Rising interest rates cool local commercial real estate market

By Brandon Richardson

With the Federal Reserve increasing interest rates four times so far this year, the local commercial real estate market—including industrial, office and retail—is cooling, with properties sitting vacant longer. Asking rents, however, remain strong as uncertainty remains, according to experts.

At the onset of the coronavirus pandemic, the Fed slashed its target rate to 0%-to-0.25%, where it stayed for two years. On March 17 of this year, the board began increasing the target rates starting with a 25 basis point bump to 0.25%-to-0.5%.

After three more increases of 50, 75 and 75 basis points in May, June and July, respectively, the rate currently sits at 2.25%-to-2.5%, its highest point since the summer of 2019. Fed Chair Jerome Powell in June said the rate is expected to reach upward of 3.8% by the end of next year.

Industrial

Despite the upward pressure on interest rates caused by inflation, the local industrial real estate market remains strong, if stifled slightly, according to Lee & Associates Principal Brandon Carrillo.

“What’s amazing is seeing how quickly things shifted upon the interest rate increase,” Carrillo said. “Usually, these types of things take time to trickle down to our local markets, but it’s crazy how instantaneously it impacted deals right out of the gate.”

Before the rate hikes, Carrillo said industrial buildings were being bought up quickly, mostly with seasoned institutional buyers paying all cash and closing deals fast. Those groups, however, began to scrutinize deals more as rates went up, he said.

Continued on page 8

Memorial faces investigations after 2 patient deaths

By Brandon Richardson

Severe lapses in patient care at Long Beach Memorial Medical Center earlier this year spurred multiple investigations of the hospital, one of which led the medical center to temporarily fall afoul of U.S. Centers for Medicare & Medicaid Services requirements.

The federal agency, known as CMS, has since restored the hospital’s good standing, but investigations by two other agencies—The Joint Commission, which is an independent nonprofit that accredits hospitals (though accreditation

Continued on page 18

San Pedro Bay to benefit from state’s 1st inland port

By Brandon Richardson

As supply chain congestion continues to wreak havoc across the country, California’s first inland port is working its way through the Kern County permitting processes, with site plans zoned and approved and building permits on the way.

On Aug. 9, the Kern County Board of Supervisors voted to issue a proclamation in support of Pioneer Partners’ Mojave Inland Port. The 400-acre facility will be just outside the city of Mojave where State Routes 14 and 58 meet, 90 miles from the San Pedro Bay ports in Long Beach and Los Angeles.

While the two highways make the facility easily accessible by truck, the Union Pacific Railroad runs directly through the site. The port also will be directly adjacent to the Mojave Air & Space Port, meaning cargo can

Continued on page 4

A small crew works on a new tilt-up building in Bixby Knolls that will eventually open as a Harbor Freight Tools location.
Blackstone acquires dozens of properties in Signal Hill

By Brandon Richardson

Industry giant Blackstone Real Estate purchased PS Business Parks, which includes a dozen properties in Signal Hill, for $1.6 billion, the company announced earlier this year.

The two firms entered into a definitive agreement in late April in which Blackstone would acquire all outstanding shares of common PSB stock for $48.50 per share in an all-cash transaction. The sale was approved by the PSB board and stockholders and closed on July 20.

“I am extremely proud of everything we have accomplished at PS Business Parks,” President and CEO Stephen Wilson said in a statement. “This transaction is an exceptional testament to the incredible company and portfolio of high-quality assets our team has built, acquired and enhanced over the years.”

At the end of last year, the firm reported its assets under management had grown to nearly 520 million square feet. On the plus side, the sale and prospective tenants of the portfolio will benefit from Blackstone’s commitment to improvements by Blackstone.

Real estate giant Blackstone Real Estate purchased PS Business Parks, including two dozen properties in Signal Hill, at the end of the year, according to Patchbook. The company had originally projected surpassing $1 trillion in assets in 2018 but now say that goal will be reached before the end of this year.

In January, the firm’s real estate arm agreed to buy an apartment portfolio of more than 12,000 units from Brookfield for about $7.5 billion. Last year, the firm spent nearly $6 billion purchasing 15,000 rental units from Berman Residential and Home Partners of America.

Blackstone Real Estate also recently spent $950 million on seven hotels, including two Sonnysvale business hotels, in a deal with Hersha Hospitality Trust, The Real Deal reports.

The firm’s PSB deal includes 24 properties in Signal Hill (that account for about $37 million of the total purchase price and nearly 440,000 square feet worth of the total 7.7 million square feet).

“We are excited to add [PSB]’s business park, office and industrial assets to our portfolio and look forward to leveraging our expertise to provide the best possible service and experience for PSB’s customers,” David Levine, co-head of Americas acquisitions for Blackstone Real Estate, also said in a statement.

Brian Russell, vice president of Kimpton’s Brokering House in Long Beach, said the purchase will likely be a mixed bag for current and prospective tenants of the properties. On the plus side, the sale will likely be followed by capital improvements by Blackstone.

The continued consolidation of properties under Blackstone, however, could result in higher lease rates as tenants have fewer landlords to choose from, Russell said.

“They are on the march with a seemingly endless acquisition budget,” Russell said. “Lease rates will stay strong and may indeed continue to rise. But will we have stable ownership in return? Yes, we will.”
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experienced unprecedented backlogs on the inland port next year, with it million by 2030, Pioneer stated. Records throughout this year. In fact, records, last year the ports moved over and second busiest container ports to businesses and consumers faster through job creation. Goods will get chain; it will help the local economy. Goods will get businesses and consumers faster and more efficiently. Individually, the ports of Los Angeles and Long Beach are the first and second busiest container ports in the U.S. respectively. Combined, after each set numerous monthly records, last year the ports moved over 21 million 20-foot equivalent units (the standard measure of a shipping container), more than any other year in more than a century-long history. Despite a historic 2021, the ports have continued to set monthly records throughout this year. In fact, with ever-increasing e-commerce, port executives anticipate even higher volumes to continue into the next decade. Good movement experts project container volumes at San Pedro Bay to increase to 34 million by 2030, Pioneer stated. Cranes are expected to break ground on the inland port next year, with it being fully operational in 2024. As it is, the twin ports have experienced unprecedented backlogs of ships and containers for nearly two years. According to the Marine Exchange of Southern California, the backlog of ships officially began on Oct. 15, 2020, and reached a peak of 109 in January of this year. As of Aug. 10, the backlog reached a record low of nine, the Marine Exchange reported. Similarly, the number of containers dwelling for extended periods on dock has fluctuated wildly since the backlog began. The problem got so bad that the ports announced a new fee in October 2021 for containers that sat for too long, though the fee has yet to be enacted. The number of containers lingering on dock is now 30% below where it was when the fee was first announced, according to port data. “We are very good at ship-to-shore movement—getting the containers on and off the vessels,” Port of Long Beach Executive Director Mario Cordero told the Business Journal. “What we need to work on is continuing that momentum of velocity through the terminal and out of the region.” Both of the San Pedro Bay ports have emphasized the need for increased rail capacity, which is a more efficient and more environmentally friendly way of moving containers compared to trucks. Each agency has undertaken numerous capital improvement projects to increase rail capacity. With Long Beach’s long-awaited enterprise, the Port On-Deck Rail Support Facility, moving closer to reality, the combination of increased rail capacity at the ports and a new inland port facility that can handle upwards of 3 million TEUs annually would greatly increase the velocity of container movement, Cordero said. From the inland port, goods will then be more quickly disseminated to their final destinations. “Cross brings opportunity,” Cordero said. “This cross of supply chain constraints and how people now recognize how vital it is to have a resilient and fluid supply chain, has really elevated some ideas, one of them being inland ports.” Pioneer’s announcement of the port noted that the Mojave Air & Space Port is open 24/7, indicating the new inland port could be looking at similar operating hours, Cordero said. For years, Cordero has been an advocate for the ports to transition to 24/7 operations for numerous reasons, not least of which is that most Asian ports, which account for the lion’s share of goods coming into the San Pedro Bay ports, already operate with these hours. While he would ultimately like to see all port operations working around the clock, Cordero acknowledged that rail is the easiest aspect to make the transition, as it requires far less personnel than moving containers one at a time by truck. “It also coincides with... our quest for zero emissions and our parallel approach to reduce truck traffic.” Cordero said. “Rail serves a dual function: velocity—and continuing with environmental stewardship.”

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To learn more and download your rebate application, go to www.longbeach.gov/energyresources/
A once-‘organ-ized’ Los Cerritos home now offers silence and space

Even by the serene standards of Los Cerritos, the home at 4255 Chestnut Ave. is extraordinarily peaceful. Bracketed by a brace of massive eucalyptus and fronted by a comparatively diminutive magnolia tree, the home is on a huge lot of a lot more than a half-acre, and its spreading, verdant backyard is as close to Elysian as I’ve seen in my years nosing around Long Beach properties.

A large statue of the Virgin Mary stands in one corner of the yard that’s dotted with dozens of blooming shrubs, roses, a purple myrtle, a dusty rose bush beneath an arbor, a small stand of eucalyptus, all shaded at least partially by a towering century-old pine.

Along a narrow outdoor walkway with bench seating is a long, maybe 30-foot stacked-stone wall with water gently trickling down its face. Overall, you can pick a place to relax or meditate nearly anywhere on the property and perhaps attempt to read a book before dozing off.

The floors throughout most of the house are hallowed three-quarter-inch cherrywood. If the generous use of windows in the house doesn’t introduce enough of the outdoors to the home’s interior, there’s a lot more to pull some of the gathering rooms into the backyard, most notably the view, or perhaps turn it into an entertainment space. It’s flex; do what you want.

The home’s ‘flex room’ features windows that open up to the backyard.

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“It’s pretty amazing to see how vibrant [the sector],” Carrillo said, noting that Virgin and Relativity have expanded their presence in the city since they moved in. “We’re seeing the wave of the future.”

Retail

Long Beach’s retail market is still recovering from the pandemic, which took its toll on countless businesses, especially restaurants that were forced to close for months on end. Many chains never recovered.

Fortunately for the market, people will always need to eat, and restaurant concepts are innovative,Doug Shea, a partner at Centennial Advisors, said.

“We are still seeing second-generation restaurants flying off the shelf,” Shea said. A second-generation restaurant is a new concept that takes over a space already built out for restaurant use.

“We can get that space filled every single day,” he said, adding that small retail spaces are sitting on the market for “quite a while.”

But inflation is hitting restaurateurs, and tenants hard as well. Shea said one of his clients in Naples is going to have to raise his prices twice this year, whereas he has sometimes gone as long as three years without an increase.

Not only are goods for restaurants and retailers becoming more expensive, consumer spending is also decreasing. According to a Landing Tree survey, 40% of Americans plan to take on new debt in the next six months on necessities such as housing, transportation and health care, which leaves fewer dollars for luxury items and dining out.

There are numerous vacancies along the historically popular Second Street corridor in Belmont Shore as well as the newer 2ND FC Retail center up the street, Shea noted. And a decrease in consumer spending is not likely to help.

Those two areas, however, along with the Long Beach Exchange retail center near Lakewood Village, have some of the highest rents for restaurant and retail space in the city. Those areas can have asking rents between $4 and $6 per square foot, Shea said, with Second Street being on the lower end.

Older spaces, however, even those that have recently been remodeled, have much lower rents. Shea said the Los Altos Market Center, for example, is 100% leased, he said, noting that the former Sears location was recently re-opened, but he does not know what store, or stores, will take over.

Office

Uncertainty continues in Long Beach’s suburban and Downtown office markets, in large part due to companies navigating the post-coronavirus work environment. Cushion & Wakefield Senior Director Robert Gary said. While some companies have brought their workforces back into the office, others have held off—and some employees will never return.

“People were saying, ‘office is dead,’ but I never believed it,” Gary said. “We’re seeing it come back to life with some repurposing of their offices—but not every company.”

Some companies have embraced a hybrid model for employees, which uses them in two or three times a week. This model spares less office space per employee, which has resulted in some companies downsizing to meet their current need. Gary said.

While there may be fewer employees at the office at any given time, Gary noted many companies are spending more on productivity and innovation and even bringing back personal offices to health-conscious people that arose amid the coronavirus pandemic. While this may offset the downsizing somewhat, Gary said it likely will not be enough.

With demand for office declining, Gary said some office buildings like 400 East Ocean Blvd. and 1700 Hughes Way could be repurposed into mixed-residential or industrial use.

Several buildings in the Downtown area have been recently converted to residential, including the former Verizon building at 200 Ocean Blvd.

At The Landing, a strip mall at the corner of Clark Avenue and Atherton Street that recently underwent facade improvements, rents are about $3.25. Shea said. The Centennial team recently got an offer for a new cafe, a med spa and a bath shop to go in the center.

When it comes to retail, Shea said discount stores—furniture, clothing, etc.—and how big brands like Target are thriving. A Few Below discount store is coming to the Los Altos area, he added.

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The overall average asking rent in Long Beach’s suburban office market, in large part due to companies navigating the post-coronavirus work environment. Cushion & Wakefield Senior Director Robert Gary said. While some companies have brought their workforces back into the office, others have held off—and some employees will never return.

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Long Beach moves forward with permanent parklets

By Jason Ruiz

Parklets in Long Beach became a fixture in front of many restaurants during the pandemic, but a City Council vote in June required business owners to begin the process of applying for permanent status or to remove the structures entirely. The council vote allowed business owners who had expressed interest in making their site permanent to keep their temporary structures through September. Those who didn’t needed to remove their installations in July.

Many of the over 100 parklets and temporary dining areas across the city have already been removed, while over 60 locations have expressed interest in keeping theirs permanent, according to city data given to the Business Journal through a public records request. The city’s Public Works Department notified businesses earlier this year about whether their sites were feasible for a permanent location. Joy Contreras, a spokesperson for Public Works, said businesses would have to work out agreements with neighboring businesses or modify their site to narrow roadways and a lack of utilities, storm drains or other obstacles that could disqualify a business from making its parklet permanent.

So far, the city has determined 45 locations across the city could be feasible for a permanent parklet location and some of those (38) would have to meet certain conditions before the city would sign off on them. But not all of these businesses have expressed interest in making theirs permanent, and expressing interest doesn’t necessarily mean the business will go through with building out a permanent location.

Belmont Shore, where residents have been the most vocal about ending the parklet program due to the impact on parking and nuisances, a total of 20 locations were found to be feasible by the city including parklets at George’s Greek Cafe, Legends, Open Souvere and Saint and Second.

Some businesses, like Simmzy’s on Broadway, could have to go through a separate process that the city has yet worked out. Permanent parklets would likely look a lot different than many of the temporary ones currently around the city. Permanent structures would have to meet certain safety and building material requirements outlined in the city’s guidelines for permanent structures and could cost tens of thousands of dollars, depending on the size, shape and design.

City officials had previously said that locations that caused traffic safety or accessibility issues would likely not be considered for a permanent parklet. Blocking utilities, storm drains or other important public infrastructures were also factors that could disqualify a business from making its parklet permanent.

The long parklet in front of DiPiazza could become permanent.

Luxury massage chain set to open by year’s end at 2ND & PCH

The NOW Massage is set to open on the southwestern side of the shopping center after the Planning Commission approved the company’s permit earlier this month.

By Christian May-Suzuki

A new massage business is coming to southeast Long Beach. The NOW Massage, a high-end chain, is set to open later this year on the southwestern side of the 2ND & PCH shopping center after the Planning Commission approved the company’s permit earlier this month. Cody Larkin, a spokesperson for the chain, told the Business Journal the company expects to welcome customers there this winter.

The spa will occupy the 2,094-square-foot Suite 150 at 6480 E. Pacific Coast Highway. The NOW Massage already has the locations, including in Manhattan Beach, Santa Monica and Studio City. The Long Beach location will include one large massage room with nine beds that are separated by canvas draping. The NOW Massage offers “high-quality, customizable massage services without the time commitment and cost of a traditional spa,” according to an email from Larkin, where customers can talk with a therapist prior to the session to identify particular goals for the massage. These massages can last 25, 50 or 80 minutes, according to The NOW Massage’s menu of services.

The company’s permit was approved by the Planning Commission on Aug. 4 approval. The NOW Massage can operate from 8 a.m. to 10 p.m. seven days a week.
Affordable veteran housing project breaks ground in West Long Beach

By Brandon Richardson

Dozens of veterans who are low income or experiencing homelessness and struggling with their mental health will soon have more resources in West Long Beach. Officials and developers celebrated the groundbreaking of The Cove last week. The latest project at the 27-acre Century Villages at Cabrillo campus, the 90-unit development will offer affordable and supportive housing for veterans earning 30-60% of the area’s median income.

“The Cove is our sixth phase of development here at the Villages, and it comes as we celebrate our 25th anniversary,” Brian D’Andrea, president of Century Affordable Development, said during a groundbreaking ceremony. “Over those years, we have served thousands and thousands of veterans, individuals and families in need here in Long Beach,” D’Andrea added. The four-story, 71,000-square-foot building will include over 7,000 square feet of common space, including a lobby, community room, computer lab, classroom, bicycle storage and 3,800-square-foot courtyard on the second floor and 40 parking stalls.

The number of homeless veterans in Long Beach increased 48% from 2019 to 2022, according to city data. In this year’s homeless count, volunteers identified 431 unhoused veterans in the city—87 sheltered and 244 unsheltered—up from 304 in 2019. The city’s overall number of unhoused people increased 62% from 2020 to 2022.

“We are living in a moment where there is no bigger issue than the issue of folks that are unhoused,” Long Beach Mayor Robert Garcia said in his groundbreaking remarks. “This is a failure of our society.”

“Projects like this one are transformational for our community,” Garcia added, saying the Century Villages are a model for the country.

The city housing authority is providing 60 project-based housing vouchers for residents of The Cove. The Los Angeles County Department of Mental Health is sponsoring 15 of the new units, which will be designated for veterans experiencing mental health challenges. Division Chief of Program Development Lori Willis said during the event.

As is the case with all affordable housing developments, funding for The Cove was pooled from various sources, including $6 million from the Los Angeles County Development Authority, $4 million from the Long Beach Community Investment Company, $2.1 million from the county’s No Place Like Home Program, over $750,000 in Community Project Funding through Rep. Alan Lowenthal’s office, $25,000 from the Federal Home Loan Bank of Dallas Affordable housing Program and $500,000 from The Home Depot Foundation.

Wells Fargo, a long-time partner of Century Affordable Development, provided over $27 million in construction loan financing and over $14 million in tax credit equity. The Cove is slated for completion in October of next year, with occupancy expected in spring 2024.

“The continuing incidents of veteran homelessness is a real stain on our nation’s conscience,” D’Andrea said. “It’s a stain that we at Century, and all our partners, take very seriously and we remain steadfast in addressing it.”

3 new businesses to join 2ND & PCH

By Christian May-Suzuki

The 2ND & PCH shopping center continues to add to its stock of businesses and services. Property management company CenterCal Properties announced earlier this month that three new businesses are joining the property and opening up this summer:

- Forno Banano: A new Italian concept featuring a bakery that will serve staple like pizza, focaccia and other baked goods made daily.
- WoofPak Pet Kitchen: This dog food retailer provides a unique dining experience for dogs with farm-to-bowl meals, safe sweets like donuts and birthday cakes, and other healthy food options for your pet.
- Compass Real Estate: The national brokerage has been operating in Long Beach out of a temporary location, but is set to relocate to a second floor space at 2ND & PCH.

CenterCal also shared that these previously announced businesses—Fire Wings, dan modern chinese and Beachwood Brewing—are slated to open this summer. The Beachwood Brewing opening comes after the business opened up a new location in Bixby Knolls earlier this month, which is slated to become the company’s first distillery.

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Long Beach freezes convention center fund after complaints of unchecked spending

The scrutiny comes after the former finance director alleged the top official of the Convention and Visitors Bureau was misusing the money.

By Kelly Puente

The city of Long Beach has frozen a million-dollar convention center fund and is auditing its use in response to allegations by the city’s former finance director that public money was being misspent, the Business Journal has learned.

Paul Falzon, the former finance director for the Long Beach Convention and Entertainment Center, has alleged in a lawsuit that he was force-fed complaints that hundreds of thousands of dollars were being spent on purchases without proper approvals or the city’s dozen. He said he was ordered to submit invoices to the convention center for reimbursement without proper approval. The convention center fund is used to defray expenses, such as for event space, the city and stadium areas, as well as inns with unused items.

Falzon said he had been delivered to the City Convention Center, which could no longer be used because it had been dormant for years because of COVID-19’s impact on convention center events and activities and has been used and now stands under the box office for the city.

Under the fund’s rules, ASM is allowed to use the public money on specific improvement projects but must first get approval from the city. The contract to operate the convention center, for example, was worth $1.3 billion, but Falzon said the project was put on hold. The ASM would use his “goodwill” to keep the city from being out of pocket. Falzon said he had no other option but to file a whistleblower suit in April 2022.

In an interview, Falzon said he was hired to oversee the city’s convention center fund and is auditing its use by the top official of the Long Beach Convention and aquariums. He said the nonprofit organization, which oversees the city’s convention center fund and is auditing its use by the top official of the Long Beach Convention and the aquariums, is earmarked for convention center improvement. The convention center fund and is auditing its use by the top official of the Long Beach Convention and aquariums.

Falzon said Goodling would use his own organization’s funds for purchases, but would not be able to commit to the city. The board supports a $200,000 annual audit of the city’s convention center fund and is auditing its use by the top official of the Long Beach Convention and aquariums.

Falzon said he had been ordered to submit invoices to the convention center for reimbursement without proper approval. The convention center fund is used to defray expenses, such as for event space, the city and stadium areas, as well as inns with unused items. Some of those items, Falzon said, had been used and still were in their original packaging. Falzon said he had been force-fed complaints that hundreds of thousands of dollars were being spent on purchases without proper approvals or the city’s dozen.

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Port of Long Beach sets July container movement record despite slower spending

Dockworkers and terminal operators moved 185,843 20-foot-equivalent units last month, a 0.13% increase from the previous July record set last year.

By Brandon Richardson

The Port of Long Beach set a new July record for cargo movement despite consumer spending being stifled by inflation, officials announced earlier this month.

Dockworkers and terminal operators moved 185,843 20-foot-equivalent units (the standard measure of a shipping container) last month, a 0.13% increase from the previous July record set last year. The gain was led by empty container movement, which increased 2.8% to 301,325 TEUs.

Imports and exports actually both declined last month, port data shows.Imports declined 1.8% to 376,175 TEUs, while exports declined 5.5% to 195,446 TEUs.

“We are continuing to seek solutions to improve efficiency as a record-breaking number of containers move through the Port,” Executive Director Mario Cordero said in a statement.

The port’s efforts to become more efficient have been met with fluctuating success. The backlog of ships awaiting their turn at the ports of Long Beach and Los Angeles reached nine on Aug. 15, the lowest point in well over a year, the Marine Exchange of Southern California reports.

The number of ships waiting off the coast or slow steam toward the port has declined in recent weeks. Last month, the Twin Ports’ port operators booked a total of 116 — 86 containerships — on Navy Day, or all-hands day, from the Marine Exchange.

The number of containers languishing on dock for extended periods of time has fluctuated greatly over the past months. Port data shows. In October, the twin ports announced a container dwell fee aimed at alleviating that congestion.

The ports have yet to implement the fee, citing improvements. But the Port of Long Beach’s data portal — which compares the current number of aging containers to where that number stood before the October fee was announced — shows that while the number of idle containers fell in late January last year, its level has rebounded to 9% higher than October’s level as recently as last month.

Since the most recent peak, the number of dwelling containers has declined to 20% below the October mark.

“We hope to relieve some of the stress points by continuing to support a transition of the entire supply chain to 24/7 operations and ensuring our industry partners can track containers with our new Supply Chain Information Highway data solution,” Cordero said.

The record cargo movement comes despite consumers cutting inflation and spending less on goods that would be sent overseas via ships, port officials said. Last month, Bank of America noted a “broad-based slowdown” in consumer spending when considering inflation, Fortune reports.

Dockworkers and their employers also are in the midst of contentious contract negotiations with the Port of Long Beach. The union is seeking to replace the previous contract that expired at the beginning of July. Despite no agreement being reached, the work continues.

“Our waterfront workforce continues to ensure trade moves through the Port at record-setting pace,” Long Beach Harbor Commission President Sharon Wintermantel said in a statement. “We continue to strengthen our partnerships with industry to ensure our spot as a leader in trans-Pacific trade.”

By Brandon Richardson

Falzon, before he was general manager of an ASM-managed convention center in Florida, did not return a phone message seeking comment.

For their part, city officials apparently were taking note of Falzon’s complaints. In July of 2021, the Economic Development Department sent Belin a letter reinstating the city’s rules for using the parking fund.

In the letter, obtained by the Business Journal, economic development director Reader said he had approved the most recent request but wanted to “take this opportunity to clarify or refine the request process going forward.”

He stressed that “Parking Fund Requests should be submitted prior to expenditures being made.”

The letter warned that if purchases were made without the city’s prior approval, then the convention center’s operator would be on the hook “to cover those costs, as regular operational expenditures.”

Falzon said the final straw for him was when he was asked to sign off on invoices from Goodling for thousands of dollars in items that he could not verify had been received by the convention center. It was not a new problem, he said. Among items that could not be located during previous searches were a $3,620 Schombek crystal chandelier, a $3,228 John Widdicomb buffet and a $3,900 set of Restoration Hardware dining chairs.

As a certified public accountant, Falzon said, he told Belin, “I’m not signing off on these invoices unless you can prove we’ve received all this stuff.”

Several weeks later — and just days before being asked to transmit yet another invoice to the city — Falzon said he was asked to meet with Belin and Goodling, who wanted Falzon to apologize for his complaints of wrongdoing. Falzon said Goodling “went off” on him and accused him of not being “on board for the vision” of the convention center.

“I remember telling him I didn’t have an issue with his vision, I had an issue with how he was spending city funds and not following ASM and city spending guidelines,” Falzon said.

The following month, Falzon said he was told his position was being eliminated due to a reorganization. He was told his position was being eliminated due to a reorganization if he had just received a salary increase from $130,000 to $170,000 because he had just received a salary increase from $130,000 to $170,000.

Belin, however, said he was not on board with his vision, then I should go.”

Falzon said he was shocked because he had just received a salary increase from $130,000 to $170,000 and had never had any negative performance reviews.

Falzon said he was offered a job at a corporate office in Los Angeles, however, he said the offer was vague and that the position was temporary.

Falzon said he was shocked because he had just received a salary increase from $130,000 to $170,000 and had never had any negative performance reviews.

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is not mandatory for health facilities), and the California State Board of Pharmacy said going.

Both agencies declined to comment on whether they’re investigating Memorial, but the Business Journal has independently obtained emails from the nonprofit and state board that confirm the probes. It’s unclear what potential consequences could be in store for Memorial as a result of these investigations. The state pharmacy board does have the power, however, to revoke hospitals’ pharmacy licenses. The Joint Commission can similarly withdraw its accreditation, though a Wall Street Journal analysis found that it did so for far less than 1% of about 350 hospitals with serious issues between 2014 and 2016.

The outcome of the CMS investigation, though, ended in Memorial’s favor. Officials told the Business Journal on July 8, according to a Memorial spokesperson Richele Steele. While Memorial could still lose its Medicare funding as a result of the CMS investigation, the hospital continued to receive the funding that helped cover its losses. Steele confirmed.

“The hospital is dedicated to improving the health of individuals, families, and our community through excellence in patient care, education, and research,” Steele said in an email.

Deadly lapses in patient care

The severity of the hospital’s care and its patient care in the result of complaints that Long Beach resident Rosemary Davis, 61, submitted earlier this year to various agencies, including the California Department of Public Health, after the death of her 83-year-old mother, Margaret Davis, while in the hospital’s care.

In addition to incorrect medication, Davis said her mother was subjected to physical therapy despite her heart condition and a doctor’s order to remain on bed rest. Davis also saw a detailed account of issues with her mother’s diet while at the hospital, which she said was much worse than her mother on a diabetic coma.

Davis said she watched the rapid deterioration of her mother—both physically and mentally—during her time at Memorial. “It was horrifying,” Davis wrote to the CDHP. “My self-sufficient mom was so impaired she could not even plastic spoon to her mouth.”

Ultimately, Margaret suffered an infection, which turned to septic shock. Davis wrote to the state, “and I never got to say goodbye to her.”

The second immediate jeopardy incident occurred in March when a patient with dementia, identified as “Patient 1” in the CDHP report, was admitted at failing at their assisted living facility. The patient, who was classified as a “high fall risk,” fell multiple times at Memorial while attempting to walk unassisted, which led the patient to suffer a hip fracture.

A daughter’s loss

Davis, meanwhile, is left dealing with the loss of her mother in a diabetic coma.

In an Aug. 2 email to Davis, the Joint Commission wrote, “The Owl Spreads its Wings” mission is equipped with a total of 10 nine-engine cluster on its first stage and a single engine with a longer nozzle on the second stage. The Rutherford uses liquid oxygen and refined kerosene as its propellants.

Rocket Lab will put 150th satellite in space next month

Since its first test launch on May 25, 2017, Rocket Lab has successfully put 25 satellites into space. The Long Beach-based firm is now gearing up for No. 250 when its next launch windows will take place in the coming weeks.

The upcoming mission, dubbed “The Open Space 4,” is slated to carry a single satellite—the 10th for the Spaceflight Foundation—which the company for almost five years, will leave the hospital Aug. 24.

“Irresponsible, dangerous, it’s impossible to have this kind of loops at times verged on callousness,” Davis said, noting that the call from Memorial staff came after the CDHP report was completed. “What kind of loop are we used to seeing in our hospitals nowadays? Is that the way they’re going to get to do it?”

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Unrest leads cruise from Long Beach to cancel Mexican port call

By Brandon Richardson

Passengers aboard the Carnival Radiance departed Long Beach earlier this month for an excursion to Ensenada for some fun in the sun on board and in the popular Mexican tourist destination. Unnest throughout the Caribbean, however, kept travelers delegated to the ship.

Food-borne illnesses associated with spinal injuries effectively shut down the region on Aug. 12, the Los Angeles Times reported. The following day, officials said the ship backed up and travelers were left at least two dozen vehicles and put up roadblocks to that evening. "The cruise line reserves the right to change a trip's itinerary at any time before or during a voyage for any reason. If guests' vacations are "significantly impacted" by a change, Lupoli said Carnival has guidelines to provide "goodwill gestures."' The commission is in its eighth place after not after 11:30 a.m. Aug. 14, will allow the Radiance would have normally called at the port. With three ships based in Long Beach, Carnival has weekly voyages to Ensenada, which offers vendors various tours, wine tastings, dining and more. "Moving forward," Lupoli said, "we will continue to assess the situation."
Carnival Cruise Line partially lifts vaccine requirement

By Anthony Pignataro

The cruise line no longer requires that passengers get vaccinated against COVID-19 for most voyages of less than 16 days, the company announced earlier this month.

Carnival, the largest cruise operator in the world, operates three vessels out of Long Beach.

Princess Cruises, which sails out of the Port of Los Angeles, also announced similar changes to their vaccination guidelines.

New fusion restaurant Shootz opens at Uptown Commons

By Cheantay Jensen

A new restaurant serving up Hawaiian-inspired fare recently opened in North Long Beach at the outdoor dining center Uptown Commons. The new restaurant, Shootz, celebrated its grand opening earlier this month, where first-time patrons were greeted by hula dancers, live DJ and a two-hour wait for its Hawaiian fusion food, which features Hawaiian barbeque mainstays such as loco moco (white rice, burger patty, topped with a fried egg and gravy) and creative takes on big island staples like the sweet Spam Brûlée musubi.

“It was a long line, but it was a really good turnout,” said co-founder Michael Dancel.

It’s also been a good year for the company, which opened its second location at the Rodeo X Public Market in Ontario this past March (the first opened in October 2020 at the Stanton food hall Rodeo 39).

Dancel said he and co-founders Harold Walters, Christian Solomona and Nolan Perez had been eyeing Long Beach for their third Southern California location for quite some time, and ultimately settled at North Long Beach because they felt their concept would work well at Uptown Commons, which already features several fusion food restaurants at its locale.

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A rebounding economy has budget officials optimistic about closing a $25.6M deficit

By Jason Ruiz

Long Beach budget officials are optimistic that the city will be able to close a $25.6 million deficit projected for next year with the help of a rebounding economy, which has allowed the city to stretch federal recovery funds and buy time to develop a plan.

The Long Beach Recovery Act adopted by the City Council in 2020 provided over $200 million in state and federal aid to help pay for rent and establish a host of programs designed to help the local economy rebound from the COVID-19 pandemic. It also included about $71 million to replenish the city’s reserves, which were tapped to help plug unexplained deficits brought about by the pandemic closures. With sales tax revenue and a booming real estate market now on the upswing, that money has lasted longer.

A presentation given to the city’s Budget Oversight Committee on Aug. 9 showed that property taxes were expected to generate an additional combined $3.5 million to the city’s coffers. The city’s fiscal year runs from October through September.

“Long Beach is growing, and our general fund, both are expected to grow in the next fiscal year, adding a combined $6.5 million to the city’s coffers,” said city Finance Director Thomas Yoon.

By the pandemic closures, the city’s fiscal year runs from October through September.

The city’s financial health also improved as the real estate market now on the upswing.

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The partnership behind Shootz was a long time coming, Dancel said, since the guys have been friends for over a decade after they met playing basketball at a park in Riverside.

“Shootz is the embodiment of Hawaiian cuisine,” he said. “It is so close to us, it’s our heart and soul. Hawaiian culture is already marked by distinct cultural influences from its long history of settlement and immigration to the Hawaiian Islands. Though musubis are widely understood to be a Hawaiian invention, it’s made from an American-made meat product and wrapped in the Japanese traditions of origami, with rice and nori, or thin strips of dried seaweed. And lest we forget that chicken katsu, a fixture of Hawaiian barbeque, is a fried invention of Japan.

 Shootz plums up on the spirit of innovation by fusing other distinct Asian flavors to the mix. The menu’s most popular item, the kimchi butter katsu chicken, is a bright nod to Korean’s spicy fermented vegetable dish.

Other influences are more subtle. The Spam Brüle, musubis, Dancel explained, was inspired by a glazed ham musubi his high school friend’s father would make.

“It’s a Filipino way of doing things,” Dancel said. A couple of trips to Shootz would be enough to try the entire menu, which is intentionally small and quality-focused. There are four main plates served with two sides: the kimchi butter katsu chicken (which can also be served as sandwich), loco moco, short ribs and jalapeno garlic shrimp. There are also two musubi dishes, the Spam Brüle musubi and honey coconut shrimp musubis and three sides dishes, including a popular macaroni salad.

Shootz is open from 2 to 9 p.m. everyday at Uptown Commons, 6600 Atlantic Ave, until A.

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