

LONG BEACH

BUSINESS JOURNAL

An edition of the Long Beach Post



Brandon Richardson / Business Journal

A masked woman walks by The Federal Bar in Downtown, which permanently closed its doors over two years ago due to challenges brought on by the COVID-19 pandemic.

Downtown eyes renewal after COVID pandemic challenges

By Tess Kazenoff

Over the past two years, Downtown Long Beach has seen many shifts, with both long-time and newer Long Beach businesses either closing their doors or relocating. In 2020, Rock Bottom Brewery closed after 23 years in business, signaling the first major Long Beach restaurant closure after the pandemic hit, and in May of this year, Pier 76 Fish Grill closed after nine years. Other businesses, such as Gold’s Gym, Waters Edge Winery and Romeo Chocolates all decided to relocate away from Pine Avenue this

year, with plans to reopen in other Long Beach locations. The changes come largely because hospitality sector businesses in Downtown are dependent on business from residents, city visitors, conventioners and office workers—many of whom were absent from the area amid the pandemic, said Downtown Long Beach Alliance Chief Operating Officer Broc Coward. “We’ve seen over the last two years, a number of our longtime restaurants and businesses have to either close for a long time, shift their business model or close entirely,” Coward said. “A lot of these independent operators—some of them are putting their life savings

into this. They’re cashing their 401(k) out and putting it into an idea, a coffee house, a restaurant, a small retail store. It’s been tough seeing those individuals leaving our Downtown or struggling as much as they have.” While the DLBA and the city have made efforts to provide grant opportunities to struggling businesses over the past two years, Coward is hopeful that business owners will get an added boost soon as conventioners and tourists return to Downtown. “These legs of the stool are hopefully rebounding,” he said. As for office workers, who primarily make up lunch and happy hour revenue for local restaurants, “that one remains to be seen,” Coward said. “That business model may have changed forever in terms of office workers and remote work. Where we see that loss, we’re going to have to figure out a different way to reach those individuals.”

A challenging time
The loss of daytime office workers, combined with rising costs and staffing troubles contributed to the closure of Pier 76 Fish Grill, owner Chris Krajacic told the Long Beach Post in May.

Construction on 6-building West Gateway project set to begin next year

By Brandon Richardson

A 5.6-acre surface parking lot north of the Hilton Long Beach and World Trade Center in Downtown has been sold, and construction on the long-planned six-building residential development known as West Gateway is set to begin next year. Port of Long Beach staff confirmed the agency closed on the sale of the property to Dallas-based Trammell Crow Residential on Sept. 1 for \$30.25 million. The project at 600 W. Broadway consists of 756 residential units in

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DLBA public safety survey results reflect challenges

By Tess Kazenoff

The Downtown Long Beach Alliance recently released results from its fifth public safety survey, which showed a declining perception of safety in Downtown. While the survey’s results indicated the challenges Downtown is currently facing, Downtown Long Beach Alliance Chief Operating Officer Broc Coward said key findings also included 83% awareness of the organization’s Clean and Safe Team services—an all-time high. In fact, awareness of all of the DLBA’s services has risen since 2019, with entrepreneurial grants and homeless services both rising nearly 20 percentage points to 54% and 65%, respectively. The survey, however, demonstrated a decline in the perception of the cleanliness of sidewalks and public space as well as safety Downtown. Only 32% of survey respondents felt the cleanliness of sidewalks and public space had improved over the past year, a decline from 40% in 2021, and 62% in 2019. (A public safety survey was not conducted in 2020 due to COVID-19.)

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BUSINESS JOURNAL

Downtown

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Developer proposes 21-story residential tower at former Long Beach Cafe property



Brandon Richardson / Business Journal

A developer has proposed a 21-story residential tower for the former Long Beach Cafe property in Downtown.

*Burnham Development,
a Long Beach-based
consultant for property
owners and developers,
has proposed a project
consisting of 203
residential units.*

By Brandon Richardson

Long Beach Cafe and its small
parking lot have been fenced off
since the popular Downtown diner
succumbed to the pandemic over
two years ago. Now, a developer is
proposing a residential tower with
hundreds of units for the site.

Burnham Development, a Long
Beach-based consultant for property
owners and developers, has proposed
a 21-story project consisting of
203 residential units, Long Beach
Development Services spokesperson
Chelsey Magallon confirmed.

It is unclear if Burnham is
representing a developer during the
entitlement process or if the
company is entitling the site to then
be sold to a developer.

The firm did not respond to
multiple requests for comment.

Located at 615 E. Ocean Blvd.,
the project would include parking,
both above and below grade.
Residential common areas would be
provided at ground level as well as
on the 14th, 15th and 21st floors. The
project includes a rooftop pool and
community room.

The development would be
located between The Current, a
17-story residential building with 223
units, and the eight-story Artaban
Apartments building.

Unless the developer pays
additional fees, 11% of the units
would be required to be designated
as affordable units for low-
income residents due to the city's
inclusionary housing policy.

Further details about the proposed
project, including estimated cost,
amount of parking and whether it
will include ground-floor commercial
space or specific resident amenities,
were not available.

Burnham has completed a
conceptual site plan review, which
is an advisory-only process with the
city, according to Magallon. The city
is awaiting Burnham's submission of
its full entitlement package, "which

would grant the land use approvals
that are needed before the developer
can apply for building permits," she
said.

Once the entitlement package is
submitted, the review process will
take four to six months, Magallon
said. Then, when the review is
complete, the proposal will go to the
Planning Commission for approval.

While additional housing is
needed throughout Long Beach and
the state as a whole, this particular
development only became possible
because of the loss of a city staple:
Long Beach Cafe.

Like so many other businesses in
Long Beach and around the world,
the diner closed its doors for good
in the summer of 2020 after serving
residents and visitors for more than
three decades.

"To all our valued customers. We
were forced to permanently close
due to COVID-19. Thank you for 32
years of your support," owner Nick
Stanitsas wrote on the restaurant's
Yelp page in July 2020.

Brothers Nick and George
Stanitsas were veterans in the
industry, having been in the food
business since the 1960s. The pair
opened Long Beach Cafe in 1988.

Burnham Development,
which offers developers a host of
services, including development
strategy and assistance navigating
the entitlement and permitting
processes, has had a hand in nearly
two dozen Long Beach projects since
being founded by Derek Burnham
in 2013. According to its website,
the firm has consulted on new
multifamily developments, adaptive
reuse projects, restaurant and office
remodels, and single-family and
townhouse developments. ■



Courtesy of Burnham Development

A rendering of the 21-story, 203-unit tower proposed for the former Long Beach Cafe property at 615 E. Ocean Blvd.

Fresh Start campaign builds on last year's success

By Tess Kazenoff

Every night, around 150 people
walk through the Long Beach
Rescue Mission's doors to access a
hot shower.

"We go through a ton of
toiletries as we're offering our
guests showers, so to be able to
have the supplies that meet their
needs—it's critical. It would be
horrible if we didn't have soap
to offer," said Rescue Mission
executive director Jeff Levin. "Our
part is to dignify those who come
through our doors."

Thanks to a partnership with
Fresh Start, a Downtown Long
Beach Alliance initiative, the
Rescue Mission has been able to
sustain its supply of toiletries,
receiving about 10 boxes
containing soap, towels, shampoo,
deodorant and toothpaste at the
end of August.

"As we head into the fall, and
we have more people seeking
shelters as the weather gets
colder, having those additional
resources allows us to continue
our services," said Levin.

Fresh Start, a solutions-
oriented campaign created and
developed by the Downtown Long
Beach Alliance's Public Safety
Committee, launched in 2021 and
was able to expand on its success
this year.

Long Beach residents "were
expressing concerns about
the unhoused, they were also
expressing a desire to help," said
Downtown Long Beach Alliance
Chief Operating Officer Broc
Coward. "So the committee took
those two takeaways and said,
'Maybe we can create a program
that gives people an opportunity to
participate in a positive way.'"

When building the framework
for the program, local organizations
working directly with Long Beach's
homeless residents cited hygiene
items and bath towels as pressing
needs, creating the basis for Fresh
Start, said Coward.

Recipients of the donated items
included U.S. VETS, Mental Health
America of Los Angeles's Long
Beach chapter and the Rescue
Mission—all organizations that
focus on providing services to the
city's homeless population.

"What I've learned about
Long Beach is there's always a
spirit of collaboration. We're not
competition. We're trying to make
difference," said Levin. "We as
an organization recognize that
without collaborative relationships

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FROM THE EDITOR: HAYLEY MUNGUIA DLBA ushers in a new era with CEO Austin Metoyer



Brandon Richardson / Business Journal

Austin Metoyer was recently selected as the first new CEO of the Downtown Long Beach Alliance in 25 years.

Last month, Austin Metoyer took the reins as the Downtown Long Beach Alliance's first new CEO in 25 years.

Metoyer, a graduate of Long Beach Poly and Cal State Long Beach, joined the DLBA in 2016 where he most recently served as economic development and policy manager.

Two weeks into his new role, I sat down with him to learn more about his vision for the organization and Downtown as a whole. This conversation has been edited for length and clarity.

HAYLEY MUNGUIA: Coming out of COVID, it's a really interesting time—a challenging time. A lot of residents and business owners have talked about homelessness and public safety and how they've gotten worse during the pandemic. What do you see as the DLBA's role in addressing those types of issues?

AUSTIN METOYER: So, I do want to be cautious of the lane that we're in. We are not a service provider. There are limits to what we can do, but I think there is a role for us to continue to have our safety ambassadors, to continue our Clean and Safe Team services. But I also think we can be kind of a facilitator of conversations between those service providers—those who are doing the work on the ground with our unhoused community—the city and the residents.

One thing that was called out in the [Property Based Improvement District] management plan was a homeless outreach manager. We heard from the community that they wanted a level of coordination for all those resources in Downtown. For the longest time, what we've had on the organizational side was homeless outreach coordinators or staff that would go out and just kind of provide some of the basic necessities and follow-ups with individuals experiencing homelessness, but there was no real coordination with other service providers and trying to really track how those individuals are doing and getting them into housing, whether it be transitional or permanent housing.

So that's one area where I think the organization will focus because we've heard from the

community, and that's one way of addressing it. But I think—and you probably know—this is a national issue and a statewide issue, and outside of building housing quickly, we're not going to be able to solve this issue in six months or a year. But I think there are things we can be smarter about doing in terms of directing the necessary resources.

HM: And on the housing side: How do you see the DLBA's role there in encouraging more housing in Downtown?

AM: In the last, I'd say two or three years, we've shifted our focus to say that we need to build a spectrum of housing. That's market-rate housing. That's affordable housing. That's micro-units. In my opinion, that's looking at tiny homes or modular homes.

We also need to look at how we revisit office space. Whether or not office comes back in the way it was before, there are some assets you could look at converting into housing.

I will say that I think, historically, the Downtown has—rightfully so, in some respects—taken the burden of housing production. And while I understand that we're zoned for greater density and the city has gone through a process of trying to upzone certain areas of the city, I think there needs to be a real push from everyone—our entire city—to look at greater housing production across the spectrum, across the city, and not just say, "Put it in Downtown." I think that we have a role to play, and I'm happy the organization pushes for that, but you know, if you want to solve a problem that is citywide, you cannot expect one district or one area to be the solution to that problem. The entire city has to step up.

HM: Speaking of the office market, that's something I wanted to touch on. It's still kind of unclear where the use of office space is going to land. How are you thinking about that?

AM: I don't think we give up on office and say it's never coming back. But I think downtowns and property owners and businesses need to recognize the idea that downtowns won't be built for office workers the way they were before.

They're built for—at this point in time, it's residents, right? It's been residents who've been keeping a lot of the small businesses afloat over the last two years. It's them who came out at the height of the pandemic saying, "shop local, shop small." It's them looking at little events to go out to and picking up to-go lunches or whatnot.

So downtowns may be places where people can generally connect. It's about creating opportunities and events that allow for residents and office workers and those who are visiting from outside the city to connect. So I think that's where the organization's focus is going to be. We're not going to say, "office is doomed," but we'll start looking at community engagement on a wider scale rather than just focusing on that daytime office population.

And I think that means our small businesses need to also shift their mindset. If office workers don't come back en masse in, say, the next six months, do you still think about lunchtime opportunities for those office workers? Or do you shift how you're marketing toward the residents that are here?

I'll also say, for our commercial offices, it's working with them on how we market those buildings maybe in a different way and getting them to think about what amenities they have—and perhaps thinking about Downtown as a larger amenity to help attract new tenants to fill those spaces. You have the Long Beach Economic Partnership that's out there doing citywide marketing—how are we partnering with them, as well as the city's Economic Development Department, to bring some businesses in logistics, aerospace and the like into some of these office spaces?

HM: When it comes to the bigger picture and your own leadership style and priorities, do you see any changes or new direction for the DLBA?

AM: Coming out of the pandemic, a priority for my team is: We need to get back out into the community. The community needs to know who we are and who the staff is. And the staff need to know who it is they are serving. I will say our Clean and Safe Teams—they're out here everyday, so they know the communities they work with. But on the other side of the house, with our full-time staff members, it's getting them out there—and that's getting them all the way around the Downtown area. When you think about 10th Street and Atlantic Avenue, that's completely different than when you think about Pine Avenue and Ocean Boulevard, right?

Heck, even when you think about Drake Park or Cesar Chavez Park—what are we doing over there? How are we participating with the communities there, whether they be small business owners or they be residents? And I understand there's limitations on funding and where it can go, but I think there are some creative ways we can start thinking about what we do and how we engage the community.

Let me be frank—I'm ambitious in wanting us to go on this big tour in the next three months. That seems a little crazy depending on all the other things we need to do, but over the next year, I want us out there. I almost want the community to be tired of seeing us. And I understand I'm the leader of the organization, and people recognize me, but I don't need to be, 100% of the time, the face of the organization. We have other staff that do great work, and I want the community to know who they are. ■



Courtesy of Trammell Crow Residential

A rendering of the six-building West Gateway development at West Broadway and Golden Avenue.

West Gateway

Continued from cover

six buildings ranging from seven to 30 stories, according to Reece Pettersen, development associate for TCR.

"The opportunity to own a project of this scale with on-grade amenities, ocean views, walkability and transit connections is very rare in Southern California," Pettersen told the Business Journal.

The project is fully entitled and broken up into three phases, Pettersen said, with the first two expected to break ground in mid-2023. The first unit move-ins are expected in the fourth quarter of 2025, he added.

The project includes over 1,500 parking stalls, according to city staff. Most of the parking will be located in a nine-story parking garage, Pettersen said. Some of the parking garage spaces will be reserved for the adjacent hotel and office tower, which utilize the current surface parking lot, the company said.

Planning for the project began in early 2017, Pettersen said. The Long Beach Planning Commission first approved the development on July 18, 2019, according to city records.

Original plans included a 40-story tower, which would have become the tallest building in the city—a title recently assumed by the 35-story Shoreline Gateway. Plans also included a 21-story tower. In April, however, the firm amended its plans with the city, decreasing the size of the towers, while increasing the height of the other buildings.

The final project includes the tower, two eight-story buildings and two seven-story buildings as well as the parking garage.

While a portion of West Gateway will be obscured by the 27-story World Trade Center, the development is set to add to the Long Beach waterfront skyline. The project's tallest building will easily rise over the Hilton hotel,

which is exactly half its height at 15 stories.

The development will include "neighborhood-serving" retail on the southeast corner of Broadway and Maine Avenue, Pettersen said. A lease for the space has not been signed, he added.

The expansive project includes a laundry list of indoor and outdoor amenities for residents, Pettersen said, including:

- Club lounges with a gourmet kitchen, billiard table, poker room, banquette seating, lounge and dining areas and flat screen TVs;
 - A coffee bar lounge with banquette seating;
 - An indoor-outdoor fitness studio with an adjoining kids' entertainment suite and a separate studio for yoga, TRX and spin with on-demand fitness programming;
 - A modern business center with flat-screen TVs, presentation-ready work areas, a large conference room, communal tables and a lounge area;
 - A pool lounge with a coffee bar, kitchenette, games and seating;
 - A pet spa and grooming station;
 - A mail center, including Amazon parcel lockers with 24-hour resident access;
 - High-speed Wi-Fi in all common areas;
 - A bike station and storage room;
 - A luxury pool and spa deck with an outdoor kitchen, fire features, gaming, daybeds and other furnishings;
 - Multiple courtyards with community gardens, fire features, barbecue grills and game areas;
 - A sky deck and room with a fire pit, trellis structure and seating.
- In addition to the amenities located within the project, Pettersen noted the Downtown location also is its own amenity. "Tenants can walk to dinner, experience public art and be part of an energetic community," he said. "Residents of Downtown Long Beach not only enjoy proximity to major job hubs in Orange and L.A. counties with access to multiple modes of transportation, they can come home to a walkable and bikeable coastal lifestyle." ■

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DLBA accepting applications for latest Woman-Owned Business Accelerator Grant



Courtesy of the Downtown Long Beach Alliance

Angela Mensa, owner of District Wine on Linden Avenue, was awarded a Woman-Owned Business Accelerator grant last year from the Downtown Long Beach Alliance.

By Tess Kazenoff

Applications are open for the Woman-Owned Business Accelerator Grant, which will award funds and provide business coaching to up to five winners selected by Downtown Long Beach Alliance's Economic Development Committee.

Business owners have until Oct. 7 to apply; requirements include operating a woman-owned or majority woman-owned business within Downtown Long Beach that has less than 24 employees.

"When we were first approached with the concept, we were certainly enthusiastic about it," said Cheryl Ryman, Community Reinvestment Act officer at Farmers & Merchants Bank, which is funding the grant.

The bank was initially approached by the Downtown Long Beach Alliance in 2019, and the first grants were offered in 2020.

"We certainly recognize the importance of small businesses and women in all communities, but certainly in Long Beach, which is our home city," Ryman said.

Not only will up to five recipients

"We certainly recognize the importance of small businesses and women in all communities, but certainly in Long Beach, which is our home city."

- Cheryl Ryman, Community Reinvestment Act Officer at Farmers & Merchants Bank

receive a portion of \$10,000 funded by Farmers & Merchants Bank, but recipients will also participate in a free workshop training provided by California State University Long Beach's Institute for Innovation and Entrepreneurship.

The workshop will include social media advertising, financial statement analysis and decision-making, human resource management, financial management tools and more.

Grant winners will also receive business development coaching from Downtown's Fuller Management Corporation, at an estimated value of \$3,000.

Receiving additional business support on top of funding can "make the difference between success and failure," said Ryman.

"The importance of documentation, financial bookkeeping, maintaining your namesake really, just to know how important that is throughout

the life of your business, I think that those are things that small businesses can take for granted, not realizing that there's a cost to not knowing how important that is," said Ryman. "This can give them that list towards success."

Past recipients include Cathleen Cleveland, owner of Ash Bay Soap, Sasha Pace, owner of VIDA Plant Shop, and Maggie Stoll, owner of the boutique Burke Mercantile.

"We're proud to be supporters of the DLBA and the Women-Owned Business program, and congratulations to the women who have taken the right step in participating in the program, even if they're not awarded the grant," said Ryman. "And, congratulations to the women who get the grant, we look forward to being their partners."

Grant applications can be submitted online at downtownlongbeach.org/invest/grants/woman-owned-business-accelerator-grant. ■

Fresh Start

Continued from page 3

with other nonprofits and partners throughout the city, it's just impossible to do what we want to do."

Fresh Start donation boxes placed in 31 local businesses and seven residential towers garnered 2,987 donated items—a 32% increase from last year, when seven or eight local businesses and two residential towers participated and raised around 2,000 items, said Coward.

In addition, 45 boxes containing 37,344 sustainable feminine products from Kindfully were donated by its Long Beach-based founder, and \$2,217 was contributed by Solita Tacos & Margaritas, a new restaurant and bar located on Ocean Boulevard, from its grand opening and silent

auction, said Coward.

Beachwood Brewing as well as HOKA also united with Downtown Runners, a local organization, to contribute shoes to the campaign.

In addition to directly donating items, residents could contribute through a QR code, purchasing items through Amazon to be sent directly to the service providers.

Coward hopes that the campaign prompts Long Beach residents to start looking into the people and organizations making an impact on homelessness in the city, he said.

"If you want to help or get involved, Fresh Start provides that opportunity," Coward said.

Looking forward to next year, Coward hopes that the program will continue to build upon its success and will reach 50 participating businesses and at least 10 residential towers, he said. Coward would also like to see the number of service providers potentially increase from



Courtesy of Long Beach Rescue Mission

Solita Tacos & Margaritas, a new restaurant and bar located on Ocean Boulevard, contributed \$2,218 to the Fresh Start campaign following its opening.

three to five.

"Long Beach Rescue Mission, U.S VETS, and Mental Health America of Los Angeles, their Long Beach

chapter, are all doing great work in their own respect," Coward said. "It helps the conversation when you're talking about the unhoused." ■

Pandemic Challenges

Continued from cover

For other Downtown business owners, such as Thai District co-owner André Anglès, the rise in homelessness—a 62% jump from 2020 to 2022, according to city data—has been a challenge.

Since the pandemic hit, outdoor dining has become increasingly common, and customers seated on Thai District's patio on Linden Avenue have witnessed frequent outbursts and instances of public nudity, Anglès said. One customer even had his wallet stolen off the table, he said.

"We just live with it, we have no choice," Anglès said. "Whenever an instance happens, we apologize to the customers, we try to make it OK."

Property crime has also been a concern. Anglès and other local business owners have requested a fund from the city to assist businesses that have experienced broken windows and vandalism, but the efforts have been unsuccessful, he said.

"We saw someone not too long ago—he had a big stick in his hand, and he was just breaking every window on the way, just like that," Anglès said. "If (the city) can't take care of homelessness, they have to take care of the businesses and residents."

Anglès has also advocated for the city to fund public bathrooms and showers, as well as a medical truck.

"We have to do something, the solutions we have right now are band-aids," Anglès said. "Everybody is raising money for so many other things . . . but how about people? We can not take care of the people."

A representative for the Long Beach Health Department, which manages the city's homeless services, did not respond to a request for comment.

Coping with harassment and violence has become commonplace, East Village resident Rosemary Palermo said, and it's affecting local businesses as well as customers' ability to enjoy outdoor spaces.

"The city is able to say crime is down, but vandalism and car break-ins and quality-of-life issues and attempted break-ins are not down," said Palermo, who has lived in the historic Cooper Arms building for the past 10 years.

Over the past two years, and particularly since the lifting of pandemic restrictions, she has seen the problem grow increasingly worse, she said.

"In order to go to the garbage, I have to carry pepper spray on my wrist," she said.

Both Palermo and Anglès expressed frustration with a lack of response from the city, local police and the DLBA's safety ambassadors and homeless outreach teams.

The Long Beach Police Department, for its part, acknowledged the challenges.

"The primary goal of the Long Beach Police Department is to preserve the safety of our community and we will continue to enforce the laws and



Brandon Richardson / Business Journal

John, 43, who is unhoused, waits for a free plate of food prepared by Leon Garcia at Anna's Place on Pine Avenue at Fifth Street.



Brandon Richardson / Business Journal

Pedestrians and cars cross Pine Avenue along Ocean Boulevard in Downtown Long Beach.

regulations in accordance with state and local laws and ordinances," LBPD officer Paige White said in an email.

"However, while someone experiencing homelessness may commit a crime, homelessness is not a crime," White continued. "The intent of our contacts with anyone experiencing homelessness is to promote public safety, cultivate trusting relationships with the respective individual, and connect them to the supportive services they need to successfully transition from being unhoused to housed."

The DLBA, meanwhile, also recognizes the concerns of residents and businesses. The recent renewal of the Property Based Improvement District included plans to further expand the organization's safety, cleanliness and homeless outreach teams, Coward said.

Lack of affordability

According to North Pine Neighborhood Alliance member Leanna Noble, both businesses and residents have had to bear the brunt of an increasing lack of affordability within the city.

"Living here more recently, we really see the promise of what we understand the city's intentions to be," said Noble. "But I have to be honest, the Downtown Plan . . . (for) the people who live here . . . has not been a good thing."

The Downtown Plan was adopted by the City Council in 2012 and was meant to provide the framework for speeding up housing development.

But in Noble's view, the plan led to rent increases and the destabilization of Downtown neighborhoods, she said.

"I can't help but think that it's connected to the problems that we're seeing in terms of attracting and keeping retail and commercial businesses here in Downtown," she said.

Supporting local businesses is a challenge when there is little expendable income beyond paying for rent and other necessities, Noble said, which she suspects has contributed to the lack of success among some Pine Avenue businesses.

"We've seen that numerous people have tried. They've made their personal investment in the neighborhood by opening small businesses, and it's just too hard," said Noble. "It's discouraging to walk on Pine and see all the closed business, and especially to see the spaces that during this past period of seven and eight years were locally owned small businesses, and they couldn't make it."

"Somehow we haven't figured out, I think as a city, how to support local, small entrepreneurs," Noble said.

Now, Noble said, an increasing amount of local businesses are unaffordable for residents and are geared more toward tourists.

"We get that tourism is important to Long Beach, and we need really nice restaurants that are opening up," said Noble. "But we also need the restaurants that are affordable for families."

A lack of Downtown businesses catering to day-to-day needs of residents is also a concern, said Noble, citing a lack of grocery stores, affordable clothing stores and repair shops in the area.

Coward, for his part, said that inflation—which has impacted rent

and food prices, among other costs—is not exclusive to Long Beach, and downtown locations across the country have experienced similar issues due to a reduction in tourism and city employees working in the area.

Looking ahead

But there's hope for a Downtown renaissance.

In July, Solita's Tacos & Margaritas opened in Rock Bottom Brewery's old location on Ocean Boulevard.

And this fall, Bad Axe Throwing is expected to in Pine Square, while Hardcore Fitness Bootcamp will come in the late fall or winter to the building previously occupied by Anytime Fitness. Altar Society Brewing also has plans to open this winter, according to DLBA spokesperson Michael Berman.

Through introducing new marketing strategies, Coward hopes that Downtown will become a premier coastal city destination, on par with Los Angeles or San Francisco, he said.

"We're going to try to maximize this experience and tell the region that Long Beach is this place you can come to and enjoy, and hopefully we'll see more foot traffic," he said.

Coward hopes to build upon the successes of August's Taste of Downtown and Celebrate Downtown by marketing what a "perfect" day or weekend in Long Beach could look like, he said.

By activating smaller pockets throughout Long Beach through live music, popups, entertainment or phantom galleries—possibly using some of the area's vacant storefronts—Coward hopes that visitors will be attracted to the city, will want to explore even more Long Beach blocks and will want to return, he said.

Coward also hopes to increase marketing efforts targeted toward residents and remote workers, who have been critical in supporting the businesses that have stayed alive, he said.

"There are just multiple ways that we need to be part of the solution," he said.

Through continuing to advocate for local businesses and residents and addressing safety concerns through the renewed PBID plan, Coward hopes that the area can get back to its 2019 state when businesses were flourishing, he said.

"A lot of businesses were thriving, beginning to expand their hours and programming and entertainment in 2020, then the pandemic hit," Coward said. "It really threw a wrench into what was looking like incredible momentum for Downtown."

The DLBA will continue to support current businesses and advocate on their behalf when assistance can be made, while acknowledging that the economy is "kind of being remade," and factors such as remote work must be considered, Coward said.

"We'll want to talk to our stakeholders and the city about trying to position Downtown for that new economy . . . or that evolved economy," Coward said. "I'd love to see us get back to 2019 and better." ■

Safety Survey

Continued from cover

Notably, survey respondents who felt “completely comfortable” in Downtown between 7 a.m and 2 p.m. also dropped to 40% of respondents, decreasing 22 points since 2019.

However, combining respondents who felt both “completely comfortable” and “fairly comfortable” accounted for 79% of respondents, and 70% of those surveyed said they were likely to recommend visiting Downtown to a friend or colleague.

“Across the board, we saw challenges of how people felt safe in Downtown,” Coward said.

Specifically, respondents expressed safety concerns in public transit areas, parking structures, sidewalks and alleys, among other areas, Coward said.

“That’s a challenge we take seriously that we look at, that people aren’t feeling as safe as they should,” Coward said. “We hope our partners also feel the same way about that and they’re looking at this more closely, the city, Police Department, Health and Human Services are also looking at those issues.”

The survey is aimed at assessing awareness of local services, gauging how the public feels about issues facing Downtown, and evaluating how to potentially allocate resources.

Results are shared with the city and community partners as well as the public, with hopes of seeing a response, Coward said.

The survey was sent to around 13,000 people, 840 of whom participated. About half of the survey’s respondents live or work in Downtown. Previous surveys have generally received over 1,000 responses, and the DLBA extended this year’s survey time frame in order to gather more responses, Coward said.

Open comments elaborated



Long Beach Police Department officers take questions from Downtown residents and business owners during a Coffee With A Cop event.



Michael Gazzano, managing director at developer Turnbridge, talks to a Long Beach police officer during a Coffee With A Cop event in front of Pie Bar in Downtown. Turnbridge is a co-owner of the Mosaic retail center, formerly known as City Place.

on the general frustration with homelessness and the perceived lack of action from local and state agencies, and many commented on increases in theft, property damage and erratic behavior due to mental illness or substance use, according to a DLBA statement.

Commenters expressed concerns about people who are unhoused and experiencing mental health issues, Coward said.

While homelessness has increased by 62% in Long Beach since 2020, according to city data, Coward noted that awareness of people experiencing homelessness has heightened in every city, considering the reduction of office workers and visitors in downtown areas since the pandemic.

The DLBA’s ability to provide

cleanliness, safety and homeless outreach services is largely determined by the Downtown Property Based Improvement District Plan, which is renewed every 10 years, Coward said.

“A lot of people would love to see us in alleys and cleaning alleys, but that’s not in our management plan,” Coward said.

The district was established by Downtown property owners in 1998 and has been managed by the Downtown Long Beach Alliance since. The district serves as a tool for both commercial and residential property owners to fund services and activities beyond what the city provides.

A new iteration of the plan was approved this year and will go into effect on Jan. 1, allowing the organization to expand its services to meet the concerns and needs cited by residents, Coward said.

The expansion includes introducing a management-level position for homeless outreach, which will help coordinate services from other organizations and agencies and collect more data about people who are unhoused, including assessing needs that could be communicated to the city and local nonprofits, Coward said.

The plan also includes an increased budget for safety and will add more safety ambassadors to the team, particularly in the waterfront restaurant area along Shoreline Drive and around the aquarium. It will also address additional cleanliness needs, such as tree trimming and caring for planters in Downtown, Coward said.

The boundaries of the district will extend farther up Pacific Avenue and will now include the Promenade from Ocean Boulevard to Shoreline Drive, as well as the east side of Pine Avenue in front of the Convention Center.

Leanna Noble, a resident of Downtown and member of the North Pine Neighborhood Alliance, is hopeful about the city’s initiatives to increase the care teams and homeless outreach efforts.

“These are situations that need to be de-escalated with very local kinds of support services that are easy for people to connect to,” Noble said. “I think the more community we create, the better able we’re going to be to accept the reality that these homeless folks are our neighbors, we’ve got people that have been here as long as we have.”

“It’s really figuring out public safety from a different perspective,” she said.

With the renewal of the district, the DLBA is in a good position to address residents’ concerns and will continue to advocate to community partners, Coward said.

“We’re hopeful that the partners we’ve shared this info with, that they take it as seriously as we do, and they also build on the success that we can find in the survey—people are aware of services, people can access services,” Coward said. “Hopefully the survey provides ... another point of information for all of us to reflect on what our resources are, what our services are and how those services can be modified or expanded to address some of those issues.” ■

Free electric shuttle service coming to Downtown, Belmont Shore this month

The service is part of a plan to help stimulate the local economy.

By Jason Ruiz

Long Beach is launching a free micro-shuttle program that it hopes will help people get around Downtown and its southeastern waterfront with fewer car trips and less time searching for parking, something the city hopes will stimulate the local economy.

The City Council voted last month to approve a two-year contract with Circuit Transit Inc., which had formerly operated as The Free Ride and serviced Downtown during a 2018 pilot project.

The \$1.6 million contract will provide service in two areas: Downtown, Alamitos Beach and the waterfront; and Belmont Shore, Naples and Alamitos Bay Landing, with service to the 2ND & PCH shopping center.

Downtown’s service area will range from Magnolia Avenue to Cherry Avenue and the Belmont Shore area will run from about Livingston Avenue to the border with Seal Beach. The rides will be free of charge.

Shuttles are expected to begin toward the end of this month, according to a Public Works spokesperson.

A ride can be hailed in person but also through Circuit’s mobile app, but in order to get a ride on the six-person all-electric vehicles, a person has to be within the two identified service areas. The city anticipates that there will be four to five vehicles available during service hours with one ADA-accessible vehicle in each service area.

Initial hours of operation are scheduled for Thursday through Sunday. Service in both areas will run from 4 to 10 p.m. on Thursdays and Fridays and weekend service will begin at noon and end at 10 p.m. on Saturdays and 6 p.m. on Sundays. Public Works Director Eric Lopez said those hours could be adjusted depending on the type of demand the city sees.

“This is the start but we look for the program to evolve as we get experience,” Lopez said.

Getting a shuttle to service the area had been made a priority by

Councilmember Suzie Price, who represents the Belmont Shore area. In 2019 she asked the city to look at options as struggling retailers along Second Street complained that the lack of parking paired with the soon-to-open 2ND & PCH shopping center could make business worse.

The plan to fund a shuttle service was ultimately put on hold in 2021 as parking meter revenue in Belmont Shore, a source of funding that was being looked at to pay for the shuttle service, dried up because of the COVID-19 pandemic.

Stimulating the local economy was a focus of city leaders coming out of the pandemic, and officials identified a shuttle program in the host of recovery act projects the city intended to fund with federal and state pandemic relief aid.

The contract with Circuit is being paid for with \$1.1 million in COVID-19 relief funds and about \$450,000 in county transportation revenue. ■



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



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A security guard patrols the shuttered Community Hospital property.

Brandon Richardson / Business Journal

City leaders to consider sale of Community Hospital; plans for wellness center move forward

By Brandon Richardson

Long Beach leaders will consider at this week’s City Council meeting whether to sell the historic Community Hospital property, which the city has owned for nearly a century, to its current leaseholder after the hospital closed for the third time last year, mostly due to seismic costs and a lack of demand for its services.

After years of trying and failing to keep the East Long Beach facility open, the City Council will vote on Oct. 4 on whether to sell the property for \$0 to operator MWN Community Hospital LLC in order to satisfy the requirements of a risky lease deal that required the city to cover operational losses.

According to a staff report released last week, the city and leaseholder agreed to a fair market sale price of \$17.71 million.

MWN, however, reported roughly \$26.65 million in operational losses, which the city verified through a third-party.

Losses exceeding the market value of the property resulted in the nonexistent price tag.

If approved, \$50,000 in escrow

fees and costs would be shared between MWN and the city, according to the staff report. MWN also would reimburse the city for \$715,554 in maintenance costs, while the city must refund a portion of cash reserves in the amount of \$75,930.

MWN will lose a total of \$9.58 million in the four-year-long effort to open the hospital, a timeframe that included navigating the pandemic and trying to figure a way to pay an estimated \$80 million it would have cost to bring the facility up to seismic standards.

Community Hospital did open for 11 months, but the company announced nearly a year ago its decision to close acute care in favor of outpatient services, which don’t require the same seismic investments.

In an interview last week, MWN officials reaffirmed plans to convert the property to a wellness campus with an emphasis on behavioral health should the sale be approved.

“The ownership of this property potentially could be changing but the campus’s focus on serving the community won’t,” spokesperson Brandon Dowling told the

Business Journal.

MWN plans to transform the property into a campus offering numerous medical and health services provided by various vendors. MWN, for its part, would simply be the landlord of the property.

Dowling and MWN’s John Molina said the company is in talks with “very well-known local providers of behavioral health and other related services” to expand into the facility. They said MWN is seeking eight to 10 service providers, including behavioral health, substance abuse, senior care and urgent care, among others.

Before companies can move in and begin offering their services, Molina said portions of the building must be brought up to code, including some ADA improvements. The cost for construction is still being determined, but Dowling said the company is seeking grant funding from local, state and federal agencies.

Dowling said the build-out process would take at least a year, with services hopefully starting to come online before the end of 2023.

The sale agreement with the city includes a condition that MWN use the property for non-acute health care services for community

Long Beach Airport traffic sees slight August slump

During August, 293,444 people traveled through the small municipal airport, 9.7% less than the same month in 2019.

By Brandon Richardson

For the sixth consecutive month, passenger volumes at Long Beach Airport were within 10% of pre-pandemic levels despite a slight slump in August, according to data released last week.

During August, 293,444 people traveled through the small municipal airport, 9.7% less than the same month in 2019. The figure, however, marks a 571.7% improvement compared to August 2020, when only 43,685 people passed through the facility.

“We continued to see steady commercial passenger activity this summer, with August increasing 43.9% over last year,” airport Director Cynthia Guidry said in an email. “We expect this trend to continue and finish with a solid third quarter.”

Passenger numbers were closer to pre-pandemic levels the previous five months, airport data shows. In June and July, passenger volumes were within 4.1% and 4%, respectively, of 2019 levels.

April and May volumes were 7.6% and 7.4% below 2019 levels, respectively.

Travel recovery nationwide continues to pace behind Long Beach Airport, though the gap shrank in August, data shows. Last month, 2,358,196 people traveled through U.S. airports, 11.1% lower than August 2019, according to data from the Transportation Security Administration.

In July, national passenger volume was 12% behind pre-pandemic levels.

In Long Beach, year-to-date passenger volumes remain 10.7% below 2019 levels. Through the end of August, 2,107,618 people passed through the local airport, a more than 154% increase from the same period in 2020 and a nearly 77% increase from last year, data shows.

Air cargo tonnage moving through Long Beach Airport remains well below pre-pandemic levels, according to city data. Last month, 1,087 tons of cargo were handled at the airfield, down nearly 35% from the same month in 2019 and 2% below August last year. ■

Continued on page 14

City’s 4th Grocery Outlet location opens in Central Long Beach

By Brandon Richardson

Extreme-value grocery chain Grocery Outlet Bargain Market opened its fourth Long Beach location last week with giveaways and contests.

Located on the southeast corner of Willow Street and Long Beach Boulevard, the grocery store opened at 8 a.m. Sept. 29. The first 100 adult customers received a mystery gift card worth anywhere between \$5 and \$500.

“We are so thrilled to be a part of the Long Beach community and provide big savings on quality groceries,” owner Chris Castillo said in a statement. “This partnership with Grocery Outlet gives me the ability to grow my business, create new jobs and more importantly, give back to the local community.”

The new store employs 33 people and is open 8 a.m. to 10 p.m. daily.

Founded in 1946, Grocery Outlet has more than 400 locations in California, Idaho, Maryland, Nevada, New Jersey, Oregon, Pennsylvania and Washington, which are operated as franchises by independent owners.

This is Castillo’s first Grocery Outlet location.

Each operator makes their own business decisions, including ordering merchandise and hiring, according to spokesperson Xavier Villa.

Castillo presented \$1,000 donations to the Boys & Girls Clubs of Long Beach and the Memorial Medical Center Foundation, which supports the nearby Long Beach Memorial and Miller Children’s & Women’s hospitals, during the grand opening ceremony.

In celebration of the opening,



Thomas R. Cordova / Business Journal

The Grocery Outlet recently opened at 300 E. Willow St.

people can enter for a chance to win \$1,000 in groceries. The entry period runs through Oct. 27 and the winner will receive 20 \$50 gift certificates valid only at the new Willow Street location.

The Emeryville, California, grocery chain offers “big savings on brand-name products,” according to the company. Stores

feature a full range of products, including fresh produce, meat, deli and dairy as well as organic goods. The stores also carry beer and wine, health and beauty products, and seasonal items.

The new Grocery Outlet is located at 300 E. Willow St. Other stores are located at 1340 E. Seventh St., 6436 E. Spring St. and 8145 E. Wardlow Road. ■

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Long Beach business owners can preserve their legacy and strengthen their business with employee ownership



Craig Danley, Selling owner of Delta Pipeline Inc.

Thirty years ago this year, Craig Danley and his business partner, Richard Vance II, launched Delta Pipeline Inc. They began in La Verne, California and eventually opened an office in Long Beach in 1995.

From the start, they frequently shared profits with their employees as a way for them to participate in the growing construction company’s success.

It seems a natural fit that in 2017, Delta Pipeline became employee-owned through an ESOP (Employee Stock Ownership Plan). An ESOP is a qualified retirement plan used to transfer all or part of the company’s stock

to a trust where employees accrue shares as a retirement benefit.

ESOPs and other forms of employee ownership give employees a direct stake in the company’s growth. This makes them a powerful tool to recruit and retain employees.

The majority of small businesses in Long Beach, like those around the U.S., are still feeling the impact of the pandemic. Many businesses are struggling to keep their employees engaged and hopeful for a prosperous future.

These challenges are layered on top of an ownership succession crisis that was already unfolding. Baby boomers own nearly half of all businesses with employees in the Los Angeles metro area. Those business owners are set to retire in record numbers, and most do not have succession plans.

Nonprofit organization Project Equity analyzed the number of privately-held companies in Long Beach that have employees and are 20 years or older — a good indication that they need succession planning. These companies represent over 2,500 businesses, employ approximately 46,700 individuals and generate over \$12.3B in revenue. Without succession plans, many of these businesses could close with immense economic impact.

That was precisely the scenario Danley wanted to avoid when he chose to make Delta Pipeline employee-owned. He wanted to protect his legacy, reward his employees and ensure the company remained a vibrant

part of the Long Beach community.

Delta Pipeline is proof that employee-owned businesses are reliant and sustainable in the Long Beach community.

“If you’re an owner, and you do not have a succession plan yet, it’s never too early to start,” Danley said. “It’s a big bet to think that somebody’s just going to buy what we created. You might get lucky. It might go for a big discount, who knows, but then you’re going to be working for somebody for a while.”

Benefits of employee ownership include financial well-being; owners secure a fair sale price that can support their retirement. It also provides good jobs; employee ownership takes care of the people who have worked hard to help build the business. It protects legacies; who better to carry on the business than the people who helped realize its mission and growth? It also has a positive community impact; local businesses play a critical role in their communities, and employee ownership keeps them local.

Project Equity has partnered with the City of Long Beach to help preserve local businesses. Through this collaboration, Project Equity provides hands-on support to companies that want to explore and execute employee ownership; and, through its Employee Ownership Catalyst Fund also offers working capital and transaction financing.

To learn more about employee ownership, and how it could fit into your business succession plan, visit project-equity.org/ca. They offer free consultations to business owners.

COLUMNIST: TIM GROBATY

For more affordable beachfront living, consider the condo—again

Again with the condos. Don’t hit me, I’m just trying to give you the life you so richly deserve, though not “richly” in the sense that you can afford it. I’m going to say that while the odd reader of this space might have a million dollars or two rattling around in a coffee can where it’s safely sheltered from the sudden disastrous downturns the market suffers through on occasion, like the present one, I’m speaking here about the life you deserve just by sacrifice and the constant forgoing of avocado toast—that culinary scapegoat of a life squandered.

The last time I suggested perhaps a condo might be a good thing for those who want to live in a style otherwise unaffordable, I got a shrieking reaction from people calling them mere apartments or detailing the horrors of HOAs, the units’ relatively small size, etc. And while there’s truth in all these arguments, I’m merely saying if you want to live on the beach and you don’t have enough money to buy a home on the Peninsula, a condo (or a rental) is the best and perhaps only way to achieve the dream.

In short, I’m bringing up condominiums again because you live in Long Beach and are tired of living miles from the Pacific Ocean. You live on the coast, and yet you only occasionally manage a glimpse of the sea, while you’d much prefer to live with the ocean staring you in the face, putting you to sleep at night with the gentle sound of its wavelets lapping at the shore and greeting you each morning with the sound of seabirds and the soft illumination of the rising sun in the east.

If you want the full blast of seashore living in Long Beach, you’ll need to spend a couple of million dollars—four or five would be best—but you can swing something nice on the sand, or close enough to track it into your home, for less money than the median single-family house price in Long Beach, which is now a bit over \$800,000.

And I can already hear you howling again about Homeowners Associations and their rules and fees and I agree that they can range from horrible (and

horribly expensive) to not unreasonable, considering that a lot of what the fees cover—landscaping, exterior maintenance, roofs and frequently cable/ internet hookups, pools, gyms, security and other amenities—make them somewhat more tolerable.

Let’s check out five places on the market now that’ll put you in the high-dollar neighborhoods at less-than-median neighborhood prices.

383 Bay Shore Ave. #207

This one-bed, one-bath is the largest one-bedroom unit in this Sea Isle Landing complex. You get views of the waterway leading to Marine Stadium and it’s a quick bounce out your door to the water for paddleboarding or kayaking. Listed by Carleton Carson at \$659,000, it’s priced to sell; in July a one-bedroom unit in the building sold for \$850,000. It comes with a parking space in a gated garage with a storage compartment. The monthly \$394 HOA dues include earthquake and flood insurance.

1250 E. Ocean Blvd. #407

Want some room to bounce around in? This two-bed, two-bath unit should fit the bill with 1,103 square feet of living space. Listed by Linda Thomas at \$769,000, the building is on the sand near the bike path. The living/dining room has Brazilian cherry hardwood floors and a built-in buffet. There’s plenty of storage space and a large primary bedroom. Plus: air-conditioning, linen and coat closets, crown molding throughout and, while the building isn’t loaded with amenities (aside from being on the beach), the HOA fees are low at \$286/month.

1750 E. Ocean Blvd. #1206

If you’re more interested in a view that goes on for miles rather than merely having the beach right at your feet, try taking the elevator up to this 12th-floor one-bed, one-bath 827-square-foot unit at the Queen’s Surf. Offered by Tom Flesch at the listing price of \$725,000, your views include a good chunk of the Pacific, the oil islands and,

farther out, Catalina on a good day. The listing hints that the kitchen and bathroom might benefit from a renovation or, it suggests, “just be a beachcomber and do nothing!” The HOA fees are a bit pricey at \$599/month, but it includes a pool, sauna and Jacuzzi, a gym and billiards table plus earthquake insurance, FIOS and Wi-Fi.

1140 E. Ocean Blvd. #233

Right on the beach, this one-bedroom, one-bath 732-square-footer is basically an oversize cabana in terms of space, but it’s in nice shape with lots of updates including new flooring, lighting, quartz countertops, custom tile and cabinetry, and newer stainless appliances. Offered at \$606,000 by Realtor Gina Avila, based in San Clemente, it offers peek-a-boo views off the balcony of the ocean and harbor and a fairly good slate of amenities including a pleasant sundeck and pool and spa and community barbecues. It comes with remote-control underground parking with storage. Your \$427/month HOA fee includes Spectrum cable internet and a gym.

1030 E. Ocean Blvd. #606

How about a little history to go with your beachfront home? The venerable St. Regis Building has been towering over the strand in Alamitos Beach since 1922. It still retains its historic look and feel with its classic Greek and Renaissance Revival architecture. Unit 606 is a cozy one-bedroom, one-bath condo with 740 square feet of living space. Offered at \$525,000 by Sharon McHale, its price was reduced last week by \$50,000. It’s clean and bright inside with high ceilings and lots of built-ins and plenty of storage including a walk-in closet. The secure building includes a community laundry, storage lockers and a bicycle room in the basement. The \$577 monthly HOA includes electricity, gas and water and, of course, the beach is at your doorstep, down a short flight of stairs, or you can just enjoy the sun and view from the deck. ■



Condo life at the beach. Living large for less. Redfin photo



Kayakers paddle past the Sea Isle condominiums (with blue awnings) at Bay Shore. Redfin photo



Condos on the beach at 1250 E. Ocean Blvd. Redfin photo



The balcony view from the Queen's Surf unit at 1750 E. Ocean Blvd. Redfin photo



The sun deck at the condominium complex at 1140 E. Ocean Blvd. Redfin photo



The living room with built-in bookcases at the St. Regis. Redfin photo

SpinLaunch raises \$71M, bringing total funding to \$150M

By Brandon Richardson

Long Beach-based SpinLaunch announced late last month that it acquired another \$71 million in financing to fund the ongoing development and commercialization of its unique small satellite launch system.

The money was secured through a Series B funding round led by ATW Partners. Other investors include Kleiner Perkins, GV, ATMA Capital, ONA Capital, Lauder Partners, McKinley Capital and Tyche Partners. The round also included individuals John Doerr, Brook Byers, Asher Delug, Chuck Brady, Andrew Farkas and Greg McAdoo.

The financing, which includes equity and debt, brings SpinLaunch’s total funding to \$150 million, the company stated.

“In the last two years, even during difficult COVID times, SpinLaunch has shown remarkable and continued success,” said Wen Hsieh, General Partner of Kleiner Perkins. “We share in the company’s goal to realize the full-potential of the space economy by developing a revolutionary space launch system that is both very low-cost and



A rendering of SpinLaunch’s Orbital Accelerator launch system that will hurl small satellites into space without the use of rocket engines or mass amounts of fuel. Courtesy of SpinLaunch

environmentally-sustainable.”

SpinLaunch, which relocated from Sunnyvale to Long Beach in January 2019, is developing the world’s first kinetic launch system to put small satellites into orbit. Rather than using rocket

engines and massive amounts of fuel, the innovative launch system would literally hurl payloads into space using a large electrical mass accelerator to provide initial thrust.

After seven years of development, the firm completed a successful

test of a scaled down version of its Orbital Accelerator concept, including launch vehicle recovery, in October of last year.

Following its success, the company inked a deal with NASA to further test the system’s feasibility and gather data for future commercial launch opportunities. Under the agreement, SpinLaunch will develop and fly a NASA payload. The mission will then be analyzed by the company and agency for potential flaws and areas that can be improved.

The goal of SpinLaunch is to begin running missions for customers in 2025, offering a lower cost and higher cadence than traditional launch service providers.

“SpinLaunch’s mission is to bring the world low-cost, sustainable access to space,” CEO Jonathan Yaney said in a statement, noting that the company has now completed nine successful flight tests and is preparing to construct its full-sized system. “In addition, the team continues to build out a low cost, mass manufactured, satellite product line that will ensure our customers have a uniquely differentiated platform for building space capabilities.” ■

Long Beach Gives raises nearly \$2M in ‘unequivocal win’ for annual campaign

By Tess Kazenoff

This year’s Long Beach Gives fundraising event garnered over \$1.96 million for over 230 local nonprofits with the support of 8,550 donations, a bit shy of its \$2.2 million goal.

But Matt Guardabascio, Long Beach Gives’ campaign manager, knew the organization had set a lofty target given the current state of the economy.

“We were hoping to (raise) 2.2 on 9/22/22,” Guardabascio said. “But the reality is there’s a ton of uncertainty right now.”

Giving days across the country have seen drastic decreases in both the numbers of donations and dollars raised due to the state of the economy and the “post-Covid giving landscape,” Guardabascio said.

“So we’re looking at this as a pretty unequivocal win for the city and for the sector,” Guardabascio said.

Two nonprofits raised over \$100,000: The Assistance League of Long Beach and BOSS (Business of Student Success). Rising Tide, meanwhile, raised over \$90,000.

To have three organizations raise that much money was a first for Long Beach Gives, Guardabascio said.

“It was really incredible to see,” Guardabascio said. “That is a ton of hard work and effort and energy and

relationship building that goes into that kind of a campaign.”

For many participating nonprofits, funds raised during the events can support operational costs, increase staffing or increase the scope of services offered, Guardabascio said.

“The biggest success is really just growing partnerships and growing awareness for what nonprofits are doing,” Guardabascio said.

Part of that increased awareness came from the city of Long Beach itself: For the first time, City Hall lit up in red in support of Long Beach Gives.

And some organizations went the extra mile. Farmers & Merchants Bank, for example, contributed to every participating organization.

“It felt like there was more synergy and collaboration between the different sectors within the city to really support nonprofits and the work they’re doing,” Guardabascio said.

Although the amount of funds raised did not grow this year, Guardabascio is proud of what was accomplished through this year’s Long Beach Gives, he said.

“I know it seems silly, but for me as the campaign manager, I’m already really excited for next year,” Guardabascio said. “It’s poising us to continue growing and finding new people and being able to spread what’s happening here in Long Beach in the nonprofit sector.” ■

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Long Beach unemployment unchanged in August amid statewide recovery slowdown

By Brandon Richardson

Long Beach’s unemployment rate went unchanged in August, remaining at 5.2%, while the state’s rate increased slightly, according to data released by the California Employment Development Department late last month.

California’s unemployment increased from 3.9% to 4.1%, state data shows. Similarly, the national unemployment rate inched up from 3.5% to 3.7%, according to the U.S. Bureau of Labor Statistics.

“Just as the state was on the verge of recovering all the jobs lost at the outset of the pandemic, August represented a small bump in the road, with particular weakness seen in Los Angeles and San Francisco, two places that have struggled to recover their pre-pandemic

footing,” Taner Osman, research manager at Beacon Economics and the Center for Economic Forecasting, said in a statement.

The Los Angeles County unemployment rate, for its part, dipped to 4.9% in August, down from 5% the month before and 5.2% in June.

“While macro headwinds are swirling, there is still enough momentum in the state’s labor market to see a full recovery of the jobs lost within the next month or two,” Osman said.

In Long Beach, the labor force decreased by 1,100 people in August to 229,300, while the number of employed people decreased by 1,000. The number of unemployed residents, however, actually decreased by 200.

The city’s unemployment remains

higher than 72% of the county’s other cities and areas, according to state data. Only 25% of areas have a higher unemployment rate than Long Beach.

Three cities—Carson, Gardena and Paramount—have the same unemployment rate as Long Beach, data shows.

At the county level, the labor force fell by 28,700 people to 4,945,900, according to the EDD. The number of employed residents also decreased, falling by 21,400 people to 4,702,700.

The number of unemployed residents in the county fell by 7,400 to 243,200.

Job counts in many sectors across the state are actually exceeding pre-pandemic peaks, according to Beacon Economics, but the hardest-hit sectors such as retail and hospitality continue to struggle.

“Job gains in August were at

their lowest monthly results for the year and employment saw a loss of 3,900,” the California Business Roundtable said in a statement.

“National and international issues are slowing our economic recovery, which is concerning because California has the 10th highest unemployment rate among all states and is only now transitioning from job recovery to job growth after the pandemic recession.”

Countywide, education and health services added the most jobs of any sector, up 4,400 in August, according to the EDD. Trade, transportation and utilities, government, construction, leisure and hospitality, and manufacturing also all grew in August.

Information and financial activities, on the other hand, declined in August, down 500 and 300, respectively, according to state data. ■



Brandon Richardson / Business Journal

The 14.19-acre property at 5900 Cherry Ave. in North Long Beach has been sold to a Blackstone subsidiary with plans to redevelop the site into a massive warehouse.

North Long Beach industrial property to be redeveloped into large warehouse

The Planning Commission is slated to consider the redevelopment project during its Oct. 6 meeting.

By Brandon Richardson

A North Long Beach property most recently occupied by an oil and natural gas company is slated to be redeveloped into a massive warehouse.

In March, commercial real estate advisory and services firm Newmark Group announced the \$50.7 million sale of the property at 5900 Cherry Ave. just north of South Street. Link Logistics Real Estate, a subsidiary of Blackstone that specializes in last-mile logistics properties, purchased the property.

The firm has submitted site plans to the city of Long Beach that call for the demolition of all existing structures on the site and the construction of a 303,000-square-foot concrete tilt-up industrial warehousing building, according to city spokesperson Richard de la Torre.

The Planning Commission is slated to consider the redevelopment project during its Oct. 6 meeting, de la Torre said.

Taking up almost half of the 14.19-acre property, the building would be 51 feet high and include 9,000 square feet of office, de la Torre said. The site plan also includes 338 parking spaces and about 45 semi-truck parking stalls, he added.

Details on the project’s timeline and future operations were not immediately available from Link Logistics.

The property is zoned for general industrial use and is flanked on either side by industrial users. Across the four lanes of Cherry Avenue to the west, however, are residential neighborhoods.

Newmark’s Andrew Briner, Jim Linn, Bret Hardy, Kevin Shannon, John McMillan and Danny Williams represented the seller, Plains All American Pipeline, a publicly traded owner and operator of crude oil and natural gas infrastructure.

“The South Bay industrial market is recognized globally as one of the best performing industrial markets in the nation,” Shannon said when the property sold earlier this year. “It is a very supply-constrained market with limited sites for comparable new development, making it well-positioned for continued rent growth.”

According to Newmark Research, the Los Angeles industrial market totals 1.05 billion square feet and had the second lowest vacancy rate in the U.S.—1.1%—at the end of the year. The region’s industrial vacancy rate has been below 3% for almost a decade.

The Long Beach property is “optimally located in the geographic center of nearly 18 million consumers” throughout the region, according to Newmark. Its proximity to various freeways, airports and ports also make it an ideal location, the firm stated.

Blackstone established Link in 2019. The parent company is in the midst of a rapid expansion, snatching up properties all over the country. The firm recently purchased PS Business Parks, including two dozen Signal Hill properties, for \$7.6 billion.

Originally projected for sometime in 2026, Blackstone is now expected to surpass \$1 trillion in assets before the end of this year. ■

Community Hospital

Continued from page 10

benefit. Allowable uses include “behavioral health, recuperative care, social services, education, government offices, housing for health care students, specialized services and other health and wellness operations.”

Molina said the construction of housing, be it for assisted living or health care students, is on the table but that further seismic study would be needed.

“We know from talking with Long Beach City College and Cal State Long Beach that they have a housing problem for their students,” Molina said. “We’re not doing a luxury apartment complex.”

The company’s priority, however, remains bringing services into the former hospital, Molina said.

The hospital buildings are receiving much of MWN’s attention, but Molina said the company also intends to renovate the medical office that is located on the property. The building is partially leased and MWN is seeking additional tenants.

Negotiations between the city and MWN have been ongoing for months, even after the potential sale was contested by the state, which initially said the 8.7-acre property legally must be offered first to affordable housing developers. After a city appeal, the state determined the property is exempt from the California law.

The Oct. 4 council vote will be held 11 months to the day from when operator MWN announced it would

shutter the acute-care facility—less than 11 months after it reopened.

How we got here

Even before its final closure at the end of 2021, the hospital struggled for decades; it’s had seven operators in its 98-year history. In 2000, Catholic HealthCare West shuttered the facility, but it was quickly

down by the city after a vocal public outcry about the continued need of an acute care hospital with an emergency room on the east side.

MemorialCare shuttered the hospital in July 2018.

MWN immediately began negotiating with the city and officially took over operation of the hospital in March 2019 with a short-term lease agreement before it

for services at the facility and skyrocketing seismic-related costs. After recording millions of dollars in losses, the company announced in November that the facility would close.

Despite the challenges throughout its operation of the facility, Molina said the company remains committed to its promise to the city and its residents.

“We could have walked away from this. But we are in a position now that we are going to be able to carry through on the commitment to have an asset based in the heart of East Long Beach that’s going to benefit the health and well-being of the citizens.”

- John Molina, Partner at MWN

reopened on a smaller scale by a group of doctors and residents.

MemorialCare Medical Group stepped in and took over operations in 2011, but a 2017 seismic study by the health care provider led the company to determine continued operation of an acute care facility was not feasible due to the high cost of retrofits to comply with state regulations.

MemorialCare proposed converting the facility into a mental health campus but was turned

signed its 45-year lease with the city later that year.

The company faced numerous delays in reopening the hospital, held up by state inspections amid the COVID-19 pandemic. Finally, the facility accepted its first patient in over two years in January 2021.

After much fanfare, including multiple celebratory ceremonies and ribbon cuttings, MWN struggled under a lack of demand

“We could have walked away from this,” Molina said. “But we are in a position now that we are going to be able to carry through on the commitment to have an asset based in the heart of East Long Beach that’s going to benefit the health and well-being of the citizens.”

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

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Newsom signs bill that lets state contribute more to Long Beach’s oil abandonment fund

Assembly Bill 353 allows the state to resume paying into the Oil Trust Fund, the primary source to cover the costs associated with cleaning up oil wells within Long Beach’s Tidelands.

By Anthony Pignataro

The state of California will again contribute to a fund intended to pay for the eventual abandonment of Long Beach’s oil wells.

Late last month, Gov. Gavin Newsom signed 31 bills, including Assembly Bill 353, which allows the state to resume paying into the Oil Trust Fund, the primary source to cover the costs associated with cleaning up oil wells within Long Beach’s Tidelands.

Long Beach officials were pleased with Newsom’s signing of the bill.

“The city is very supportive of this bill, and we are grateful it’s been signed,” said Mayor Robert Garcia. “This bill will increase well abandonment funding and support remediation efforts as we transition away from fossil fuels.”

Abandoning and cleaning up Long Beach’s oil wells is estimated to cost \$1.2 billion, according to city officials. AB 353, introduced by 70th District Assemblymember Patrick O’Donnell, eliminates a cap on the fund, which has been maxed at \$300



A man runs along the water at Alamitos Beach near oil island Grissom in Long Beach.

Brandon Richardson / Business Journal

million for the last eight years.

The state’s share of that tab is about \$900 million, according to Bob Dowell, director of the city’s Energy Resources Department. The city, meanwhile, will pay \$133.3 million and private oil owners will pay \$116 million, according to Dowell.

Long Beach officials are planning to abandon the Tidelands oil wells by 2035.

O’Donnell, who will retire when

his current term ends early next

year, said the bill is his last as a member of the state Assembly.

“Our Long Beach community and environment must be protected when it comes time to safely close down the Tideland oil wells,” O’Donnell said in a statement. “A.B. 353 will ensure that Long Beach and its residents are not left holding the bag to pay for the cleanup costs.”

Dowell said last month that the bill “assures our partner in this, the state, is moving in the same direction we are.”

O’Donnell has introduced versions of the bill before, but they all died in committee. Last year, he said the state’s healthy budget, as well as the Oct. 1, 2021, Orange County oil spill, made the case for finally passing the bill more imperative. ■

Rocket Lab delivers 150th satellite to space

By Brandon Richardson

Rocket Lab last month celebrated the successful delivery of its 150th satellite into space following the launch of a dedicated mission for Japanese Earth-observation company Synspecive.

The mission, dubbed “The Owl Spreads Its Wings,” blasted off from Rocket Lab’s New Zealand complex at 1:38 p.m. Long Beach time. It carried Synspecive’s StriX-1 satellite to a 563-kilometer circular Earth orbit, joining other StriX satellites launched by Rocket Lab in February of this year and in December 2020.

Synspecive’s synthetic aperture

radar satellite constellation will be able to deliver images that can detect millimeter-level changes to Earth’s surface regardless of weather conditions or time of day.

“The Owl Spreads Its Wings” was Rocket Lab’s 30th launch of its Electron rocket. The launch was the seventh of this year, with the company boasting a 100% success rate in 2022.

The mission also marked the 300th Rutherford engine reaching space. The liquid-propellant engine was designed by Rocket Lab and is almost completely 3D printed at its Long Beach facility.

The Electron rocket is equipped with a total of 10 Rutherford engines, including nine on the first stage and

one slightly modified on the second. The engine uses liquid oxygen and refined kerosene as its propellants.

Also last month, Rocket Lab successfully test fired a reused Rutherford first stage engine for the first time, according to the company, which said this is a “significant technical achievement” as it develops Electron into the “world’s first reusable orbital small rocket.”

The company has several more launches slated for this year, including another attempt at recovering an Electron rocket with a helicopter as it falls back to Earth and the company’s first launch from its new complex in Wallops Island, Virginia. ■



Courtesy of Rocket Lab

Rocket Lab’s “The Owl Spreads Its Wings” mission blasts off from New Zealand.

Opponents of health care worker wage increase submit signatures for referendum

By Jason Ruiz

Opponents of the recently adopted \$25 minimum wage for employees of Long Beach health care facilities have turned in over 40,000 signatures in an effort to let voters decide if the increase should take place, something that could push the decision to March 2024.

The City Council voted in August to adopt an ordinance to increase the minimum wage for health care workers in the city after the union representing those employees, the Service Employees International Union-United Healthcare Workers West, had qualified the issue for the November ballot.

The council had the option of placing the wage increase on the ballot for voters to decide, drafting a competing ballot measure or adopting it as law without changes. The unanimous vote by the council came after months of testimony from local health care workers who

said they risked their lives during the pandemic to care for patients while their low wages forced them into second jobs.

There are about 19,000 health care jobs in the city, which represents about 11% of the city’s workforce. The increase would have seen nursing assistants, janitors, pharmacists, groundskeepers and others not making \$25 take home more money.

Long Beach’s minimum wage is currently \$15 citywide.

In a statement, the No on the Long Beach Unequal Pay Measure group, which includes area hospitals like St. Mary Medical Center and Long Beach Memorial, said that it had submitted 40,683 signatures to the City Clerk on Sept. 20 to be verified. The group only needs 26,829 to qualify the referendum on the wage increase for a vote of the people.

“This is a biased measure that will have a negative impact on Long Beach and particularly our vulnerable populations,” the group

said in a statement. “With the signatures turned in today, voters want to vote and decide on this deeply flawed measure.”

The group contends the measure excludes many other health care workers working similar jobs around the city.

The SEIU-UHW said in a statement that it is “confident voters will stand with frontline caregivers over greedy CEOs.”

Assistant City Clerk Allison Bunma confirmed the office received the signatures and said Los Angeles County election officials will verify them.

Bunma said the county would have 30 days to verify the signatures upon receiving them. If enough of the signatures belong to registered voters in the city, the vote could be put on the March 2024 ballot, Bunma said.

The City Council could speed up the vote if the referendum qualifies for the ballot by calling for a special election sometime before March 2024.

The SEIU-UHW had qualified

raise increases for health care workers in multiple cities across the region, but opponents have already successfully paused those efforts in Los Angeles and Downey by qualifying referendums for the ballot in those cities.

An economic analysis completed by the Los Angeles County Economic Development Corporation earlier this year said that the wage increase would likely result in the loss of about 58 jobs while benefitting those who kept their jobs with millions in wage growth.

However, the report said that the long-term effects of the wage increase could lead to limited job growth in the affected job classifications or lead facilities to close their Long Beach locations and relocate outside of the city.

The city would also be charged with enforcing the new wage increases, something that city officials said could cost \$1.2 million per year. ■

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With its new farm, Heritage aims to pair fine food and an environmental mission

By Cheantay Jensen
Photos By Thomas R. Cordova

About a mile away from their Rose Park restaurant, Heritage, chef Philip Pretty and his sister Lauren explained to a group of diners earlier this year why the new micro-farm where they were sitting was crucial to the ecosystem that created the five-course meal they were about to eat.

The farm and event space is cozy. String lights illuminate a 30-seat communal dining table. A golden, pinecone-shaped art installation shelters a firepit. What was a barn has been refurbished to hold more seating and an industrial kitchen in the back.

The farm itself is modest—more like a garden. There are four raised plant beds and a small chicken coop. But the Pretty siblings’ plans for the space aren’t modest at all. Come spring, they predict that the farm will supply 60% of their restaurant’s organic and seasonal produce.

“The idea is that we want to make this something special and not be a one-off thing,” Philip said. “I want this to be part of our legacy.”

Heritage, and its accompanying sandwich shop, is already a familiar name in the culinary scene, even receiving a Michelin Plate award from the famed guide last year, but the quality of the food may have actually overshadowed part of the restaurant’s underlying ethos: an aspiration to produce zero waste.

As a casual diner, it’s possible to miss this guiding principle. It’s not broadcast save for a line on their menu and social media channels, plus a mention of it on their website. But the Prettys have put tremendous thought behind the endeavor, and their new farm is one more signal they’re taking the practice seriously.

Heritage already sources its food close to home. Produce is mainly from Santa Monica farmers. Seafood comes from Long Beach. Slabs of brisket and pork belly on its sandwiches are on ciabatta bread and country loafs from Hey Brother Baker in Bellflower. Cheeses are from Oh La Vache in Retro Row.

With Heritage Farm, the company aims to shrink its carbon footprint further.

“The fact that this is going to be grown in Long Beach is huge,” Lauren said. “I cut personally from the garden this morning to take to the restaurant. It doesn’t get any more local than that.”

Heritage Farm isn’t large enough to provide high-volume produce such as lettuce, Lauren explained.



Chef Philip Pretty plates food during a media dinner at his and sister’s Heritage Farm, a new urban farm and event space in Long Beach. Heritage is a zero-waste restaurant located at a 100-year-old craftsman house in the Rose Park neighborhood.

“Our goal is to grow things we can use as a whole,” she said, such as herbs, fruits and vegetables that reflect the needs of Heritage’s seasonally changing menu.

At the farm, Philip points to a patch of earth that will hold a new yuzu tree. Further down, a kumquat

and every season we’re turning everything over.”

The Prettys started Heritage Sandwich Shop in 2020 and its fine-dining counterpart in 2021 with sustainability in mind, but opening during the height of the COVID-19 pandemic slowed

from recycled material. The to-go silverware is compostable. Their trash system is divided between what’s recyclable and compostable, with the rest still going in a traditional trash bin.

“We have people come out and do trash audits on us to make sure

“The idea is that we want to make this something special and not be a one-off thing. I want this to be part of our legacy.”

- Philip Pretty, Heritage Chef

tree they’re transferring from the restaurant will be planted. Another plant bed will soon sprout beets and radishes. All their herbs will be grown in-house.

“We haven’t had to buy basil since we took over the place,” Lauren said. “Eventually the goal is for the whole garden to be sustainable and organic. It’s going to take a little bit to get to that point, but hopefully by spring everything is blooming

their efforts. The restaurant has since achieved blue and green certifications from the city, meaning that Heritage is more water and energy efficient and takes the extra steps to recycle and reduce its waste output.

For instance, Lauren said the bulk of the cleaning products used are certified green products. All the paper products, from bags to napkins to printer paper, were made

we’re not bagging our recyclables and all the trash is being thrown away properly,” she said.

Last year Heritage joined the city’s Commercial Food Scraps Collection Program, which collects restaurants’ food waste and takes them to the Puente Hills Materials Recovery Facility in Whittier, where they’re converted into renewable energy.

The Heritage system isn’t 100%



Lauren Pretty talks to guests during a media dinner at Heritage Farm, a new urban farm and event space.



Chef Philip Pretty and his sister Lauren Pretty talk about the food served at a media dinner.

zero-waste—few restaurants have the means or infrastructure to make eliminating a trash bin possible. But the core of what zero-waste means for the restaurant revolves around the kitchen.

Philip’s prime example is how they use their California-raised Mary’s ducks. The legs are confit and used in a sandwich for lunch. The duck breast is aged for seven days and served as an entrée for dinner. With the leftover bones, they create a sauce that’s used throughout their menus. Every vegetable, herb and ingredient is used to its max edibility, and any scrap goes straight into the compost.

“We’re thoughtful with the menu and we think about the byproduct of everything,” Philip said. “If there is a use for the byproduct, we use it and if there’s not, it goes into the compost if it can. And we’ve done this since jump street.”

Why go to all this effort? Philip’s simple answer: All the waste. “It sucks.”

A 2018 report by ReFED, a nonprofit focused on food waste solutions, found that restaurants in the United States

generate about 11.4 million tons of food waste annually. Philip had witnessed the indiscriminate waste firsthand throughout his career at fine-dining establishments across the Southland, and it grated at him. Then he discovered waste could be reeled in when he began working at Axe in Venice Beach.

“They were the only zero-waste, sustainable restaurant that I knew in all of Los Angeles,” Philip said. “I went there and became a chef and I loved everything she (the owner) did, so I just started adapting things my way and getting deeper and deeper into it. From that point on, it’s all I’ve ever preached.”

For Lauren, leaning into the lifestyle hits a little closer to home.

“I think I’ve always been interested in recycling and being mindful of the planet,” she said. “I think a lot of that stemmed from our grandmother, she had a garden and composted. Our mom was always into it as well.”

Maintaining a zero- or even low-waste kitchen poses its challenges, but the Prettys hope to lead by example—and taste. ■



Fish roe is placed on an oyster and seaweed appetizer dish at Heritage Farm during a media dinner.



The main course of duck and peach at Heritage Farm for a media dinner.



An octopus and beans dish at Heritage Farm.

State to simplify permit process for street vending



Street vendor Tacos Patroncito cooks for customers on the sidewalk near a grocery store in Long Beach.
Brandon Richardson / Business Journal

By Fernando Haro Garcia

Gov. Gavin Newsom late last month signed into law a bill intended to decriminalize street vending by making it easier for the micro-entrepreneurs to secure permits and operate legally within the formal food economy.

State Sen. Lena Gonzalez, D-Long Beach, first introduced Senate Bill 972 back in February with the goal of removing barriers in state law that kept mobile food vendors from getting permits for their businesses.

While many places had already legalized street vending, including Los Angeles County in 2018, the hurdles to secure health permits still

made it nearly impossible for many vendors to operate legally.

One such hurdle was the California Retail Food Code, which set strict uniform and sanitation standards for retail food facilities such as “cottage food operations,” “microenterprise home kitchen operations” and “mobile food facilities;” none of which met the needs of street vendors who usually operate outdoors and sell out of wagons, stands or pushcarts.

SB 972 updates the California Retail Food Code and gives vendors more attainable access to permits instead of forcing them to go through a dizzying process of multiple offices and complicated paperwork.

“This is a monumental win for thousands of micro-entrepreneurs and families in California,” Gonzalez said. “With the enactment of SB 972 into law, street food vendors can finally make a living in peace, and pursue their American dream, and we can all continue to enjoy the iconic street foods we love.”

Through the new bill, street vendors are now placed in a new category, called “compact mobile food facilities,” which offers more leeway from certain provisions, according to the bill.

A compact mobile food facility is defined as a nonpermanent food facility that operates from an individual or from a pushcart, stand, display, pedal-driven cart,

Continued on page 22

California’s newest housing law will eliminate parking mandates near transit

By Laura Anaya-Morga

Gov. Gavin Newsom signed a bill into law late last month that will remove minimum parking requirements for new housing developments and businesses near transit hubs like the Metro A Line (formerly the Blue Line), increasing the possibility for developers to create housing and decreasing the need for cars in traffic-dense cities like Long Beach.

Assembly Bill 2097, authored by Assemblywoman Laura Friedman, D-Glendale, will eliminate parking requirements for new developments located within a half-mile of a major transit stop, making 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.

The law aims to tackle both the housing crisis and climate change.

“Reducing housing costs for everyday Californians and eliminating emissions from cars: That’s what we call a win-win,” said Newsom in an announcement on Sept. 22, when he signed the bill.

AB 2097 does not prohibit developers from building on-site parking, but it will allow them to create their own parking arrangements, giving them more room to build affordable housing units by cutting the extra costs that typically come with parking mandates.

Supporters of AB 2097 also say that removing parking mandates will cut back on the use of concrete used to build parking structures.

According to Max Dubler, communications manager for the advocacy group Abundant Housing LA, concrete manufacturing is responsible for about 8% of total carbon emissions and much of that concrete is used for buildings. For mid- and high-rise buildings, up to 50% of the concrete is used for parking alone.

“By getting rid of mandatory minimum parking requirements, AB 2097 makes it possible to build housing with less embodied carbon,” said Dubler.

An exception to the law would allow for local agencies to impose parking minimums if they could prove that removing them would have a “negative impact” on their ability to meet housing goals.

Long Beach previously supported an increase in affordable housing near transit areas when it adopted the Enhanced Density Bonus Ordinance in September 2021. The ordinance gave developers more incentives to build moderate-, low- and very-low-income housing by reducing parking mandates mostly in the Downtown and Central Long Beach areas. Parts of West, North and Southeast Long Beach along main transit corridors were also affected and it’s likely that

the same will be the case with the adoption of AB 2097.

The Long Beach Developmental Services Department did not immediately respond to questions about how the law would directly affect the city or how much affordable housing has been created since the incentive program began last year.

Some opponents of the law in cities that adopted similar incentive programs, like Los Angeles Mayor Eric Garcetti, said that it could be counterproductive and deter developers from building affordable housing now that those incentives are removed.

In a signing message, Newsom wrote that the bill is not intended to undermine the efficacy of the programs but the state will closely monitor “unintended outcomes.”

“The bill will undoubtedly have a positive impact in reaching our state’s climate and housing goals,” Newsom wrote. ■

Axiom Kitchen pop-up seeks permanent space

By Jackie Rae

“Nothing great was ever made without challenges.”

Those are words Ian Mafnas lives by, and they’ve taken on new meaning as he and his wife Qiana Mafnas fight to bring their specific style of Texas-smoked barbecue to Long Beach in the face of some confusing regulatory challenges.

Axiom Kitchen Smoked Meats and BBQ is already a popular pop-up that appears weekly at the Lakewood YMCA, but the road even to that point has been a long one.

Ian and Qiana have known each other for over 11 years. When they first met, neither was in a good place.

“Both of us were addicts,” said Qiana. “We had issues with the law. We know the wrong way.”

She says the couple separated to work on themselves, and when they reunited, they were both committed to doing things the right way for themselves and their children.

The couple married in October of 2021, and Ian began smoking meat for his family. Qiana says she had no idea Ian could make food that tasted so good and instantly wanted the family to open a restaurant.

Ian was hesitant, not confident the public would love his food as much as his family, but after heavy persuasion from Qiana, he agreed to start Axiom Kitchen as a pop-up.

The tasty meats—slow-cooked over charcoal, pecan, oak and applewood—have been a huge success, but Ian and Qiana say they haven’t yet achieved their ultimate goal, which has always been to open a full-fledged restaurant in Long Beach that would serve as a tribute to Qiana’s son Noah Sekona, who passed away in 2018 at 18.

“He wanted us to be able to live our lives happy and not have to work so much for others,” said Qiana Mafnas. “He wanted me to be home more, and I worked a lot of hours.”

Making that dream come true has been difficult, and at times confusing. The couple says they have been told by the city that they cannot get restaurant permits for their offset smoker—which uses charcoal and wood to put indirect heat on the meat—due to the California Clean Air Act that regulates emissions.

Staff at the Long Beach Health Department said approving a restaurant to use an offset smoker is complicated, with no clear yes or no answer. Supervisor Monica Cardenas says she needs more information from Axiom Kitchen to determine if the use of the offset smoker is permissible.

After the Long Beach Business Journal contacted the Health Department, Ian and Qiana said health officials reached out to them to try to resolve the issue.

Despite the confusion, Ian says he doesn’t hold it against Long Beach. He said the strict regulations have helped make it “a wonderful city” that values the environment.

In the meantime, Ian and Qiana say they won’t cut corners on how they make their food and will keep working to bring Axiom Kitchen Smoked Meats and BBQ to a permanent location because, they say, “Long Beach deserves authentic Texas smoke-style barbecue.”

Axiom Kitchen’s pop-up is open every Friday from 4 to 8 p.m. at the YMCA located at 5835 Carson St. in Lakewood. ■



The Mafnas family prepares for their weekly popup.

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Popcorn World sets up shop in Bixby Knolls

By Tess Kazenoff

Long Beach is the new home to a gourmet popcorn experience with the opening of Popcorn World on Oct. 1 in Bixby Knolls.

The store, initially slated to open in June, began in Calhoun, Georgia, in 2008 with 25 to 30 different flavors. The business now boasts nearly 500 different recipes, from savory flavors such as dill pickle, hot wings, or hot dogs and ketchup, to sweeter varieties like cheesecake coated in graham cracker crumbs and banana pudding dusted with wafers. The Long Beach location will have 100 to 120 flavors at a time.

“A lot of our customers really enjoy the experience of being able to come up with their own mixes,” said Popcorn World President LeBarron Burton. “A lot of people don’t recognize that sweet, savory kind of works just about any way.”

Combining sweet and savory flavors is a cornerstone of Popcorn World, which prides itself on offering Chicago-style popcorn, where the mix of caramel and cheese is particularly popular.

For the licensees of the Long Beach location Vernon and Jasmine Chatman, they “wanted to bring a piece of Chicago to the west coast,” Burton said.

Burton first became involved in the company in 2013, at the time named “Popcorn Haven,” after the founders of the company, childhood friends of Burton, sought him out for support with the brand’s growth.

After opening up its first location, Burton discovered issues within the



Jasmine Chatman, who owns the new Popcorn World store in Bixby Knolls with her husband Vernon, scoops out a sample of dill-pickle flavored popcorn.

company, particularly with licensing under different names, which resulted in diluting the brand, he said.

Intended to feel like the “Disney World of popcorn,” the business underwent a rebranding over the next couple of years, officially renaming itself Popcorn World to represent its aspirations for a higher reach, said Burton.

“The older brand was a little more mom and pop-ish. We wanted the brand to represent something bigger,” said Burton. “There’s a lot of things to come . . . branding-wise.”

After opening up a couple of Las Vegas locations and a few throughout Georgia, the founders wanted to “cut their losses,” said Burton, turning the company entirely over to him.

Burton decided to close the majority of the locations, focusing his

attention on a new location in Gary, Indiana, which he opened in 2018.

While the beginning of the pandemic brought immense struggle to many businesses, Popcorn World instead experienced “its first boom,” said Burton, thanks to a set of videos going viral, one of which includes comedian Tahir Moore sampling the popcorn and the second features a set of comedians, All Def discussing the product on their show, SquADD Cast.

Following the videos, Popcorn World sold about \$60,000 worth of popcorn in just one day, Burton said.

The Long Beach location is a result of the viral videos in addition to the success of the Indiana location, said Burton, who began getting licensee requests at the time, including from Long Beach licensees Vernon and Jasmine Chatman, who first contacted Burton about opening a new location in 2019.

The licensees, who were initially located in Chicago, selected Long Beach as the shop’s location, citing the diversity of culture as well as the tourist feel, Burton said.

There is also a gap in the market for popcorn on the West Coast; while a positive for attracting customers, this has caused some challenges with finding suppliers, Burton said.

On top of supply shortages, there aren’t many popcorn suppliers in California, making it difficult to source products from the specific cheese used to the popcorn itself, Burton said.

The business, while initially slated to open in Bixby Knolls in June, experienced delays due to matters of gaining necessary licenses and approvals, said Burton.

“This is an exciting moment for me as the owner of the brand because I think this will officially put us on the national trajectory,” Burton said. “I’m looking to have a location in all the major markets, so California is something that I was really, really hoping that I would get a location under our belt, seeing that we have a lot of popularity in California due to the online presence that we’ve had.”

Popcorn World is located at 3916 Atlantic Ave. Online orders can also be placed at doingtheworldaflavor.com. ■



LeBarron Burton, founder of the Popcorn World brand, prepares a batch of root beer flavored popcorn at the new Bixby Knolls franchise.

Burton helps new franchise owners prepare to open before leaving them to operate the stores on their own.

Street Vending

Continued from page 20

wagon, showcase, rack, or other non-motorized transportation.

These compact mobile food facilities that have 25 square feet or less of display area and sell only prepackaged, non-potentially hazardous foods or whole uncooked produce will be exempt from other provisions of the code like having access to sinks, restrooms and water tanks if their planned area of operation has access to public faucets or water bottles.

California codes would still require other mobile food facilities, such as food or ice cream trucks, to meet specified health and safety standards, including access to sinks, restrooms and handwashing facilities along with required quantities of potable water.

Violation of any of the codes under the new bill has also been changed from a misdemeanor to an administrative fine, according to the bill.

Long Beach has backed the bill since its introduction, and city officials in March started talking about how they can also make the local permitting process more understandable and possibly less expensive.

However, officials have expressed continued concerns over what they called “bad operators,” or vendors who have repeatedly made people sick with their products.

“We still have a requirement as a health jurisdiction to enforce state health law,” City Manager Tom Modica said during a council meeting in March. “We do still need to go out and make sure people are safe.”

Currently, Long Beach’s Health Department begins its enforcement procedure on street vendors after receiving a complaint. After the complaint, a health inspector is dispatched to investigate, Long Beach Health Department spokeswoman Jennifer Rice Epstein said back in May.

“The first time we see a food vendor with no health permit, we provide education on how to obtain a health permit,” according to Epstein, who said the Health Department offers consultations and assistance in multiple languages. “We want our food vendors to succeed and help them with the process. We also issue a notice to discontinue operations without a health permit and instruct them to leave.”

The second time a street vendor is found without a health permit, the investigator will issue a final notice warning them that the next time will result in the impounding of equipment and food. No citations or monetary penalties are given, Epstein added.

SB 972 will be implemented through local health departments and is expected to be fully online by 2024. ■



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