up into basically two spaces. And then, another year-and-a-half later, we expanded into our third space and remodeled.”

Mance said that both the shop’s online sales and social media presence have enabled her to grow the business. “We get a lot of, ‘I am in town and saw you guys on Instagram and wanted to come see the store,’” she said.

After holding a pop-up shop event in Costa Mesa last spring, Mance realized that Orange County represented another opportunity for expansion. This August, she opened a second Prism location at The Lab Anti-Mall in Costa Mesa. “My brand is growing,” Mance said.

“The response has been really good. We’re making sales every day. We are doing really well.”

Continuing to grow online sales while getting used to operating two locations is a challenge for Mance. “I realize the importance of an online business, and growing that business is make-or-break these days,” she said. “Behind the scenes, I am still trying to figure out so many things like managing inventory, managing cashflow, and paying two rents and two payrolls.”



Since founding Prism Boutique in Belmont Heights in 2013, Dayna Mance has grown the location three-fold, expanding into two additional retail spaces next door. In August, she opened a second location in Costa Mesa. (Photograph courtesy of Dayna Mance)

Anoosheh Oskouian, president of Ship & Shore Environmental, Inc. in Signal Hill, is also feeling optimistic about the potential for her business to continue growing. Ship & Shore provides air pollution abatement systems for manufacturers and other industrial businesses. Although Oskouian noted that the “current political climate” might lead one to believe that environmental regulations are going to be relaxed, she has not found that to be the case.

“We still see the local agencies and the state, and the South Coast Air Quality Management District and other regional agencies, pushing forward with making sure they have clean air as part of their overall platform to move forward,” Oskouian said. For this reason, Oskouian is optimistic that her company’s services are going to become increasingly necessary to industrial businesses.

The current presidential administration’s focus on growing manufacturing in America is also a positive sign for Oskouian. “Whether they move back to the country or we have a growth in manufacturing, which is the overall goal, there would be need for our type of involvement with respect to the environmental needs in engineering, manufacturing and installing anti-pollution control systems,” she explained.

This month, Oskouian is celebrating 18 years in business. She continues to expand beyond the U.S., with operations in China, Canada and the Middle East. “I am happy to say that we have steadily had growth within the organization. We have increased the number of employees as well as our reach into . . . different types of industries,” she said.

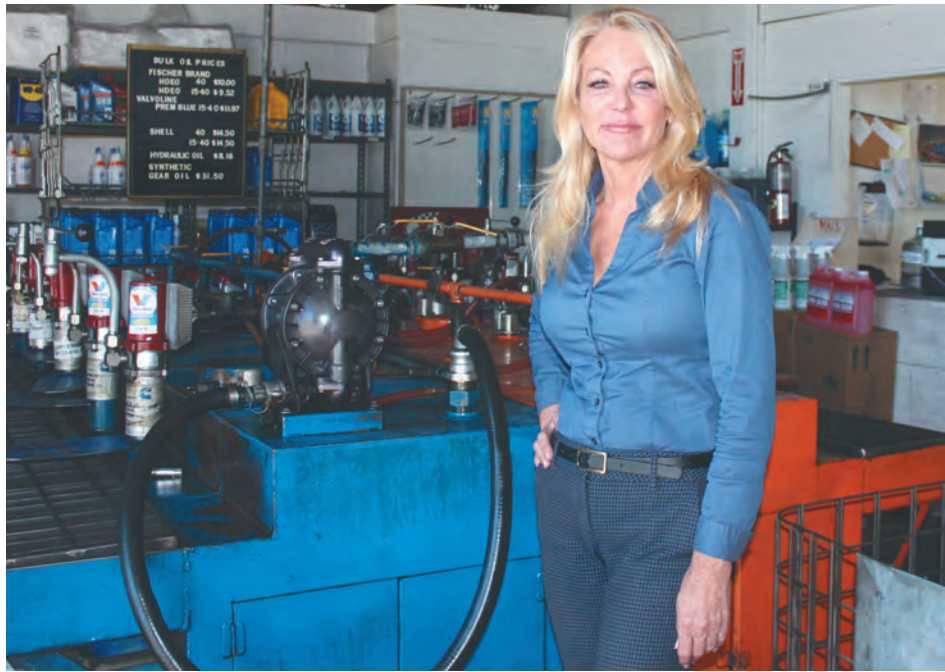
Patricia Watts, president and CEO of Long Beach-based FCI Management, noted that she has faced challenges associated with changing industry standards during the past few years. However, her long-term outlook for her business – which provides energy efficiency solutions for corporate, residential and public institutions as well as utility companies – is positive.

“My business is a little different because it is largely driven by the utility space, and we do a lot of RFPs [requests for proposals] for contracts with the utility companies to implement energy efficiency programs,” Watts said. “The contracts for energy efficiency programs from the utility companies are in a transitional period. They are going to be, in the next year or two, rolling out new RFPs for energy efficiency programs that won’t look like the typical programs we’ve had in the past. That’s different for contractors such as myself.”

As utility companies work through their planning processes to prepare for new trends in energy – such as building out infrastructure to accommodate electric vehicle charging – their funds have been reallocated toward those efforts, rather than to new contracts. This has temporarily caused FCI Management to “trend down” in terms of securing contracts, according to Watts. “They put fewer funds into the programs that we implement, which meant that our contract values have gone down instead of gone up. So those kinds of changes have really impacted us,” she said.

Still, the potential for the future is optimistic, Watts noted. The firm is actively engaged in pursuing contracts related to electric vehicle infrastructure, which is expected to be “a huge market” in coming years, she said. For now, she is focused on keeping her business steady – but she expects that next year FCI Management will grow.

The five local women in business profiled on the following pages come different walks of life. Some ended up as business owners by chance; others, in pursuit of a lifelong dream. In all, they represent a growing force in business in America: the woman entrepreneur. Despite challenges and growing pains, they share in common an optimism for the future.



**Sheri Baughman**

A.P. Fischer

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Sheri Baughman never expected she would become the president and owner of a business. But when her husband, Ray, died three years ago, Baughman had to quickly step in to fill his place as the president of A.P. Fischer, a motor oil and filters provider that has been operating in the Westside since about 1960.

Baughman’s husband had purchased the business from his father, who had bought it from the founder, Al Fischer, in 1965. It has long operated as a family-owned business. According to Baughman, Ray diversified the business by expanding its offerings from products sold by the caseload to include retail sales and bulk loads, as well. He added a self-service “oil bar” to the businesses’ interior, and creating a lube station for truckers behind the building, she said.

“I stayed at home at the time, raised the kids. Never had anything to do with the business,” Baughman recalled. “Probably four months before he passed away, he came in and kind of taught me the basic stuff – what to do, the banking and pricing and inventory and very small things to learn about the business.”

Stepping in to run the company full-time after her husband’s death was “very overwhelming,” Baughman said, noting that she had been married for 29 years. At the same time, she reflected, running the business saved her by giving her something to do other than grieve. “That’s when I learned, you do what you got to do. It’s like sink or swim type mentality,” she said.


Although Baughman had 15 years of sales experience prior to her marriage, she had to teach herself the ropes of running a business. But she had support from her staff, many of whom had been with the company for several years. “I kept the people who were very valuable to me, and very loyal and knowledgeable. They are my resource,” she said.

A.P. Fischer’s retail shop services truck drivers visiting the nearby ports, maritime clients and even individuals looking for oil and filters for their cars. The company also contracts with larger companies in all sorts of industries, including the auto repair field, aviation, and even education, according to Baughman.

The biggest challenge for Baughman is keeping up with state regulations. “Running a business, especially in the oil industry, you have to have everything done to state standards,” she said. In addition to keeping up with regulations herself, she noted that her neighbors, such as those at long-time Westside company Amber Resources, give her tips.

Baughman said her business is profitable, and it is growing. She attributed the growth to the company’s reputation for good customer service. “Everybody is equal here. Every customer is important. Even a guy that just comes in once every three months and buys a filter or a pail of something; he is still important.”

By Editor Samantha Mehlinger



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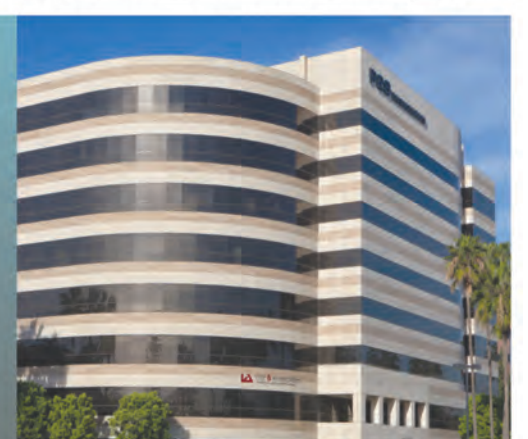
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**Dr. Emily Dodds**

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**D**r. Emily Dodds, owner of Dodds Dental, did not always know she wanted to be a dentist. After shadowing different types of physicians and dentists, Dodds discovered how a career in dentistry would suit her.

“All the dentists who I shadowed just seemed happier,” she said. “They had more regular business hours. They could leave and go and pick up their kids from school. They were small business owners.”

Dodds and her husband, Dr. Dustin Dodds, who is also a dentist, established Dodds Dental in 2016 after both of them spent five years in the army treating active duty soldiers. The location of the business holds a great significance for Dodds, as it has been home to dental practices over the course of three generations.

“We bought a retiring dentist’s practice. He had been here for over 30 years. And there was actually an original owner [before him],” Dodds said. “We have the original patients who came to the original owner 40 or 50 years ago, and we are [also] getting new patients all the time.”

Most of the staff from the former practices stayed in their positions after the Dodds took over. “When we bought the practice, all of the staff was original. The newest staff member, when we bought the practice, had been here for 12 years,” she said. Apart from the Dodds, there is only one new staff member working at the office.

Dodds finds it difficult to manage the dental practice with no business background. “I would say it is challenging in particular for a dentist being a small business owner. . . . because no one teaches a dentist anything about business. We do not learn anything about business in dental school,” she said. “We had to teach ourselves everything we needed to do. Some of it is our staff teaching us things, because our staff has been here longer than we have.”

As a mother of three who is pursuing a graduate degree on her days off, Dodds also faces challenges with time management. “Our biggest priority is taking care of our patients, but we also have the business tasks,” she said. “Time management is tough. . . . if something comes up at school or if someone gets sick, I have to step away and take care of my family and also help take care of this business.”

The office is currently under construction to enhance the space for patients and workers. It has already gone through long overdue changes to give it a new look, according to Dodds.

“We have been working toward this [construction] . . . to have the latest and greatest technology and modern amenities for our patients,” she said. “Looking toward the future, I hope we continue to grow.”

By Staff Writer Annette Semerdjian



**Sara Jane Martini**

**HoboJane Boutique**

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**T**hree years ago, Long Beach resident Sara Jane Martini left a successful career in the corporate fashion world to pursue a more fulfilling path – going into business on her own.

“I did visual merchandising and store design for mostly the action sports industry: Quicksilver, Roxy, DC Shoes, et cetera,” Martini said in an interview at her shop, HoboJane Boutique, located in the Retro Row area of Long Beach. Eventually, Martini longed to escape an unsatisfying corporate culture and a lengthy commute to Los Angeles. She began selling vintage clothing and furniture on the side at the monthly Long Beach Antique Market.

“I did that for two years and that was enough. Then my friends all said, ‘Just open your own store, just do it. . . . You’re driving yourself insane.’ So I did,” Martini said.

It took Martini about a year to find her boutique’s first location on 7th Street, just off of Redondo Avenue. It was 2015. She noted that the intersection there had potential, with a popular bar, a Starbucks, a UPS Store and sushi restaurant. “It was supposed to be up and coming. Didn’t pan out,” she said. So, when her three-year lease was up, she decided to relocate.

“I needed to be around like-minded people that support each other. . . . and this is the perfect spot,” Martini said of her location at 412 Cherry Ave., which she opened this July. A 30-year resident of Long Beach, the Detroit native said she had always liked the area. Being a part of that community, and of the 4th Street Property & Business Improvement District, has been “fantastic” so far, she said.

“I do all my buying in L.A., and I restock usually every two weeks versus a typical retailer who will restock every three months,” Martini said. “I try to keep it fresh all the time, so every time my repeat customers come in they are seeing something new.”

Martini develops a “color story” or theme around which to base her inventory purchases. “Then I create the little stories and vignettes and bring in patterns and complementary pieces,” she said, gesturing around her store. The shop features several areas that could be described as vignettes – a vintage coat and hat hung above an antique painting, for instance. About 10% of her stock is vintage, she added.

As a business owner, a major challenge is the need to constantly post on social media in order to stay relevant, Martini said. The best thing about owning her own business is having the freedom to do what she wants. In summation, she concluded, “I have two kids. They are 19 and 20. I love Long Beach. I love what I do. . . . I couldn’t be happier.”

By Editor Samantha Mehlinger

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**Diana Vu McDonough**

Lacquered

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Local chef and California State University, Long Beach alumna Diana Vu McDonough recently opened the Belmont Heights restaurant Lacquered with her husband and co-owner, Scott McDonough. The restaurant debuted three months ago after about a year of preparation.

A challenge in opening the restaurant was that the site was previously home to an eatery that had operated without a license, according to McDonough. “It all just kind of fell into our laps, and all of the responsibilities became ours. So, it has been a little bit of a whirlwind trying to get open,” she said.

Everything from the flooring to the walls to the decorations were built by McDonough and her husband to create a “real-deal mom and pop’s shop.”

“I did not have any investors. I did not have thousands and thousands of dollars,” she said. “We have just been building this place ourselves. . . . trying to figure it all out on our own.”

Before opening Lacquered, McDonough and her husband began a catering company,

Le Petite Spoon, in Harbor City. The catering company offers French-inspired eats from the couple’s French training from culinary school Le Cordon Bleu.

McDonough recalled the experience she faced as a woman chef before taking the helm at Lacquered, her first restaurant. “Being in the restaurant industry, I’ve been pushed around my whole life by men. . . . And I’m just so proud to be in this [position],” she said. “This is really my ultimate American dream. And the fact that I’m living it in my hometown is just a really awesome feeling.”

McDonough described the restaurant as serving “clean-California comfort food” that is “Vietnamese-Canadian meets French farmhouse.” The menu incorporates her cultural background as well as her husband’s, and is also influenced by their French culinary training. Along with organic rotisserie chickens, the menu includes items such as organic chicken pho and poutine. All of the protein items on the menu are smothered in Lacquered’s homemade sauces.

The menu’s soy lacquered chicken inspired the restaurant’s name. “All of our sauces are made in-house, from-scratch. So every protein has their own lacquered sauce that they get finished with,” McDonough said. Lacquered’s signature chicken is soaked in a secret 20-ingredient brine. “I [can] comfortably say, it’s the juiciest chicken in Long Beach,” she said.

The restaurant’s interior also matches its name, with lacquered decor in parts of the dining area.

Currently, McDonough and her husband do all of the prep work and cooking, which is why the restaurant does not open for a couple days during the week. “The magic has to happen with just the two of us,” she said. “We’re still trying to find the staff and train the staff right now. That’s a really big step for us and we’re really excited to have people to help us.”

By Staff Writer Annette Semerdjian



**Silvia Quinones**

National Cleaners & Laundry

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Silvia Quinones bought her father’s business, National Cleaners & Laundry, in 1991 with her husband, Ruben Quinones. In 1983, Quinones’s father created the chain of dry cleaning establishments in Long Beach and the surrounding areas. Each of Quinones’s siblings also bought National Cleaners locations.

“We did not even own a washer and dryer because all our summers were spent here in the drying and cleaning store. . . . but I didn’t know how to manage it,” Quinones said. “So, my husband and I enrolled in [business] classes at Cerritos College. . . . Nothing was going to stop us. We were going to be successful.”

Quinones is also the owner of Salon Medusa in Bixby Knolls. She began working there part-time as a stylist before buying the salon in 2008. “For about six years I worked seven days a week because I had to build that [salon] clientele and do what I wanted to do,” she said.

Hairstyling came more naturally to Quinones than the dry cleaning business. “I am more of the artistic kind of person, so it was a bit of a challenge for me,” she said. Quinones found that her strength lied in organizing data on the computer instead of by hand, which was how the business was originally managed.

As Quinones began to see the business grow, she, along with her husband, decided to open a location in North Long Beach for people to drop-off their clothes to then be cleaned at the main location.

Some of the local uniform and tuxedo companies soon began sending their clothes to Quinones’s business as well, which allowed her to expand the store’s space.

Despite the growing business, Quinones still faced some challenges as an owner. “Pricing and keeping your customers still coming in and satisfied – I think that is the biggest challenge,” she said. Complying with clean water regulations, as well as buying new equipment, are other challenges she has encountered. “The machinery is not cheap. . . . Those [heavy-duty washing] machines are \$55,000,” she said.

Another challenge is that the dry cleaning industry is primarily operated by men, according to Quinones. Most of the clientele at National Cleaners & Laundry are men, and they still ask to speak to ‘the man in charge,’ she said. Quinones’s manager, a woman, has also faced gender discrimination. “But she has done a great job,” Quinones said. “Women have come a long way.”

Now that the business has reached the potential she envisioned, Quinones looks forward to the business remaining stable after years of working to see it thrive. “I love being a business owner because you do get your freedoms,” she said. “Right now, we are not growing it [anymore]. . . . We are doing well. . . . We want to step back and enjoy a little.”

By Staff Writer Annette Semerdjian

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# Local Operations

(Continued From Page 1)

“We are in a good economic environment for oil and gas production. Prices are up,” David Slater, executive vice president and chief operating officer at Signal Hill Petroleum (SHP), told the Business Journal. After deactivating some of its rigs during the 2016 slump, Slater said he is excited to get SHP’s larger rig, Rig No. 6, back online.

Operating mostly in a three-square mile area of the Long Beach Oil Field, SHP employs 100 workers and oversees 476 wells, 276 of which are currently active. The company produces some 3,100 barrels per day.

Though Slater is optimistic about the future, he said that the company never forgets it is in a commodities business.

“We have no control over the price of our product,” he emphasized. “The only thing that we can control is the cost to get it out of the ground. So we’re very focused on that.”

When prices fell sharply in 2014, the company pulled back on discretionary spending and was forced to downsize its workforce. “It’s always painful,” Slater acknowledged. Now, with prices up and expected to remain steady, SHP is rebuilding its drilling team. “We’re actively recruiting and hiring right now,” he said with a smile. “If you know anybody, send them our way!”

Thus far, SHP has drilled to depths of over 14,000 feet and has yet to find the bottom of the reservoir. Slater called the Long Beach/Signal Hill oil field “amazing,” with new technology giving the company a whole new perspective.

“Acoustic imaging and 3D seismic [technology] allows us to better understand what



Signal Hill Petroleum (SHP) oversees 276 active wells and produces some 3,100 barrels of oil per day. Pictured from left: SHP gas-hydro technicians Dakota Langston and Abraham Aguilar; and SHP Executive Vice President and COO David Slater. (Photograph by the Business Journal’s Brandon Richardson)

the earth looks like,” he said. 3D seismic imaging technology sends multiple sound waves into the ground to create detailed images of what lies beneath the surface, including places where oil might be trapped.

“That keeps our industry able to cost-effectively find more oil and keep producing it,” Slater said.

## Communication & Community

Both the California Division of Oil, Gas and Geothermal Resources (DOGGR) and the South Coast Air Quality Management District, which regulate well operations, have referenced SHP as a model facility, Slater said. He credited his company’s efficiency and community relations.

Because SHP operates throughout the 2.2-square-mile City of Signal Hill, its top priority is reducing impacts, such as noise and smells, for its neighbors.

“There’s no small complaint,” Slater said.

“A call to our company with a complaint – be it an odor, a noise, traffic interference – and 20 people are immediately notified. One of our supervisors will say, ‘Okay, I’m on this, we’re dispatching people.’ And there’s a constant communication, reporting back, until we get the problem solved.”

It’s that kind of communication and community involvement that Catherine Reheis-Boyd, the president of the Western States Petroleum Association (WSPA), believes has been missing from the industry’s media equation.

“One thing that we are trying to do a much better job at is really connect with communities in areas that we operate in – and areas that we don’t – in a much more human way,” she said. WSPA put this concept into action when Assembly Bill (AB) 398, an extension of California’s cap-and-trade program, and AB 617, an air quality

management bill, were under consideration by the state legislature. Both bills were signed into law in July 2017.

“Many people thought it was odd that the oil and gas industry supported an extension of the most aggressive climate change policy in the world,” Reheis-Boyd said of AB 398. But the industry would get nowhere opposing California’s rigorous environmental ambitions, she added. That’s why WSPA wants to keep the table open for negotiation, to work with, rather than against, the regulators. “If you just had the cap, it would be unsustainable,” she said.

In cap-and-trade, the “cap” is the upper-limit to the volume of emissions a company is allowed. The “trade” is how companies can buy and sell allowances for those emissions, which gives operators flexibility when it’s more cost-effective to drill. Companies

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# Oil & Gas Industry

(Continued From Page 25)

with lower emissions can sell their excess allowance to companies facing higher costs. “For businesses, trading is a mechanism,” Reheis-Boyd said, “a market mechanism, that allows the business flexibility and . . . choices to keep the costs down.”

## Higher Global Oil Prices Lead to Higher Investment

“When the LBBJ asked us about the price of oil back in January, we predicted it would be around \$68 a barrel at the end of 2018,” Ralph Combs, manager of regulatory, community and government affairs at The Termo Company, told the Business Journal via e-mail. “So far, so good.”

Termo, an independent oil and gas producer, owns 26 wells in the Long Beach and Signal Hill area, 21 of which are currently active. With oil hovering around \$70 per barrel, the company is moving forward with operations they had postponed over the last couple years. It is working to reactivate several of its idle wells.

“We are hiring people and growing our business, so that is good for us and Long Beach,” Combs said. “Our capital budget this year is more than double what it was last year,” Combs said, “so we are busy.”

Combs, who started working for Termo at the age of 16, said the biggest change in the company is its emphasis on safety and environment. “We were strict about it then; now we are order of magnitudes stricter.”

Bob Grundstrom, leader of the Los Angeles basin for California Resources Corporation (CRC), said his company also puts a premium on environmental safety. “California is not just part of our name,” Grund-

strom said. “It is part of our heritage. Being Californian drives the mindset behind how we operate. Our singular focus on this great state, its rules and regulations, in addition to its tremendous resources and people, is a significant advantage for CRC.”

The largest privately-held mineral acreage holder in California and its largest oil and gas operator, CRC employs approximately 4,000 workers. Since its formation in 2014, the company has generated over \$1.4 billion in state, local and payroll taxes and State Lands Commission revenues. Over the last 15 years, CRC’s unique production sharing contracts in Long Beach have earned the city and state more than \$4.7 billion from local oil production.

CRC is continually investing in drilling and production technologies that minimize its footprint and more efficiently pump from the state’s reservoirs.

“By applying new data analytic tools like machine learning, we’re developing predictive technology for more routine tasks that free up our engineers’ time and allows geologists to focus on high-value development opportunities,” Grundstrom said.

Both Grundstrom and Reheis-Boyd discussed the unique upward mobility that the oil industry provides.

“We are able to employ people who are straight out of high school who have no training,” Reheis-Boyd said, “and we’re able to provide opportunities that are unheard of.” Grundstrom said that one-third of the oil and gas workforce has only a high school degree, and the average salary of a person working in the industry is over \$84,000. For comparison, the National

Center for Education Statistics reported that, in 2015, median earnings of adults aged 25 to 34 who held only a high school diploma was \$30,500.

“CRC is a champion of working families,” Grundstrom said. “Individuals who do not have a college degree can earn well above a living wage and support a family.”

## Long Beach Energy Resources: 2018 A Strong Year

The year-over-year rise in oil prices has been a boon to the City of Long Beach Energy Resources (LBER) Department, which had budgeted oil at \$50 bbl for fiscal year 18. “We’re forecasting actual oil prices for 2019 somewhere in the mid-seventies,” Bob Dowell, the director of LBER, said. “Seventy- to seventy-five dollar range is what the analysts are saying. Thus far, 2018 has averaged about \$68.50 [on the WTI crude oil pricing benchmark]. Wilmington refineries tend to pay two to three dollars more than those prices, so you can kind of see the neighborhood of where they’ve been.”

In all facets, Dowell added, it was a strong year for LBER. His department met and exceeded most of the goals and targets that were established at the start of the year (the city’s fiscal year runs from October 1 through September 30). Oil production met its target of 10.2 million barrels of oil produced, and LBER completed its Advanced Meter Infrastructure (AMI) project for its natural gas distribution. AMI is an integrated network of smart meters, communication collectors and data management systems that improves reading accuracy to 99%, reduces carbon dioxide emissions and saves on costs.

“We’re very fortunate to have some of the expertise and technology that we have,” Dowell said, “and a very strong system for the residents both within Long Beach and Signal Hill.”

LBER oversees oil operations in the Wilmington Oil Field, at one time the third-largest producing oil field in the United States. The majority of revenue from its more than 2,000 active wells is transmitted to the state, but the city estimated that it would receive \$10.69 million in the Tidelands Operating Fund and \$8.91 million in the Uplands Oil Fund for fiscal year 2018. “While FY 18 books haven’t been finalized,” Dowell said, “we fully expect to hit the budgeted numbers and most likely slightly exceed them.”

The Wilmington Oil Field assets have declined over time, but advancements in technology have enabled operators to pump more efficiently and prolong its lifespan, Dowell said. He reported that current economic projections show an end-of-life for the field in about 17 to 20 years.

LBER, formerly Long Beach Gas & Oil, has been operating for almost 50 years with assets spread across the city, and including the THUMS oil islands. Strong oil prices, Dowell said, encourage further exploration. “If oil was \$20 a barrel, it would change the economics of those operations pretty drastically,” he added. “Stronger oil prices have certainly extended the life of that field.”

Like Slater, Dowell is proud of the city’s drilling record and its adherence to California’s stringent environmental and operating regulations. “Because of that,” Dowell said, “and because of the environmental stew-

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(Continued From Page 26)

ardship that the operators all take very seriously, there's an outstanding record of the oil and gas industry within the cities of Signal Hill and Long Beach."

On "the other side of the house," as Dowell put it, LBER oversees natural gas distribution. "We've had pretty good gas prices," Dowell said, but higher summer temperatures raised demand for electric generators that power air conditioners. July 2018 was the hottest month in state history, according to the National Oceanographic and Atmospheric Administration. Consequently, Long Beach is entering its winter with the lowest amount of gas in storage since 2005. LBER is a customer of the Southern California Gas Company, where storage levels and fields have been reduced. The company experienced pipeline issues last winter, which Dowell hopes will not be repeated.

"That's a little concerning," Dowell said. "If it's a very cold winter, we might see an increase in natural gas prices." For now, Dowell forecasts prices will stay at about \$3 MMBTU (one million British Thermal Units) for Long Beach and Signal Hill. "Residential folks shouldn't see much change in their gas bills going into winter."

Dowell concluded by reminding city residents to always call his department's 811 number before digging on their property. "You'd be surprised at how many instances there are of people digging into their own service lines," he said. "Even in construction areas. There are contractors that go out there and start trenching and digging without notifying us and having all the utilities marked. It happens more than you'd think."

## Looking To The Future: Declining Production And Consumption

Despite the ongoing boom in U.S. oil production, California production continues to decline. At its 1985 peak, the Golden State pumped out nearly 1.1 million barrels of crude per day. That output steadily declined 56% from 1985 to 2017, according to data from the U.S. Energy Information Administration (EIA). Meanwhile, oil production in the rest of the U.S. increased more than 147% between September 2007 and July 2018, according to Gordon Schremp, senior fuels specialist with the California Energy Commission.

"California's decrease in the state crude oil rankings is not due to a faster decline rate than other areas," Schremp wrote in an e-mail to the Business Journal. "Rather, it's due to the fact that oil production has rebounded in other states to allow some of them to pass California." New advancements in hydraulic fracturing and horizontal drilling have made it possible to mine the shale formations in the Permian Basin beneath Western Texas and Southeastern New Mexico, he noted. California's Monterey shale is thick and, due to its geology, not as easily cracked by horizontal drilling technology.

Excluding federal production figures for the outer continental shelf, California was ranked third in domestic production as of January 2010. By July of this year, when total U.S. oil production tallied a record 10.964 million barrels per day, California had fallen to fifth place. Alaska is expected to surpass California later this year,

Schremp said, after maintenance on the Trans Alaska Pipeline is completed. Soon, Colorado may also overtake California.

Despite its declining production, California retains the third-largest share of petroleum reserves in the country, according to the EIA.

Though the most populated state in the nation, and boasting its largest economy, EIA reports that California "has one of the lowest per capita total energy consumption levels in the country." The state's "extensive efforts to increase energy efficiency, along with the implementation of alternative technologies, has restrained growth in energy demand," EIA wrote in its October 2017 state energy profile analysis. Per capita energy use in California's residential sector is lower than that of every other state but Hawaii.

In its 2018 California Gas Report, the Southern California Gas Company (SoCalGas) projects that total gas demands will decline in Southern California at an annual rate of 0.74% from now to 2035. This is due to a combination of several factors, including modest economic growth, mandated energy efficiency from the California Public Utilities Commission, tightening standards, decline in commercial and industrial demand, and conservation savings linked to AMI. SoCalGas notes that this slightly more pronounced decline from the 0.7% projection made in 2016 is due primarily to stricter goals on the energy efficiency portfolio. Long Beach's gas use is expected to decline from its 2017 level of nine Bcf (billion cubic feet) to eight Bcf by 2035.

In September, outgoing Gov. Jerry Brown signed Senate Bill 100 into law, setting a target for the state to use 100% carbon-free

electricity by 2045. He also signed an executive order (B-55-18) to put California on the path to full carbon neutrality by 2045. The order is aspirational and sets no definite mandates for how it will be achieved.

"That's tricky," Bob Dowell said. "I think there's probably more questions than answers with that. And there are some significant technological advancements that have to be made for that to be fully met. We'll have to have some resiliency of our grid observed." Dowell believes that there's still an opportunity for the state to utilize natural gas and bio gas rather than a fully renewable mix.

For Catherine-Reheis Boyd, the zero emissions policy of SB100 is not entirely practical. Neither, she noted, was proposed legislation that would have banned the sale of internal combustion engine cars by 2040. That bill was held in committee and never made it to a full vote of the legislature. "There's this sort of false belief that a sustainable energy future can be achieved without oil and gas," she said. "The federal government estimates that we're going to continue to make 80% of our energy needs mix through 2040 through our industry, through fossil fuels."

The state is at a tipping point, she said. To grow beyond the old conflict of industry vs. environmentalists, Californians need to reframe the process as a collaboration. "We can either plan for our future intentionally or deal with this in a real, constructive way, or accidentally, which will have all kinds of consequences that aren't helpful. It's a different way for all of us to look at it, but it's absolutely necessary if we're going to get to any kind of sustainability going forward." ■

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# Since Taking Office Nearly Two Years Ago, President Trump Has Pushed Policies Encouraging Energy Independence

■ By **PIERCE NAHIGYAN**  
 STAFF WRITER

Speaking at a December 2016 victory rally in West Allis, Wisconsin, then President-elect Donald Trump announced that his new administration would work to “eliminate all wasteful job-killing regulations” in the energy industry.

“[W]e will cancel the restrictions on the production of American energy,” he vowed, “including shale, oil, natural gas, and clean beautiful coal.” Two years later, the U.S. has unseated Saudi Arabia as the world’s largest oil producer and shale gas production is on the rise. However, according to experts in the energy field, global and domestic politics have prevented Trump from carrying out the full scope of his energy agenda.

## Promoting Energy Independence

Trump began his deregulatory campaign on the first day of his presidency with Executive Order 13771, or “Reducing Regulation and Controlling Regulatory Costs.” The aim of 13771 was to require agencies to eliminate two regulations for every new one issued, and limit the total cost of all new regulations to \$0 for the 2017 fiscal year.

Days later, Trump signed executive memos to enable TransCanada to construct the Keystone XL pipeline, which

would transport oil from Alberta, Canada, to Nebraska, and for Energy Transfer Partners to complete the Dakota Access pipeline. The move was hailed by the energy industry as a motivator for further development in Canada’s oil sand operations and to help reduce U.S. dependence on oil from the Middle East.

“What this country needs is more jobs, and that is why I have always been a proponent of the Keystone XL Pipeline and was an original cosponsor of legislation approving the Keystone XL Pipeline project,” Senator Joe Manchin of West Virginia said in a statement. “With a majority of Americans in support of the Keystone XL pipeline’s construction, I’m glad we are finally moving forward with this important project.”

EO 13771 was reinforced with a February order requiring designated officers to oversee the implementation of regulatory reform initiatives. Altogether, Trump’s administration would pursue hundreds of deregulatory actions in 2017, including 41 from the Environmental Protection Agency, 54 from the Department of Health and Human Services and 83 from the Department of Transportation.

In March 2017, Trump issued his “energy independence” executive order that called for an immediate review of “all agency actions that potentially burden the safe, efficient development of domestic energy.” The

order defined “burden” to mean “unnecessarily obstruct, delay, curtail, or otherwise impose significant costs on the siting, permitting, production, utilization, transmission, or delivery of energy resources.”

The energy independence order put several regulatory rules into review and revoked or rescinded a number of executive orders and memorandums issued by Trump’s predecessor that focused on climate change and climate action.

In late 2017, a portion of the Arctic National Wildlife Refuge in Alaska was opened up for drilling when Congress passed legislation to overhaul the tax code. Alaskan Senator Lisa Murkowski had tacked on a measure to the tax bill to allow drilling in a portion of the refuge set aside for drilling in decades old, long debated legislation. A statement from Murkowski’s office following the vote read, “The combination of developing more of our natural resources and stimulating America’s economy through tax cuts will create opportunities for our nation and put more dollars back into the pockets of hard-working Americans.”

The Alaska Oil and Gas Association issued a statement following the passage of the tax bill lauding the inclusion of Murkowski’s oil exploration provision. The association called the action, “welcome news for the 70 percent of Alaskans who have supported development in the area

specifically set aside for oil and gas, the ‘1002 area,’ for decades.”

In June of this year, the Trump administration said that in preparation for future drilling, it was allocating \$4 million to improve facilities in the Arctic refuge, including, according to an administration official in a Reuters story, “six projects designed to improve and construct existing outbuildings, facilities and research operations.” The administration also announced that it would push for an oil lease sale next year.

Though domestic oil production has increased under the Trump administration, this is not the immediate effect of deregulation in the environmental or energy sectors, according to Chris Lafakis, a director at Moody’s Analytics. Lafakis told the Business Journal that technological innovation was the real impetus for the current boom in U.S. petroleum.

“U.S. oil production nearly doubled from 2005 to 2016,” he said. “A large part of that was under President Obama’s watch. Hydraulic fracturing proliferated while Obama was president, and so did horizontal drilling, and there weren’t restrictions by the government to slow down the pace of development there.”

In 2014, domestic crude production increased to 8.7 million barrels per day. The U.S. Energy Information Administration

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reported that it was “the largest volume increase since recordkeeping began in 1900.”

Before the widespread implementation of horizontal drilling and hydraulic fracturing (fracking), oil trapped in shale rock formations was difficult and expensive to get to. As the price of crude rose in the mid-2000s, these techniques became cost competitive. Oil drilling in the U.S. was given further incentive in December 2015, when Congress agreed to end a 40-year ban on domestic crude exports as part of a bipartisan budget deal. In exchange for lifting oil exports, Congressional Republicans agreed to extend tax subsidies for wind and solar energy into 2020.

Because of these actions, this year the EIA forecasts domestic crude oil production will reach 10.7 million barrels per day (up from 9.4 million in 2017) and will rise to 11.8 million barrels per day in 2019. Domestic dry natural gas production is forecast to average 82.7 billion cubic feet per day (up by 7.9 from 2017) and continue to rise in 2019.

### International Complications

International affairs have at times impacted domestic production. In March, Trump ordered a 25% tariff on imported steel from most countries, later adding Canada, Mexico and the European Union to the list in July. The tariffs, meant to encourage U.S. production and job growth, were criticized by the American Petroleum Institute, the largest U.S. trade association for the oil and gas industry, for threatening the production of oil, natural gas and natural

gas liquids and potentially raising energy costs for businesses and consumers.

In a statement, API President and CEO Jack Gerard said the association was “deeply discouraged by the administration’s actions to impose tariffs on our three closest trading partners” and viewed it as “a step in the wrong direction.”

According to Lafakis, steel is in high demand in the petroleum-rich Permian Basin, the home of the southwestern shale boom. Producers can’t get the oil out of the basin fast enough, he said, which has led to a bottleneck in oil and gas transportation while new pipelines are being built.

Willie Chiang, executive vice president and chief operating officer for Plains All American Pipeline, testified to Congress that the tariff would impose a “punitive tax of approximately \$40 million” on PAAP’s 550-mile Cactus II pipeline, a \$1.1 billion project.

Concerned that their wholesale product prices would rise as a result of the steel tariffs, American manufacturers appealed to the U.S. Department of Commerce (DOC). Upon hearing public comments, the DOC has thus far heard 8,400 requests for exclusions from the steel tariffs and granted 5,300, according to a Financial Times report.

Whether the steel tariffs prove to be an obstacle or a mere inconvenience, Moody’s Lafakis expects the Permian bottleneck to affect domestic production well into 2019. Of more concern is the potential drop in global crude supply as represented by new Iranian sanctions, Lafakis said.

In May, Trump announced that he was withdrawing the U.S. from the Iran nuclear deal, a controversial 2015 agreement that

postponed the country’s nuclear program in exchange for lifting sanctions. Trump declared that he would impose the “highest level” of sanctions against the country. The day of the announcement, oil prices spiked to their highest level in three-and-a-half years.

Prior to the nuclear deal, U.S. sanctions on Iran constituted a 20% reduction in oil imports. President Trump has called for a 100% reduction in Iranian oil to the U.S. and requested other countries to do the same within six months. Those that do not may face secondary sanctions.

Even if fewer countries comply with Trump’s sanctions than those of previous administrations, Moody’s forecasts a global loss of between one and two million barrels of Iranian oil per day. “Even if it’s 1.5,” Lafakis added, “even if it’s 1.2, that’s a significant amount of oil that comes offline and needs to be replaced by somebody.”

The three likeliest sources of those additional barrels, according to Lafakis, are the U.S., Russia and OPEC. There is a risk that these major oil producers will not be able to compensate. Lafakis also pointed out that “substantial amounts of Saudi oil” are needed to offset Iranian oil imports. This could be jeopardized, he noted, by current diplomatic tensions between the U.S. and Saudi Arabia spurred by the disappearance and purported murder of Saudi Arabian journalist Jamal Khashoggi.

“The U.S. really needs Saudi Arabia,” Lafakis said, “especially at a time when it’s asking, or demanding, all other countries reduce their Iranian crude oil imports. If you don’t have substantial amounts of Saudi oil to offset that, or if Saudi oil exports are sanc-

tioned by the U.S., then you get into a serious situation on oil prices that could really jeopardize the strength of the recovery in the U.S.”

Speaking on behalf of the Termo Company, an independent oil and gas producer with 107 wells across the U.S., Ralph Combs said that U.S. oil production and energy independence may neutralize the longstanding impact of Saudi oil on the market. “Thus far, the markets seem to have shrugged off the potential political turmoil and are focused on the growth in supply from U.S. production,” he told the Business Journal.

Combs, the manager of regulatory, community and government affairs at Termo, added that “Saudi turmoil” may have a bigger effect on California because of its ongoing reliance on imported oil, some of which comes from Saudi Arabia. “Coupled with our declining state production and market isolation from the rest of the oil producing states, we are more susceptible to market shocks,” Combs said. “This hurts the consumer, although we will see higher than WTI prices for our California produced oil.”

### Trump Policies And California

David Slater, executive vice president and COO of Signal Hill Petroleum, has praised Trump’s regulatory rollbacks as a boon for the industry, particularly in the mid-continent area of the U.S. For the areas of Signal Hill and Long Beach, and the state as a whole, the impact has been less pronounced. “The Trump administration has had very little impact on the regulatory environment in California, if any,” Slater told the Journal.

“California regulations have always been far above the rest of the country,” Combs

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said. "The primary effect is on the federal land side of things, so there has been some very minor changes in our Wyoming operations where we operate on federal minerals and BLM [Bureau of Land Management] land."

California's strict emissions standards are more demanding than in the rest of the country, and its petroleum operations are tightly supervised. To maintain the state's stringent policies, lawmakers on both sides of the aisle have moved to preempt Trump's deregulatory actions.

In April 2017, President Trump ordered the Interior Department to review sites for offshore energy development along the U.S. coastline. Nine months later, the National Outer Continental Shelf Oil and Gas Leasing Program (National OCS Program) proposed to make over 90% of OCS acreage available for exploration and development.

The OCS Program would lease federal waters, which are located three nautical miles beyond the continental coastline. Within those three miles, California has refused to offer new offshore drilling leases since the 1969 Santa Barbara Oil Spill. Federal leases were included in that moratorium from 1984 to 2008. To outmaneuver the proposed OCS leases, Gov. Jerry Brown signed two bills (Senate Bill 834 and Assembly Bill 1775) that prohibited new construction of oil-drilling infrastructure, including pipelines, within state waters. This was done by the State Legislature to prevent oil rigs located in federal waters from extending pipelines into California's jurisdiction.

## Petroleum Industry's Economic Value In California

- **368,100 jobs** – The oil and gas industry is responsible for 16% of total California employment
- **\$33 billion** in labor income – jobs supported by the oil and gas industry generate 2.2% of California's total labor income
- **\$66 billion** in value-added – the industry's total contribution to California's GDP equaled 2.7%
- **\$148 billion** in total economic output – the oil and gas industry's combined direct, indirect and induced economic output equaled 3.6% of California's total output
- **\$26.4 billion** in state and local tax revenues
- **\$21.3 billion** in sales and excise taxes
- **\$1 billion** in personal income taxes
- **\$2.7 billion** in property taxes
- **\$310 million** in corporate profits taxes

### User industries of refined petroleum products in California:

- **1,712,715 jobs**
- **\$100.7 billion** in labor income
- **\$427.8 billion** in economic output
- **8.5%** of state's GDP

### Southern California:

Southern California comprises **163,716** oil and gas industry direct and indirect jobs. The industry generates **\$62.7 billion** in economic output in the region.

Source: "Oil and Gas in California, Its Economic Contribution and User Industries at Risk," Los Angeles County Economic Development Corporation, May 2017

According to Bob Dowell, director of the Long Beach Energy Resources Department, the language in the two bills needed to be worded carefully so as to not interfere with the operations at the Wilmington Oil Field, which has generated billions of dollars for California and Long Beach over the past 80 years.

"People overlook that there are currently activities in those very same state lands," Dowell said. "So, when trying to block or stop any new projects, what we have to be careful of is that existing projects in place aren't impacted." The city, as trustee for the state in the Wilmington Oil Field, had clar-

ifying language added to the bills to ensure there were no impacts to existing oil operations on state-owned land.

The Bureau of Land Management is currently compiling an environmental impact report on fracking mineral estates in Central California counties, a precursor to potentially opening over a million acres of land to new oil leases. In August, the White House proposed a freeze for anti-pollution and fuel-efficiency standards that would revoke California's ability to set stricter pollution standards than the federal government.

Catherine Reheis-Boyd, president of the Western States Petroleum Association, who is broadly in favor of Trump's oil policies, commented on the unique difficulty that pro-petroleum administrations face in the Golden State. "The more they push, the more that California digs in," Reheis-Boyd told the Journal. "So [California] actually becomes more stringent, less open to conversation, more combative. We love the open thinking of some of the energy policies, but in California there is such a dynamic political backdrop that we work within."

This is unfortunate, Reheis-Boyd added, because she believes that California's petroleum operators have a sterling record of environmental safety. "Can we responsibly produce oil offshore in California?" she asked. "Of course we can. The resources offered California are large. Would that help our energy independence in California? Absolutely. Would that help our market volatility? You bet it would. Would the consumers benefit from that? Absolutely. Are we going to do it? Probably not." ■

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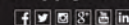
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