

Long Beach Business Journal

BUILDING A BETTER LONG BEACH

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MANAGING EDITOR
Melissa Evans

ADVERTISING DIRECTOR
Andrea Estrada

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VISUALS EDITORS
Brandon Richardson & Thomas Cordova

REPORTERS
Alena Maschke, Brandon Richardson,
Jason Ruiz, Kelly Puente, Sebastian Eche-
verry, Crystal Niebla, Cheantay Jensen

GRAPHIC DESIGNER
Springwave Studios

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PUBLISHER EMERITUS
George Economides

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Long Beach, CA 90802
News tips: (562) 655-7678
Advertising: (562) 912-0161
Editorial: editor@lbpost.com
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More businesses can reopen with looser coronavirus restrictions; what's in store?



A server walks past the bar inside George's Greek Cafe in Downtown, Friday, March 12, 2021. Photo by Thomas R. Cordova.

■ By STAFF REPORTS

Case rates of COVID-19 have fallen dramatically since February, and the state is now allowing Long Beach and Los Angeles County to reopen more business sectors.

On Sunday, March 14, the city and county moved into the less restrictive “red” tier for the first time since the state launched its color-coded system for determining how widespread the virus is in a given area.

The new designation allows more capacity at some businesses, and allows sectors to reopen indoor operations for the first time in nearly a year, including movie theaters, gyms and fitness centers. The new tier assignment also allows restaurants to serve customers indoors at limited capacity.

Here's a rundown of what this designation means for the Long Beach area, and a look at what's in store if rates of COVID-19 continue to fall and the state

meets its vaccination targets.

The Red Tier

Long Beach and the rest of Los Angeles County qualified for looser restrictions on businesses, and the city allowed a range of businesses to open beginning Monday, March 15:

- **Restaurants:** Customers will now be allowed to dine indoors at local eateries, so long as they don't exceed 25% capacity or 100 people, whichever is fewer. Tables will be situated at least 8 feet apart, and parties no larger than six people will be allowed at any given table. Servers are strongly urged to get vaccinated if they haven't already. The city is encouraging guests to dine with people only in their immediate household, although the state guidance allows for up to three households to dine together.
- **Live entertainment at restaurants:** Live entertainment, like bands, will

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A server waits on outdoor diners at the R Bar in Downtown, Friday, March 12, 2021. Photo by Thomas R. Cordova.

(Continued from Page 2)

be allowed indoors and outdoors at restaurants. If they're outdoors, performers must wear masks and keep 6 feet distance—or 12 feet distance if they are not wearing masks. If they're indoors, performers must wear masks at all times and maintain 24 feet of distance from spectators along with 12 feet distance from other performers.

- **Breweries, wineries and distilleries:** If these facilities serve food, they fall under the same requirements as restaurants. Breweries and wineries may open outdoors but guests must remain seated at tables and must be limited to 90 minutes. Reservations are required. Service for on-site consumption must close

by 8 p.m. Bars and pubs must remain closed.

- **Movie theaters:** Movie theaters can operate at 25% capacity or 100 people, whichever is less, with required safety precautions, including seating by reservation only.
- **Fitness gyms:** These facilities can open indoors at 10% capacity, with required masking. Outdoor operations of gyms and fitness facilities are still strongly encouraged. Climbing walls may reopen. One-on-one personal training, with no more than a total of one trainer and one client at a time per business, is also allowed.
- **Museums, botanical gardens and aquariums:** These facilities, including the Aquarium of the Pacific, can open indoors at 25% of capacity.

- **Retail shopping:** retail stores, including indoor shopping malls, can increase indoor capacity to 50%.
- **Personal care services:** Businesses such as nail and hair salons can now increase capacity to 50%, from 25% that is currently allowed.
- **Places of worship:** may open indoors with modifications, including maximum 25% capacity. Outdoor services and cultural ceremonies are strongly recommended.
- **Outdoor live events (sports and live performances):** These events may resume beginning April 1 with capacity limited to 20% of maximum occupancy and limited to those in-state. Venues must implement a weekly worker testing program and other modifications in accordance with state guidance. Indoor live events remain prohibited.
- **Private gatherings:** Gatherings are now permitted indoors with face coverings but are strongly discouraged. Gatherings are limited to three households and no more than 15 people total. Fully vaccinated people may gather indoors in private settings only, without face coverings, with other fully vaccinated people and/or with people who are at low risk for severe COVID-19 disease.
- **Schools:** Local school districts and private schools will be allowed to open in-person education for grades 7-12. Long Beach currently has a plan in place to open elementary schools on March 29, and April 20 for middle schools. A reopening for high schools has been set for April 19 for seniors and April 26 for grades 9 through 11.

- **Weddings and funerals:** Wedding ceremonies and funerals will now be allowed outdoors or indoors, with capacity limited to 25% or 100 people, whichever is less. No food or beverages are allowed, and people must remain masked and distanced.
- **Theme parks:** Moving to the red tier will also allow the reopening of theme parks as early as April 1—including Disneyland in Orange County and Universal Studios Hollywood in Los Angeles County—at 15% of capacity, with in-state visitors only.

The Orange Tier

The soonest Long Beach could move to the orange tier would be the week of April 3, as each region must stay in a given tier at least three weeks.

When and if that happens, here are some of the key differences between the red and orange tiers:

- **Restaurants and movie theaters:** Can increase indoor capacity to 50% or 200 people, whichever is fewer.
- **Places of worship, museums, zoos and aquariums:** Can increase indoor capacity to 50%.
- **Gyms and fitness centers:** Can increase capacity to 25%, and open indoor pools.
- **Wineries, breweries and distilleries that do not serve food:** Can increase capacity indoors to 25% or 100 people, whichever is fewer.
- **Bars and taverns that do not serve food:** Can open outdoors with safety modifications. (In the yellow tier, bars would be allowed to open indoors at 25% capacity or 100 people, whichever is fewer.) ■

Business fee deferrals, street-sweeping ticket forgiveness extended through June

■ By **JASON RUIZ**
Reporter

The Long Beach City Council voted unanimously on March 9 to extend a program allowing people affected by COVID-19 to apply to have their street sweeping tickets forgiven. The council also approved a plan allowing businesses to continue deferring business license taxes and fees.

Both programs were extended through the end of June.

The council also approved new payment plans for business fees and street sweeping tickets that aren't forgiven. The payment plan for street sweeping citations could begin in April while the payment plan for businesses would begin in July, according to a city memo.

How Long Beach enforces street sweeping rules has continued to change during the pandemic. Last year the city stopped sweeping altogether for a time before starting it up with no citations and finally offering waivers to impacted residents. Currently, the city issue citations as normal, but residents can apply to have the penalty forgiven if they've been harmed by COVID-19 or the ensuing economic shutdowns.

A memo from John Gross, the city's

interim director of financial management, said that residents living in parking-impacted areas still qualify for free parking passes in some of the city lots and those experiencing COVID-19 hardships like job loss can still have their \$70 street sweeping citations waived.

How many citations the city will forgive per vehicle has not been determined, and Gross proposed placing a cap on that number.

The business fee deferral program, which began in June, was extended in November and the council's recent vote will now provide businesses with at least three more months before they'd have to start paying.

Businesses license fees and taxes vary by business type and number of employees, but the totals can reach thousands of dollars. Those fees help fund city services like police, fire and street repairs.

The payment plans will offer interest-free and penalty-free options for businesses behind on their city bills or residents who received citations that were ineligible to be waived by the city. Both program deadlines could be pushed back further if the pandemic worsens in the city.

Extending the programs will affect the city's budget. Increasing the forgiveness period for street sweeping is projected to



A Long Beach Public Works employee prepares to issue a street sweeping ticket, Thursday, March 18, 2021. The citation may be forgiven through the city's street-sweeping forgiveness program, which was recently extended through June. Photo by Brandon Richardson.

cost the city \$350,000 in lost parking-citation revenue, and the payment program for businesses could push upward of \$2.5 million in fees due this year into the next fiscal year. But Gross said creating the payment plan could get more people to pay outstanding fees than if there wasn't a plan.

Business fees and parking citations are expected to bring in \$30 million in revenue this year, according to city budget docu-

ments.

The city already has a payment plan for indigent residents that allows citations to be paid over the course of two years with all late fees and penalties being waived if monthly payments are kept current.

For more information on how to apply for a street sweeping ticket waiver, visit the city's parking citation website, <http://www.longbeach.gov/parking/citations/>. ■

Eight new flights offered at Long Beach Airport as passenger activity continues to lag

■ By JASON RUIZ
Reporter

Long Beach Airport began service to seven new cities this month.

Southwest Airlines, the airport's largest tenant, is adding seven daily flights to its destination options including Chicago, Dallas, Houston, Maui, Reno and St. Louis. The airline will also begin daily service to Honolulu and Maui.

Hawaiian Airlines, which has flown daily to Honolulu since 2018, also will begin service to Maui's Kahului Airport, according to a city release.

Hawaiian's new flight to Maui started service March 10 and Southwest's new flights began daily operations March 11. Long Beach is now the only airport in the Los Angeles area to offer service to Hawaii on Southwest.

"Our airport is a powerful economic asset for our city," Mayor Robert Garcia said in a statement. "These new flights provide valuable connectivity for both our regional residents and travelers wanting to visit Southern California."

Travel to Hawaii still requires a negative COVID-19 test prior to arrival on the islands, and the city and Hawaiian Airlines have both been testing travelers in the airport's parking lot



A Southwest flight comes in for a landing at Long Beach Airport. Photo by Brandon Richardson.

since January.

While many of the new flights were announced last year, the decision to begin operating them comes as the country continues its push to immunize residents against COVID-19.

Over 92 million doses have been administered in the United States and Long Beach.

Gov. Gavin Newsom said earlier this month that he expected that California could achieve herd immunity within 100 days if the vaccine supply keeps up.

These developments have instilled

positivity in the airline industry despite a continuing lag in passenger traffic, said Kate Kuykendall, a spokesperson for the airport.

"It's definitely increased optimism in the travel industry that as vaccination rates continue to increase that people will want to get back on planes," Kuykendall said. "But as of this point we haven't really seen a significant change in passenger traffic."

Last year, traffic at Long Beach Airport was decimated by the pandemic with many people avoiding air travel. Early in the pandemic passenger traffic

was down as much as 98% but a surge in holiday travel propelled it to finish the year just 71% lower than 2019.

Passenger traffic for January, the most recent available data, shows that passenger traffic in 2021 is down 86% compared to January 2020. Kuykendall said the new flights will likely result in passenger traffic increasing overall even if those new flights aren't flying at capacity.

"To the extent that our airlines want to come back and fly the slots and utilize them we're happy for them to do so," Kuykendall said.

A total of 53 daily flights are allowed under the city's noise ordinance but just 27 were being flown prior to the new flights. The addition of the new flights, and a new service from American Airlines to Dallas scheduled to start in April, will bring the total daily flights to 36.

The airport waived minimum slot usage rules—a requirement that airlines fly a certain number of times per week for each slot—last year and Kuykendall said those waivers are still in place.

Southwest, the airport's largest tenant with 34 slots, will be flying between 24 and 27 times per day with the new flights. ■



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Aquarium of the Pacific gets \$5 million loan from the city

■ By **BRANDON RICHARDSON**
Reporter

The City Council on Tuesday, March 9, unanimously approved a loan of up to \$5 million for the Aquarium of the Pacific, which has been suffering significant financial hardship brought on by the COVID-19 pandemic.

The aquarium closed out 2020 with a net loss of \$13 million, having lost \$600,000 to \$1.1 million per month due to coronavirus closures and restrictions. Regardless of attendance, the facility has about \$2 million worth of necessary monthly expenditures that cannot be overlooked for the health and safety of its animal inhabitants.

Though she supported the motion to approve the loan, Councilwoman Suzie Price voiced some concern about the funding and backing source for the loan: the Oil Field Abandonment Reserve and the Tidelands Operating Fund, respectively.

The Tidelands Fund pays for various programs, services and projects, including the convention center maintenance and improvements, lifeguards, tree trimming, and developments. Two notable developments to be funded with Tidelands money are the Belmont aquatic center and the Belmont Pier upgrades, both of which are in Price's district.

"For many years it was thought that the [fund] was positive and secure and stable and a reliable source to fund a lot of what we have along the ocean, including major city assets like the convention center, Queen Mary and the aquarium," Price said. "That is no longer the case as we look at the obligations in the Tidelands area and what we have to fund."

While aquarium and city staff think it's un-



A masked child interacts with a sea otter at the Aquarium of the Pacific, Thursday, March 18, 2021. Photo by Brandon Richardson.

likely to occur, should the aquarium be unable to pay its loan down the line, the Tidelands Fund, which comes mostly from oil revenue, would be used instead.

The Oil Field Abandonment Reserve is a pot in the Tidelands Oil Reserve Fund set aside

for when oil production ceases at city-owned wells, which must then be capped. With around 2,000 city-owned wells in Long Beach, the city is on the hook for more than \$140 million of abandonment liability over the next decade or two, while the state is in for more than \$900 million for those same wells.

The city deposits about \$6 million per year in the fund, but suspended the practice last year and may not contribute to it this year or the next, according to the city memo. Before considering the loan, the fund has \$34 million. ■

City Council OKs plan to spend an expected windfall of \$153 million in federal funds

■ By **JASON RUIZ**
Reporter

The Long Beach City Council on Tuesday, March 16, approved a proposed plan to spend the \$153 million Long Beach is expected to receive through the federal American Rescue Plan which was signed into law earlier this month.

The approved spending recommendations were nearly unchanged since Mayor Robert Garcia initially unveiled the Long Beach Recovery plan.

The mayor also revealed the city would

receive an additional \$12.35 million that it could spend at the city's discretion. At the council meeting, Garcia said the additional money would be allocated to more housing support like down-payment assistance for first-time homebuyers (\$5 million), early education and child care (\$1 million), micro-mobility and guaranteed income programs (\$2 million each).

The plan will also invest in economic empowerment zones (\$1.25 million), expanding translation services (\$500,000) and eliminating library fees as well as increasing the city's immigration defense fund (\$300,000 each).

"This is just a piece of what's happening around economic recovery," Garcia said, noting that additional state and federal grants could ultimately bring more money to Long Beach businesses.

Some of the new proposed allocations reflected community demands for greater investments in communities hard hit by the COVID-19 pandemic and its economic toll.

Long Beach has over \$230 million in federal funding to spend, but large chunks of it are tied to previously approved programs to help renters with back rent, or are dedicated to specific parts of the city like the airport, homeless services and COVID-19 testing and contact tracing.

The distribution of funds will come in two waves, with the city receiving half of the funding in the first 60 days after the federal government begins sending money to states and cities, and the other half a year after the first distribution.

The funding must be spent by the end of 2024.

City Manager Tom Modica again cautioned the council that the city does not know exactly how the feds will allow the money to be spent. Modica said that better-defined guidelines are expected to be released by the federal government in the next 60 days.

"We really shouldn't be committing these dollars to anything we can't undo before those regulations are out," Modica said.

One of the largest allocations the city pro-

posed is to plug budget holes, end furloughs and replenish the city's reserves with over \$83 million of the \$153 million from the federal government.

Federal guidance on whether this is allowed has not been released. Shoring up the city's finances, however, could put off painful budget cuts, some of which were made worse by the pandemic, city officials said.

The council approved using \$30 million to patch an anticipated budget shortfall in the coming fiscal year, but the city still faces a \$37 million shortfall in the fiscal year starting Oct. 2022.

"We can respond to the emergency because we had the reserve to do so, and now part of this plan is to replenish it so we can respond to the next pandemic or natural disaster," Garcia said.

The plan also pledged \$51 million to directly support businesses, including a \$13 million grant that will allow the city to provide free testing and contact tracing as more businesses start opening and operating indoors.

Tens of millions more were allocated to cleaning up business corridors, providing basic-needs services like food distribution events and helping to close the city's digital divide.

Approval of the funds could ultimately change if federal guidelines released over the next few months conflict with the city's plan. ■

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Pandemic-themed art exhibit unveiled at Long Beach Airport

■ By **JASON RUIZ**
Reporter

As travelers head back to Long Beach Airport in the coming months, they'll not only be greeted by new COVID-19 travel rules, but also by a new art exhibit depicting life in the pandemic.

The exhibit, "We Got This: Art in the Time of the Pandemic," unveiled Wednesday, March 10, is comprised of 20 pieces that were collected from local women artists and shows messages of hope and solidarity that were ubiquitous in 2020. The exhibit is also available to view on the city's website.

Pieces from the exhibit are on display along construction barriers that separate public areas from ongoing work on the airport's Phase II Terminal Improvement Program. The art will be on display for at least the next six months, the city said in a statement.

The works range from scenes of nature to paintings of essential workers wearing masks and activities that people turned to to stay active, like roller skating and walking on the beach. An American flag with its stars made out of a navy-blue medical mask and a piece titled "Sheltering" showing scenes of 20 different homes sheltering in place is also part of the exhibit.

The title of the exhibit was borrowed from one of the pieces submitted by Nuria Ortiz, who goes by "Ms. Yellow." Her work

shows two women riding birds in opposite directions, one holding a banner saying "I miss you" and the other carrying one that says "We got this."

"I was trying to show the disconnection that we were currently going through the pandemic has definitely forced us to reevaluate ourselves, our lives, and connections to each other," Ms. Yellow said. "The piece just shows two people that have sentiments for each other but are forced to be apart."

Ms. Yellow said that the piece that's now at the airport was based on a previous work that she completed as part of the Arts Council's initiative to paint over boarded up businesses last year. One of the bird-riding girls originally appeared on plywood outside a business on Fourth Street.

"It's kind of surreal," the artist said. "I travel a lot for work and a lot of times I travel out of Long Beach Airport so it's kind of cool to see my work up there among all these amazing women."

Tracy Negrete, who submitted a vibrant painting of a local woman on roller-skates, said she tried to home in on releasing energy and exercising, something that quickly became one of the few things that anyone could do during the initial stay-at-home orders.

"I was able to put my skates on in the evening, take my dog out with my mask on and still get some kind of a release," Negrete said.

Negrete has also worked on murals in



Travelers walk by a new coronavirus-themed art installation at Long Beach Airport, Thursday, March 18, 2021. Photo by Brandon Richardson.

Bixby Knolls and Cambodia Town and a number of electrical boxes near Downtown. She said her work typically uses the bright, positive colors shown in her airport piece because public art can have the ability to set the mood for someone walking by.

The focus on women artists for this exhibition is part of the Arts Council's work with LBSuffrage100, a local group working to ensure women are recognized for their works, to commemorate the anniversary of women gaining the right to vote. All artists

in the exhibition were paid \$500 through the airport's share of the citywide Percent for the Arts Program.

"We are so thankful to Long Beach Airport for partnering with us to commission such a timely exhibit and promote local women artists," said Griselda Suarez, executive director of the Arts Council for Long Beach. "These artists are proud representatives of our city, and the work portrays the strength our community has shown through this pandemic and hope for the future." ■



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More cannabis dispensaries could be in the works as Long Beach looks to increase equity in ownership

■ By **JASON RUIZ**
Reporter

Long Beach is looking into offering eight additional licenses for cannabis dispensaries in hopes of diversifying those who own and run them.

A unanimous vote by the City Council on Tuesday, March 16, initiates an analysis by the city to determine what a permitting process would like if the council officially creates more licenses for dispensaries. A voter-approved ordinance in 2016 capped the number of dispensaries at 32, all of which have opened or are in the permitting process.

The city hopes to attract more “equity” owners—those who have lower incomes, live in underserved parts of town or have prior criminal records tied to cannabis—who qualify for assistance under the city’s cannabis equity program to attain ownership in the city’s burgeoning industry.

The city has a process that offers up to \$235,000 in grants to qualifying applicants. However, out of hundreds of applications, only one equity owner has advanced to the final round of permitting and the city has yet to approve a retail license for a Black-owned dispensary, according to the city.

It can cost upward of \$1 million to open a dispensary in Long Beach, according to city officials.

That’s why Councilman Al Austin requested the item Tuesday that could lead to eight new licenses set aside specifically for equity owners who have at least a 51% stake in the business.

“If not now, when?” Austin said. “Eq-

uity delayed is equity denied.”

An amendment to Austin’s request could also tie all future cannabis business tax revenue from new businesses to be invested into youth and communities most affected by the war on drugs and create a pipeline for city residents to get involved in equity ownership.

“I just want to make sure that what we do is sincere and we get it right and we create some real opportunities for people,” said Councilman Rex Richardson, who suggested the changes. “Because what I don’t want to see is for the program to fail.”

The city had previously looked into helping equity owners get into parts of the industry that require less capital investments, like shared-use manufacturing opportunities, where equity owners could share facilities with other businesses, or delivery-only services.

Members of the public and some members of the council rebuffed that idea because it would continue to lock out equity owners from dispensaries, the most lucrative part of the cannabis industry.

Brandon Bolton, a member of the Cannabis Commerce Council Long Beach, said the new licenses would be a step forward to bringing economic prosperity to communities of color and those who have been negatively affected by the war on drugs in Long Beach.

“There are currently zero Black-owned retail storefronts, even though this industry was really built on the sacrifices of these Black and Brown communities, and they’re not really reflected in the legal cannabis market in Long Beach,” Bolton said.



Diamond Gomez shows product from behind the counter at Haven Cannabis Dispensary in the Belmont Heights neighborhood. Photo by Thomas R. Cordova.

Deputy City Manager Kevin Jackson said it could take until mid-September for the city to determine how new licenses would be created and distributed, and if it was feasible to do so.

Jackson said that the city wants to avoid the mistakes that other cities have made with equity applicants, namely trying to protect them from investors who might try to force them out of the business partnership after the license is granted.

“There are multiple instances in multiple cities where investors have employed predatory practices and taken advantage of equity applicants,” Jackson said. “We do believe it’s a viable option, but we recognize it’s very complex and we would want to do some analysis to make sure that

equity applicants are not taken advantage of when we do put a process in place.”

Creating additional licenses would create an opportunity for equity owners, but how realistic the opportunity is remains to be seen. One of the biggest obstacles in the city’s cannabis equity program is that an applicant can only have up to \$250,000 in net worth.

Under the current restrictions, opening a dispensary could require an equity applicant to leverage their entire net worth while qualifying for all available city grants just to get to the halfway point of opening a million dollar dispensary.

In an interview Monday, Emily Armstrong, the city’s new cannabis program manager, said that the city currently has no plans to expand the definition of an equity owner, including raising the ceiling of their allowed net worth, but said that policy can always be amended by the City Council on any given week.

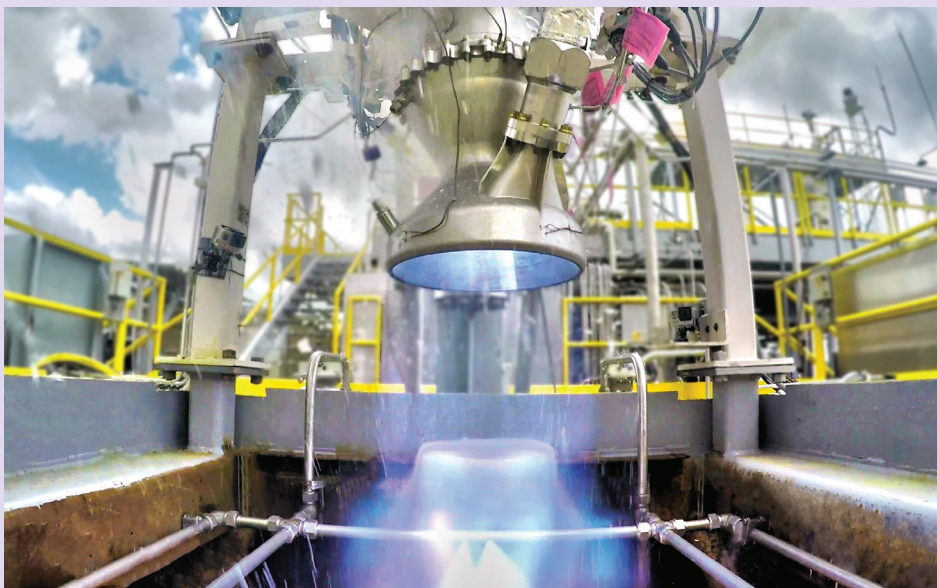
The amount of grant funding could be increased on a case-by-case basis but it would depend on the amount of grant funding the city receives for equity cannabis programs in a given year. The city was just granted \$1.26 million this week from the Gov. Gavin Newsom’s Office of Business and Economic Development.

If the council does ultimately create new licenses for equity owners, the licenses would also be constrained to adult-use sales only, according to the city attorney’s office. Because voters approved the city’s medical cannabis ordinance, which created the 32 dispensary cap in the city, any amendments relating to medical cannabis licenses would likely have to go before the voters again.

The final obstacle would be finding enough space in the city to accommodate new storefronts. A lot of the areas where cannabis dispensaries are allowed has been developed by existing retailers, but Armstrong said she believes there is still room for more.

However, she said the number of licenses that could be created by the council would be constrained by geography. Adult-use cannabis sales are subject to most of the buffers put in place by state and local agencies that require medical dispensaries to be hundreds or thousands of feet from schools, beaches, parks, libraries and day-care centers. ■

Relativity Space announces first defense contract for rocket launch service



Relativity Space tests the engine of its Terran 1 rocket at its facility in Cape Canaveral. Photo courtesy of Relativity Space.

■ By **BRANDON RICHARDSON**
Reporter

Relativity Space, the most recent addition to Long Beach’s reemerging aerospace sector, was awarded its first U.S. Department of Defense contract, the company announced this week.

The contract is through the department’s Defense Innovation Unit and is part of the Space and Missile Systems Center Launch

Enterprise, a follow-up effort of a rapid launch initiative used to identify low-cost commercial systems.

“The Defense Innovation Unit is a group whose innovative approach aligns with the work we are doing at Relativity to revolutionize the future of aerospace,” co-founder and CEO Tim Ellis said in a statement.

Relativity’s Terran 1 is the world’s first fully 3-D-printed rocket and is made using a printer, dubbed Stargate, and a metal alloy

developed by the company. Certain rocket components have been made using 3-D printing for years but Relativity is the first to take it a step further.

The defense unit’s work focuses on strengthening national defense through the adoption of commercial technology, according to a press release. The unit was seeking launch systems capable of delivering payloads of between 450 and 1,200 kilograms to low-Earth orbit.

The Terran 1 can deliver payloads up to 1,250 kilograms.

The defense contract is the ninth launch customer announcement for the firm, which is still in the development phase for the Terran 1. Engine testing is underway at the firm’s Cape Canaveral launch site and the first demonstration mission is expected later this year.

Other contracts include two with NASA and another with global security and aerospace company Lockheed Martin.

The company was founded in 2015 by Ellis and Jordan Noone in Los Angeles. The firm relocated to Long Beach in summer 2020 and since then has nearly tripled its workforce to around 300, Caryn Schenewerk, the company’s vice president of regulatory and government affairs, told the Business Journal last month. Relativity is working with city staff to identify space to accommodate further growth, she added. ■

Conventions Drive Long Beach's Hospitality, Tourism Economy

When visitors come to a convention on Long Beach's waterfront, they also go out to dinner after with friends at nearby restaurants, shop for gifts to bring home, stay overnight at hotels, and rent bicycles to pedal up the beach path. When they like what they see, they may schedule a return trip with the whole family.

Hospitality and tourism is the second-largest job sector in Long Beach and an industry that — pre-pandemic — was estimated to generate \$1.8 billion in economic impact annually, according to an independent study conducted by Los Angeles-based Beacon Economics.

"Convention business is 100% important to Long Beach — it brings people to the city and highlights what we have here," said Imran Ahmed, general manager of the Long Beach Marriott.

But the city has been forced to make due without conventions for more than a year now due to coronavirus and regulations that have limited gatherings as a way to prevent the spread of the deadly virus.

"Convention business is integral to our business," Imran said. "It's been a very trying year, and the only thing the city can do to help us is to convince the governor to open small conventions and restaurants again to start employing people and generating business and getting the economic engine moving."

When gatherings do resume, Long Beach Convention & Visitors Bureau President and CEO Steve Goodling and his staff have banded together with the California Convention Center Coalition in a commitment to maintain necessary safety protocols.

The tourism sector of the state's economy accounted for \$66.1 billion in direct spending and 457,000 jobs in 2019, according to the Coalition formed by 130 frustrated industry leaders calling on Governor Gavin Newsom to issue state-wide guidelines clarifying under what conditions events can resume in California. Coalition leaders claim California is losing business and jobs because of the uncertainty.

"Every day I'm on the phone with someone trying to convince them to not cancel and take their business to another state," Goodling said, noting that beyond the financial implications, the industry-leading Convention Center is at the heart of Long Beach's downtown, a vital cultural hub where young ballerinas, violinists and race car drivers are inspired to one day take that stage for themselves.

In terms of jobs in Long Beach, hospitality and tourism is second only to health care. Trade and transportation make up the third largest category of employment.

And, in terms of taxes, visitors in Long Beach keep the city's coffers full, with transient occupancy tax generated by

overnight visitors at hotels being the fourth-largest tax revenue generator.

Long Beach City Councilwoman Cindy Allen underscored how valuable conventions and tourism industries are to the city and its small businesses. She said, "These business owners wagered their futures on our active convention center and tourist traffic."

Downtown Long Beach Alliance Board Chair Alan Pullman, founding principal at Studio One Eleven, said Long Beach's economic health depends on bringing visitors to the city, especially downtown.

"The most attractive thing for people is other people," he said. "When you are in a downtown that is vibrant, people are always on the sidewalks and going to events. It feels safe. It's enticing. It attracts more people. A downtown without any foot traffic feels a little dead and is not attractive to anyone."

Businessman Terry Antonelli, owner of L'Opera and longtime CVB board member, said there must be tourism to bring back the economy post-pandemic. He hasn't yet reopened his Italian restaurant but hopes the situation with COVID-19 continues to improve enough so that he can soon welcome back customers and employees.

"Conventions are huge for us," he said. "I think we will get a run of business from pent-up demand when we first open, but then business is going to be off a bit until the conventions are back to hitting their stride."

Parkers' Lighthouse General Manager David Maskello noted that trade show and special event visitors regularly book out all or part of Parkers' for private banquets, which has become a dependable revenue stream for the fine dining restaurant.

"The CVB brings so many eyes into Long Beach," he said. "I cannot tell you how many times someone tells us they were here for a convention last year and have come back for vacation because they wanted to bring their family back."

Maintaining Long Beach's reputation as a destination is a priority for city leaders, according to Public Works Director Eric Lopez. The Convention Center has benefited from approximately \$65 million in public-facing renovations over the past decade to create industry-pioneering event spaces and flexible solutions for conventions.

"It's been transformed into a place where people want to go," Lopez said, crediting the award-winning CVB staff and the Convention Center operator ASM Global with helping the city invest in the right areas to keep Long Beach at the forefront of the industry. "It's really a space that is memorable that people talk about long after their convention or special event brought them here."



For first-time homebuyers in Long Beach, it's not a great spot to be in, experts say



Listed at \$649,000, this home at 3015 Delta Ave. on the west side of Long Beach is near the median house price in Long Beach. But whether you can get it at that price is another question. Listing photo.

■ By **TIM GROBATY**
Columnist

Perhaps growing weary of this column's frequent showcasing of multi-million-dollar homes in Long Beach, some readers wonder why I don't more often write about more affordable houses.

Part of the reason is that opulent, seven-figure palaces are more interesting to read about than a stucco tract home, but I'm certainly aware of the fact that people also want to look at homes that they can conceivably afford, though these days even those houses are becoming increasingly harder to afford.

Wrote one reader recently: "Maybe you could run a story showcasing the kind of run-down derelict dumps people earning under \$250,000 can afford to purchase in LB?"

I can, but I need more info, like your credit rating, your monthly debt, your down payment and other things, including how much under \$250,000 you earn every year.

If you make just a couple of bucks shy of a quarter-million dollars, you're well positioned to select any one of several homes on the Peninsula, Belmont Shore, Belmont Heights and even a few in Naples. If you haven't been throwing your \$20,800 monthly checks into a wood chipper, you would more than likely qualify for a loan on a \$1.85 million home, according to Glenn Daly, branch manager for Essex Mortgage in Orange. "And you could probably get

more," he said.

But let's not be so literal about what "less than \$250,000" is. Cut it in half and you're making \$125,000 a year.

With that household income, and roughly \$1,000 a month worth of debt payment (credit card, car loan, etc.), you could qualify for a \$750,000 loan, said Daly, and buy a home for that much with a 10% down payment, making your mortgage about \$4,000 a month, including mortgage insurance.

And \$750,000 still buys a lot more than a derelict dump, though it's not going to be catching as much of that ocean breeze that you'd enjoy with a \$1.85-million home.

The median sold-house price for a home right now, though it's increasing almost hourly, is about \$680,000, according to Realtor.com. Other sources vary. Redfin, for instance, puts it at \$660,000. Movoto.com, \$649,700.

Call it \$650,000. Put 10% down and Daly says you'll only need a household income of \$9,200 a month, or \$110,000 a year, to buy this median-priced home, with a monthly mortgage of \$3,500.

The initial point is well taken, though, because there are people looking to buy their first home, and there has never been a more difficult time for those people to obtain what has traditionally been a defining characteristic of the middle class. The difficulty for first-time buyers is not only the daunting down payment, but just in getting your offer in and accepted before wealthier

buyers and investors swoop in and snipe the property. The rich, as it turns out, have a keen interest in getting richer.

These days, you can find the house of, if not your dreams, then at least one that might have the potential to warrant the word "cute" in the real estate listing, priced near the median range. But if it is, in fact, cute or cute-adjacent, there is a fairly decent and depressing likelihood that someone with more than a \$250,000 annual income will jump in with a duffel bag full of cash and offer the seller a good deal above the listing price (and presumably the high end of what you've budgeted for) to outbid you.

You see a house you like, especially in the \$700,000-\$800,000 range, you'd better have a spare \$100,000 hidden behind pictures in your house, because with the historically sparse number of houses on the market, coupled with similarly historically low interest rates and coupled again with the fact that investors are seeing real estate as an increasingly dependable way to get richer quicker—and let's go ahead and include flippers who, with a couple of buckets of paint and a flat of pretty perennials from Target, can squeeze another \$100,000 or more out of a house with just a few hundred dollars worth of material—you're likely to get bullied and steamrolled in your quest for home ownership by people you'd not be advised to play poker with.

The first-time buyer, too, is competing against older homeowners who

are sitting on hundreds of thousands of dollars of equity and are trading up or downsizing into the home you're looking at.

"Everything is selling above listing, the comps today aren't indicative of what people will pay now; there's no logic to it," said Pat Cassara, a Keller Williams Realtor who sells homes all over Long Beach and its surrounding cities.

The shopper who looks at comps—the prices paid for similar houses in the area—will find that investment buyers don't pay any attention to those numbers, said Cassara. "I listed some homes in Downey recently for \$1.2 million and got all-cash buyers, taking them as-is. The terms that sellers are dictating are crazy."

A home in Bixby Knolls that went on the market a couple of weeks ago for \$749,000 was barraged by buyers interested in a home at that price in a nice neighborhood. It's indicative of the sparse single-family detached home inventory, especially in nice, erstwhile middle-class neighborhoods, that the home, though hardly lavish, with two bedrooms and one bath in 1,200 square feet, quickly sold with an offer of \$840,000, with 13 backup offers.

"For buyers, it's frustrating to say the least," said Phil Jones, managing partner for Coldwell Banker Coastal Alliance. "It's not just Long Beach or California, it's nationwide. It's all about lack of supply," he said. "Since 1980, the state has grown from 25 million to 40 million, and to accommodate everyone we needed to have been building 500,000 units per year, and we've been doing less than 100,000 per year."

The shortage, said Jones, is exacerbated by large-scale investors and venture capital firms that have bought up a huge volume of single-family homes. "They treat them like stocks and bonds," he said. "And the unfortunate part is they buy them to hold onto. There's no indication that they're putting them back on the market."

They are, however, renting out their investment properties, which somewhat loosens up the rental market. "Rents are actually going down a bit," said Jones.

But in terms of sales, Jones said the housing inventory is as low as he's ever seen it. "I remember back in the 1990s, we used to carry 2,900-3,000 homes for sale at a time. Last week, there were 447 properties for sale in Long Beach, and only 247 of those were single-family homes."

For first-time buyers, he said, "it's not a great spot to be in."

If home ownership is indeed indicative of middle-class status, then the middle class is dwindling rapidly, the many shades of gray that once separated the very wealthy from the lower class

have largely dissipated. Or at any rate, the gap between people who can afford houses and those who can't is, according to Seiji Steimetz, chair of the department of economics at Cal State Long Beach, "definitely a gap that seems to have grown."

Steimetz said that the term middle class is basically defined as a household that earns the median income which, in Long Beach, is about \$63,000 a year. And, he says, "a mortgage broker will tell you you typically need to make about \$100,000 for every \$500,000 worth of mortgage debt, and the middle-class person usually doesn't make that much. A middle-class person cannot afford to own a home in Long Beach right now."

Potential buyers hoping for the bubble to burst might be in for a wait, because the growth in the market this time isn't built on a flimsy foundation like the ill-advised and wobbly subprime mort-



A cute Craftsman-style 2-bedroom home at 217 W. 12th St. is listed at \$635,000, close to the \$650,000 median home-price mark. Listing photo.

gages that caused the housing market to collapse, resulting in the Great Reces-

sion of 2008.

Rather, this time, says Steinmetz,

it's simply an Econ 101 matter of supply and demand—along with the Federal Reserve printing money like mad to forestall inflation while keeping interest rates low.

Those rates are beginning to inch up a bit, and if they get much higher, the buying spree could cool off a bit and back off some from the mania that the market is now experiencing. But experts don't expect home prices to tank to such an extent that it would spread the kibble around to let the little dogs get their share.

"The population grows faster than we can supply houses," said Steinmetz. "And many Long Beach neighborhoods are nice places to live, and that drives the prices up, too, with people moving here from Los Angeles and elsewhere."

"There's only a limited amount of houses the city can supply, and the prices go up to where they become unaffordable for many people." ■

Huff's Family Restaurant is closed; debts make reopening doubtful

■ By JASON RUIZ
Reporter

For 65 years, Huff's Family Restaurant has stood at the corner of Wardlow Road and Norwalk Boulevard serving family fare and diner-style staples to loyal customers, but in February it closed its doors, and, barring a small miracle, it may never open again.

Gayle Duhem, who her staff affectionately calls "Big Red," has worked at Huff's for 28 years. She started as a waitress before advancing to manager, and for the past 10 years she's owned the restaurant that she described as a place where you could take a family or come in by yourself and become family. It was filled with "her people."

"When you love to go to work every day, that's something," Duhem said.

But recently Duhem had to let go of 20 members of that family because she's tens of thousands of dollars in debt, something that could force her to say goodbye to the place where she loved to work for the past three decades. The thought of it, to her, is devastating.

Like many other businesses, Duhem's has been hammered by changing COVID-19 regulations, openings and closings, and in Huff's case, proximity to Orange County, which has had more lenient rules for restaurants, and less enforcement of them than in Los Angeles County.

As the pandemic began to take its firm grip on the local economy last year and restaurants were forced to close, Duhem almost immediately began pouring money into the restaurant. Limited to take-out, she invested in boxes, soufflé cups and "individual everything."

She applied for federal COVID-19 relief funds but got nothing. The cost of food grew when she was no longer buying food from her distributor because large portions purchased at a savings became a liability amid evolving COVID-19 policies. The costs continued to pile up.

When the state closed outdoor dining



Gayle Duhem, 74 center, stands with two waitresses Michell Lanni, 63 left and Vicky Donnelley, 62, who both worked at the now closed Huff Family Restaurant for over 20 years. Photo by Thomas R. Cordova.

the day before Thanksgiving, it was a backbreaker for Huff's. Duhem said she had bought about \$3,000 worth of turkeys in anticipation of orders from the many seniors and singles she serves. In 2019, Duhem sold 160 turkeys, this year the number was zero, she said.

When outdoor dining was once again allowed in the county, she put seven tables on her outdoor patio. When inspectors said that they were too close, she reduced them to five. Some people would show up hoping to eat indoors only to learn that the restaurant was in Long Beach, and they would leave.

"We did everything we were asked to do and you could walk across the street and go inside and eat inside," Duhem said. "What happens in the middle of the

street that on our side, we can't open, and on the other side they can?"

A last-ditch effort started by a longtime customer last month is seeking to crowdsource \$45,000 to help keep the East Long Beach restaurant open. Christy Ur grew up going to Huff's and her dad has known Duhem for the past 50 years.

When Ur heard that the restaurant was in danger of closing she wanted to do something to prevent the pandemic from taking a treasured childhood memory.

"She's just really excited that someone's trying to help," Ur said.

Duhem said Huff's is the kind of place where you could pick your own seat and some of the best selling sandwiches—such as the Ralph—are named after the regulars who created them. And

the Ralph is made with real turkey, roasted in-house, not the pressed or "sawdust" you'll find in other places, she proudly pointed out.

She'd like to be able to be able to open her doors soon now that COVID numbers are becoming more hopeful. The kitchen is stocked, employees are ready to come back to work but without an infusion of money, the mounting back rent and utility bills could keep Huff's from serving another dish.

If that's the case, Duhem said she just wants "her people" to know how much she cared about them.

"We just love these people and we hope they appreciate that," Duhem said. "They weren't just a customer when they walked in. They were our friend." ■

With Queen Mary lease set for auction, the fate of a city landmark is uncertain

■ By KELLY PUENTE
Reporter

Long Beach's Queen Mary has seen many operators struggle to make the historic ocean liner profitable over the decades.

There was Joe Prevratil, who signed a lease to run the ship in 1993 and later filed for Chapter 11 bankruptcy when the city demanded several million dollars in unpaid rent.

There was Save the Queen LLC, which bought the lease out of bankruptcy and then defaulted on its loan in 2009.

There was even the Walt Disney Co., which once operated the ship but bailed on its lease after a 1992 marine survey identified \$27 million of needed repairs.

Long Beach has owned the Queen Mary since it arrived from Scotland in 1967 as a hotel and tourist attraction. It leases the ship to operators who are responsible for its care and daily maintenance.

And now the ship could see yet another new caretaker when the Queen Mary's lease goes up for auction next month after its current operator, Eagle Hospitality Trust, filed for Chapter 11 bankruptcy in January.

In a March 9 announcement, Singapore-based Eagle Hospitality Trust said it will sell its interest in 15 of the 18 hotels in its portfolio, including the Queen Mary, Sheraton Pasadena and Holiday Inn Anaheim for a starting price of \$470 million in an auction set tentatively for May 20.

The news comes after Eagle Hospitality suffered a string of financial problems as the COVID-19 pandemic ravaged the hospitality industry. But the company had shown signs of problems in 2019 before the pandemic, including a \$341 million default on a loan from Bank of America.

Alan Tantleff of FTI Consulting, who was appointed as the chief restructuring officer in the bankruptcy, said Eagle has received an initial bid for the entire portfolio from a private investment firm called Monarch Alternative Capital.

However, Eagle could choose to sell the Queen Mary lease or any of its properties individually in the auction, he said, adding that it has received multiple offers for the Long Beach landmark. Tantleff said Eagle hopes to sell the Queen Mary lease individually to someone who recognizes the opportunities for development.

"The Queen Mary is a special asset that has tremendous redevelopment opportunity on the 45 acres of waterfront," he said. "It's a world-re-



Land around the historic Queen Mary is prime real estate that many have sought to develop but no plans have yet to move past conceptual design. Photo by Thomas R. Cordova.

nowned asset and we hope the next custodian can allow it to reach its full potential."

Tantleff said Eagle has been working with Long Beach city leaders and will remain responsible for the Queen Mary's upkeep during the sale, an amount that is minimal because the ship's hotel and meeting rooms have been closed to the public since last spring.

"The city of Long Beach has been extremely helpful in this process," he said.

One of the main concerns for the future of the Queen Mary remains the huge costs for repairs and maintenance of the aging vessel.

A city-commissioned marine survey in 2015 projected costs of up to \$289 million for urgent repairs over the next several years. Under its original agreement with Urban Commons, the city issued \$23 million in bonds to fix some of the most critical repairs listed in the marine survey, but many of the repairs went over budget and the \$23 million was spent before other critical projects could be addressed.

Long Beach City Auditor Laura Doud has raised questions on how Urban Commons spent the \$23 million for repairs and is investigating. City officials, however, have said they have documentation for the approved work and everything was done properly.

Long Beach Economic Development Director John Keisler said in a March 16 statement that the mayor and City Council's recommended \$207 million pandemic recovery plan will go, in part, to help hotels and

cultural attractions like the Queen Mary reopen to visitors.

"Once health orders related to COVID-19 are lifted and the new operator of the Queen Mary is identified, the City looks forward to restarting the preservation and development plans at the Queen Mary and the surrounding property," Keisler said. "The long-term economic outlook for leisure, hospitality, and entertainment in Long Beach remains incredibly strong and the Queen Mary will be a centerpiece to that economic growth."

Eagle Hospitality filed for bankruptcy on Jan. 18, with a total of more than \$500 million in debts.

Former Queen Mary operator Urban Commons, which signed a 66-year lease to run the ship in 2016, created Eagle Hospitality in 2019 to list on the Singapore Stock Exchange with the goal of raising millions for a \$250 million development project called Queen Mary Island.

Queen Mary Island was an ambitiously envisioned entertainment destination set on the current parking lot area that included a 2,400-foot-long boardwalk, cafes, bars, a 200-room hotel and a total of nearly 700,000 square feet of retail space.

It is now unclear when, or if, Queen Mary Island will be built, since Urban Commons hit tensions with the board of Eagle Hospitality and its shareholders when it didn't fulfill financial obligations and repeatedly failed to pay rent for its portfolio of hotel properties. The problems culminated in September when Eagle Hospitality's managers terminated the master lease agree-

ments for Urban Commons' hotels, including the Queen Mary—an action that essentially removed Urban Commons as the Queen Mary's operator.

Urban Commons is now in legal disputes with Eagle Hospitality.

While the city has struggled with its lease arrangements over the years, Long Beach City Manager Tom Modica has said using an operator is still the best option. Under the lease agreement, the operator generates funds to maintain the Queen Mary through its events, hotel and Carnival cruise line passenger fees. He said no taxpayer funds are used to maintain the ship.

Urban Commons, when it managed the ship, found a way to make the surrounding land profitable as a music festival hotspot in partnerships with concert promoter Golden-voice.

Before its separation from Eagle Hospitality, Urban Commons listed the Queen Mary as the most lucrative property in its hotel portfolio, with a total profit of \$11.2 million in 2018, up from \$6.5 million in 2017. A key driver was the increased concert revenue.

Modica said the Queen Mary's future is tied to developing the surrounding waterfront, but that this also remains one of the biggest challenges because the area faces stricter environmental regulations.

For now, as in decades past, city leaders are hopeful that another Queen Mary suitor will see the potential. ■

Facts About 3701 Pacific Place

After sitting vacant for decades, the privately owned lot at 3701 Pacific Place finally has a redevelopment plan worth pursuing

✓ **Appropriate Use**

✓ **Planning Commission Approved**

✓ **Commerce Growth**

✓ **Robust Remediation and Plant Protection**

✓ **Remove Blight and Public Nuisance**

✓ **Safe Construction Plans**

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Fixlongbeachpets.com
Est. Feb 2021

The Fix Project is now accepting appointments Wednesdays through Saturdays for low cost: Spay/Neuter, Vaccines, Dental, Bloodwork, Flea Medication, Dewormer, Microchipping and other ancillary services for dogs, cats and Feral cats.



Capital Postal & Mailbox Service

capitalpostalmailbox.com
Est. May 2017

Capital Postal & Mailbox Service provides shipping, printing and more to the professionals of Long Beach, CA. This full-service model—allowing businesses to focus on work while someone else handles the details—is the brainchild of CEO Takisha Clark, whose work ethic and vision sets her and her company apart.



Anti-Virus Sanitation

Antivirussanitation.com
Est. Apr 2020

Long Beach based Anti-Virus Sanitation specializes in complete commercial sanitation covering LA, Orange and Riverside County for offices, apartments, movie sets, gyms, hotels, hospitals, daycares, preschools and other unique locations. All equipment and material is certified by EPA and the CDC. Our mission is to give back to our community by providing a safe environment without the worry of germs, bacteria, and viruses.



Loose Leaf Tea Co

Bobacompany.com
Est. Sep 2018

Loose Leaf Boba Company is more than a boba tea shop. We want to use our drinks to bring people together by sharing culture. Using the highest quality ingredients & inspirations from cultures all around the world, we want to provide one of the best culturally unique experiences through boba while making sure we build an inclusive, equal, & fair company everyone that works with us.



Sissy B. Nails

Sissybnailsinc.com
Est. Aug 2020

Nixx Sissy B. Nails started as a birthday celebration alternative when the pandemic began. Khiley Braxton, owner and CEO, states that her mission is to provide a fun and safe product for children, inspiration for kidpreneurs, and to fill the need for positive representation of African Americans in children's beauty products.



Gusto Bread

Gustobread.com
Est. Aug 2020

Gusto Bread is an organic panadería specializing in bread and pan dulce made with 100% masa madre. Find delicious freshly made loaves, conchas, long breads, nixtamal, polvorones, horchata, café de olla, yerba mate, as well as delicious pantry goods (sardines, beans, chocolate), and so much more.



Grocery Outlet

https://groceryoutlet.com/circulars/storeid/319
Est. Summer 2019

The Beacon House Association of San Pedro's second Thrift Shop features furniture, home wares and a massive collection of men's and women's clothing. Located between Food 4Less and Rite Aid in the Belmont Shopping Center every day discounts range from 25% to 75% off on Red Tag items.



Beacon House Thrift Shop

Beaconhousethrift.org
Est. Dec 2020

The Beacon House Association of San Pedro's second Thrift Shop features furniture, home wares and a massive collection of men's and women's clothing. Located between Food 4Less and Rite Aid in the Belmont Shopping Center every day discounts range from 25% to 75% off on Red Tag items.

The List of the 4/6 edition of the Long Beach Business Journal will be dedicated to healthcare workers in our community. Call 562-912-0161 or email ads@lbpost.com

‘Something big and fantastic is going to happen’: City to study 13-acre parcel near convention center

■ By JASON RUIZ
Reporter

The coming year could shape what becomes of the largest undeveloped parcel of oceanfront land in Long Beach, the so-called “elephant lot” named for its prior use by the Ringling Bros. and Barnum & Bailey Circus.

The 13-acre Downtown parcel has been heralded as one of largest opportunity sites in all of Southern California.

Its location along the waterfront in the heart of Downtown could make it a prime target for future development, but a combination of regulations and uncertainties of what can physically be built on the site has stalled concrete plans. For now, it remains a surface parking lot used to create turns for the annual Acura Grand Prix of Long Beach and a staging area for film crews.

City officials are optimistic that a plan for the parcel could be put together by the end of the year, something that will build public momentum for the site to finally be developed, said Long Beach Economic Development Director John Keisler.

“Something big and fantastic is going to happen down there,” Keisler said.

Keisler said progress on the site has been slowed in recent years by a number of issues including the discussions with the Los Angeles Angels in 2019 that put the city’s process to seek out a build for the lot on pause, and more recently by the COVID-19 pandemic.

But there has been interest in the site, Keisler said, and now the city needs to start its process to figure out what it wants to have developed there.

In 2018 Mayor Robert Garcia announced a revisioning of the PD-6 zone, the planned development section that includes nearly every city parcel south of Ocean Boulevard in Downtown, and a commitment to develop the lot. The 18-month visioning process was supposed to begin in January 2020 but that was quickly upended by COVID-19.

“One of the most important parts of this economic recovery is to create a vision and to create hope and that will create momentum with regards to private sector investments,” Keisler said.

Engaging the public through a visioning process will be one issue, but there are other obstacles to moving forward.

The city doesn’t know how much the land is actually worth because a formal appraisal of it has yet to be completed.

A study has also yet to be completed that would assess the seismic resilience of the land—it’s made of infill—and the effect the water table below could have on potential projects.

Sergio Ramirez, a deputy director for the Economic Development department, said the budget deficits incurred by the city have postponed those analy-



City staff is conducting a study to determine the best use for 13 acres of land along Long Beach’s waterfront near the convention center. Photo by Thomas R. Cordova.

ses that he hopes will serve as the foundation for a planning document.

“Right now we don’t have any funding that could be made available for what would be really needed,” Ramirez said.

That could change with the infusion of federal funds expected to hit the city’s coffers in the coming months, with city leaders pledging over \$83 million to backfill those deficits. Still, Ramirez is optimistic that there will be interest in the site.

Ramirez said the new skyline being erected could help draw interest to the site that has always been a source of intrigue. He said the city is uniquely positioned to see the same level of development interest as before the pandemic as the economy recovers from a year of economic shutdowns.

The site had been a point of long-time interest, with large management giant Oak View Group, headed by Tim Leiweke, showing interest. With the Long Beach Convention Center’s operating agreement up for renewal this year, and a backlog of repairs and maintenance at the Convention Center totaling over \$80 million, development of the lot could be used as a piece of a new management contract.

Keisler said the city is analyzing if the Convention Center, one of the largest economic drivers for the city, has everything it needs to be a full-service, modern attraction, but added that the development of the lot is not necessarily linked to the management contract.

“They’re not connected in the sense that one cannot be developed without the other,” Keisler said. “But to do a good development we’ll have to consider that they complement one another.”

Whatever developer ends up wanting to take on the elephant lot might have to accept that building housing may not be an option.

The land is part of the state Tidelands area, which means it’s governed by a public trust doctrine issued by the State Lands Commission that requires the land to be used for public purposes. Restaurants, stadiums, hotels, conven-

tion centers and airports have been interpreted to meet that doctrine over the past few decades, but something like housing has not.

Private housing units would not meet that standard without some kind of waiver from the state or a land swap that would require the city to turn over a different parcel to public control.

A spokesperson for the California Coastal Commission said in an email that while the commission does grant coastal development permits on Tidelands land, it has generally interpreted the law the same as the Land Commission, resulting in housing rarely being approved for Tidelands development.

But the state’s worsening housing crisis could potentially change that, said Christopher Koontz, the city’s deputy director of Development Services.

If housing is now an issue of statewide concern, perhaps at some point in the future the Legislature or State Lands Commission could change policy to allow housing uses or Tidelands lease income to be used for affordable housing, Koontz said in an email.

If a developer wanted to build housing at the site there is the possibility that a land swap could mitigate the general ban on building housing in the Tidelands. A swap was something that was considered during the negotiations with the Angels, whose owner, Arte Moreno, sought to build a stadium with a housing and shopping district around it.

Those plans ended in December 2019 when the Angels and the city of Anaheim announced they had struck a deal to keep the team in Orange County through 2050.

In the midst of recovering from the pandemic, the city now expects to engage the public in a discussion of how best to use this coveted parcel of land.

“Even though it might take some time to get it right, with the planning process and the waterfront, the fact that we’re able to engage the community in a public contestation about this development long term, that will create momentum on its own,” Keisler said. ■

Development continues citywide with a special focus on changing the Long Beach skyline forever

■ By **BRANDON RICHARDSON**
Reporter

While many sectors—and people's lives in general—were turned upside down this past year, construction on numerous developments continued throughout Long Beach.

There were certainly new challenges for contractors and developers: supply chain disruptions, mask requirements, worker testing and mandatory quarantine for those who may have been exposed to the disease ravaging the country. But halting a major development outright was out of the question.

Across the city, more than 5,300 residential units are at various stages of development, ranging from recently completed to proposed and under review by city staff, according to data compiled by Long Beach Development Services and the Business Journal. Of those units, about 1,800 are classified as affordable, including senior housing, dorm rooms and support housing for low-income residents and those experiencing homelessness.

"We're providing options to residents of all income levels," Development Services Director Oscar Orci said. "But we can always do better and we are striving to do better."

Commercially, about two million square feet of space is in various stages of development, including industrial, office, retail and restaurant space. This figure also includes tens of thousands of square feet of meeting and event space in multiple hotel projects, which include a combined 813 guest rooms.

Most of the more prominent projects are in Downtown, several of which are set to change the city's skyline forever. On the northwest corner of Ocean Boulevard and Alamitos Avenue, Shoreline Gateway already towers 35 stories above the city, now the tallest building in Long Beach, and is slated to open later this year.

"Downtown is a desirable location. Where else can you be on the water and have a vibrant place to live, work and play?" Orci said of the continued interest in Downtown by developers. "It's all part of that quality of life experience in Long Beach."

More projects are on the way but many will not come to fruition as quickly as developers—and the city—had hoped.

After a few months of delays last year due to issues with a water main, construction on the Broadway Block development has resumed. The project on the northeast corner of Third Street and Broadway includes a 23-story high rise and a seven-story mid-rise with a combined 432 residential units.

The 30-story hotel proposed by Seattle-based American Life, Inc. was approved by the Long Beach Planning Commission earlier this month, breathing new life into a project that was first put on the



Onni Development Group's Broadway Block in Downtown Long Beach will feature 432 residential units in two buildings: a 23-story high rise and a seven-story mid-rise. Photo by Brandon Richardson

books in 2016. Attached to the project approval was a three-year extension on when the developer must break ground. Project approvals and certifications expire and re-filing a proposal is costly for developers.

"Without [the extension] the project would be dead and everyone's hard work would be down the drain," American Life President Greg Steinhauer said in February.

With the decimation of convention and cruise business that left most Long Beach hotels all but vacant for the past year, delays in the project prior to 2020 appear to have worked in American Life's favor. But as more vaccine doses are administered, Steinhauer said the group is ready to move forward with the 429-room hotel on the southeast corner of Ocean Boulevard and Pine Avenue, the former site of the Jergins Trust building.

Last July, the Long Beach Civic Center mid-block development—a 580-unit companion project to the new City Hall and Port of Long Beach buildings—lost its developer, Texas-based JPI Development after the project was approved by the Planning Commission a few months earlier. The master developer, Plenary-Edgemoor Civic Partners, continues its search for a new contractor, Orci said.

"They are interviewing potential contractors, with a few that are serious about taking over the project," Orci said, noting that work cannot begin until the old City Hall is demolished, a process that could take until early 2022.

After demolition, the land must be prepped for the construction of the two eight-story buildings, which will take about nine months, according to Orci.

"By then we are hoping to see somebody back on board and moving through the construction process," he said.

While these major developments are slowly moving forward, two of the most ambitious proposals are noticeably absent from city staff's development list: Tram-

mel Crow's West Gateway and Greenlaw Partner's Ocean Village, which included 746 and 738 units, respectively.

The West Gateway proposal featured six buildings at 600 W. Broadway, including what would be the city's tallest building at 40 stories. But those plans may be

obsolete, according to Orci.

"They're ... looking at potentially redesigning the project working with the Port of Long Beach," Orci said. "But they're still actively engaged with city staff."

The original proposal for the Ocean Village project included three seven- and eight-story buildings southwest of the intersection of Ocean Boulevard Golden Shore. But those plans, too, are outdated, Orci said.

In an email, Rob Mitchell of Greenlaw Partners said the project is on hold because the most recent plans didn't "pencil," meaning it would not be profitable based on the rents the developer could charge. But Greenlaw is still engaged with staff, Orci said, noting they are looking to alter plans to make it a more amenitized, high-end project.

"It's very exciting to see our skyline change," Orci said. "It's fantastic that we can continue to grow our residents and our commercial property."

The following is a comprehensive list of development projects throughout the city compiled by Long Beach Development Services and Business Journal staff.

(Please Continue to Page 14)

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(Continued from Page 13)

Downtown

Completed

The Alamitos

Address: 101 Alamitos Ave.
Developer: Sares Regis Group
Building height: Seven stories
Units: 136
Commercial space: 2,560 square feet
Parking stalls: 174
Amenities: Fitness center, roof-top deck and club room, bike kitchen and storage room.
Start/Completion: 2017/2020

A Line Improvements

Four new crossover switches, upgraded train control system, a new overhead power system, in some sections new rail tracks. Station upgrades include new IxNTouch information screens, station identifiers, wayfinding signage, refreshed paint and landscaping, and new digital artwork.

The Crest (formerly Sonata Modern Flats)

Address: 207 E. Seaside Way
Developer: Ensemble Real Estate
Building height: Five stories
Units: 113
Commercial space: 2,000 square feet



American Life Hotel, 100 E. Ocean Blvd. in Downtown. Rendering courtesy of the city of Long Beach.

Parking stalls: 176
Amenities: Oversized patios, in-unit washer and dryer, rooftop deck, fitness center, media room and a ground-floor bar.
Start/Completion: 2017/2020

Gerald Desmond Bridge Replacement

After multiple delays, the replacement for the old Gerald Desmond Bridge opened to the public Oct. 5, 2020. The 205-foot high, cable-stayed deck is the highest of its kind in the United States. The bridge’s 515-foot-tall towers are the tallest structures in the city.

Under Construction

Breakers Hotel

Address: 210 E. Ocean Blvd.

Developer: Pacific6
Building height: 14 stories
Units: 185 hotel rooms
Amenities: Ground-floor dining, wine bar, penthouse dining, rooftop bar, spa and fitness spaces, and meeting rooms.
Start/Completion: 2019/TBA

Broadway + Magnolia Apartments

Address: 500 W. Broadway
Developer: Ensemble Real Estate
Building height: Seven stories
Units: 141
Commercial space: 4,110 square feet
Parking stalls: 191, 21 EV, 94 bike
Start/Completion: 2020/2022

Broadway Block

Address: 200-250 Long Beach Blvd.
Developer: Onni Development Group
Building height: 23-story high rise, seven-story mid-rise
Units: 432
Commercial space: 15,787 square feet
Parking stalls: 582; 104 for bikes
Amenities: Proposed partnership with CSULB for programming of commercial and public spaces, and a housing component for students.
Start/Completion: 2019/2023

The Hotel

Address: 107 Long Beach Blvd.
Developer: Yogesh Patel

Building height: Five stories
Units: 34 rooms
Commercial Space: 30,620 square feet
Parking stalls: 1,440
Amenities: On-site parking, rooftop deck, lounge areas, pool and spa.
Start/Completion: 2018/2022

Locust Long Beach Apartments

Address: 1112-1130 Locust Ave.
Developer: Locust Equities
Building height: Seven stories
Units: 97
Parking stalls: 122; 20 for bikes
Amenities: A fitness center, recreational space, courtyard, open space, pool, spa and outdoor seating.
Start/Completion: 2020/TBA

Ocean Center

Address: 110 W. Ocean Blvd.
Developer: Pacific6
Building height: 14 stories
Units: 80
Commercial space: 6,720 square feet
Parking stalls: 83
Amenities: Rooftop terraces and common spaces.
Start/Completion: 2020/2022

Ocean View Tower

Address: 200 W. Ocean Blvd.
Developer: MEIAO Investment
Building height: 15 stories
Units: 98
Parking stalls: 150
Amenities: Pool and spa, community room, fire pit, fitness room, outdoor dining and dog run.
Start/Completion: 2017/2022

Pacific-Pine

Address: 635 Pine Ave., 636 Pacific Ave.
Developer: Holland Partner Group
Building height: Two eight-story buildings
Units: 271, 11 affordable
Commercial space: 1,305 square feet
Parking stalls: 341; 56 for bikes
Amenities: Retail space.
Start/Completion: 2018/2021

Shaun Lumachi Innovation Center

Address: 309 Pine Ave.
Developer: City of Long Beach, Economic Development Department
Building height: Two-story
Amenities: New facade, modern work and meeting spaces with shared working environment and entrepreneurial innovation center.
Completion: Summer 2021

Shoreline Gateway

Address: 777 E. Ocean Blvd.
Developer: Anderson Pacific, LLC
Building height: 35 stories
Units: 315
Commercial space: 6,700 square feet
Parking stalls: 458
Amenities: Rooftop deck with multiple areas featuring landscaping and hard-scape amenities, including lounge tables and seating and a community room.
Start/Completion: 2018/2021

5N° at The Streets

Address: 495 The Promenade N.
Developer: Shooshani Developers
Building height: Four stories
Units: 20
Commercial space: 5,200 square feet
Parking stalls: 30
Amenities: Ground-floor, 24-hour eatery
Start/Completion: 2018/fall 2021

Approved

American Life Hotel

Address: 100 E. Ocean Blvd.
Developer: American Life, Inc.
Building height: 30 stories
Units: 429 rooms
Commercial space: 50,359 square feet
Parking stalls: 151
Amenities: 23,512 square feet of restaurant space and 26,847 square feet of

meeting and ballroom areas.
Start/Completion: TBA

Aster

Address: 125 Long Beach Blvd.
Developer: Raintree-Evergreen, LLC
Building height: Eight stories
Units: 218 – A mix of studios, one-, two-, and three-bedroom market-rate apartments and townhouses
Commercial space: 7,292 square feet
Parking stalls: 312; 44 for bikes
Amenities: An 11,600-square-foot courtyard, swimming pool, spa, barbecue area, lounge seating, coworking space, and rooftop lounge.
Start/Completion: TBA

Ghost Kitchen

Address: 456 Elm Ave.
Building height: Three stories
Units: 19 tenant commercial kitchens
Commercial Space: 60,040 square feet
Amenities: Designated public space for indoor dining, retail area, show kitchen for demonstrations, menu development, recipe tasting and content creation.
Start/Completion: April 2021/TBA

The Inkwell

Address: 125-135 E. Broadway
Developer: Raintree-Evergreen, LLC
Building height: Eight stories
Units: 189
Commercial space: 10,000 square feet
Parking stalls: 268; 40 for bikes
Amenities: Fitness room, club room, roof decks and a swimming pool.
Start/Completion: TBA

Lincoln Park

Address: Ocean Boulevard and Pacific Avenue
Redeveloped Lincoln Park featuring multi-purpose lawn, dog park, children’s play area, restroom facilities and more.
Start/Completion: 2020/2022

Mixed-Use Project

Address: 507 N. Pacific Ave.
Developer: Anastasi Development Company
Building height: Seven stories
Units: 157, one- and two-bedroom condos
Commercial space: 9,000 square feet
Parking stalls: 209
Amenities: Recreation decks and a rooftop deck.
Start/Completion: TBA

Residences at Linden

Address: 135 Linden Ave.
Developer: Residences at Linden, LLC
Building height: Seven stories
Units: 82
Commercial space: 4,091 square feet
Parking stalls: 135; 20 for bikes
Amenities: A courtyard, enclosed terrace, outdoor roof terrace, recreational space, a gym and a club room.
Start/Completion: TBA

Third + Pacific

Address: 131 W. Third St.
Developer: Ensemble Real Estate
Building height: Two eight-story buildings

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(Continued from Page 14)
Units: 345
Commercial space: 14,481 square feet
Parking stalls: 483
Amenities: Club rooms, fitness center and amenity areas.
Start/Completion: 2021/TBA

Proposed & Under Review

Calypso
Address: 636 Locust Ave.
Developer: Starpoint Properties
Building height: Seven stories
Units: 108
Commercial space: 1,188 square feet
Parking stalls: 136
Amenities: Pool, community room, fitness area, lounge, barbecue grill and a rooftop deck.
Start/Completion: TBA

The Lighthouse (Lydia House Expansion)
Address: 1335 Pacific Ave.
Developer: ktgy
Building height: Three stories
Units: 44 beds
Parking: Unknown
Amenities: Multipurpose room, living room, playroom and staff offices.
Start/Completion: TBA

Mixed-Use Project
Address: 525 E. Broadway
Developer: 525 East Broadway, LLC
Building height: Seven stories
Units: 48 Units
Commercial space: 5,090 square feet
Parking: TBA
Amenities: Outdoor arcade and seating area.
Start/Completion: TBA

Residential Project
Address: 923, 927 Long Beach Blvd.
Developer: A&H Architects, Inc.
Building height: Six stories
Units: 86
Parking: Three-level underground garage
Amenities: A courtyard and roof deck.
Start/Completion: TBA

East Long Beach

Completed

Amazon Fresh
Address: 6235 E. Spring St.
Building height: One story
Commercial space: 42,698 square feet
Parking stalls: 177
Completion: Summer 2021

Battery Energy Storage Project
Address: 690 N. Studebaker Road
Developer: AES Alamitos Energy Center
Building height: One story
Commercial space: 45,000 square feet
Replacement of existing power plant with a cleaner, lower-profile, more efficient facility
Completion: 2021

Coffee Bean
Address: 5865 E. Spring St.
Developer: Pacific West Property Group
Building height: One story



Industrial Park Project, 300 Studebaker Road in East Long Beach. Rendering courtesy of the city of Long Beach.

Commercial space: 1,839 square feet
Amenities: Drive-thru
Start/Completion: 2019/2020

Douglas Park Northwest
Address: 3550 Carson St.; 3881 McGowen Ave.; 3861 and 4001 Worsham Ave.
Developer: Sares Regis Group
Building height: One story, 42-foot clearance
Commercial space: Four company head-quarter buildings totaling 390,000 square feet
Parking stalls: 669
Completion: 2020

Motel 6 (Project Homekey)
Address: 5665 E. Seventh St.
Building height: Two stories
Units: 43 rooms
Amenities: Hotel was converted into permanent supportive housing within the next two years, 24/7 security, case management, medical and mental health supportive services.

Relativity Space
Address: 3500 E. Burnett St.
Developer: Relativity Development
Building height: One story
Commercial space: 113,800 square feet
The company manufactures rockets using 3-D printers. Research, development and testing of circuit boards are also part of operations.
Completion: 2020

Spinlaunch
Address: 4350 Conant St.
Developer: SaresRegis Group/Spin-Launch
Building height: 41 feet
Commercial space: 140,000 square feet, including 21,000 square feet of office
Parking stalls: 204
Research, development and manufacture of future launch vehicles.
Completion: January 2021

Staybridge Suites
Address: 2640 N. Lakewood Blvd.
Developer: YHB Hospitality
Building height: Six stories
Rooms: 125
Parking stalls: 385 in a two-level parking garage
Amenities: Conference rooms, indoor fitness center, entertainment room with a TV, pool table, outdoor pool and jacuzzi

area.
Start/Completed: 2018/2020

Under Construction

CSULB Dorms: Parkside North Residence Hall
Address: 1250 Bellflower Blvd.
Building height: Three and four stories
Beds: 475
Amenities: Kitchens, study rooms, multiple levels of community and outdoor courtyard space.
Start/Completion: 2019/May 2021

Dorado
Address: 3655 Norwalk Blvd.
Developer: Pulte Home Company, LLC
Building height: Two stories
Units: 40 Single-family homes
Parking: Two-car garage per unit
Amenities: Gated community, open space areas include meandering path, seating, BBQ area, play equipment
Start/Completion: 2018/TBA

Long Beach Airport Terminal Improvements
Address: 4100 Donald Douglas Drive
Developer: Swinerton Builders, Long Beach Airport
New ground transportation plaza with 200,000 square foot surface parking lot for rental car storage and queuing.
Rehabilitated historic airport terminal building for rental car areas, 5,600 square feet
New ticketing terminal, 14,310 square feet
New checked baggage inspection system facility, 6,200 square feet enclosed, 4,000 square foot canopy area
Consolidated baggage claim area, 13,000 square feet
Pre-security concessions, 2,000 square feet
Pre-security restrooms, 1,750 square feet
New meet-and-greet courtyard, 9,300 square feet
Start/Completion: 2021/2023

Retail Center
Address: 2528-2590 N. Lakewood Blvd.
Developer: Lakewood Willow, LLC
Building height: Two one-story commercial buildings
Units: Three – Starbucks, Jack in the Box, sit down restaurant TBD
Commercial space: 4,238 and 2,516

square feet
Parking stalls: 92
Amenities: Outdoor dining, new site landscaping, improvements to sidewalks and public right of ways, widening bus stop areas.
Start/Completion: 2019/2022

Approved

Belmont Beach & Aquatics Center
Address: 4000 E. Olympic Plaza
Developer: City of Long Beach, Public Works Department
Parking stalls: 1,152
A 12,320-square-foot competitive pool
A 4,560-square-foot recreation pool
A 1,000-square-foot teaching pool, 500-square-foot spa
A 5,660-square-foot diving well
A spray garden
1,555 permanent seats,
A 15,181-square-foot pool facilities building with locker rooms, offices, food concessions, changing rooms and storage rooms
141,558 square feet of hardscaped open space
A 92,297-square-foot passive park area
Public restrooms.
Start/Completion: Summer 2022/TBA

Industrial Park Project
Address: 300 Studebaker Road
Developer: Pannatoni Development Co.
Commercial space: Two industrial buildings totaling 139,000 square feet, including 21,000 square feet of office space
Parking: Unknown
Start/Completion: 2021/TBA

Ocean + Cherry (formerly Silversands)
Address: 2010 E. Ocean Blvd.
Developer: Studio One Eleven
Building height: Four stories facing Ocean Boulevard, seven stories facing the beachfront
Units: 40 hotel rooms, 56 market-rate flats and townhomes
Parking stalls: 166
Amenities: Patios, roof deck, roof gardens
Start/Completion: 2021/TBA

North Long Beach

Completed

Atlantic Farms Bridge Housing Community
Address: 6841-6845 Atlantic Ave.
Developer: City of Long Beach, Public Works Department
Building height: One story
Units: Modular-style dormitories for 125 people
Parking stalls: 114
Amenities: Supportive services, kitchen, dining room, lounge, laundry facilities, gender-specific and gender-neutral restrooms and showers, case management and service connection offices, a family respite room for emergency overnight use, outdoor dining area, dog run and pet relief area, and charging station.
Start/Completion: 2019/2020

Houghton Park Community Center

Address: 6301 Myrtle Ave.
Developer: City of Long Beach, Public Works Department
Building height: One story
Commercial space: 6,450 square feet
Parking stalls: 140
Amenities: Two large multipurpose rooms, teen center, computer lab and weight room.
Completion: 2020



Uptown Commons

Address: 6600 Atlantic Ave.
Developer: LAB Holding, LLC
Building height: One story
Commercial space: 10,330 square feet
Parking stalls: 84
Amenities: Large patio area, full-service bank and restaurant space.
Completion: 2020

The Uptown, Atlantic Avenue and 61st Street in North Long Beach. Rendering courtesy of the city of Long Beach.

Developer: City of Long Beach, Public Works Department
Park space: A 6-acre addition to the existing 5.5-acre park
Parking stalls: 31
Amenities: New sports field, a 5,000 square foot skatepark and fitness equipment.
Start/Completion: 2020/Spring 2022

Under Construction

Bridge Point Project

Address: 2400 E. Artesia Blvd.
Developer: Bridge Development Partners
Building height: One story
Commercial space: 416,000 square feet, including 21,000 square feet of office space
Parking stalls: 433
Completion: 2021

Approved

City Ventures Townhomes

Address: 4800 Long Beach Blvd.
Developer: City Ventures
Building height: Three stories
Units: 18 townhomes
Parking stalls: 41
Amenities: Social event garden, outdoor living space, vegetable planter, barbecue kitchen, harvest table, small shade structures, seating and enhanced landscaping.

tures, seating, enhanced landscaping and community fireplace.
Start/Completion: TBA

City Ventures Townhomes

Address: 5100 Long Beach Blvd.
Developer: City Ventures
Building height: Three stories
Units: 38 townhomes
Parking stalls: 86
Amenities: Social event garden, outdoor living space, vegetable planter, barbecue kitchen, harvest table, small shade structures, seating and enhanced landscaping.

The Uptown

Address: Atlantic Avenue and 61st Street
Developer: Westland Developers
Building height: Seven one-story buildings

Commercial space: 31,000 square feet
Parking stalls: 137
Amenities: Three retail buildings and four restaurant buildings, one with a drive-thru
Start/Completion: TBA

Proposed & Under Review

The Beat (Canvas)

Address: 5823-5893 Atlantic Ave.
Developer: LAB, Inc.
Building height: Three stories
Units: 86, including 14 cottage-style apartments
Commercial space: 4,600 square feet
Parking: Two-car garages
Amenities: Community room
Start/Completion: TBA

(Please Continue from Page 18)



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Mixed-use project, 201-245 W. Pacific Coast Highway. in Midtown. Rendering courtesy of the city of Long Beach.

(Continued from Page 17)

Westside & Midtown

Completed

Best Western (Project Homekey)

Address: 1725 Long Beach Blvd.
Building height: Four stories
Units: 102 rooms
Amenities: Support services including domestic violence programs, health education, employment development and referral to mental health treatment.

Cherese Mari Lauhere Children’s Village

Address: 2801 Atlantic Ave.
Developer: MemorialCare
Building height: Four stories
Commercial space: 80,000 square feet
Amenities: 66 exam rooms, blood-draw station, specialty lab for the hematology and oncology, and multiple gyms.
Completion: 2020

CloudKitchens

Address: 1388 Daisy Ave.
Developer: 1388 Daisy, LLC/Wide Corp
Building height: One story
Units: 25
Building space: 11,640 square feet
Amenities: 25 kitchen commissaries
Completion: January 2021

Compound LB

Address: 1395 Coronado Ave.
Developer: Occupying warehouse that previously operated as a pre-school
Building height: One story with second level loft
Commercial space: 6,250 square feet
Amenities: A former preschool turned warehouse art gallery with a restaurant and small bar area.

Federation Tower Senior Apartments

Address: 3799 E. Willow St.
Developer: MRK Partners
Building height: Four stories
Units: 50
Amenities: Computer lab, outdoor eating space and a 10-year membership to a neighboring community center.
Completion: Rehabilitation and preservation of the existing affordable project was completed in 2020

Holiday Inn (Project Homekey)

Address: 1133 Atlantic Ave.
Building height: Four stories
Units: 135
Amenities: Health and mental health services, meals, security, case management along with other supportive services.

Long Beach Garden Condominiums

Address: 1570-1598 Long Beach Blvd.
Developer: California Investment Regional Center
Building height: Four stories
Units: 36 market-rate condominiums
Commercial Space: 10,000 square feet
Parking: Underground
Amenities: Rooftop garden, fitness center, private balconies, secured bike storage and ground floor retail.
Start/Completion: 2018/2020

Spark at Midtown

Address: 1900 Long Beach Blvd.
Developer: Linc Housing
Building height: Five stories
Units: 95 affordable
Commercial space: 12,388 square feet
Parking: Underground
Amenities: New YMCA facility, ground-floor retail, outdoor park space, job training opportunities for residents.
Start/Completion: 2019/2021

Vistas del Puerto

Address: 1836-1852 Locust Ave.
Developer: Clifford Beers Housing
Building height: Five stories
Units: 48 affordable
Commercial space: 3,600 square feet
Parking stalls: 40 underground
Amenities: Mental health supportive services, substance abuse counseling, employment preparation support, life skills workshops, and more.
Start/Completion: 2019/2020

Under Construction

Affordable Senior Housing

Address: 901-945 E. Pacific Coast Highway.
Developer: Mercy Housing
Building height: Four stories
Units: 68
Commercial space: 4,000 square feet
Parking stalls: 38
Amenities: Garden and a covered patio.

Start/Completion: 2022

Bloom at Magnolia

Address: 1770 Magnolia Ave.
Developer: Linc Housing
Building height: Three stories
Units: 55 affordable
Commercial space: 49,543 square feet
Parking stalls: 20
Amenities: Recreational space, case managers and supportive services programs.
Start/Completion: 2020/2021

Las Ventanas

Address: 1795 Long Beach Blvd.
Developer: AMCAL Multi-Housing
Building height: Four Stories
Units: 102 affordable
Commercial space: 3,900 square feet of retail
Parking stalls: 82
Start/Completion: 2019/2021

Laserfiche Headquarters

Address: 3443 Long Beach Blvd.
Developer: Urbana Development, LLC
Building height: Four stories
Commercial space: 102,848 square feet
Parking: Three-story parking structure
Start/Completion: 2019/2021

Millennium Homes (Habitat for Humanity)

Address: 116 W. 14th St.
Developer: Habitat LA
Building height: Two stories
Units: 10 townhomes
Start/Completion: 2020/TBA

The Vault

Address: 1000 New York St.
Building height: Four stories
Units: 21
Amenities: Conversion of existing storage facility to 19 live-work artist studios and two, first level live/work studios
Completion: September 2020

Approved

Anaheim & Walnut

Address: 1500 E. Anaheim St.
Developer: Bridge Housing
Building height: Five stories
Units: 88 affordable
Commercial space: 23,880 square feet
Parking stalls: 156
Amenities: Children’s medical clinic, office and retail space on ground floor
Start/Completion: Fall 2021/TBA

Axiom

Address: 1401 Long Beach Blvd.
Developer: City Fabrick
Building height: Unknown
Units: 160, unidentified number of affordable
Commercial Space: Ground-floor retail
Parking: Unknown
Start/Completion: TBA

Century Villages of Cabrillo

Address: 2221 W. Williams St.
Developer: Century Affordable Development, Inc.

Building height: Four stories
Units: 90 affordable
Parking stalls: 40
Start/Completion: TBA

Long Beach at 14th

Address: 1400 Long Beach Blvd.
Developer: Long Beach Square Partners, LLC
Building height: Five stories
Units: 65 affordable
Commercial space: 2,100 square feet of ground floor retail
Parking stalls: 90
Amenities: Roof deck, gym and media room.
Start/Completion: TBA

Mixed-Use Project

Address: 201-245 W. Pacific Coast Highway, 1827 Pacific Ave.
Developer: Kay Mendoza
Building height: Two five-story buildings connected by a pedestrian bridge
Units: 138
Commercial Space: 26,647 square feet
Parking: Underground and ground-level parking
Amenities: A market, commercial retail area and business center.
Start/Completion: TBA

RV Storage Facility (pending appeals)

Address: 3701 N. Pacific Place
Developer: InSite Property Group
Building height: Three stories
Commercial space: 157,745 square feet
Amenities: A 5,000-square-foot corporate headquarters, a 152,745-square-foot self-storage facility with 578 parking spots for RVs, a native plant preserve, and public access to the LA River Trail.
Start/Completion: TBA

Supportive Housing Project

Address: 3590 E. Pacific Coast Highway
Developer: Excelerate Housing Group
Building height: Four stories
Units: 77 affordable
Parking stalls: 18
Amenities: 12,253 square feet of open space, on-site supportive services by Mental Health America of Los Angeles
Start/Completion: TBA

Proposed & Under Review

Affordable Senior Housing

Address: 2515-2545 Atlantic Ave
Developer: DIDM Development
Building height: Five stories
Units: Unknown
Parking stalls: 98
Start/Completion: TBA

Spring Street Business Park

Address: 2851 Orange Ave.
Developer: Duke Realty
Building height: One story
Units: Three light-industrial buildings
Commercial Space: 160,673 square feet
Parking: TBA
For warehouse, packaging or light manufacturing uses.
Start/Completion: 2021/TBA ■

New owner of City Place retail district plans to replace big-box stores with retail and housing

■ By **BRANDON RICHARDSON**
Reporter

A group of real estate investment and development firms announced Monday, March 15, they have acquired the 14-acre City Place shopping district Downtown, with plans to develop multiple residential buildings.

The district encompasses six blocks of prime real estate Downtown, including many large stores such as Walmart, Fresh & Easy and Big 5 Sporting Goods that have sat vacant for months or years. The new development company wants to transform those spaces into mixed-use buildings with retail and residential units.

“Big-box retail stores are not the highest and best use for this site,” said John Drachman, co-founder of Waterford Property Company, one of the firms involved in the purchase. “It’s better suited for more density.”

Drachman noted the impact that the COVID-19 pandemic has had on retail, with more consumers shifting to online shopping.

Existing service-based retail, including the area’s various restaurants, will remain, according to Drachman.

Walmart’s current lease extends for about 20 more months and the new owners intend to hold them to it, Drachman said, noting the retailer does have extension options it could enact. The timing of the lease’s current expiration date in late 2022 and the process for designing and permit-



A skateboarder rides through City Place at The Promenade and Fifth Street. Photo by Thomas R. Cordova.

ting residential developments should line up well, he added.

The new owners intend to begin immediately to stabilize the area by working with its existing tenants as they try to recover from the pandemic. Sean Rawson, Waterford’s other founder, said they have been in contact with several business owners but plan to sit down with each tenant individually to determine how best they can assist.

The Downtown retail district has a long history of failure and rebirth. The enclosed Long Beach Plaza Mall was built in 1982. It was demolished in 2002 to make way for the outdoor shopping district that exists today.

Tony Shooshani purchased City Place in 2005, but last year default-

ed on a \$63 million loan, leaving the future of the district in flux. The loan was recently sold through a bidding process, and purchased by a partnership that includes Waterford, Turnbridge Equities and Monument Square Investment. The purchase price was not disclosed.

When Shooshani purchased City Place he had big plans to reinvigorate the area. However, those plans were put on hold once the Great Recession struck.

Eventually, Shooshani was able to follow through with some of his plans to re-energize City Place through various improvements, though plans for a 22-story tower called CSULB Village that would have had 800 student housing units and 50 faculty and staff

units were scrapped in July 2020 when Shooshani, its developer and property owner, ran into problems with financing and other challenges brought about by the COVID-19 crisis.

In 2017, Shooshani rebranded the area as The Streets, a moniker that the new owners are abandoning in favor of the former City Place name until it unveils its own rebranding campaign.

“Shooshani did a great job improving retail at Third Street and The Promenade and we want to carry that through the rest of the project,” Drachman said. “We want to connect the Promenade better and have it all flow.”

Shooshani did not respond to request for comment.

Shooshani still owns a 20-unit residential development under construction at City Place.

Waterford is the owner of the World Trade Center in Downtown and spearheaded a multi-million-dollar renovation of the building. The firm also has acquired and repositioned 15 multifamily projects in Long Beach since 2015.

“This is an important project and we take that responsibility seriously. We’re really excited. We are big believers in Long Beach,” Drachman said. “Downtown still has lots of great potential. Once we get out of this pandemic, it will continue its upward trend of being a desirable place to live, work, play and eat.” ■

Supporting local businesses and expanding trade will be key to economic recovery, experts say

■ By **ALENA MASCHKE**
Reporter

In the short term, recovery from the economic effects of the coronavirus pandemic will hinge on the return of face-to-face services, tourism and residents supporting small businesses by shopping locally, experts said during an economic forum on Thursday, March 18.

In the long term, investments in trade infrastructure will help sustain the city’s economic health, panelists said.

The Accelerate Long Beach Quarterly Economic Forum offered insights on the status of the local economy, with a focus on trade and logistics, and the economic recovery process.

While growth in the e-commerce sector, as well as spending on groceries and home goods, has supported record cargo volumes at the Port of Long Beach, the retail sector on the

local level is struggling, experts noted.

“A lot of that increase in retail spending isn’t hitting local businesses,” said Seiji Steinmetz, chair of the Cal State Long Beach economics department. “Small businesses are suffering right now.”

To support the city’s recovery in the short term, Steinmetz said, it is important to keep money circulating in the city, where it supports local jobs and, in turn, creates additional buying power.

Spending locally, the economist added, is necessary to “stop the bleeding” and ensure that those hit hardest by the economic effects of the pandemic—low-income residents working in the service, leisure and hospitality sectors—will be able to recover.

For consumers to be comfortable to return to local bars, restaurants and shops, Steinmetz said advertising the city’s successes in vaccinating its res-

idents and workforce is crucial. “We should take advantage that we can tell the rest of the world: we’re ahead of the curve,” he said.

In the long run, the economist noted, investment in maintaining and expanding the city’s traded industries, such as manufacturing and tourism, will create economic resilience and sustain the gains made during the recovery process.

Another key component, experts said, will be continued investment in port infrastructure. One of the most important projects in this arena, according to panelists from the trade and logistics sector, is the Middle Harbor Redevelopment Project, which is expected to be fully complete in 2022.

The Port of Long Beach Middle Harbor Redevelopment Project is an ongoing, \$1.5 billion project to combine two aging terminals into one fully-automated container terminal.

At completion, the facility will

have an annual capacity of 3.5 million 20-foot equivalent units, a standard container size used to measure cargo volumes. That’s the equivalent of more than a third of the port’s total cargo volume in 2020, its busiest year on record.

“That’s going to be a game-changer,” Lupe Valdez, Union Pacific’s senior director of public affairs for the Arizona, Nevada and Southern California region, said of the automation and modernization project at Pier E.

Overall, Long Beach Container Terminal President and CEO Anthony Otto said the port is well-positioned to continue its growth in 2021 and beyond, despite what the long line of ships currently at anchor in the San Pedro Bay might suggest.

“Things are catching up,” Otto said of the temporary capacity challenges the port is facing. “We look forward to the second half [of 2021] that’s still projected to be just as busy.” ■

Shoreline Gateway Tower officially becomes tallest building in Long Beach, despite pandemic challenges and delays



At 35 stories, Shoreline Gateway in Downtown is now the tallest building in Long Beach. Photo by Brandon Richardson.

■ By **ALENA MASCHKE**
Reporter

The Shoreline Gateway Tower, on the corner of Ocean Boulevard and Alamitos Avenue, has officially become the tallest building in Long Beach.

The project has experienced delays and increased costs as a result of the coronavirus pandemic, but that hasn't stopped developers Anderson

Pacific LLC, Leducor Properties and their partners from continuing construction on the building, which is scheduled to start pre-leasing in August.

"Every day is a different challenge," said Jason Silver, Leducor's senior director for California.

From delays in the delivery of window glass from a Chinese province on lockdown in the early days of the pandemic, to coronavirus infections

among workers on the site, continuing construction on the residential tower has been costly and lengthy.

But, "we were pretty determined to keep the project running as is," Silver said. "We did talk to our contractor to get a feel for where everyone is, but everyone wanted to continue forward."

That included managing an average of one to two cases of coronavirus infections per week among the 200-

250 workers who are on-site on any given day, according to Silver.

"They want to maintain their job, their income," he said. "So what we did is we increased the amount of cleaning supplies."

Increased cleaning, weekly testing and a slower pace of construction to allow workers a minimum of 6 feet distance at all times has cost the partnership of developers. "We're well into the six figures," Silver said of the amount spent on cleaning supplies and PPE alone.

Overall, the cost of the project has increased by approximately \$1 million as a result of the pandemic, according to the developers. This figure includes additional interest payments as well as measures taken to mitigate the risk of infection among workers.

To make up for the additional spending, the development group analyzed every item in the original project budget for potential savings, from choosing slightly less expensive flooring and tiling, to changing the construction schedule in response to delays in the delivery of materials.

"We looked at every little nook and cranny that we could to maintain a very high quality structure and end product, while coming up with the savings," Silver said.

Historically low interest rates also helped soften the financial blow.

While delays and the associated costs couldn't be avoided completely, Silver said the team behind the project has been able to limit the impact of the pandemic substantially. As it stands, the tower is scheduled to open between July and September; the exact date is yet to be determined.

"We're definitely anxious to open up this building. It's going to be a trendsetter for sure," Silver said.

Leasing for both residential units and ground floor retail spaces has yet to commence. The selection of retail tenants in particular will require careful consideration, Silver said.

"We want to make sure that our tenancy there is not just for the building itself, but is a neighborhood amenity," he said.

The pandemic has also had an impact on the level of interest from prospective tenants.

"There is a pulse that's coming back in the retail market, but it's so slow," he said. "There's so much uncertainty, especially for the retailers and restaurateurs."

Ryan Altoon, executive vice president of Anderson Pacific, said many prospective tenants might want to wait until it's possible to tour the facility before they apply for a lease.

"It's too nascent, because they can't quite see what it's going to deliver," he said. "Typically retailers like to actually see and kick the tires

on a space, tour, and really understand all the aspects of it.”

Still, the development group has already received several unsolicited requests from “key retailers trying to expand to Long Beach,” Altoon said.

The building is already guaranteed to offer a number of features that are likely to attract residential and commercial tenants.

Aside from being the tallest building in the city with an unobstructed view of the ocean, the Shoreline Gateway Tower—together with the neighboring project The Current, built by the same development group—is also Long Beach’s first LEED Gold neighborhood development.

LEED is a voluntary program, administered by the nonprofit U.S. Green Building Council, that measures the sustainability of individual and neighborhood developments in construction, operation and maintenance.

Depending on the number of points a project scores on the program’s list of sustainable elements, it is awarded a certified, silver, gold or platinum designation.

“With these two buildings we’ll have a fully-sustainable community,” Altoon said. “To put this flag down in Long Beach and also have it be the tallest tower is kind of a beacon for what the future can hold.” ■

Future of controversial RV storage project in Los Cerritos could be decided in April

■ By **SEBASTIAN ECHEVERRY**
Reporter

The next chapter in a debate over a proposed personal storage and recreational vehicle parking facility in the Los Cerritos area could be decided by the City Council on April 6.

The project has drawn staunch opposition from a group of residents who argue the site where the building is being proposed is one of the last parcels of open space in the area and should be converted into a public park. In response, developers InSite Property Group say the project has gathered support from other residents.

The developers purchased the land—a former oil and brine dumping ground for petroleum companies—in 2019 to create a three-story, 5,000-square-foot integrated office space that will act as the company’s new headquarters in Long Beach.

The land is situated between a parcel owned by Los Angeles County along the Los Angeles River and a parcel owned by a third party. Developers have touted the 3701 North Pacific Place storage project as an improvement to an area that has been heavily blighted and prone to home-

less encampments.

“The lot has sat essentially empty for 50-plus years due to the complex environmental challenges on the site,” according to a statement from the developer. “But our project is the first proposal that has received approval from the city planning department.”

In December, the Long Beach Planning Commission approved the project, and it will now go to the council. The commission approved the project with a recommendation to change the land’s current light-industrial zoning to commercial-storage zoning, according to Development Services spokesman Richard de la Torre.

Some examples of what light industrial zoning allows include warehouses and small-scale industries, according to the city’s municipal code. The change to commercial-storage zoning would allow for buildings that offer rental space for personal items and RVs.

Following the commission’s approval, the residents opposing the project—the River Park Coalition—began to increase their protests against the developers. Their efforts have also pulled in support from some notable politicians

including Assemblyman Patrick O’Donnell, D-Long Beach. A recent update to the LA River master plan, which is a county initiative to develop urban parks along the river, has bolstered their efforts to create a public park where the project is proposed.

The developer, meanwhile, created a Facebook page in December to let residents know about the project. Both sides have accused the other of misunderstanding their efforts and spreading misinformation.

Paul Brown, a spokesman for InSite Property Group, said the developers have taken in some of the comments from residents and are planning to go forward with the project and include a native plant reserve, a bike pavilion and a pathway to access the Los Angeles River.

“We’re proposing to take our neo-industrial zoned lot, which we acquired in 2019, downzoning it, and put a low-impact self-storage and recreational vehicle parking facility on it,” Brown said.

Construction of the project cannot commence until the City Council hears an appeal and approves the project next month. ■

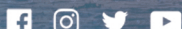


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State program could ease strain on moderate-income housing construction

■ By **JASON RUIZ**
Reporter

Developers can access a slew of tax breaks and credits for building low-income housing, but there are no incentives to build homes for middle-income earners.

A new state program seeks to increase the stock of housing for the so-called “missing middle” by issuing bonds to investors who buy existing market-rate buildings that are then transformed into units that a four-person household making \$90,000 to \$135,120 annually can afford.

Lennar, the developer of the Oceanaire building at 150 W. Ocean Blvd., Downtown, recently took advantage of this new bond program and sold the two-year-old luxury complex for \$144 million to the California Statewide Community Development Authority, which bought the building using bonds purchased by investors who are repaid through monthly rents, plus interest.

The city had to sign off on the sale, as it will have to forgo property taxes for up to 30 years, but will get to keep proceeds from the future sale of the building.

The city will also benefit from Oceanaire’s 216 units being more affordable for the middle class.

While the state owns the property, a management firm called Waterford Property Company will serve as the project administrator and collect an estimated \$11.5 million in fees over 15 years, which comes from rent.

Oceanaire rents will be standardized, with studios going for as low as \$1,841 per month and three-bedroom units as high as \$3,941 per month.

While the state has helped cities across the state issue more than \$5 billion in bonds to create affordable housing, until this past year the bulk of those projects have been restricted to helping households that make 60% of the area median income and below, said Jon Penkower, a managing director for the state development authority.

The new bond program, created 18 months ago, could broaden its reach in the coming months, Penkower said. Glendale, Pasadena, Monrovia, Oakland and San Diego are all working their way to approving similar deals. Earlier this year in Anaheim, Waterford and the state



Oceanaire, a residential building in Downtown Long Beach, is taking part in a state-sponsored housing program meant to increase housing stock for the “missing middle.” Photo by Brandon Richardson.

agency secured 786 units across two properties for a total of over \$376 million.

Penkower said for the program to work the “stars really have to align” because it needs a willing seller, equity partners, the property to appraise and the right interest rates for the deals to make sense. Right now, building middle-income housing outright doesn’t make sense for developers, so the bond program is one of few viable options for cities.

“You can’t get people to build these units,” Penkower said.

The rising costs of construction and labor, a labyrinth of state funding mechanisms, the potential for any project to be delayed by lawsuits and the price of land all feed into the costs of projects.

The Los Angeles Times reported in April that the cost of creating low-income units can be as high as \$1 million per unit in the state, and that’s with the benefit of state and federal tax credits.

Those kinds of incentives dry up for projects focused on middle-income earners, which can still be impacted by unionized labor costs and environmental policies at the state level that require certain levels of efficiencies for new projects, both of which can add tens of thousands of dollars to the per-cost unit.

While the Oceanaire was not originally built to become affordable housing, the acquisition price of \$144 million equates to a per-unit cost of about \$666,000.

Sean Rawson, co-founder of Waterford, said Lennar and Waterford were able to come to a price that “made sense” for Lennar to sell the property. Officials at Lennar did not reply to requests for comment.

Oceanaire was about 70% occupied at the time of the sale, according to the city.

Rawson said he expects that about half of the current residents would qualify to remain in their

units past their current leases. And while it won’t help close the city’s regional housing production target overall, it will help eat into the dearth of moderate income units that have been developed in the city, Rawson said.

The city had a goal of building nearly 1,200 moderate-income units during the last Regional Housing Needs Assessment by the Southern California Association of Governments, but has only created about 37, Rawson said. The next assessment cycle, starting in 2022, calls for the city to build 4,158 moderate-income units.

Oscar Orci, the city’s director of development services, said the units won’t technically count toward meeting the city’s housing goals, but shifting them from market-rate to more affordable units presents a valuable new tool for the city.

“It’s a great opportunity to provide housing, quicker,” Orci said.

However, Orci said the Oceanaire is a pilot program, meaning that widespread use of the bond program is unlikely in the short term.

While nearly all new developments in the city’s pipeline will cater to higher-income earners in the coming years, creating new housing for any tier is a good thing, said Michael Lens, an associate professor of Urban Planning and Public Policy at UCLA.

Lens said that there’s still work to be done to address affordability for lower-income earners but the housing market has become so unaffordable that a program like the one used to buy the Oceanaire may have been necessary.

“It only happens when you’re so worried about the affordability of housing driving those kinds of people out of the state,” Lens said. “I think we’re there, but whether or not we’ll find a bunch of money to do something about it, it remains to be seen.” ■



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