

LONG BEACH

BUSINESS JOURNAL

An edition of the Long Beach Post



Brandon Richardson / Business Journal

A woman walks through the rain to the Long Beach Marriott, which recently underwent \$22 million in renovations.

Long Beach hotel industry

expects full recovery next year

By Brandon Richardson

After having business decline sharply in March 2020 and into 2021 as the coronavirus pandemic emerged and then ravaged the nation, Long Beach hotels are finally experiencing near-normal business volumes, though challenges remain.

“January and February were a wash, but starting in March we’ve been beating 2019 numbers,” Imran Ahmed, general manager of Long Beach Marriott, said, adding that 2019 was a record year. “We’re doing extremely well.”

The downturn in 2020 was

dramatic. After a record 2019, the hotel industry began the year with a strong two and a half months, Bruce Baltin, a director with PKF Hospitality Consulting, said. The recovery time for the industry, however, was actually very fast compared to other downturns such as the Great Recession, Baltin said.

“The recovery has been startling,” Baltin said. “I’ve been in this business for decades and I’ve seen a lot of downturns of various types, and this recovery is unique in how fast it’s built up steam.”

In 2007 and 2008, many individuals and families lost their homes and jobs, making travel all but impossible

for years. During the pandemic, meanwhile, many people continued to work or collect increased amounts of unemployment—so the means to travel remained, but people were not allowed.

Once the pandemic began to wane, people jumped at the opportunity to travel, even if just short trips by car.

“The recovery is being led by the leisure segment,” Baltin said. “People were tired of being cooped up.”

The recovery is not the same across the country or around the world, Baltin said, noting that Long Beach has been faring better than other areas. Occupancy in Long Beach hotels through August is nearly 75%, according to STR data from CoStar Group, which is very strong considering the peak national average, which it reached in 2019, was 66%, according to Baltin.

In 2019, Long Beach hotel occupancy was 76% and the average daily room (ADR) rate was \$157.11. The revenue per available room, or RevPar (a metric for hotel performance calculated by multiplying a hotel’s average daily room rate by its occupancy rate), was \$119.47, CoStar data shows. Amid

Long Beach

Marathon gives economy, hospitality sector a needed boost

By Tess Kazenoff

The Long Beach Marathon returned for the 38th year earlier this month, leading runners through a scenic 26.2 miles through Downtown Long Beach, Shoreline Village, Belmont Shore and around Cal State Long Beach’s campus.

“It truly is one of the most scenic 26.2-mile races in the country,” said race organizer Dan Cruz. “The Long Beach Marathon is the premier fall marathon in Southern California.”

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City hopes Queen Mary will be open for some public access by end of year

By Kelly Puente

After being shut down during the pandemic, parts of the Queen Mary could reopen to the public by the end of the year as the city works on critical repairs for the historic ocean liner.

Long Beach had originally anticipated a possible October reopening, but spokesman Kevin Lee said the city is still working on the ship and will soon release more details.

The aging vessel, which arrived in Long Beach in 1967, is undergoing \$5 million in safety repairs after a report last year from marine engineering firm Elliott Bay Design Group said the Queen Mary would need \$23 million in urgent work to stay “viable” over the next two years. A marine survey in 2016 found that the ship would need up to \$289 million in repairs long term.

In May, Long Beach removed 20 of the ship’s 22 badly corroded lifeboats, which were deemed a safety hazard and causing stress to the side shell. After receiving no qualified bidders for the lifeboats, the city demolished 14 of the boats while others were kept for historic preservation. Two of the boats remain on the ship.

Other critical repairs include improvements to the ship’s bulkheads and bilge pump systems to prevent flooding, and a new emergency generator,

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Women's marathon winner Margaux Curcuru, 30, of Los Angeles, crosses the finish line during the Long Beach Marathon. Curcuru finished with a time of 02:53:20.9.

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Brandon Richardson / Business Journal

A student walks north along Cherry Avenue, crossing Artesia Boulevard, one of the city’s main arterial streets, which is five lanes wide with shoulders nearly two lanes wide.

## ‘Great Boulevard’ project to transform stretch of Artesia in North Long Beach

By Jason Ruiz

The Artesia Boulevard corridor in North Long Beach will undergo a year-long facelift that will include pedestrian and cyclist safety improvements, with the city projecting the project to be complete by the end of 2023.

Known as the “Artesia Great Boulevard Project,” the \$36.2 million plan will transform the 3.2-mile stretch of Artesia that runs through Long Beach while maintaining the total number of travel lanes at four, despite adding protected bike lanes in both directions.

The project also includes new landscaping, medians, pedestrian bulb-outs that will shorten the distance of crosswalks and new bike lanes that will be protected by on-street parking and new landscaping. A number of pedestrian signals will also be installed that will allow people to cross the street safely at intersections without signals.

A total of 18 bus shelters will also see improvements in addition to upgraded traffic signals and lighting once the project is complete. It could also include a mural project where Artesia goes under the 710 Freeway.

Councilmember Rex Richardson, who represents the majority of North Long Beach, said that this project had been a point of emphasis for over a decade, noting that his predecessor, Steve Neal, said the condition of the corridor was “shameful.”

Richardson said the project would be transformative for the area and would be a big boost to safety for Jordan High School, which sits near the corner of Artesia and Atlantic Avenue.

The project will span from Susana Avenue in the west to Downey Avenue in the east, but similar bike lanes that residents can expect along the full project already exist west of

Orange Avenue.

Public Works spokesperson Joy Contreras said construction could start as soon as the end of this year and it’s expected to take about 180 working days to complete. The timeline could be complicated by unforeseen weather conditions, but Contreras said the hope is to be done by the end of 2023.

Contreras said only one side of Artesia will be under construction at a time so that the entire street is not affected by ongoing work.

“Usually the second side goes quicker because we learn a lot from the first side,” Contreras said about the expected timeline.

The project is being paid for primarily through grants from Los Angeles County Metro, which is contributing about \$30 million in grant funding. The remainder is being paid for through various other regional tax revenue approved by voters over the years with about \$500,000 coming from Measure A bonds that the city agreed to issue in the recently approved budget.

The conversation to rebuild Artesia started years ago, but the price of the project has nearly doubled and its groundbreaking, originally set for late 2021, was pushed back. Now, with the project fully funded, the start of construction could be just months away.

City officials have called the project more than street improvements, saying that this is a community development effort that can serve as a foundation to help draw new businesses to the area.

It’s one of four corridors the city has planned to renovate over the next few years. It’s already started construction on Market Street and plans to address Anaheim Street and Studebaker Road in its five-year infrastructure plan approved in the most recent budget. ■

## Holiday season to engage locals, tourists and businesses

By Tess Kazenoff

After two holiday seasons of surges in COVID-19 cases and pandemic restrictions, Long Beach’s 2022 holiday season is slated for a strong comeback, with even more efforts to engage the local community, tourists and businesses.

Long Beach’s efforts reflect a nationwide trend. With the lifting of pandemic-related restrictions throughout the country, more marketing dollars are being placed behind tourism; coupled with pent-up demand, the push for more tourism is happening naturally across all destinations, according to Long Beach Convention & Visitors Bureau spokesperson Samantha Mehlinger.

“Right after the pandemic, we were focused on driving traffic and local area traffic, because that’s what our research showed was going to be most of the tourism,” Mehlinger said. “Now we’re certainly broadening that scope, because people are flying and traveling more.”

Long Beach’s tourism industry is largely based on its conventions and special events, with large events such as the Acura Grand Prix of Long Beach, Long Beach Marathon, Long Beach Pride and even the Fourth of July fireworks show being the biggest draw for tourists, Mehlinger said.

The highlights of the holiday season in Long Beach, meanwhile, are the city’s annual tree-lighting and its New Year’s fireworks display.

**Kicking off the season**

The Downtown Long Beach Alliance will start its celebration of the season with a virtual scavenger

hunt that will launch the first week of November and run through the end of December. The hunt will include 30 to 40 challenges, trivia questions and opportunities to collect points, according to DLBA spokesperson Michael Berman.

The DLBA estimates it will spend a couple thousand dollars in gift cards to local businesses that will be awarded in prizes to the scavenger hunt’s top participants.

“It’s a new effort to try to enhance the holiday experience in November and December,” Berman said. “We’re excited . . . we think a lot of people are going to participate.”

And of course, the DLBA has big plans for Shop Small Saturday, which is recognized every year on the Saturday after Thanksgiving. It falls on Nov. 26 this year.

To highlight numerous local businesses ahead of the holiday, Downtown Long Beach will soon be replacing the signal wrap signs on Pine Avenue from First to Fourth Street with large photos of business owners and their stores, along with a QR code including a map to the location and additional information, Berman said.

While Shop Small Saturday is a national day that began in 2010 due to an American Express incentive, Long Beach is able to leverage it to support local businesses, Berman said.

“Our approach is going to be supercharging it,” he added.

The DLBA is currently reaching out to businesses to put together an online virtual holiday gift guide, not only for Shop Small Saturday, but for the entire holiday shopping season, Berman said. The guide will include locations of Downtown businesses, while also highlighting discounts,

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Stephen Carr / Business Journal

Holiday trees reflect in a fountain during the seventh-annual Christmas tree lighting event at the Terrace Theater Plaza outside the Long Beach Convention Center in November 2021.





Runners during the start of the Long Beach Marathon along Shoreline Drive.

## Marathon

Continued from cover

That’s why thousands of runners from across LA County, the state and the country flocked to Long Beach the weekend of the Oct. 9 race—not only to participate in the full marathon, but also for the half marathon, the bike tour and the Aquarium of the Pacific 5K, Cruz said.

It’s an event that offers a significant boost to the local economy. According to the most recent economic status report, conducted in 2018, the marathon weekend generates an estimated \$4 million for the LA County area, a number that Cruz said was relatively similar this year.

The marathon hit its historic highs in participation around a decade ago, when over 20,000 people participated. This year, about 15,000 runners joined the weekend’s events—a stark rebound from the 10,000 athletes who participated last year, Cruz said.

“It’s going to be one of the largest

endurance events in the state of California since the pandemic,” Cruz said ahead of the race weekend.

While around 90% of participants hailed from Southern California, the remaining 10% traveled from 44 states and 21 countries this year, Cruz said.

Top visiting states were Arizona, Texas, Nevada, Colorado and Washington, and while the majority of international participants were from Mexico and Canada, the marathon also registered runners from as far away as Japan, Australia, New Zealand and Peru, Cruz said.

“Running is a global sport,” Cruz said. “It truly is a sport that transcends culture and geography.”

The race drives a significant amount of spending, particularly in restaurants, retail and hotels, Cruz said. Plus, runners don’t typically attend the event alone—they bring family members or friends with them, even further boosting Long Beach’s hospitality sector, he said.

Each year, around 20% to 25% of runners are first-time participants, Cruz said.

“So when you’re doing something for the very first time, you’re not skipping on expenses you want. You’ll remember that day for the rest of your life,” Cruz said. “It’s a special occasion to cross that finish line. You’re more inclined to order that dessert or book your massage.”

According to the report, the 2018 race brought over 11,300 visitors to the Long Beach area, 45% of whom stayed in the Long Beach area for at least one night.

“The tourism industry is an industry that was decimated by the pandemic, much like the events industry,” Cruz said. “To see these two industries come together to support one another, with runners staying at the hotels Downtown, easy walking distance to the start line and the finish line, truly is a recipe for a fantastic visitor experience.”

In 2018, 35% of total visitors paid for overnight stays, contributing \$547,093 to local hotels, motels and resorts, according to the report. About 4% of visitors stayed in vacation rentals, contributing \$67,072.

Long Beach Airport also saw a boost—1,660 visiting runners flew

into the airport.

Cruz estimated that the numbers were similar this year, although there is still a level of pandemic hesitancy that may have prevented some out-of-town runners from attending, he said.

“You still might have that group of folks that are not quite yet (ready) to get on a plane or travel across the country . . . So, we might not quite be all the way back from a tourism perspective out of the pandemic,” Cruz said. “But it’s certainly events like the marathon . . . that really kind of give people that excuse to get back out there to travel again.”

While the 2021 marathon weekend was clouded by uncertainty, the energy surrounding this year’s event was entirely different, Cruz said.

“The enthusiasm in the community, the excitement from the run clubs and the charity partners, to really just kind of be back and celebrate what we lost,” he said, made for “a special weekend.”

“They say Disneyland is one of the happiest places on earth,” Cruz said. “They’ve never been to the Long Beach Marathon finish line.” ■

## Saltwater Deck concession stand at Junipero Beach approved to sell alcohol

By Jason Ruiz

The City Council has cleared the way for the Saltwater Deck concession stand to begin selling beer and wine at Junipero Beach.

Saltwater Deck’s alcohol permit was challenged by two residents who argued the stand is too close to a playground and that sales of beer and wine on the beach were not in step with the city laws. But at its Oct. 4 meeting, the City Council denied their appeal.

The permit was approved by the Planning Commission in July and the City Council voted 7-1 to uphold that decision. While it is in the coastal zone and projects in that zone generally require approval from the California Coastal Commission, the city controls alcohol permitting for this project.

Saltwater Deck is one of the operators awarded contracts to work out of the newly renovated beach concession stands and has been open at the Junipero Beach location for over a year.

Its owner, Amy Kolb, said that customers often ask why they don’t have alcohol for sale and then ask for directions to the closest location where they can buy a drink.

“As a small business owner, it hurts to lose their business,” Kolb said during the Oct. 4 meeting.

Melinda Cotton, one of the people challenging the permit, said that the approval process did not account for safety issues caused by allowing beer and wine to be sold close to a body of water.

“This does not have to do with Saltwater Deck,” Cotton said. “This has to do with the serving of alcohol on our beaches.”

Council members were sympathetic to the opposition and pledged to have a report about the results of their decision presented to them in 12 months.

Councilmember Stacy Mungo Flanigan said that she had been dealing with a similar balancing of needs with business operators looking to open concession stands in El Dorado Park.

“When balancing the alcohol



A woman orders food at Saltwater Deck on Junipero Beach while others enjoy their food on the roped-off dining area on the sand. The eatery was recently approved to serve beer and wine.

license, you’re often asking if it’s worth it to have the concession at all,” Mungo Flanigan said of the high margins provided by alcohol sales.

There will be restrictions on Saltwater Deck, including alcohol sales having to end an hour before the shop closes and customers being required to purchase food before buying alcohol.

People who do purchase beer or wine will have to stay within a roped-off area on the west side of the concession stand, and the cups the beverages are served in must be clear

plastic and have a recognizable logo.

Acting Director of Development Services Chris Koontz pointed out the city will have additional power to enforce the rules outside of being the one that approved the permit.

“We’re also their landlord so we have some additional leverage that we wouldn’t have in other third-party situations,” Koontz said

The much larger Alamitos Beach concession stand that has yet to open is also approved for alcohol sales once it’s up and running. ■



### Seeking Qualified General Contractors for 10,000 sqft Tenant Improvements at Port of Long Beach Administration Building

Plenary Properties Long Beach (PPLB) is the master developer of the Long Beach Civic Center Project, which includes the new City Hall, the Billie Jean King Main Library, the revitalized Lincoln Park, and the new Port of Long Beach Administration Building. Plenary is seeking qualified General Contractors with Class B licence in California for an upcoming tenant fit-out project of approximately 10,000 sqft at the Port of Long Beach Administration Building at 415 W Ocean Blvd.

The RFQ is anticipated to be released to market in November 2022. Contractors will need to respond with relevant prior project experience, project and client references, safety performance and metrics, SBE subcontracting experience, bonding capacity, and other qualifications. Contractors selected to participate in the RFP stage shall be required to commit to a fixed price and fixed schedule in their final proposal, with construction slated to begin Q2 2023.

Interested firms requesting notification of RFQ release must respond no later than 5pm on November 7, 2022. Send responses to Plenary Properties Long Beach at [longbeach@plenarygroup.com](mailto:longbeach@plenarygroup.com)



Stephen Carr / Business Journal

Men’s marathon winner Raymon Ornelas, 22, takes a break after he crossed the finish line during the Long Beach Marathon along Shoreline Drive. Ornelas finished with a time of 02:31:37.2.



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A man rides a Lime scooter down Third Street in Downtown Long Beach.

Brandon Richardson / Business Journal

# FROM THE EDITOR: HAYLEY MUNGUIA

## City data shows where people are riding scooters—and where they’re not

Anyone who’s been Downtown over the past couple of years knows that electric scooters in the area are ubiquitous—far more so than in any other area of the city.

And late last month, city officials released data backing up all of that anecdotal evidence: In 2021, two-thirds of all scooter trips that were taken in Long Beach began and ended in the city’s 1st District, which stretches from the Port of Long Beach north to Pacific Coast Highway and includes all of Downtown. The next most-frequented district was nearby District 2, with about 17% of scooter trips, followed by District 3, with about 10% of trips.

Combined, the three beachfront districts represented 95% of all scooter trips taken last year. North Long Beach’s 9th District, by comparison, saw 0.01% of the city’s scooter trips.

And while the reasons behind these discrepancies may seem obvious—the coastal districts have more tourist attractions and less parking, making an e-scooter a more viable alternative to a car than it might be in other areas—the gap in scooter usage is still something the city has tried to guard against.

Long Beach’s scooter program requires scooter companies to provide at least 20% of their fleets in three zones across the city: a coastal zone, which largely comprises Districts 1, 2 and 3; a zone that falls west of Long Beach Airport and includes Central and North Long Beach; and an East Long Beach zone.

Fern Nueno, Long Beach’s mobility programs officer, told me that while scooter companies do comply with that requirement, they have noticed where the demand is highest and deploy their

fleets accordingly.

Still, Nueno said the city is aware of the usage gaps and is weighing whether and how it might incentivize more scooter trips beyond the coast.

“It’s something to think about more in the future: Why are (scooter trips) happening more there? Would people ride scooters in other locations? If, so what would they need to do that? Is that something we can control?” Nueno said. “What’s the reason for the trip—is it just for fun? Is it to get somewhere they need to be—is it something they could replace a vehicle trip with?”

“So there are a lot of different kinds of transportation questions and concerns we’re looking at,” she added, “but it definitely doesn’t surprise me when I see these numbers.”

Even though almost all of the scooter trips in Long Beach are happening in tourist-heavy areas, the city found that there’s a roughly even split between tourists and local residents using scooters.

To determine whether a scooter user is a tourist or a resident, city staff divvied up the number of scooter accounts that have been used once versus accounts that have been used repeatedly—an imperfect measure, to be sure, but still a decent proxy to get at the overall trends.

Between August 2018 and October 2021, 183,486 one-time user accounts were created, compared to 176,663 repeat-user accounts. But while there were slightly more tourist accounts, the resident accounts represented about 86% of all trips taken—meaning that when you see someone riding a scooter in Long Beach, odds are pretty good it’s a resident.

Nueno said the usage numbers overall are

encouraging for the city, though she acknowledged there have been some challenges.

“We have made changes based on concerns we hear from residents about too many scooters parked in one area, or people noticing they get knocked down and no one’s picking them up quickly,” she said. “So we added an option to the GO Long Beach app to report scooter violations. We are doing a short-term contract, or a short-term agreement with a company called Sweep to have more people in the field to document violations and then fix issues right then and there.”

The scooter companies themselves—Bird, Lime, Razor and VeoRide all currently have fleets in the city—have also been good partners in addressing concerns, Nueno added.

The program, though, is still relatively new. Long Beach ran a scooter pilot program from July 2018 to April 2020 and launched its current Shared Micro-Mobility Program in August 2020. Nueno said city staff are keeping a close eye on what’s working and what’s not.

Through both feedback and user data, Nueno said her team is always looking to “better understand the program, and for us as a city, in Public Works, but especially in our mobility programs division, we really want to provide people with fun and safe opportunities to move around the city in different ways.”

And so far, Nueno said she considers the program a success.

“We hope that people are enjoying the program and taking advantage of it,” she said. “It makes Long Beach a more dynamic city to live in, to work in and to visit.” ■

## Holiday Season

Continued from page 3

specials and promotions, Berman said.

Last year’s Shop Small Saturday was extremely successful, he said, returning nearly back to 2019 levels.

### The main event

Arguably the highlight of the holidays in Long Beach, the eighth annual tree lighting in front of the Terrace Theater at the Long Beach Performing Arts Center, will follow shortly after Shop Small Saturday.

Scheduled for Monday, Dec. 5, the tree-lighting event will be “bigger and better than ever,” Mehlinger said.

Mayor Robert Garcia initially pushed for the tree-lighting event following his first election eight years ago, and it has since become a tradition; prior to the pandemic, upwards of 5,000 people would attend, Mehlinger said.

Over the years, new elements have been introduced to be even more exciting to spectators, adding embellishments such as fireworks and snow, Mehlinger said.

This year, increased funding from the Long Beach City Council will allow for triple the number of holiday lights on the plaza, plus an even larger artificial tree that will stand at 67 feet compared to around 50 feet in previous years, making it one of the largest artificial tree displays in LA County, Mehlinger said.

“We are grateful to the City Council and city management for supporting this, as it will bring more people into Long Beach to enjoy holiday festivities and give our community something fun and festive to experience this holiday season,” Long Beach Convention & Visitors Bureau president Steve Goodling said in a statement.

While attendance was high last year considering the pandemic restrictions at the time, with around 1,500 people gathered, “it’ll be nice this year for folks to be able to actually explore, and take photos with their friends and family and feel more comfortable walking around,” Mehlinger said.

Beyond the night of the tree-lighting, the CVB this year is also introducing additional community engagement endeavors around the holidays, including encouraging surrounding buildings to participate in a holiday lights competition, for which there will be a prize, Mehlinger said.

The CVB will also host a scavenger hunt involving oversized, light-up Santa hats of different sizes and colors to encourage participants to enjoy the plaza and holiday display. That scavenger hunt will give prizes to three winners, Mehlinger said.

A holiday stroll, or Downtown walking tour, is also in the works in the form of a digital walking map, which will begin at the Terrace Plaza and lead to various Downtown Long Beach landmarks, Mehlinger said.

“It’s all to give back to the community and let people have some fun over the holidays,” Mehlinger said.

While the Christmas lights in Naples are always popular and draw crowds from all over, Mehlinger hopes that the

and visitors, according to Berman.

New Year’s Eve alone attracted nearly 92,000 visitors to Long Beach’s waterfront area, compared to roughly 26,000 the year prior and nearly 88,000 in 2019, just before the pandemic hit.

*“We want it to thrive, we want it to grow—in 2019 things were really hopping in Downtown Long Beach, and we want to not only get back to that, but to exceed that, to get back to the growth.”*

- Michael Berman, Downtown Long Beach Alliance Spokesperson

enhanced holiday display and added activities will be another reason to attract tourists to Long Beach, she said.

Ideally, the extra efforts this year will lead to even higher attendance than last year—between Shop Small Saturday and New Year’s Day, 1.3 million visits within the Property Based Improvement District in Downtown were tracked by a third-party software provider Placer.ai, which distinguishes between visits

### Looking ahead

Longer term, the DLBA is examining ways to engage more locals and tourists in the Downtown area, by developing a “Perfect Day” campaign, Berman said.

The effort is meant to encourage people from throughout Long Beach and beyond to experience shopping, dining and activities throughout the city, all of which would make up a perfect day or perfect weekend in

Long Beach, Berman said.

While the campaign would not be an itinerary, per se, it would offer options depending on the type of experience you’re looking for. It’s an effort that will support the holiday season and carry through the first quarter of next year, Berman said.

The campaign is necessary as Long Beach and its businesses are still in the process of recovering from the past couple of years, and many businesses are experiencing ongoing challenges due to staffing issues and inflation, according to Berman.

“From an economic recovery perspective, we know it’s going to take a while,” he said.

However, he added, data has pointed to an uptick of Downtown visitors and an interest in returning to community events.

“These are things that we can do along the way to kind of stimulate that growth, so for the DLBA, part of our strategic plan is to market the Downtown community and to support our businesses in any way that we can,” he said. “We want it to thrive, we want it to grow—in 2019 things were really hopping in Downtown Long Beach, and we want to not only get back to that, but to exceed that, to get back to the growth.”

“We’re hoping for a strong season and to help our local businesses have a good holiday season,” Berman said. ■



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# After coronavirus struggles, Ensemble Real Estate focuses on hospitality management

*The firm decided nearly three years ago to create its own hospitality management division, an initiative meant to give the organization more leverage to support its employees.*

By Tess Kazenoff

While Ensemble Real Estate Investments has developed hotels since its inception, the firm decided nearly three years ago to create its own hospitality management division, an initiative meant to give the organization more leverage to support its employees. Managing its own hotels, senior vice president

of hotel operations Kristi Allen explained, would allow Ensemble to set its own policies regarding health benefits and employee engagement, rather than relying on a third party.

“When you’re an investor or an owner, we just discovered that no one manages your property as well as you do,” Allen said. “You care about it the most, you make decisions primarily for the good of the property.”

Of course, the timing would prove fateful.

While Ensemble had “big plans” in 2020 to build its infrastructure and release programs within its new management division, the year instead turned into a fight for survival for hotels, Allen said.

“A couple of our hotels were temporarily closed and business dropped off dramatically,” she said, “so the focus turned from building up our management division to really just struggling to take care of our employees and hold on to the hotels and make it through this pandemic.”

## Rebounding from COVID

However, Ensemble’s position with largely leisure-based hotels rather than corporate- or group-oriented properties, helped it weather the storm. Leisure properties tended to be a stronger segment throughout the pandemic due to remote workers seeking locations with outdoor amenities such as the beach.

Now, over the last few months, Ensemble has begun to rebuild its customer base and move into a growth phase, according to Allen.

This past summer saw higher numbers of leisure travelers, she added, compared to the past couple of years, specifically in California.

As summer ended and people returned to the office, corporate travel such as meetings and conventions have also picked up and returned to pre-pandemic levels for the first time, both in Long Beach and throughout California’s Ensemble properties, Allen said.

Of Ensemble’s seven hotels in

California, four have exceeded 2019 revenue levels in 2022, according to the company.

## Focus on hospitality management

Despite the hurdles of the pandemic, Ensemble’s hospitality management sector has still developed; since establishing its management division, Ensemble began a scholarship program at Hotel Maya that’s administered by the Long Beach Community Foundation and has since expanded to encompass employees, their children and grandchildren at three additional Ensemble hotels.

“We make sure that part of our mission is to take care of the communities in which our hotels reside,” Allen said. “So making sure our hotels participate in community giving, community events, whereas when you’re not the management company, you don’t have as much power, as much say in that kind of thing.”

Due to outstanding management

*Continued on page 10*

## Hotel Industry

*Continued from cover*

the pandemic the following year, occupancy dropped to 50%, ADR to \$130.20 and RevPar to \$65.13.

The city’s low occupancy, however, remained above the national average of 44%, according to data from GlobeSt.

Through August of this year, Long Beach hotel RevPar was 3.6% above the same period in 2019, according to Long Beach Convention & Visitors Bureau spokesperson Samantha Mehlinger. If hotel business continues as is, 2022 RevPar could be more than 10% higher than 2019 levels, according to CoStar data.

Hotels have sacrificed some on occupancy, which was down 2.3% through August, but made up for the loss with a 6% increase in the average daily rate. Despite the strong year, Mehlinger said the CVB projects the city will collect about 10% less transient occupancy tax (a tax paid by customers when they book a hotel room) than 2019, which was a record year.

Baltin said projections show the overall hotel industry should be consistently at or above pre-pandemic levels from mid-2023 on as long as conditions remain the same. Long Beach, however, could

be faster, he said, a sentiment shared by Ahmed, who said his average occupancy for this year is 80%.

Looking ahead, “2023 is going to be a gangbuster year,” Ahmed said, noting that market conditions must remain the same. If the country slips into a true recession, that could impact hotel business, he said.

In addition to leisure travel, conventions and meetings also are playing a big role in Long Beach’s hotel recovery, Baltin said, noting the Long Beach Convention Center has been recognized nationally as a “very good center” for such events.

“[Conventions and meetings] have been spotty throughout the country depending on destination, but Long Beach has proven itself a very strong destination,” Baltin said.

Affordability, access to a small municipal airport and weather are among the reasons Long Beach has been successful in its recovery, Baltin said. Long Beach’s central location between Los Angeles attractions such as Universal Studios and various museums and Orange County attractions such as Disneyland and Knotts Berry Farm—not to mention the city’s own attractions such as the Aquarium of the Pacific—make it an ideal home base for travelers.

To further boost Long Beach’s leisure travel, the CVB took its marketing of the city as a destination to the next level

through an unprecedented partnership with Visit California.

“It’s driving tourism into the city,” Ahmed said. “That was totally out-of-the-box thinking.”

Baltin said many Long Beach hotels, including the Hyatt Regency and Centric, the Hilton, the Westin and the Renaissance, used the downtime brought on by the pandemic to renovate with little-to-no impact on guests. The Marriott underwent a \$22 million upgrade, Ahmed said, including guest rooms, meeting rooms, restaurants, public spaces and even the pool and other outdoor spaces.

Despite the strong business, Ahmed said one major challenge remains: staffing. Prior to COVID-19, the Marriott employed more than 200 people, he said. Today, the hotel has 149 employees who are working hard to keep up with record business, according to Ahmed.

“We have staffing companies helping us,” Ahmed said, adding that the hotel did not fire any employees but rather they left for other jobs while business was slow and hours were down. “What we need to do is make sure the guest experience remains the same.”

As business continues to increase, Ahmed said he hopes he can get fully staffed to ensure his employees do not get burned out.

“As a Marriott franchise,” he said, “we take pride in taking care of our associates.” ■

## Queen Mary

*Continued from cover*

which includes upgrades to the mechanical, plumbing and electrical systems.

In June, the City Council approved a five-year contract with Evolution Hospitality to manage the Queen Mary’s hotel and operations. Evolution, a San Clemente-based hospitality company, has managed the ship’s daily operations for the past decade.

As of Sept. 15, the city has provided \$1.5 million in funding for Evolution to begin the reopening process and will provide an additional \$1 million for pre-opening improvements, officials said.

The money will come from Tidelands Operating Funds, which are city funds that can be used only in coastal areas.

As the ship prepares to welcome back visitors, the city is considering a controversial plan to shift control of the Queen Mary to the Port of Long Beach, which then would use its budget for larger safety repairs.

The Long Beach Board of Harbor Commissioners, which will eventually vote on the issue, in June approved contracts with Lloyd’s Register Americas Advisory Services and ABL USA to assess the ship’s condition. ■

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# Carnival adds new ship to Long Beach lineup

Staff Reports

Carnival Cruise Line is bringing two ships from European-based Costa Cruises to the United States, one of which will join the company’s growing fleet of ships that are based in Long Beach.

The Italian-inspired Costa Firenze is expected to begin sailings from Long Beach in 2024, preceded by the Costa Venezia, which will move to New York City in 2023.

The news of the additional ship was confirmed locally during a presentation earlier this month at the Rotary Club of Long Beach by Carnival executive Chris Chiames.

In an earlier statement, Carnival President Christine Duffy said, “Carnival will operate the ships, which will marry the great service, food and entertainment that Carnival’s guests enjoy with Costa’s Italian design features.”

The Costa Firenze is a sister ship to the Carnival Panorama, a Vista-class ship already based in Long Beach. The Panorama arrived in Long Beach to much fanfare in December 2019, as the first new Carnival cruise vessel to be based on the West Coast in 20 years.

Carnival has had a home base in Long Beach since 2003, with the city now one of the country’s busiest cruise ship terminals based on passenger traffic, bringing in significant spending to the city via more tourists and passenger fees.

The Firenze was officially finished in December 2020 but didn’t launch on its first sailing until July 2021 due to the cruise industry shutdown during the pandemic. ■



Courtesy of Ensemble Real Estate Investments

Long Beach-based Ensemble Real Estate Investments owns the Dream Inn in Santa Cruz.

## Ensemble

Continued from page 8

agreements and a variety of other factors such as location, Ensemble does not manage all of its hotel properties, but it currently manages eight of its 13 hotels, Allen said.

Of its two Long Beach-based hotels, Hotel Maya is managed by Ensemble, and Residence Inn is managed by Marriott, Allen said.

Any new builds or additions to Ensemble’s portfolio will primarily be self-managed by the hotel management division as well, and Ensemble has several new projects in the works that will be joining

Ensemble’s portfolio in the next couple of years, Allen said.

Ensemble just broke ground on its Santa Cruz property, La Bahia Hotel and Spa, and it’s scheduled to open its doors to guests in fall 2024. Additional hospitality projects are also in its development stages, Allen said.

The firm has also expanded its staffing to help facilitate this growth. At the end of August, Ensemble announced three new hires in its hospitality management division: Samuel Grant, corporate hotel finance director; Pam Ryan, corporate director of hotel operations; and Silvia Villegas, employee experience manager.

The addition of three new positions will allow Ensemble to strengthen its corporate infrastructure and will support the organization’s growth, according to a company statement.

Allen looks forward to continuing “to grow into an established management company that takes care of our employees and our guests,” she said. “We’re excited to have this new division and to be growing.”

### A long history

Over the past 40 years, Ensemble has invested, developed and managed over \$2 billion in real estate across the United States, including \$500 million in Long Beach as of 2021, where the company has been based since 1996.

Although Ensemble’s portfolio includes hotels, commercial spaces and multifamily projects, Ensemble’s roots are in hospitality—its first acquisition back in 1980, a

Santa Monica-based property, was an independently owned hotel, which then transformed into the Holiday Inn Bayview Plaza.

In 2005, Ensemble’s hospitality sector expanded with its acquisition of Long Beach’s Coast Hotel, which was then renovated into the Hotel Maya, a DoubleTree by Hilton. “We’re based in Long Beach and we have this beautiful hotel here in Long Beach, and we just started growing from there in the hospitality division,” Allen said.

Allen credits Ed Proenza, who was in Allen’s role prior to her, with encouraging the growth of Ensemble’s hospitality sector.

While Ensemble reviews hundreds of deals, the company rarely actively seeks out new properties and generally is presented projects by former partners or other companies, Allen said.

“We review each deal on its own merits—whether it makes sense for us, are they economies of scale, are there value adds we can bring to the table for that specific project,” Allen said.

While due to permitting processes, it can be more difficult to develop a hotel in California compared to in other states, the majority of Ensemble’s hotels are located in California, the company’s home base, Allen said.

Ensemble’s hotel portfolio also includes hotels in Arizona, New York, Pennsylvania, and New Jersey.

“California is always going to be a destination, it’ll never fall off of the top destinations in the U.S.,” Allen said. “We do like to build California properties because they’re always popular.” ■



# LOCKED OUT

## Homelessness in Long Beach

an investigative series from the Long Beach Post

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# Steel conduit manufacturer to close Long Beach facility and lay off 145 workers



Steel conduit manufacturer Zekelman Industries is closing its plant on the Long Beach-Carson border, citing inaction by the Biden administration on trade with Mexico.

By Brandon Richardson

Illinois-based Zekelman Industries announced earlier this month that it's shuttering its factory on the Long Beach-Carson border, laying off 145 employees.

The facility at 2001 E. Dominguez St. primarily manufactures a complete line of steel conduit under the Western Tube and Wheatland Tube brand names, according to the announcement. Moving forward, the company said, customers will be served through Zekelman's Rochelle, Illinois, facility and West Coast distribution centers.

It is not clear when the plant will officially close. The company did

not respond to multiple requests for further details or comment.

Built in 1974, the facility is 321,000 square feet and sits on a 12.5-acre property, according to PropertyShark. Zekelman sold the property to Brookfield in June 2018 for nearly \$64 million and then signed a leaseback deal for three years. The deal also included a 7-acre property north of the Western Tube facility. Brookfield Properties states the sites will be redeveloped as a single last-mile logistics facility.

One of the contributing factors to the closure is the surge of steel imports from Mexico and the Biden administration's inaction, according to the press release. The company cites data from the U.S. Census

Bureau that shows the volume of steel conduit imported from Mexico is estimated to increase to 69,641 tons, compared to 11,960 tons in 2017, marking a 480% spike.

Steel product imports from Mexico have been increasing for years. In 2017, the U.S. received just under 570,000 tons of steel products from Mexico, Census Bureau data shows. Last year, by comparison, imports reached over 4.47 million tons.

According to the bureau's data, there have been just over 3 million tons of total steel product imported from Mexico this year through June, compared to over 1.9 million tons during the same time last year.

In March 2018, the Trump administration determined the quantities of steel being imported to the states threatened national security and imposed a 25% tariff on the product except from Mexico and Canada as part of replacing NAFTA with the USMCA trade agreement.

As part of the agreement, "it was clearly understood that if volumes imported into the U.S. from Mexico significantly exceeded historical norms, the U.S. would have the right to reimpose the 25% tariff or institute some other measures to reduce the surge," the company's statement reads.

The Office of the United States Trade Representative worked with Mexican agencies to implement a temporary permit control system in place to reduce volumes from August 2020 through May 2021. After this time, self-regulation was expected.

"This obviously did not happen, as Mexican conduit imports continue to climb unabated and are up six-fold from pre-USMCA levels," the company stated.

Zekelman also claims that one month after the permit control period was enacted, Mexican steel conduit producers and their importers began misclassifying their products to circumvent the control system. The company submitted three complaints to U.S. Customs and Border Protection in 2020 and 2021.

Wheatland Tube Company filed a lawsuit against the United States in January of this year, claiming CBP acted unlawfully for not taking action against Mexican steel importers Shamrock Building Materials and Liberty Products. In a March 18 opinion, however, Judge Timothy Stanceu determined Wheatland's interpretation of the law was incorrect and dismissed the case.

Still, Zekelman Industries maintains the Mexican companies are circumventing the trade deal and negatively impacting their business.

"All we ask for is for our trade agreements to be enforced," Barry Zekelman, chairman and CEO of Zekelman, said in a statement. "Instead, there will now be 145 hardworking UAW members that will be out of work at a company that pays life sustaining wages and benefits for American workers. How does this help promote the American dream?" ■



A construction crew builds a mixed-use residential building while a man waits for his train at Metro A Line First Street station in Downtown Long Beach.

# What California's elimination of parking mandates near transit means for Long Beach

The legislation will remove a significant hurdle in creating urban housing.

By Laura Anaya-Morga

Late last month, Gov. Gavin Newsom signed AB 2097 into law, removing minimum parking requirements for new housing developments and businesses near transit hubs like the Metro A Line (formerly the Blue Line).

The legislation will remove a significant hurdle in creating urban housing and seeks to decrease the need for cars in traffic-dense cities like Long Beach.

The law, which takes effect in January, gives developers the ability to choose their own parking arrangements in the Downtown and Central Long Beach areas. Parts of West, North and Southeast Long Beach along main transit corridors will also be affected by the law, though the city's Development Services Department says the impact to any specific area will be limited because they anticipate that most will still opt to provide at least some parking in their buildings.

It will also make housing cheaper and easier to build in areas with

easy access to daily destinations like jobs, grocery stores and schools, which would make a city more walkable and less car-dependent, advocates say. The city estimates that building parking structures for mid- and high-rise buildings can cost \$50,000 or more per space, but the exact cost can vary.

Residents, however, may not be thrilled with lower parking requirements for developers. Studies have shown Alamitos Beach is already extremely parking impacted, and though there is parking Downtown, much of it you have to pay for.

While it may seem like AB 2097 will make the issue worse, Development Services spokesperson Chelsey Magallon said its purpose is to create a safe and inviting pedestrian, cycling and transit environment.

The city plans to maximize public and private parking that already exists in the city by "making public parking and beach parking lots available to residents at night, adjusting red curbs to maximize street parking, adding diagonal parking where possible and exploring public-private partnerships to maximize the use of existing parking lots," she said.

Magallon said countywide studies show that approximately 14% of urban areas are used for parking. Max Dubler, communications manager for the advocacy group

# Black Business Strategies program launches 5th cohort

By Tess Kazenoff

Kevyn Lee-Wellington, owner of Fluffy's Sno-Balls on Long Beach Boulevard, was less than 10 months into running his New Orleans-style shaved ice business when he connected with the local Black Business Strategies program, a new initiative aimed at reducing inequities that Black-owned small businesses face.

With 15 years of business experience, Lee-Wellington didn't feel like a novice in the entrepreneurship world, but he did feel challenged by ongoing marketing issues and a lack of access to capital, he said.

Over 12 weeks, Lee-Wellington attended virtual workshops and received training and business strategy guidance from the Black Business Strategies instructors.

By the end of the program, Lee-Wellington left feeling more confident in his marketing skills and with an improved sense of his target audience, he said.

"I walked in with 15 years of leadership experience working as a former vice president of operations for US Foods, a multi-million dollar corporation, and I still found it extremely valuable, and I was extremely proud to be a part of the cohort," Lee-Wellington said.

As a collaboration between the Los Angeles Regional Small Business Development Center at Long Beach City College and Cal State Long Beach's College of Business, the idea to create a program geared toward Black business owners stemmed from the aftermath of the murder of George Floyd, said community leader and Miller Foundation President Darick Simpson.

"Black businesses traditionally have been the heartbeat or the cornerstone of our communities—a sense of pride, a sense of employment, a sense of engagement," Simpson said.

Continued on page 16

# East Long Beach office buildings sell for \$29M

By Brandon Richardson

A pair of office buildings near Long Beach Airport have sold for \$29 million, a 40% increase from the last time they sold in 2019, according to CoStar Group.

Located at 5000 and 5001 Airport Plaza Drive, the buildings include 126,219 square feet of leasable space on 2.7 acres, according to Newmark, the real estate firm that helped broker the deal. The property has a 46-year ground lease in place with the city of Long Beach.

"The suburban Long Beach office market has performed well since the onset of the pandemic with tenant activity increasing in part due to office to industrial conversions in office markets near the Ports," Kevin Shannon, co-head of U.S. capital markets for Newmark, said in a statement. "Vacancy for this

asset averages only 6% since 2014, which is less than half that of the submarket through that timeframe."

Shannon, along with Executive Managing Director Ken White and Senior Managing Director Scott Schumacher, represented the seller, WCCP Airport Plaza L.B. LLC. Sean Fulp and Ryan Plummer also assisted with the sale.

The buyer was LB5000, LCC.

The buildings recently underwent \$1.5 million in capital improvements and are 100% leased to 19 tenants, including the Federal Aviation Administration, Advanced Medical Management and NACA Logistics.

The sale comes as rising interest rates have cooled real estate markets across the country, including Long Beach. For office space, the uncertainty surrounding the future needs of companies post-pandemic also has brought down demand,



The office buildings at 5000 and 5001 Airport Plaza Drive recently sold for \$29 million, a 40% increase from when they sold in 2019.

local experts have said.

Vacancy in the suburban Long Beach office market is high, and only marginally better than the Downtown market, according to Cushman & Wakefield data. At the end of the second quarter, the suburban office vacancy was 22.9%, up slightly from 21.9% the quarter before, according to a Cushman report. ■

Upcoming Events at RLC

History Talk

November 6

"Beyond the Rancho: Creating 'Home' in late 19th C. Los Angeles" with Margie Brown-Coronet, PhD.

Birding Opportunity

November 10

The Rancho will open early for birders to enjoy the space.

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November 16

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December 10/11

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Continued on page 21



# Long Beach moves forward with the transfer of historic Community Hospital

*Under the terms of the deal, the city will “sell” the 8.7-acre property for \$0 to operator MWN Community Hospital LLC to cover the company’s operating losses.*

By Kelly Puente

The Long Beach City Council unanimously approved the land transfer of its Community Hospital property at its Oct. 4 meeting, paving the way for new ownership for the first time in nearly a century.

The vote was the culmination of a risky lease agreement inked by city leaders in a failed attempt to save East Long Beach’s only emergency room from closing due to seismic structural issues. The repairs were ultimately determined to be too costly and the hospital was closed for good last year.

Under the terms of the deal,



A security guard patrols the shuttered Community Hospital property.

the city will “sell” the 8.7-acre property for \$0 to operator MWN Community Hospital LLC to cover the company’s operating losses.

MWN reported roughly \$26.65 million in losses during its roughly four-year effort to save the hospital. The hospital was open for 11 months but shuttered

in December due to the mounting seismic construction costs and lack of demand for services.

The city and leaseholder agreed to a fair market sale price of \$17.71 million, according to a staff report.

Under the lease agreement, the property will be transferred to MWN for the \$0 price tag because

the company’s losses exceeded the market value.

MWN has said it is committed to its plans to move forward with a wellness campus with an emphasis on behavioral health on the property—a plan that would not require the same stringent seismic requirements as a hospital. The property would also offer varied medical and health services for the community, for which MWN would serve as the landlord.

Speaking to the City Council at the Oct. 4 meeting, John Molina of MWN said his company has been working with the Long Beach Health Department and has determined that mental health services are the biggest unmet need in the community.

Molina said he is in various talks with mental health providers for both adults and adolescents, as well as programs with sliding-scale costs for low-income patients.

“We tried to transform this from an acute care hospital into something that could continue to benefit the community,” he said.

An East Long Beach fixture, Community Hospital opened its doors at Termino Avenue and Pacific Coast Highway in 1923, overseeing the births of multiple generations of

Continued on page 20

# ‘Small-format grocer’ to replace vacant Polly’s Pies location near Traffic Circle

By Jason Ruiz

The site of the former Polly’s Pies near the Long Beach Traffic Circle could soon become a small-format grocery store after the Planning Commission voted unanimously earlier this month to approve a conditional use permit for alcohol sales there.

The future tenant of 4680 East Los Coyotes Diagonal is described as an upscale convenience market, but city officials say it will operate more like a grocery store because it will sell daily essentials in addition to alcohol and prepared foods.

What the future tenant will be is unclear. City officials say the applicant hasn’t revealed what brand of store will open at the old Polly’s location, and a representative for the applicant was not immediately available for comment.

While the vote approved alcohol sales for off-site consumption for the

future grocer, the site will not be a liquor store. It’s expected to have a hot-food preparation area, a bakery and a dining section for patrons to eat on-site.

The former Polly’s, located at the corner of Los Coyotes Diagonal and Ximeno Avenue, is being split up into two new businesses. The grocery store will occupy the front part of the building along Los Coyotes, and an undisclosed tenant will fill the unit between the grocer and a Dave’s Hot Chicken that is slated to open in early 2023.

Some requirements that the grocer must meet under the conditional use permit approved by the commission will limit the sizes of certain alcohol products sold and the quantities they’re allowed to be sold in. Once the new grocer opens, which hasn’t been announced, alcohol sales will have to end by midnight, according to the conditions set by the city. ■



A ‘small-format grocer’ is slated to take over the former Poly’s Pies Restaurant location near the Traffic Circle.

# Rocket Lab breaks annual launch record

*The firm is on track to complete 10 launches this year. Its previous record is seven.*

By Brandon Richardson

Rocket Lab’s dedicated mission for General Atomics Electromagnetic Systems blasted off earlier this month, successfully delivering one satellite to orbit, the company announced.

Dubbed “It Argos Up From Here,” Rocket Lab’s 31st launch took off from the firm’s New Zealand complex just after 10 a.m. Long Beach time on Oct. 7. This was the firm’s eighth mission this year, breaking its previous record of seven launches in 2020.

“Beating our own annual launch record with such an important spacecraft delivering critical insights about our planet is a real privilege,” Rocket Lab founder and CEO Peter Beck said in a statement.

Rocket Lab has had a successful launch every month since April, and it’s on track to keep up its record cadence through the end of the year, according to the announcement.

The firm has launches scheduled from its New Zealand facility as well as the inaugural mission from its new complex at the Mid-Atlantic Regional Spaceport on Virginia’s Eastern Shore.

Since its first on May 25, 2017, Rocket Lab has completed 31 launches.

During “It Argos Up From Here,” the company’s Electron Rocket successfully delivered General Atomics’ GAZelle satellite carrying the Argos-4 Advanced Data Collection payload. The mission is supported by the National Oceanic and Atmospheric Administration’s (NOAA) Cooperative Data and Rescue Services Program.

The Argos-4 joined a network of other instruments to collect data from both stationary and mobile transmitters around the world, according to Rocket Lab. The data helps “provide a better understanding of Earth’s physical and biological environment, including weather and climate,



Rocket Lab’s “It Argos Up From Here” mission blasts off from the company’s New Zealand launch complex.

biodiversity and ecosystems, as well as assist with maritime security, offshore pollution and humanitarian assistance,” the announcement reads.

“Congratulations to the teams at General Atomics, NOAA, and France’s National Center for Space Studies on a successful mission,” Beck said. ■

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Black Business

Continued from page 13

Pandemic challenges

Addressing the inequities that many Black business owners face, especially since the pandemic, is a key goal of the program, said Simpson.

Black businesses experienced the highest rates of closures since the pandemic compared to other groups—the number of Black business owners dropped 41% from February to April 2020, according to Reuters.

To help overcome those and other challenges, Black Business Strategies’ core tenets are to provide access to capital, education, consulting and technical assistance, lead advisor and program manager Joseph Jackson said.

“Many business owners become so immersed in the day-to-day operations of their business, they get lost in some of the other key aspects that are necessary and important for success,” Jackson said.

Over the course of 12 weeks, participants study components of business that are useful for virtually any business owner, including fiscal assistance, marketing strategies and more, said Jackson.

“Those particular issue areas translate well for not only new business owners, but for individuals

who’ve been in business a long time who want to refresh their understanding of particular key issue areas,” Jackson said.

Even before the pandemic, Black businesses have long faced disparities in funding and access to capital, which hinders their ability to be sustainable, Jackson said. Meanwhile, awareness of business support services and access to them have been in short supply.

“The objective was to focus on this underserved community, ensure that they were aware of the resources available to them, and curate webinars that touched on core topics essential for business success, and make it available to them so that they can maximize their potential and hopefully bring to fruition the dreams that they have for the enterprise,” Jackson said.

Finding new opportunities

As a result of the knowledge gained during his time in the program, Fluffy’s Sno-Balls has earned seven certifications, including distinction as a minority business enterprise, Lee-Wellington said.

The business has also been certified with Airport Concessions Disadvantaged Business Enterprise, creating the possibility of opening up in California airports, along with certifications from the United States Black Business Chamber and the City

of Long Beach, Lee-Wellington said. Applying for these certifications “is not a very easy process,” said Lee-Wellington, and Black Business Strategies was able to guide him through the applications.

“In terms of what the program did for me, I found it quite insightful,” Lee-Wellington said. “They go above and make sure you’re connected with experts in terms of your business.”

Lee-Wellington would encourage any Black entrepreneur to participate in future cohorts, he said.

“BBS is important to Long Beach because as we all know, Black and brown people have been marginalized and taken out of the process overall,” Lee-Wellington said.

Particularly since the pandemic, many entrepreneurs realized that they couldn’t depend on government assistance, and they had to figure out how to create opportunities for themselves, Lee-Wellington said.

“Having a BBS program allows entrepreneurs to gain that insight that they ordinarily wouldn’t be privy to,” Lee-Wellington said. “It does create the opportunity for you to invest in yourself intellectually.”

Lee-Wellington is now looking for ways to expand his business past the traditional brick-and-mortar by branching out into catering and creating merchandise—ideas that grew from his time in the Black Business Strategies cohort, he said.

Fluffy’s Sno-Balls has also increased its revenue since Lee-Wellington was a part of the program, experiencing its largest sales month in the company’s history, he said.

“I’ve run companies as an employee, but never as a CEO,” he said. “It’s helped me reshape and reframe my perspective by taking a look at everything in my business.”

A new cohort

On Sept. 22, the Black Business Strategies program began its fifth cohort of Black business owners.

Since 2020, over 42 businesses have graduated from the program, including

other Long Beach businesses such as Village Treasures, Forgotten Images and DreamKreator Studio.

Current participants span from across Los Angeles and Ventura counties and represent businesses in landscape design, early childhood education and development, cleaning, therapy and more. The current cohort includes one Long Beach business: Learning Associates, LLC.

Each participant has specific outcomes they’d like to achieve, including scaling their businesses, maximizing sales capacity and attaining the visions they have in mind for their business.

“Each new member seems very enthusiastic and eager to get started, and the level of interest was definitely high,” said Jackson. “We’ve seen that with previous cohorts as well. With each new cohort, the level of energy just seems to expand as they recognize what can be achieved through some of the information that’s going to be available.”

Jackson hopes to implement a network of support and a searchable database moving forward that can also act as a resource for both alumni and current Black Business Strategies participants, he said.

Simpson hopes that in the future, the program will be able to do youth outreach, showing the entrepreneurs of the future that their talents can become strengths on which to build a career, he said.

Additionally, he hopes to create a network of support for business owners of color that not only has technical expertise but also demonstrates how to be corporate citizens in the community, Simpson said.

He hopes that participating businesses will reach a point where they can give back or have enough staff to volunteer, he said.

“Business and life is about relationships,” Simpson said. “If you aren’t so worried about keeping the doors open, then you can look forward to tomorrow and next week.” ■



Brandon Richardson / Business Journal

Panelists discuss the future of advanced air mobility in Long Beach during the Accelerate Long Beach economic forum at the Convention Center. From left: Sergio Cecutta, founder and partner of SMG Consulting; Curt Castanga, president and CEO of the National Air Transportation Association; George Kivork, head of U.S. state and local policy for Joby Aviation; and moderator Garrett Reim, space and emerging technologies editor for Aviation Week.

New economic initiative launched at Accelerate Long Beach

As part of the effort, the activation of the World Trade Center Long Beach, a trade-promoting entity, is now underway.

By Tess Kazenoff

A new plan to promote economic development in Long Beach is on its way, after the Port of Long Beach and the Long Beach Economic Partnership solidified an agreement to develop just such a strategic plan during last month’s Accelerate Long Beach economic forum.

As part of the economic initiative, the activation of the World Trade Center Long Beach, a trade-promoting entity, is now underway. The One World Trade Center building in Downtown is expected to become office space for the effort following the approval of the plan from the Long Beach Board of Harbor Commissioners, which will likely come in the first quarter of 2023.

The LBEP will guide the World Trade Center relaunch under its Blueprint of Economic Development, according to Noel Hacegaba, deputy executive director of the Port of Long Beach.

The agencies did not share specific details on what the strategic plan will entail. But Hacegaba said it will strengthen each organization while coordinating each entity’s efforts to

drive more economic opportunities to Long Beach.

“This is definitely what you call a win, win, win situation,” he said.

The port, which handles \$200 billion in trade annually, generates 50,000 jobs in Long Beach alone, and over 575,000 jobs in Southern California.

Through both the new partnership and the port’s existing efforts—such as its sponsorship program, which will allot \$1.2 million over the next year to local nonprofits and its community grants program, which has set aside over \$65 million since 2009 to mitigate the port’s environmental impacts—the port hopes to move more cargo, create more jobs, attract more businesses and investments and drive economic development, Hacegaba said.

“We’re working ... 24/7 to strengthen our economic engine as we continue to be a great partner to all of you, a great neighbor to our community, and together with LBEP, we will continue to drive economic prosperity while delivering cleaner air and a better quality of life for all,” Hacegaba said.

Other highlights of the Sept. 29 Accelerate Long Beach conference included the economic forecast, led by Robert Kleinhenz of CSULB’s Office of Economic Research and Kleinhenz Economics, who discussed the potential for economic growth in the area as well as challenges facing the region.

While factors such as the pandemic, potential federal action, the Russia-Ukraine war and labor force dynamics could still come into

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Bid Opportunities

Title	Bid Number	Due Date
R-7200 Terminal Roadway Improvements	AP-22-152	10/19/2022
Airport Parking Management Services	AP-22-131	10/20/2022
Promotora Community Health Champions CBO	HE-22-105	10/25/2022
Heavy Equipment Rental	FM-22-163	10/25/2022
Youth Mentoring Facilitation	HE-22-099	10/28/2022
Housing Services Software System	HE-22-118	11/01/2022
Traffic Paint	CE-22-097	11/01/2022
Construction Mgmt. Svcs. for Terminal Roadway Improvements Project at LB Airport	AP-22-160	11/03/2022
R-7171 I-605 Soundwall, Coyote Creek to Spring Street	PW-22-147	11/04/2022

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Brandon Richardson / Business Journal

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COLUMNIST: TIM GROBATY

Rising interest rates ‘dump bucket of ice water’ on hot real estate market

Following month-after-month, year-after-year increases in Long Beach home prices—generally growing upward by 14-18%—things are beginning to swing the other way as the real estate market teeters on the verge of a serious decline.

Back in March of last year I wrote about the horrible and sad situation that first-time home buyers faced, with prices skyrocketing and monied buyers outbidding new homebuyers with bids far in excess of asking prices, frequently offering cash.

Many would-be homeowners at the time told me they were laying low until things simmered down—often referring to “when the bubble bursts.”

The status of real estate, dodgy as it may turn out to be, isn’t the bubble burst that some believe or hope will make homes affordable again. It’s not a replay of the 2009 Great Recession collapse when buyers walked away from their homes en masse when faulty loans with their enormous balloon payments came due. In that year, according to the National Association of Realtors, nearly 50% of agents were working with clients going through foreclosure or short sales. Today, that number is about 1%.

Rather, the downturn is being caused by what Phil Jones, Realtor and past president and director of the Greater Long Beach Board of Realtors, terms “a perfect storm” of several unfavorable factors occurring at once, most severely interest rates rising fairly rapidly to their highest level in 15 years, along with the still-high prices for homes, inflation, plummeting 401(k) savings, the rising (again) price of gasoline and groceries and just a general wariness people have regarding their finances.

Now, says Jones, it’s become more difficult than ever for buyers still waiting to buy their first home. Home prices are no longer appreciating

goes up to \$5,322. Therefore, to keep your monthly payments more manageable, you need to adjust your home-buying budget downward accordingly and you might then be looking at houses far short of your hopes or expectations.

Higher interest rates, and, to a lesser degree, the fact that home prices have apparently plateaued if not decreased, have combined to keep would-be sellers, who may have missed the apex of the market, fairly trapped in their current residences because, explained Jones, if a homeowner sells their home, they still have to buy another, and they’re hesitant to trade their current low-interest rate for one that’s thousands of dollars more pricey. And those who choose to list their home for whatever reason—perhaps to snag a still-considerable amount of equity and move to a more financially amenable location outside of California—will likely have to sell their home at a reduced price relative to, say, as recently as a couple of months ago. And selling at a reduced price, says Jones, is “something we haven’t seen in eons.”

The raising of interest rates, Jones said, “was like turning the faucet off” the real estate boom.

Federal Reserve Chairman Jerome Powell in a news conference admitted that the increased interest rates will likely have a long-term effect on home prices, saying the housing market will likely have to go through a correction because housing prices were going up at an unsustainably fast level.

That correction is underway now, and Jones predicts the long era of the seller’s market may come to an end and flipping over to a buyer’s market within a year.

In short, said Jones, “the Federal Reserve has dumped a bucket of ice water on the long-hot real estate market.” ■



A home in East Long Beach is listed near the median home price in Long Beach at \$825,000. Rising interest rates make buyers’ payments about \$2,000 more per month than what they were earlier this year.

wildly and, in fact, have backed off a bit to the point where Jones says the median price for a home in Long Beach has backed down from a bit over \$900,000 to about \$830,000.

Experts have estimated that home prices nationally could fall by 10% over the next 12 to 18 months barring a recession. With a recession? More like 20%.

But a less-expensive price tag on a home doesn’t mean you’ll be saving any money. In fact, with mortgage rates reaching 7%, more than doubling in the past year from around 3%, it’s making mortgage payments significantly more expensive than last year at this time.

A 30-year fixed loan for an \$800,000 home—a bit less than the median price—with 20% down payment and a 3% interest rate would’ve made your monthly payment on the mortgage \$3,373. Make that loan at 7% and your monthly payment

Long Beach buys Downtown building for \$21M to house new crime lab, senior center

By Jason Ruiz

Long Beach is buying a vacant Downtown building from Southern California Edison where it hopes to build a new police crime lab, administrative offices and a senior center.

The City Council approved the \$21 million purchase last week to take control of the building at the corner of First Street and Elm Avenue. The five-story building includes three floors with about 91,400 square feet of office space and hundreds of parking spaces, some on the building’s rooftop.

City leaders said they planned to acquire the building to create a new

crime lab to replace the old facility that is in West Long Beach as well as create new office space for the city’s Energy Resources Department.

The bottom floor is expected to contain a new senior center, which the city set money aside for earlier this year, as well as a restaurant and space for Health Department employees to provide services to seniors.

Renovating the building is expected to take another \$23 million, with the city expected to finance \$19.6 million through the sale of bonds, after the council’s Oct. 11 approval. While the vote was unanimous, not everyone was fully on-board with the plan.

Karen Reside, president of the Long Beach Grey Panthers, a

seniors advocacy group, said that seniors were not consulted on this project, which would move the Long Beach Senior Center from its current location on Fourth Street to Downtown.

“This building is very dark, and right now it’s a mess,” Reside said, adding that her group has concerns about the security of the area. “We’d like to know how many seniors were consulted about having a senior center at this particular location.”

City Manager Tom Modica said that the city was not able to do outreach during the negotiation period but it does plan to start those discussions with the senior community now that the city is moving forward with the purchase.

Modica said he was confident that the three entities planned for the building could coexist successfully, pointing out that there are private stairwells that lead to the upper floors where the office space and crime lab would be.

The \$4 million the city pledged toward renovating the existing senior center would be better spent renovating the new building because the existing building on Fourth Street is in such poor condition, he said.

Renovations on the building are projected to take as long as 24 months, according to a city presentation. The current lease on the existing crime lab is set to expire in April 2026. ■

Ralph ‘Bo’ Martinez tapped as new director of economic development

By Brandon Richardson

Ralph “Bo” Martinez, who most recently served as deputy town manager of Parker, Colorado, has been named director of Long Beach’s Economic Development Department by City Manager Tom Modica, officials announced late last month.

Martinez has over 20 years of economic development, according to the Sept. 30 announcement, including stints in Phoenix, Miami Beach and Broomfield, Colorado. As economic development director, Martinez will oversee four bureaus with 87 full-time staff.

The department handles the city’s real estate assets as well as its business and workforce development efforts. Economic Development manages \$23 million in revenue and has an annual budget of about \$20.4 million, according to the city.

“Mr. Martinez has already achieved an impeccable career in guiding municipalities across the nation in strategic, equitable and vital economic development initiatives,” Modica said in a statement. “I look forward to his leadership and all he will bring as director here in Long Beach.”

Martinez will assume the role of director on Oct. 24.

The city has been without a permanent director for the department since John Keisler vacated the position at the end of March to serve as CEO of investment firm Sunstone Management. Business Operations Bureau Manager Johnny Vallejo served as acting director in the interim and will resume his previous role.

Vallejo did not apply for the permanent director position, according to the announcement.

In Parker, Martinez assisted in carrying out town goals, council directives, initiatives and programs, and supported the town manager by working with department directors and coordinated interdepartmental projects and initiatives, according to the announcement.

As president and CEO of the

Regional Economic Partnership in Adams County, Colorado, Martinez led the public-private nonprofit that served 10 municipalities, more than 10,000 companies and over half a million residents.

In Miami Beach, as economic development director, Martinez led an effort that created the first urban renewal district in 25 years between Miami Beach and North Beach. He also served as economic director for the city and county of Broomfield.

Martinez also has experience in public sector program development and administration, as well as experience in public and private real estate development, according to the announcement.

Martinez has a bachelor’s degree in history and a master’s degree in urban and regional planning from the University of Colorado.

“I’m honored and incredibly excited to accept this position with the city of Long Beach,” Martinez said. “I look forward to working with our dedicated staff and leaders in the private and public sectors to



Courtesy of the city of Long Beach  
Ralph “Bo” Martinez was named the new director of the Long Beach Economic Development Department.

continue to create opportunities for workers, investors and entrepreneurs as we build on the growth and vibrancy of this world class city for all.” ■

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### Community Hospital

Continued from page 14

Long Beach residents.

Community members and city leaders had rallied to save the hospital starting in 2017, when it was in danger of closing due to an active earthquake fault line running through the campus.

In response to what officials said was major public demand to save the hospital's emergency room services, city leaders signed an unprecedented deal with MWN that included substantial risk for Long Beach.

Under the lease agreement with MWN, Long Beach, which owns the property, would assume liability and would be required to reimburse the group for operational losses if the 45-year lease was terminated early by either party. In return, MWN would operate the hospital and split the costs with the city for the tens of millions of dollars needed for earthquake safety upgrades.

The agreement was so rare for the city that staffers at the time candidly stated the concerns in city reports. In the "most likely" scenario, they noted, the lease could be terminated at some point due to "roadblocks," such as possibly higher-than-expected costs for seismic retrofits and challenges with state regulations.

Despite dire warnings in the staff reports, the City Council voted unanimously in favor of the agreement, noting concerns over the health risks to the community if the hospital remained closed.

After being closed for three years, the hospital's emergency room reopened early last year to much fanfare. But MWN said it struggled due to a lack of demand for services and the skyrocketing costs of seismic construction during the pandemic, estimating an \$80 million cost to bring the facility up to seismic standards.

City Councilwoman Suzie Price, whose 3rd District includes the hospital, acknowledged that the city took on risk when it agreed to the deal with MWN but said it was what the residents wanted.

"At the time that the city took the risk to enter into this agreement, all of our residents were overwhelmingly asking us to do anything they could to save the hospital to provide acute care facilities in East Long Beach," she said.

Price said the city will be involved in the planning of the wellness campus and that any future proposals will involve robust discussion. No plans have been approved at this point, but deed restrictions on the property require it to be used for some kind of health care or community wellness purpose.

*Editor's note: John Molina is the primary investor in the parent company that owns the Long Beach Business Journal.* ■

## Virgin Orbit preps for UK's first-ever orbital launch next month

By Brandon Richardson

Marking a historical milestone for the United Kingdom, the first-ever orbital launch from the country's soil is slated to take off in November using Long Beach-based Virgin Orbit's innovative system, the company announced earlier this month.

Dubbed "Start Me Up" after the 1981 Rolling Stones song, the launch is a joint mission between the U.S. and U.K. governments.

"This will be an iconic moment in the history of U.K. space endeavors, so it is fitting that the mission has been named after a song from the Rolling Stones, one of the U.K.'s most iconic bands," U.K. Space Agency Deputy CEO Ian Annett said in a statement.

Virgin Orbit has completed the first round of wet dress rehearsals for the mission in California. The first of the company's equipment departed Long Beach on Oct. 9 and arrived at Spaceport Cornwall two days later.

"This is a huge moment for us all in Cornwall as the journey to U.K. space launch has officially begun," Melissa



Courtesy of Virgin Orbit

Thorpe, head of the spaceport, said in a statement. "The mission name and patch reflect and embrace the incredible partnerships between our two countries and teams."

Cosmic Girl, the modified Boeing 747 that serves as Virgin Orbit's airborne launch pad, arrived at the spaceport last week, along with ground support equipment and the LauncherOne rocket that will carry the payloads to space, according to the company.

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### Parking Mandates

Continued from page 13

Abundant Housing LA, told the Business Journal that concrete manufacturing is responsible for about 8% of total carbon emissions and much of that concrete is used for buildings with up to 50% of that being used for parking alone.

By removing parking requirements, the law aims to not only tackle the housing crisis but climate change as well. While the city has advocated for these issues in the past, they said they generally oppose changes in state or federal law that reduce local control.

The city has observed an increase in the amount of affordable housing near transit areas since implementing its Enhanced Density Bonus Ordinance last year. The ordinance gave developers more incentives to build moderate-, low- and very-low-income housing by reducing parking mandates.

Not enough time, however, has passed to evaluate its effectiveness.

"It is anticipated that AB 2097 will have a positive but subdued impact on the housing production in the City of Long Beach," Magallon said.

"It is also possible that the impact of higher interest rates and other macroeconomic factors may, at

least in the short- and medium-term, negatively offset any positive impacts from AB 2097," Magallon said. She assured that the city will continue to pursue the most effective tools in creating affordable housing to align with its Housing Element, the city's plan for building new housing.

In the past, the city has supported the implementation of affordable housing and will continue to do so through the Long Beach Community Investment Company, the body that oversees and administers its affordable housing funds. The increased flexibility provided by AB 2097 "may be especially useful for specific projects such as those for people experiencing homelessness or older adults where residents are less likely to have cars," said Magallon.

Not only will the new law benefit new developments in the city, but the department anticipates it will be uniquely helpful in allowing business owners to fill vacant storefronts without the need to provide additional parking or comply with complex regulatory requirements. "In the coming months, the Department will be working with stakeholders to implement this change and assure that applicants and building owners are aware of this new opportunity," said Magallon. ■

### Accelerate Long Beach

Continued from page 17

play, a recession is unlikely within the next 12 months, Kleinhenz said.

Inflation is expected to remain high into 2023, he added, but by the second half of next year, it should be returning to the low single digits.

While Kleinhenz noted that recovery from the Great Recession took about four years, unemployment spurred by the COVID-19 pandemic has already largely bounced back, although employment in the region has yet to fully recover, he said.

California's unemployment rate is currently 4.1%, the same as it was in January 2020 before it quadrupled to almost 16% within the pandemic's first two months.

In Long Beach, unemployment was at 5.2% in August.

California remains one of the national and global economic leaders, said Kleinhenz; in 2020, 28% of all patents issued were with California patent holders or registered with California enterprises, and in 2021, California accounted for about 42% of all the venture capital compared to the rest of the country.

However, California is still in the process of economic recovery, and the state is facing issues in particular

regarding housing affordability and access, along with sustaining its labor force, Kleinhenz said.

While LA County has currently recovered 98% of its jobs since the pandemic, a gap Kleinhenz anticipates will be filled by the end of 2022 or the beginning of 2023, job openings currently exceed the number of people who are unemployed, a trend that will likely continue over the next decade, Kleinhenz said.

With a large number of people leaving the labor pipeline, and a small number of people replenishing the workforce, the only way to fix this would be to see more immigration, he said.


Long Beach, though, has the ability to capitalize on growth in tourism, aerospace and health care, with opportunities for growth in professional, scientific and technical services and financial services, Kleinhenz said.

Long Beach is currently looking toward the future of air mobility, and the conference concluded with a panel of experts discussing the development of electric air vehicles, which are expected to launch commercially in October or November 2024.

"We're at a time where the future is right in front of us, and we get to be a part of it," said Cynthia Guidry, director of Long Beach Airport. ■

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# City, port join partnership to develop a statewide renewable hydrogen market

By Tess Kazenoff

The Port of Long Beach joined a new public-private partnership, the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES), that was formed with the aim of developing a renewable hydrogen market in California.

The alliance, which includes the city of Long Beach, celebrated its launch earlier this month with an event in the Long Beach Civic Center Plaza.

Gov. Gavin Newsom “is truly genuinely excited about the opportunity and grateful for the work that everybody’s already done to get us to today, and all the work that lies ahead to bring that hydrogen hub home to California where it belongs,” Dee Dee Myers, senior advisor to the governor and director of the Governor’s Office of Business and Economic Development, said during the Oct. 6 announcement event.

ARCHES will serve as the lead applicant for California’s bid to win funding under the U.S. Department of Energy’s Regional Clean Hydrogen Hubs program. The program, funded by the Bipartisan Infrastructure Law, will be one of the largest investments in the department’s history, awarding \$8 billion to up to 10 regional hydrogen hubs.

The partnership aligns the efforts of the Governor’s Office of Business and Economic Development with the Port of Long Beach, the University of California, the Los Angeles Department of Water and Power, the Los Angeles Federation of

Labor, state and local governments and nonprofit organizations.

In May, the state announced its intention to create a renewable hydrogen hub, and Newsom and the state Legislature allotted \$54 billion in the most recent budget to address climate issues and accelerate the transition to a clean energy economy.

“As Governor Newsom is fond of saying, when it comes to climate, later is too late,” Myers said.

With a focus on reducing air pollution and dependency on fossil fuels, while also lowering the cost of hydrogen fuel to make it accessible, the effort to accelerate the transition to green hydrogen is estimated to create thousands to tens of thousands of new opportunities for construction workers, according to Andrew Meredith, president of the State Building and Construction Trades Council of California.

An integral player in the initiative is the Port of Long Beach, which, along with the Port of Los Angeles, handles 43% of waterborne import trade in the U.S. The Port of Long Beach supports over 575,000 Southern California jobs.

The partnership supports the port’s goals of transitioning to zero-emission cargo handling by 2030, and zero-emissions trucks by 2035, said executive director Mario Cordero.

“What’s important is: How does the Port of Long Beach benefit the many as opposed to benefiting the few?” Cordero said. “What we need to do is continue towards our quest for zero emissions, so that we do not just mitigate emissions, but we eliminate emissions.”



Thomas R. Cordova / Business Journal

Port of Long Beach Executive Director Mario Cordero discusses the development of hydrogen stations at a news conference.

Last month, the Port announced that a trucking company partner will convert to fully zero-emission fleets by 2025—10 years before the 2035 goal.

“When we talk about investment at the Port of Long Beach, it’s just not about terminals, and that we could accelerate volume or provide more efficiency,” Cordero said. “We’re also talking about investment in environmental infrastructure... investment in our communities, investment in our neighborhood.”

Cordero credited Councilmember Cindy Allen, who represents Long Beach’s 2nd District, with playing a key role in pushing the initiative forward.

Allen grew up on Long Beach’s Westside, where the environmental impacts on the city’s most marginalized communities are significant, she said.

“I also was diagnosed at a young age with breast cancer and had no history of that in my family, so needless to say, the environment and clean energy is really important to

me,” Allen said.

Developing a hydrogen hub is a powerful tool that can be potentially used to decarbonize the heaviest industries and energy uses such as shipping, aviation and heavy-duty trucks, Allen said.

“Our community needs it,” Allen said. “My hope for the future of ARCHES is for there to be meaningful progress towards a greener, cleaner fuel source that can be felt by everyone in our community—economically, environmentally, and most importantly, through quality of life.”

Although air quality issues are only accelerating due to climate change, the region is highly prepared to embrace the future of hydrogen, Vice Mayor Rex Richardson said.

“Long Beach is ready to lead America as it relates to championing renewable, clean hydrogen,” Richardson said. “Together we can create the renewable energy future that our communities deserve.” ■

## Orbital Launch

Continued from page 20

Not only will the impending mission mark the first orbital launch from the U.K., it will be the first commercial launch from Western Europe and the first international launch for Virgin Orbit, which also has plans to take its services to Japan in the coming months as well as Australia, Brazil, Poland and South Korea.

“With 47,000 jobs across the U.K., our growing space industry is a vital part of the economy and has an important role to play in catalyzing investment, generating growth and prosperity,” U.K. Minister of Science Nusrat Ghani said in a statement.

“I’m looking forward to working with this innovative sector and delivering on our National Space Strategy.”

The mission will carry eight small

satellites into orbit for numerous government agencies and private companies. The flight manifest includes:

- IOD-3 AMBER: The first of more than 20 such satellites developed by Satellite Applications Catapult and Horizon Technologies, and built by AAC Clyde Space, that will provide space-based maritime domain awareness data.
- Prometheus-2: Two cubesats owned by the U.K. Ministry of Defense (MOD), co-funded with Airbus Defence and Space, who are designing them jointly with In-Space Missions, to support the MOD’s science and technology activities in orbit and on the ground.
- CIRCE (Coordinated Ionospheric Reconstruction CubeSat Experiment): A joint mission between the U.K.’s Defense Science and Technology Laboratory and the U.S. Naval Research Laboratory.
- DOVER: A pathfinder for resilient global navigation satellite

systems developed by RHEA Group, co-funded through the European Space Agency’s Navigation Program and built by Open Cosmos.

- ForgeStar-o: A returnable and reusable platform to enable in-space manufacturing developed by Space Forge of Wales.
- AMAN: An earth observation satellite meant to demonstrate the future feasibility of a larger constellation developed after a memorandum of understanding among the Sultanate of Oman, Polish Small Satellite manufacturer and operator SatRev, Poland-originated AI data analytics specialists TUATARA and Omani-based merging technology innovator ETCO.
- STORK-6: The next installment of Polish Small Satellite manufacturer and operator SatRev’s STORK constellation, for which Virgin Orbit has previously launched two spacecraft.

The satellites’ functions aim to reduce the environmental impact of production, improve national security and prevent illegal trafficking, smuggling and terrorism, according to Virgin Orbit.

“Start Me Up” will be the fifth consecutive Virgin Orbit launch to carry payloads for both private and public customers, according to the announcement. The launch service was acquired by the National Reconnaissance Office from Virgin Orbit National Systems, a subsidiary that serves classified customers.

“What an incredible honor it is for us to be part of something as monumental as bringing Britain into the business of launch,” Virgin Orbit CEO Dan Hart said in a statement.

“Working with our partners across the U.K. government, we’re starting up a new capability that will serve the people, the economy and the security of the U.K.” ■

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