

LONG BEACH
BUSINESS JOURNAL

An edition of the Long Beach Post



Brandon Richardson / Business Journal

A man rides his bike along the water at Harry Bridges Memorial Park backdropped by the Downtown Long Beach skyline.

2022 brought both challenges and success to Long Beach

By Hayley Munguia

It's that time again—the gifts, the feasts and the Christmas trees have all come and gone.

With just a few days left of 2022, it's time to look back at what the year meant for some of the biggest industries in Long Beach.

Whether it's trade, real estate or health care, it's fair to say the year has brought its challenges to businesses across the country—and those in Long Beach were no exception. But 2022 also marked some major updates to Long Beach institutions like the Queen Mary and Community Hospital. And we can't forget the historic election of the city's first Black mayor.

In this edition, we'll take a look at some of the most consequential news that impacted the Long Beach business community this year:

- The San Pedro Bay ports saw their backlogs come to an end, but they also lost a significant chunk of their market share to their East Coast counterparts.
- After a pandemic-fueled buying frenzy, residential real estate in Long Beach finally cooled in response to dramatic interest rate hikes; office vacancies, meanwhile, remain high.
- The city saw its biggest surge of COVID-19 cases since the pandemic first hit in 2020.
- Homelessness spiked 62% since 2020, and Downtown businesses experienced an uptick in crime.

It's clear the challenges—most of which stem from the pandemic that continues to linger—have been significant. But this was also the year that Long Beach's rebound from the worst of the COVID crisis became clear.

Tourism in the city made a strong comeback. The Queen Mary welcomed tour-goers for the first time in two-and-a-half years. The owners of Community Hospital continued with plans for a new wellness campus. And community groups banded together to revitalize Lincoln Park—a crucial step to help bring Downtown Long Beach into a new chapter.

As Long Beach looks to a new year ahead, it seems fitting that the city closed out 2022 with the inauguration of a new slate of elected officials, including that of Mayor Rex Richardson.

There's plenty to reflect on.

In this final edition of 2022, we'll take a glimpse at the year we've all been through—the good and the bad. And we'll prepare to celebrate a new start with 2023.

Editor's note: John Molina is the owner of MWN, which owns Community Hospital. He is also the primary investor in the parent company that owns the Long Beach Business Journal. ■

Ports saw eased backlog, lost market share, new funding in 2022

By Brandon Richardson

The past year has been choppy for the Port of Long Beach—from highs of numerous record-setting months and millions in grant funding, to lows of congestion and declining container volumes as the San Pedro Bay ports continue to lose market share to East and Gulf coast facilities.

Since October 2020, the ports of Long Beach and Los Angeles were inundated with unprecedented congestion that saw container ships sitting off the coast—sometimes for weeks—before being able to dock and unload. The backlog reached a peak of 109 ships in January of this year.

The congestion eased slowly over the next 11 months until the Marine Exchange of Southern California, which was tracking the congestion since it began, announced the backlog was no more as of Nov. 22.

But the damage was already done. Due to the backlog, retailers and shippers had already begun diverting goods to other ports, especially those on the East and Gulf coasts.

The persistent backlog of ships also worsened air pollution this year, which

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Housing, industrial sectors of real estate diverged this year

By Tess Kazenoff

The real estate market has undergone a significant shift throughout 2022.

The biggest changes came thanks to the Federal Reserve, which increased interest rates seven times this year, most recently rising rates by 50 basis points in mid-December, significantly cooling the real estate market.

At the onset of the coronavirus pandemic, the Fed slashed its target rate to 0%-to-0.25%, where it stayed for two years.

But this year, interest rates reached their highest rates in four decades, said William Yu, an economist with the UCLA Anderson Forecast.

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Advertising: (562) 912-0161
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Rex Richardson sworn in as 1st Black mayor

By Jason Ruiz



Thomas R. Cordova / Business Journal

Rex Richardson is sworn in as the 29th mayor of Long Beach. Richardson is the city's first Black mayor.

Mayor Rex Richardson made history last week in becoming the city's first Black mayor—and said in his inaugural speech he will push to declare a state of emergency over homelessness, which rose 62% in the city's most recent point-in-time count earlier this year.

Richardson didn't give details about such a declaration would mean. It would require City Council approval.

The city of Los Angeles this month declared a state of emergency over homelessness, empowering newly elected Mayor Karen Bass to make quicker decisions on issues such as building housing.

Bass was in attendance at last week's inauguration in Long Beach, a ceremony that drew thousands of people to the Terrace Theater Downtown.

In addition to Richardson, three new councilmembers also took office: Kristina Duggan in District 3, Megan Kerr in District 5 and Joni Ricks-Oddie in District 9. Mary Zendejas in District

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City welcomes tour-goers back to the Queen Mary, announces annual membership program

By Brandon Richardson

As the year drew to a close, the first tour-goers in over two and half years were welcomed aboard the Queen Mary earlier this month, where Commodore Everette Hoard guided them through select areas of the ship.

The city announced Dec. 12 that tours of the Promenade Deck, including the Observation Bar and the Queen and Royal salons, were available for free with online reservation. Spots, however, filled up within 24 hours.

During a press conference before the first tour, Mayor Robert Garcia announced an annual membership program in partnership with Long Beach Heritage, Evolution Hospitality and the Queen Mary Heritage Foundation. The \$150 membership is tax deductible and includes:

- General admission for the member with limited block-out dates;
- Two general admission day passes annually;
- Hotel guest pricing for tour, exhibit and attraction tickets; and
- 24-hour presale with discounted ticket pricing on Queen Mary events.

"We hope this first of its kind membership opportunity will continue the public's excitement

and anticipation as we move closer to reopening additional amenities onboard the ship next year," Garcia said in a statement. "This also gives community members the opportunity to contribute to the ongoing preservation of the ship through their membership

fee donation."

The ship closed to the public in March 2020 as the coronavirus began to spread through the nation, and it has remained closed as the city began critical repairs to address structural and safety issues.

Most of the ship, including

its restaurants, bars and shops, remain closed to the public as work continues.

The city expects a broader reopening of the ship, including the hotel, early next year when the installation of new boilers and heat exchangers is completed. ■



Brandon Richardson / Business Journal

Queen Mary Commodore Everette Hoard gives a tour of the historic ocean liner to the first guests aboard in two and a half years.

Ports

Continued from cover

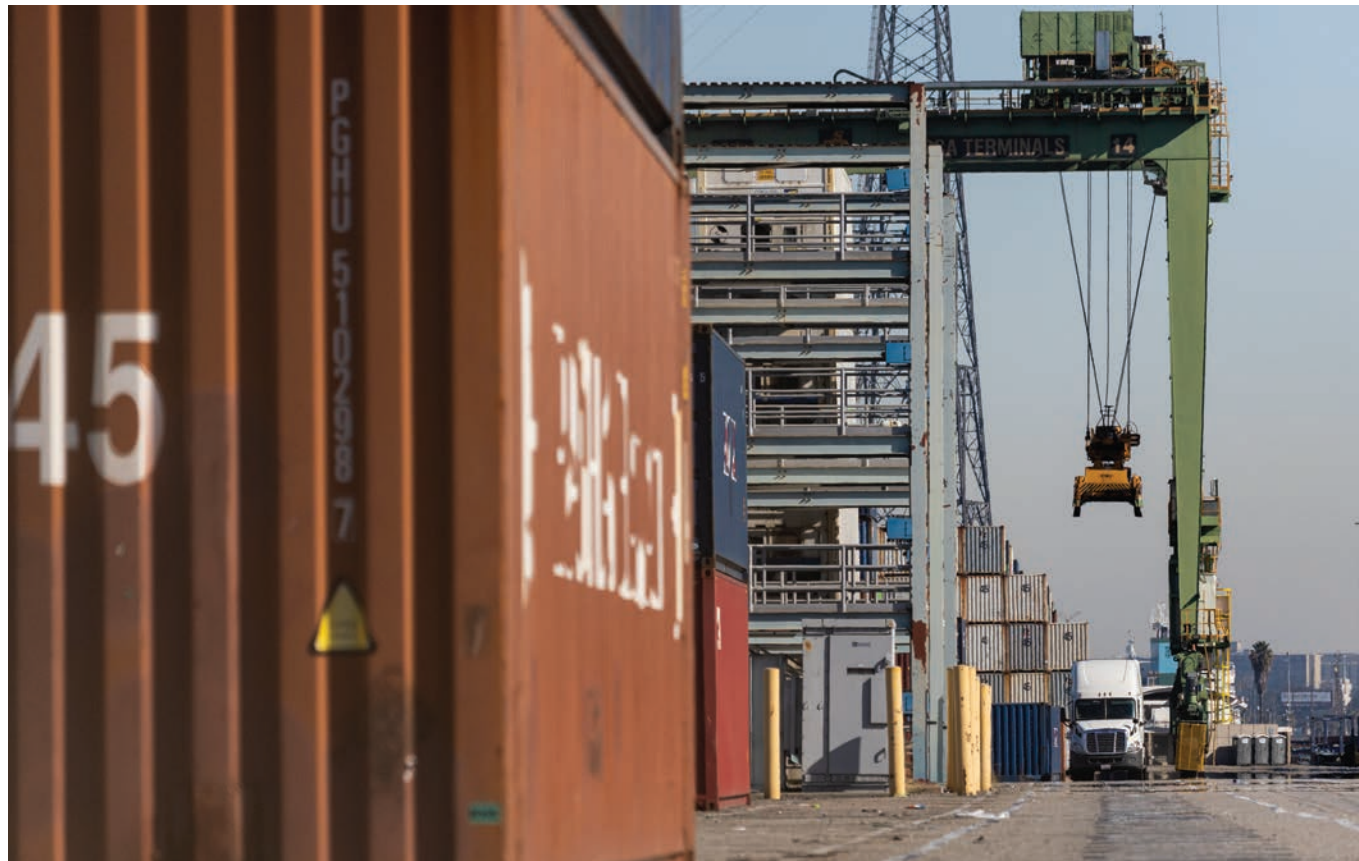
has been on the decline for years. Adding to the uncertainty surrounding operations at the twin ports was the expiration of labor contracts for West Coast dockworkers in July. Negotiations between the International Longshore and Warehouse Union and the Pacific Merchant Shipping Association began in May, but an agreement was not reached, which fueled concerns that a strike or slow-down could be imminent. Despite concerns, work has continued as usual while negotiations are ongoing. Both sides of the table agreed to a full media blackout, so the status of talks is unknown. But officials from both ports have said they are confident an agreement will be made with no disruption to operations.

After setting cargo records during six out of the first nine months of the year—with the other three months being near historic highs—container volumes at the port really began to slip in September. In September, October and November the Port Authority of New York and New Jersey, which is regularly ranked the third busiest port behind LA and Long Beach, outperformed the West Coast facilities in terms of container volumes.

Last month, the East Coast port moved 723,069 20-foot-equivalent units, or TEUs (the standard measure of a shipping container), while LA and Long Beach handled 639,000 and 588,742, respectively.

New York-New Jersey overtook Long Beach in total cargo handled in October, a spread that widened to 291,099 TEUs after November. LA, meanwhile, continues to hang onto the top spot by 301,287 TEUs. Even with the decline in cargo, it is likely LA will maintain the top spot for 2022.

Nationwide, another shadow of uncertainty arose for the supply chain when rail worker unions and their



A truck waits on a crane at the Port of Long Beach's Pier A.

employers failed to agree on new labor contracts. Workers were preparing to stage several short protests beginning in December, which would have brought a large portion of the U.S. economy to a screeching halt.

The Biden administration intervened in the talks, brokering a deal that was approved by some of the unions but several holdouts remained. In the end, Congress stepped in and passed an agreement that included pay raises and an extra vacation day, among other things.

The House of Representatives approved a separate item to provide rail workers with seven days paid sick leave, which was the main issue stalling negotiations, but the Senate failed to pass the legislation. While a stoppage in cargo and passenger trains was averted, it was done on the backs of workers, who argue the decision puts the very foundation of unions and collective bargaining at risk in the U.S.

Even with all the challenges, the ports of LA and Long Beach are on track to close out 2022 with container volumes just below 2021 levels, which was a record year for both ports.

Projects, partnerships and funding

Throughout the year, the Port of Long Beach has announced new grant funding for proposed projects as well as new initiatives to further its efficiency and environmental goals.

The year started with Gov. Gavin Newsom releasing his proposed state budget, which included \$2.3 billion for port infrastructure, equipment and more. As the two largest ports in the state, Long Beach and LA are in line to receive large amounts of funding for various projects.

Long Beach alone announced tens of millions in grant funding this year, including \$8 million to improve waterways and \$30 million for zero-emission cargo-handling equipment.

The port's long-awaited channel deepening project gained federal approval this year. The \$170 million effort will deepen various channels, basins and slips and ease turning bends within the complex, allowing for larger ships.

The deepening project will be partially funded by the U.S. Army Corps of Engineers, which is the agency that greenlit the project and will work with the port. Work is slated to begin in 2025 and take three years to complete.

In September, the port announced trucking company 4 Gen Logistics purchased 61 battery-electric, zero-emission heavy-duty trucks. The company's entire fleet is expected to be zero-emission by 2035, 10 years before it is mandated by state law.

The twin ports officially launched their long-planned clean truck fee in April, which requires a \$10 fee be paid for each TEU moved by diesel trucks. In June, the agencies announced the program raised \$8 million in its first two months.

In October, the port announced nine cranes at the SSA Marine terminal were converted to run on electricity. The move is part of the port's Zero-Emissions Terminal Equipment Transition project, which is testing zero-emission vehicles in daily operations.

Port officials also announced several new partnerships this year, including one that will work toward developing a statewide renewable hydrogen market and another to drive economic development in Long Beach.

The twin ports in November announced an initiative with Singapore to create a green shipping corridor, similar to a previous announcement by the Port of LA and Shanghai announced at the beginning of the year. The partnership will push the development of low- and zero-carbon fuels and greener vessels as well as digital tools to increase efficiency. ■



A Union Pacific train moves along tracks adjacent to State Route 47 leaving Terminal Island.

Memorial closes year of disease surges, investigations and service expansions



Courtesy of MemorialCare

Blair Kent has been named the new CEO of Long Beach Memorial and Miller Children's & Women's Hospital. Kent previously served as the CEO of the largest hospital in Utah.

By Brandon Richardson

MemorialCare had a turbulent year in Long Beach that saw state investigations and an unexpected leadership shake-up, all while staff dealt with sporadic surges of numerous diseases.

Hospital staff at Long Beach Memorial Medical Center, and throughout the Greater Long Beach area, began the year with the most dramatic surge in coronavirus cases to date. With 44,316 new daily cases reported, January of this year accounts for over 28% of the city's total reported cases of COVID-19 through mid-December.

The number of people hospitalized with COVID, as well as the number of deaths, also rose at the start of the year but did not come close to the highs of January 2021, which was the deadliest time for the city during the pandemic.

On April 15, Memorial reported no coronavirus patients for the first time in two years.

In February and March, however, a series of lapses in patient care resulted in the deaths of two patients, leading to a string of investigations into operations at MemorialCare's Long Beach campus.

California Department of Public Health inspectors spent nine days at the hospital—April 12 to April 20—in response to a complaint from Long Beach resident Rosemary Davis, 60, who said her mother died at the hospital due to poor patient care. Inspectors identified a list of issues at Memorial, including two immediate jeopardy cases.

Davis claimed that hospital staff administered a chemotherapy drug often used for breast cancer patients to her mother, who was admitted for heart-related health issues, among other alleged lapses in her care.

Ultimately, Davis' mother suffered an infection, which turned to septic shock. She died in February.

The very next month, the second immediate jeopardy incident occurred when a person with dementia was admitted after falling at their assisted living facility. The elderly patient fell again at the hospital while attempting to walk unassisted, despite being classified as a "high fall risk."

The second fall fractured the patient's hip and an orthopedic surgeon recommended a surgery that was admittedly risky but no more so than doing nothing, the CDPH report found. No surgery was performed and the patient was placed in "end of life care." They died on March 19.

The state report led to a series of other probes by the Joint Commission, the California State Board of Pharmacy, the state Board of Registered Nursing and the state Medical Board.

Less than two weeks after the Southern California News Group reported on the deaths and initial investigation, Memorial CEO John

Bishop and Chief Operating Officer Ike Mmeje unexpectedly resigned. Hospital officials declined to comment on whether there was a connection between the two events.

Mmeje left the position in August, while Bishop stayed on through the search for his replacement.

The year wasn't all trouble for Memorial, however. In October, Memorial announced it restructured its leadership team, creating new positions as the search for a new CEO continued. New positions included a chief nursing executive, a chief strategy officer and a dedicated chief executive for Miller Children's & Women's Hospital.

Finally, after an extensive four-month search, the hospital announced this month that Blair Kent would be the next CEO of the campus. Kent most recently served as CEO of Intermountain Medical Center near Salt Lake City—the largest hospital in Utah.

The health provider also expanded services this year, including its Long Beach maternal care offerings with a new location at 5977 Spring St.

The site has eight exam rooms, lab services and two OB-GYNs. It began accepting patients in October.

The hospital also announced it would open a clinic on the Cal State Long Beach campus through a new partnership to combine education with practice and increase the area's health care workforce. The 15,000-square-foot clinic will be located on the ground floor of a new College of Health and Human Services building, with construction slated to begin in summer 2024.


Now, as the year comes to a close, hospital staff is working through yet another surge of COVID-19. While the disease is not spreading anywhere near the levels seen at the beginning of the year, outbreaks of the flu and respiratory syncytial virus also are much higher than usual.

Dr. Graham Tse, physician-in-charge of COVID at Long Beach Memorial Medical Center and chief medical officer at Miller Children's and Women's, said the three diseases have created a "triple-demic." Tse said the number of hospitalizations due to the flu is at a 10-year high. ■



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Real Estate

Continued from cover

While raising interest rates is intended to prevent inflation from causing further damage to the economy, “what happened over the past two years is: We made a mistake,” Yu said. “Government policy has injected too much money into the market, so it dried out demand.” As of Dec. 20, the average rate for the benchmark 30-year fixed mortgage was 6.47%, down 16 basis points over the prior week, according to Bankrate. While interest rates are not at a historic high, the rapidity of the hikes is noteworthy, Yu said. “We have perhaps the most rapid increase of rates since the 1980s,” he said.

Housing sector

A direct consequence of rising interest rates was an increase in mortgage rates, Yu said. In January 2022, 30-year mortgage rates were in the 3.2% range; by November, the benchmark 30-year fixed mortgage reached 7.32%, according to Bankrate. “A higher cost of borrowing and lending has had a significant negative effect on the real estate market across the country, including Los Angeles,” Yu said. Today’s higher interest rates are significant enough that they’ve led to lower home prices—while the median price of a home in Long Beach was around \$900,000 a year and a half ago, the number has dropped down to the \$820,000 range, Phil Jones, Realtor and past president and director of the Greater Long Beach Board of Realtors, told the Business Journal in November.

Although average home prices in LA County have decreased 6.7% since its peak, according to Zillow, prices are still considered high, Yu said. However, Yu noted that a decrease in home prices is “a pretty healthy adjustment in response to the rising interest rate,” he said. Yu does not anticipate that interest rates will ease for a while—although, in some ways, Americans have become too accustomed to unusually low rates, he said. “In the past two decades, because of the globalization, because of China, because of the global savings glut, we got to enjoy very low interest rates and very low inflation rates, so that gave us an illusion we can always get away with low interest rates,” Yu said. For potential home buyers, some experts advise waiting at least a couple of months. “Watch the market, and watch the particular neighborhood because all real estate is local,” Edward Coulson, director of research at the University of California, Irvine’s Center for Real Estate, told the Business Journal

in November. “You should be cautious about buying right now.”

Commercial and office vacancies

Even as the pandemic has waned, commercial and office vacancies reached record highs this year. Regarding commercial spaces, a trend of shifting to online shopping, which began several years ago, was only accelerated during the pandemic, Yu said. “Online shopping can not fully replace traditional brick-and-mortar shopping,” Yu said. “We still have shopping malls and grocery stores, because people still have a desire to have that kind of experience.” Yu anticipates that higher quality stores will still remain, while lower-end stores unable to compete with online shopping will transition fully to e-commerce, he said. The same could be said of remote work—many jobs have since shifted to a fully remote or hybrid model, although this isn’t possible for every industry, Yu said. According to recent data, only about 15-to-20% of the workforce could shift entirely to fully remote work, mainly impacting certain sectors such as tech, Yu said. However, more companies could shift to a hybrid model, allowing them to downsize their office spaces, Cushman & Wakefield Senior Director Robert Garey told the Business Journal in August. According to reports by Cushman, office buildings in Downtown Long Beach were 70.82% leased in the third quarter, while office buildings in suburban Long Beach, Bixby Knolls and Signal Hill, East Long Beach and Seal Beach, and the Long Beach Airport area, were 78% leased.

These shifts in trends could further impact the real estate market, and Long Beach and other cities could begin looking for alternative ways to utilize vacant office spaces, Yu said. Recently, Long Beach was urged to examine other options, such as rezoning commercial spaces for residential development. Several buildings in the Downtown area have already been converted to residential use, such as the former Verizon building at 200 Ocean Blvd. Other office buildings like 401 E. Ocean Blvd. and 1500 Hughes Way could also be repurposed for residential or industrial use.

Industrial sector

Despite the increase in interest rates across all sectors, unlike the commercial and housing markets, the industrial market has seemingly bucked the trend regarding vacancies, Yu said. A Lee & Associates report indicates that industrial vacancies in the South Bay were extremely tight at 1.1% in the third quarter, and net absorption—which calculates the sum of square feet that became physically occupied, minus the sum of square feet that became physically vacant—was over 430,000 square feet. Experts do not foresee demand for industrial spaces declining, although the report notes that by the first quarter of 2023, there will be a clearer picture regarding speculative development.

Lack of inventory

An even larger issue currently facing California’s housing market is a historic lack of inventory, Jones said in November. In Long Beach, there has typically been an inventory of about 3,000

properties for sale at any given time, including condos and single-family detached homes, but by November, that number had dipped to 448—“a remarkably low level of homes for sale,” keeping upward pressure on pricing, Jones said. While it has been estimated that to keep up with population growth, California should’ve built 180,000 new units annually, complicated and costly regulations around development have prevented the state from reaching that number in the past two decades, Jones said. According to USC’s Lusk Center for Real Estate 2022 Multifamily Report, the Greater Los Angeles area (which includes Orange County) consistently builds half the housing or less of Houston and Dallas, despite the fact that it is over 70% more populous than either Texas city. As local and state governments work to relax zoning policies and encourage high-density housing near transit stations, Yu hopes the situation will improve, he said. “I hope over time, we make the effort to increase housing supply, I think home prices will become more affordable for more Californians,” Yu said. “When? It depends. The more effort we put into increasing housing supply, the sooner we will reach that kind of goal.”

Onward to 2023

It is a challenge to balance controlling inflation without causing a recession, which is a possibility within the next two years, Yu said—although Yu suspects it will be milder than the previous two recessions. “The Federal Reserve needs to be very careful,” Yu said. “There’s a lot of uncertainty ahead of us.” ■



Real estate agent Gloria Bradley helps Troy Hardwick sign forms to make an offer on a mobile home in Paramount, just north of Long Beach.

Inflation posed another challenge for small businesses this year

By Tess Kazenoff

After two years of navigating the pandemic and loss of business, coping with inflation has been yet another challenge for Dana Buchanan, co-owner of local catering business Primal Alchemy. For the past 20 years, Primal Alchemy grew steadily in Long Beach, with its roots in sustainable and seasonal menus, until March 2020, when essentially all business was gone in one day, Buchanan said. “We lost everything,” Buchanan said. Although Primal Alchemy was able to creatively pivot and shift its business model amid pandemic restrictions, “Every day was stressful,” she said. “It wasn’t paying the bills.” While the city and other organizations initially stepped up to provide grants, eventually, funds began to dry up, and the business was left in “no man’s land,” Buchanan said. “It really got scary for quite a while there,” Buchanan said. Now, Primal Alchemy is “in recovery mode,” with the goal of reducing debt that was incurred to stay in business throughout 2020 and 2021. A sharp rise in food and labor costs, though, has added yet another obstacle to navigate through, Buchanan said.

‘A black swan event’
By June of this year, inflation

climbed to just over 9%—the largest 12-month consumer price index increase since 1980 to 1981, according to the U.S. Bureau of Labor Statistics. In the past two years, inflation has more than tripled, said Laura Gonzalez, associate professor of finance at Cal State Long Beach. While by November 2022, inflation lowered to 7.1%, offering some relief, costs have remained high for business owners and consumers alike. According to a National Federation of Independent Business’ (NFIB) Small Business Economic Trends report conducted in November, while inflation pressures have eased slightly for small business owners, it remains a top concern. Although there are numerous elements contributing to current inflation rates, the largest factors include energy prices, the disruption of supply chains and labor shortages, Gonzalez said. As a result, food and energy prices have seen the sharpest increases. According to the U.S. Bureau of Labor Statistics, food prices have gone up an average of 10.6%, and energy has risen 13.1% over the last year. “Clearly, COVID was a black swan event that disrupted the economy and is changing the world,” Gonzalez said. The pandemic has accelerated certain trends that could continue to impact the economy—mainly when it comes to technology development and automation, particularly in

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Construction crews work on the 189-unit residential building at Broadway and The Promenade in Downtown.

Continued on page 11

Work to convert Community Hospital into a wellness campus continues, owner says



Brandon Richardson / Business Journal

A masked woman walks past a shuttered Community Hospital, which serves as the city's winter shelter.

By Brandon Richardson

Plans to convert the now-defunct Community Hospital into a wellness campus continue to move forward, according to the property's owner, even as the site is currently being used as the city's winter homeless shelter.

It's been more than a year since MWN Community Hospital, LLC, which operated the facility and now owns the property, announced the hospital's closure along with plans to use the site to provide wellness services.

The property has not yet reopened as a wellness campus, but MWN spokesperson Brandon Dowling said earlier this month that the company's work with the city and state is ongoing and the plans remain unchanged.

"It's been a steady progress of planning," Dowling said.

The hospital was previously owned by the city and operated by MWN. But as part of that lease agreement, MWN was to be reimbursed for its losses up to the market value of the property if the hospital was shuttered for any reason. In November 2021, MWN announced the hospital's closure, and since the losses (\$26.65 million) were more than the property value (\$17.71 million), the city transferred the site to the MWN in October of this year to fulfill that lease obligation.

For now, the hospital site remains vacant, so the City Council earlier this month approved an agreement with the company to host the 81-bed shelter in the old Community Heart Center building and to provide the services at cost, according to Jennifer Marsh, MWN campus administrator.

"We have been pushing the city strongly to consider not only the safety of the guests we'll have here, but the security of the tenants in the medical

office building and the neighborhood that surrounds us," Dowling said.

The Heart Center is wedged between the historic, Spanish-style hospital building and the medical office on the northern end of the property. It is already fully enclosed by its own fence, which will help with security, Dowling said.

The site's use as the winter shelter through March 31 is not expected to delay the opening of the wellness center, Dowling said.

Construction to facilitate the wellness center will include work on the Heart Center and the mid-rise tower behind the historic hospital building, which is expected to begin late next year, according to Dowling. The bulk of the work will be centered around accessibility and fire and life safety to bring the buildings up to modern standards.

The city had owned the hospital since 1911, which allowed it to be grandfathered into older standards

for decades. Once the facility was transferred to MWN and the company surrendered its acute care license for a change of use, the property became subject to all current standards, Dowling explained.

Once the first two projects are complete, Dowling said the company will use a phased-in approach to reopen other portions of the campus.

The facility will have a focus on inpatient behavioral health, Dowling said. He did not share the names of the third-party service providers who are in talks to operate on the campus, but he confirmed there are discussions to provide urgent care, a laboratory and physical therapy, along with a PACE provider, which offers comprehensive medical and social services to the elderly.

Other services that may be coming to the campus include detox and a Federally Qualified Health Center. An FQHC is subsidized through the federal government to provide affordable health care to underserved people, including preventative health, dental, mental health and substance abuse services and more.

In the long term, Dowling said health or educational housing is an option that is still being considered, especially since the southeastern portion of the property is essentially an unused paved parking lot.

"For now, we look forward to focusing on the shelter and being part of that," Marsh said. "If we could do more, we would do more."

Editor's note: John Molina is the owner of MWN, and he is also the primary investor in the parent company that owns the Long Beach Business Journal. ■



Brandon Richardson / Business Journal

Four cots set up in a room inside the old Community Heart Center building on the Community Hospital campus Tuesday, Dec. 21, 2022. The building is being used as the city's winter shelter through March 31.

Rex Richardson

Continued from page 3

1 and Roberto Uranga in District 7 were also sworn into new terms.

Richardson devoted much of his first mayoral speech to the impending issue of homelessness, as well as inequality and mental health issues.

"We need every part of our city to go all in," Richardson said.

Richardson said that his administration would work not only to address homelessness in the city, but would create more opportunities for the city's youth by providing good-paying jobs for the city's workforce and look to increase housing production in the city for all income levels.

"We'll build an economy that leaves no one behind," he said.

The three new members of the council will usher in the biggest change since 2014, when five new members were sworn in alongside a new mayor and city attorney. The only other citywide office to change hands this election cycle was the city attorney's seat, which was won by Assistant City Attorney Dawn McIntosh.

City Prosecutor Doug Haubert and City Auditor Laura Doud both won reelection during the June primary.

Uranga, who was elected to a second term in June, has not been present at public meetings since suffering a stroke in September. He appeared at last week's ceremony with his wife and son, offering a few remarks.

The council has voted to excuse him from being absent from the council to avoid his seat becoming vacant, which happens after four consecutive missed meetings, according to the city charter.

It's unclear when he will return to the City Council. The body is not expected to meet again until the middle of January.

Vice mayor election

In a brief meeting before the inauguration event last week, Councilmember Cindy Allen was elected as the next vice mayor by her City Council colleagues in an 8-0 vote.

Allen was nominated by Councilmember Suely Saro, with the move being backed by Councilmembers Mary Zendejas and Ricks-Oddie.

The vice mayor position is ceremonial, but Allen will get to fill in for Richardson when he is absent from public events or meetings. Allen would chair the City Council meetings in Richardson's absence.

Her selection as the next vice mayor happened quickly with no other members being nominated for the position. Allen said she knew the past few years had been challenging for the city, but she looks forward to working with the rest of the council to address the city's issues.

"I know our community expects that we are all united and work together for our common goals," Allen said, adding that priorities would be homelessness and economic development. "If each and every one of our districts, succeed, we all succeed." ■

Downtown faced challenges in 2022, but city leaders see hope for renewal

By Tess Kazenoff

As Downtown Long Beach has emerged from the pandemic, a stark increase in homelessness and ongoing office vacancies have continued to challenge Downtown's growth over the last year.

City officials have taken notice, acknowledging the work that lies ahead.

"This year has been challenging for the Downtown, from the continuing economic recovery due to the COVID19 shutdowns to the homelessness crisis ever more present on our streets, we know this year has been tough on our residents, businesses, and stakeholders," District 1 Councilmember Mary Zendejas said in a statement to the Business Journal. "We have a lot of work to do to fix our issues, and although we've done a lot of work, more needs to be done."

Still, 2022 wasn't all bad news for the Downtown area. Tourism in the area started to rebound, and community groups are focusing their efforts on revitalization.

The return of tourism

Over the past year, there have been some promising signs of growth for the city—2022 saw the return of events, large and small, in Downtown Long Beach.

Most recently, the annual tree lighting in front of Terrace Plaza had a record-breaking 6,000 people in attendance, and this year's Long Beach Marathon and corresponding weekend events attracted about 15,000 participants, up from 10,000 last year.

For this year's Shop Small Saturday in Downtown Long Beach, placer.ai, a third-party location analytics software provider that collects foot traffic data, showed 86,700 visits recorded that day across East Village, Pine Avenue, the Willmore neighborhood and the waterfront areas, about 10% higher than last year, and about 20% higher than in 2019.

Long Beach's hotel industry, one of the sectors most impacted by the pandemic in 2020 and 2021, is also on the path toward recovery, with many local hotels nearing or even surpassing their 2019 occupancy levels.

Shifts in Downtown businesses

As tourism is on the upswing, some new businesses have opened in the area, such as Solita's Tacos & Margaritas, which took over the former Rock Bottom Brewery location on Ocean Boulevard in July. Ruth's Chris Steak House and Flavo Juice Bar also both opened in August.

In early December, Hardcore Fitness Bootcamp opened in the building previously occupied by

Anytime Fitness on Pine Avenue, and Altar Society Brewing is anticipated to open in the next couple of months.

And for existing businesses, there is a potential for growth. According to a Downtown Long Beach Alliance report, 53% of Downtown businesses surveyed said they expected their

that were particularly impacted by coronavirus restrictions—recovery has come with many challenges.

Gold's Gym and Waters Edge Winery both decided to relocate away from Pine Avenue this year, with plans to reopen in other Long Beach locations.

facing Downtown, which include jumps in homelessness and crime.

Regarding the loss of office workers, it may be necessary for restaurants to reevaluate strategies to reach those customers, Broc Coward, chief operating officer of the DLBA, told the Business Journal in October.

"With our new leadership on the Long Beach City Council, the time is ripe for new momentum and solutions to our most challenging issues, so I am hopeful going forward."

- Mary Zendejas, District 1 Councilmember

businesses to expand in the coming year, a proportion that has remained the same for the past three years.

Other businesses, though, have struggled. For the 48% of Downtown businesses that are related to retail, food, and personal services—industries

The closure of Pier 76 Fish Grill in May, meanwhile, was partially attributed to the loss of lunchtime traffic, while other business owners have threatened to close or leave the area if city officials do not adequately respond to the escalating challenges

A decline in perceptions of safety

For many Downtown business owners, coping with a rise in property crime and other challenges due to the city's rise in homelessness has been an immense challenge to navigate this year.

Continued on page 10

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City, county unemployment remained steady in November as state figure ticked up

By Brandon Richardson

For the third month in a row, Long Beach and Los Angeles County unemployment rates remained unchanged in November as the state rate continues to inch upward, according to data released earlier this month by the California Employment Development Department.

The unemployment rate in Long Beach fell to 4.6% in September, where it remained through November, data shows. Similarly, the county’s rate dropped to 4.5% and has remained there for the last three months.

In Long Beach, the labor force and number of employed residents grew month-over-month, according to the state. The labor force grew by 2,200 to 229,100, while the number of employed residents grew by 2,100 to 218,600.

The number of unemployed Long Beach residents remained unchanged at 10,500.

Countywide, meanwhile, the number of unemployed residents increased by 2,800 to 221,400 from October to November. The county’s labor force and number of employed residents, meanwhile, increased by 50,100 and 47,200, respectively, to 4,949,900 and 4,728,400.

While the state’s unemployment rate grew from 3.7% in September to 4% last month, the number of employed residents has also grown and has now surpassed pre-pandemic levels, according to an analysis from Beacon Economics.

There are now 60,700 more people employed statewide compared to February 2020, Beacon announced. The state’s labor force, however, has contracted, the company stated.

“While the state’s payrolls are now in expansion mode, many communities continue to struggle to find workers, especially in coastal areas of the state,” Taner Osman, research manager at Beacon and the UC Riverside Center for Economic Forecasting. “The lack of affordable housing along the coast is the primary constraint holding back job expansion.”

In LA County and Long Beach, trade, transportation and utilities led the month-over-month growth, adding 11,500 jobs, according to the EDD. The retail sector added 8,700 jobs, which is typical of the holiday season.

Two sectors contracted in November: construction, down by 900 jobs, and other services, down by 300 jobs. Mining and logging remained unchanged. ■



Brandon Richardson / Business Journal

Two people walk along Alamitos Beach, past one of the city’s oil islands.

Oil well setback law could have dramatic financial effect on city

The bill is slated to go into effect in January, but it could be delayed by a statewide signature referendum effort backed by oil companies to require voters to approve the law.

By Jason Ruiz

Long Beach is bracing for the potential financial fallout from a new oil well setback law that could include the loss of upward of \$20 million in revenue annually.

Senate Bill 1137 was signed into law this year and prohibits the permitting of new oil wells within 3,200 feet of “sensitive receptors,” which include residences, schools, health care facilities and parks and playgrounds.

The bill was authored by state Sen. Lena Gonzalez, who previously served as a member of Long Beach’s City Council, and also requires existing wells within the 3,200-foot buffers to begin to monitor leaks and emissions and install alarm systems.

The bill is slated to go into effect in January, but it was the focus of a statewide signature referendum effort backed by oil companies to require voters to approve the law. While the signature-gathering

deadline passed earlier this month, the California Secretary of State did not provide an update on the initiative by press time. If enough signatures are verified, the law could be postponed from going into effect until it can be placed before voters in 2024.

A memo posted by the city earlier this month said that the fallout from the law could mean that the city could lose between \$6 million and \$14 million in Tidelands Funds per year in oil production revenue in addition to lost sales tax, utility tax and property tax revenue. In total, the city’s financial hit could be as high as \$122 million over the first five years of the bill, the memo said.

Long Beach officials had previously said the city intends to phase out oil production by 2035, 10 years ahead of the statewide goal of 2045.

However, city officials say the bill could affect the city’s ability to pay to abandon oil wells, and it could also affect the financing of large city projects like the new Belmont Beach and Aquatics Center, replacing the Belmont Veterans Pier and improvements to the Long Beach Convention Center.

“Right now, we’re expecting a fairly significant loss,” City Manager Tom Modica said in an interview.

How much of a loss is hard to say. Part of the issue is that the projections are based on a historically volatile commodity. The city’s memo shows two projections, one with a barrel of oil budgeted at \$55 and another at \$65. Both are conservative, considering the city

says a barrel has averaged at about \$70 for nearly two decades, with this year seeing prices jump up to around \$130 per barrel because of the conflict in Ukraine.

Modica said that the pool project, which has grown to an estimated \$119 million, would not be able to move forward as currently designed because the Tidelands Funds for capital projects would likely dry up by 2029 instead of 2035, which the city had planned for. The pool’s design would likely have to be reined in to bring the project cost down to between \$62 million and \$75 million for the city to afford it, he said.

“There really is not a path forward for the current project under 1137,” Modica said.

The pool project was expected to be presented to the City Council this month for a vote on a financing plan, but that has been postponed, Modica said.

Another large looming cost is oil abandonment. The city’s share of an estimated \$1.2 billion cost has grown to \$154 million. It currently has \$70 million set aside, but if oil well production capacity is limited by 1137, which city officials believe it will be, the revenue generated by production that was meant to go toward plugging old wells would also dry up.

Bob Dowell, the city’s director of Energy Resources, said that there is a “fair part” of the city’s operation within the 3,200-foot buffer, including at least two of the city’s oil islands that sit off the city’s shoreline. Dowell said the city would

Continued on page 18

Belmont pool could need redesign as new bill impacts project’s funding

Discussions of how the pool design could change are expected to happen in early 2023.

By Jason Ruiz

The Belmont Beach and Aquatics Center that the city planned to start building in 2023 could be postponed or scaled down, as city officials say a new oil well setback law could deplete the project’s funding source.

The \$119 million project, which has already been designed, could face a reduction of spectator seating and the elimination of some of the recreational swimming areas to bring down the cost.

City Manager Tom Modica said earlier this month that under the new bill, which could dramatically affect the city’s annual budget, a feasible project is likely in the \$62 million to \$75 million range.

“We’re potentially looking at a much different project,” Modica said.

California Coastal Commissioners granted the project a key approval in February 2021, and the city has maintained some hope that it could be built in time to potentially host an Olympic event in the 2028 games.

The design phase has already been completed, and the city was hoping to put the project out to bid and present a financing plan to the City Council this month, but that has been postponed.

Senate Bill 1137 was signed into law earlier this year and prohibits new oil wells from being established within 3,200 feet of sensitive areas like houses, schools and health care facilities. It’s unclear how many of the city’s oil wells this would affect, but a separate city memo anticipates that the law could ultimately cost the city about \$122 million over the first five years of its implementation.

Long Beach was already projecting a budget deficit of about \$40 million in the next fiscal year.

The bill would significantly impact the city’s Tidelands Fund, which is primarily funded by oil operations and is only allowed to pay for things in the Tidelands area, like lifeguards, police that patrol beaches

and beach maintenance.

It has also been used to pay for one-time capital improvement projects like the Naples sea walls and was tapped to potentially pay for the pool. However, because of the potential for SB-1137 to reduce the amount of oil revenue coming in annually, it could prohibit the city from issuing bonds to help pay for the project, which currently has about a \$58 million funding gap.

The city had planned for a phase-out of oil production by 2035, a point at which it believed it would have the roughly \$154 million in funds it needs to abandon city-operated oil wells.

However, under SB-1137, that funding could dry up as soon as 2029, according to city estimates, and it could require the general fund to pick up the rest of the oil well abandonment costs. Other funding from Tidelands to pay for capital projects would be gone.

SB-1137, though, is the subject of a statewide referendum effort that could push its implementation date until after the November 2024 election, which would give oil operators about two more years to operate with fewer restrictions. But even then, projects like the pool, the replacement of the Belmont Veterans Pier and improvements to the Long Beach Convention Center could be put on hold until new funding mechanisms are identified.

Unlike the pool, Modica said the pier project, which the city hopes to be built by 2028 in time for the Olympics, could qualify for federal funding. But the pool project would likely need downsizing to move forward.

The pool’s design has already been revised once after the California Coastal Commission deemed the height of the domed structure to be too tall, among other objections it had with the original plan presented by the city.

Discussions of how the pool design could change are expected to happen in early 2023. The city will also have to file an extension with the Coastal Commission for the project by February and likely resubmit the plan for approval.

“Philosophically, we know that oil is not part of Long Beach’s future,” Modica said. “Now we’re in that mode of adapting and putting information out about the impacts so stakeholders understand.” ■

7th Street pedestrian bridge in East Long Beach to be revamped with new signage

By Jason Ruiz

The Seventh Street pedestrian bridge that crosses over a freeway exit near Cal State Long Beach could be getting a facelift that will include new lighting, colored panels and large lettering spelling out “Long Beach,” if the design is approved by state officials.

Then-Mayor Robert Garcia unveiled a model of what the new bridge could look like Friday during an Instagram live earlier this month where he was standing near the bridge on the side of the freeway. Garcia panned across a miniature model showing the bridge redone with blue and white color panels and the city’s name.

“I’ve been working on this project for a long time,” Garcia said. “That is the new entryway to Long Beach here.”

The structure connects the Bixby Hill and University Park Estates neighborhoods by allowing pedestrians traveling along the

riverbed to cross over the 22 Freeway as it turns into Seventh Street.

When the project could break ground is unclear. Joy Contreras, a spokesperson for the Public Works Department, said the project is at the conceptual design part of the process. It will now head into the design phase before construction can be scheduled.

Contreras said that the project is currently estimated to cost \$700,000, and the final design still needs to be approved by CalTrans, but, she added, CalTrans has already approved the conceptual design presented by the city.

The city began an effort in 2015 to overhaul the city’s wayfinding signs by making them more uniform and adding gateway signage at entry points into the city. The city has already placed a large “Long Beach” sign near the 710 Freeway’s exits into Downtown and has been placing other entryway signs like the one planned for the north end of Studebaker Road in an upcoming project. ■

CITY OF LONG BEACH Bid Opportunities

Title	Bid Number	Due Date
Backflow Assemblies and Backflow Assembly Repair Kits	WD-23-027	12/29/2022
Furnish and Deliver Liquid Caustic Soda	WD-23-046	01/06/2023
Furnish and Deliver Polymer Blend	WD-23-045	01/06/2023
Furnish and Deliver Ferric Chloride	WD-23-044	01/06/2023
Furnish and Deliver Liquid Chlorine	WD-23-043	01/06/2023
Purchase & Development of 15th St Parcels - Quality Affordable Housing	DV-23-187	01/12/2023
3004020020 Rebid: Davenport Park Phase II - Park Expansion	PW-23-197	01/12/2023
Sale and Development of the Former Fire Station 9 at 3917 Long Beach	ED-22-149	01/17/2023
R-7182 Fire Station 14 Workforce Privacy Project	PW-23-188	01/18/2023
On-Call Professional Engineering Services	WD-23-041	01/24/2023

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COLUMNIST: TIM GROBATY

A ZIP through the elegant neighborhoods of the 90807

This is the third edition in an ongoing series looking at real estate in Long Beach’s different ZIP codes. In our last edition, we took a peek into 90805 and 90806. This time, the focus is on 90807.

Long Beach’s 90807 ZIP code is one of the nicest areas in the city, especially if you’re not overly hankering for a waterfront house on the shoreline. The ZIP’s 5.8 square miles take in the desirable and ultra-desirable neighborhoods of California Heights, Bixby Knolls and Los Cerritos, all created by the subdivision that occurred largely after the discovery of oil in Signal Hill to the south in 1921 when the land’s owners, members of the Bixby family of Long Beach pioneers, found that there was more money to be made in development than in cattle and sheep ranching. The homes in the 90807 tend toward the larger size, most built on more spacious lots than you’ll find almost anywhere else in Long Beach.

It’s rarely suffered much during economic and real-estate downturns over the years, save, perhaps, for the 1950s in the mercantile area along Atlantic Avenue when many of the shops and stores fell from favor as more modern complexes like the Lakewood Center and Los Altos Shopping Center siphoned off shoppers from Atlantic, which, along with Long Beach Boulevard, is the Main Street of the Uptown area.

In recent years Bixby Knolls, and Atlantic in particular, has bounced back to life thanks in a large degree to the efforts of the Bixby Knolls Business Improvement Association and the innovations of its executive director Blair Cohn, who remains at the helm after taking the job in 2007.

Today, the stretch of Atlantic between San Antonio Drive and Bixby Road is full of a vibrant mix of shops and restaurants, while its parallel street to the west, Long Beach Boulevard is home to the popular Steelcraft collection of outdoor restaurants.

The ZIP’s residents are a bit more established and older, with a median age of 42.5, compared to the city’s median of 35.3 and the state’s median of 37, with a median household income of \$82,552, quite a bit higher than the city’s median of \$71,150, but about \$10,000 less than the 90803 (Belmont Shore/Naples) median of \$92,230.



This Kirkland Cutter-designed home in Bixby Knolls once belonged to astronaut Pete Conrad.

The 90807 homes are mostly built along wide, quiet avenues lined with stately trees. The architecture is varied but tends toward Spanish Revival, along with many traditional-style houses built in the 1930s and 1940s.

The homes closest to Virginia Country Club and its adjacent Rancho Los Cerritos are the most expensive, with some rising above \$3 million and the median listing price in November for homes in the 90807 was about \$950,000, per Realtor.com, about \$150,000 more than the city’s median of almost \$800,000.

Let’s start near the top, with one of the most notable homes in Bixby Knolls. The two-story four-bedroom, five-bath house once belonged to Pete Conrad, the astronaut who flew in the Gemini, Apollo and Skylab missions and was the third person to walk on the moon. He lived in the house in the 1980s while he was vice president at Douglas Aircraft and, after the merger, McDonnell-Douglas.

The home at 4497 California Ave. has features that match its pedigree. Designed in 1938 by the famed architect Kirkland Cutter, who designed several homes in Los Cerritos, the Monterey Colonial Spanish-style home is 3,833 square feet in size on a one-third-acre lot. It has a wood-paneled parlor/billiards room with a hidden bar, formal living and dining rooms, three fireplaces (including one in the primary suite) cedar-lined walk-in closets and an abundance of French doors leading to the back yard on the ground floor and to the balcony from the upstairs bedrooms.

The lot is large enough to handily accommodate a large swimming pool/spa with room left over for a nice covered patio and landscaped grounds with mature trees, a fountain and a walking path. In all, it’s an exquisite residence and among the finest you’ll find in the 90807. It’s listed by Realtor Tammy Newland-



This California Heights home on Cerritos Avenue is listed at \$1.099 million.

Shishido of Keller Williams at \$3 million. OK, let’s knock a million or two off the price tag and you can still get a great house at the southern end of the ZIP code in California Heights, where \$1.099 million gets you a spacious, bright and airy three-bedroom, two-bath home at 3454 Cerritos Ave. Don’t gasp at the prices; I told you this was an expensive part of town, and this home holds its own or surpasses similarly priced homes in the area.

For starters, there’s the curb appeal, with a brick-paved winding walkway carving across the front lawn alongside a brick driveway.

Enter into the living room with wood ceiling beams and built-in shelving and cabinets bracketing the fireplace.

The kitchen is large and features an island, white appliances and a nice tile backsplash along with a breakfast bar, built-in storage and a small desk work area. A generous use of windows brings in lots of natural light into all the rooms in the house and the backyard is ideal for entertaining or relaxing with a large shaded patio that can also be accessed through French doors in the primary suite.

The home, built in 1936, is listed by Realtor Karen Perez of First Team.

For proponents of the “buy the cheapest house in the best neighborhood” theory of real estate investments, there’s this home in Bixby Knolls at 3935 Lime Ave., just steps from the heart of the services-rich stretch.

Priced at “just” \$799,000, the three-bedroom, two-bath, 1,500-square foot house comes with the off-putting caveat “TLC needed,” not an encouraging sign when you go in nearly \$800,000 to the worse. You wanna talk turnkey? That’s an extra \$100,000 to \$200,000, depending on how much C is needed, TL or otherwise.

From outward appearance, it doesn’t seem like it requires an awfully lot of work. Maybe soap and water, fresh paint and a nice set of gardening shears, but who knows what’s lurking unseen.

The home, listed by Realtor Theresa La Roche of Keller Williams, has a fine box bay window overlooking the front yard and passersby, and the backyard is almost all water, with a pool gobbling up most of the real estate in the rear of the house. Still, it’s in a lovely neighborhood with plenty of activity a short stroll away in the 90807. ■



A \$799,000 home on Lime Avenue near the Atlantic Avenue businesses.

Southwest announces its 1st nonstop East Coast route out of Long Beach

By Brandon Richardson

Southwest Airlines announced earlier this month that it would begin weekly flights from Long Beach Airport to Orlando International Airport (MCO) next summer. The route is Southwest’s first nonstop East Coast route out of Long Beach since arriving in 2016.

“With LGB’s proximity to Disneyland, and MCO’s location near Walt Disney World, one could say these new flights are building a bridge between the two happiest places on earth,” Long Beach Airport Director Cynthia Guidry said in a statement.

The flight will depart Long Beach on Saturdays on a seasonal basis, according to the announcement. The carrier also announced additional daily weekday flights to Chicago Midway International Airport.

The new routes will kick off July 11. The announcement is the latest in a string of new routes

from Southwest this year. In June, the company announced nonstop service to Nashville, with that flight continuing on to Washington, D.C. Nashville service began last month.

In July and November, respectively, the Texas-based company announced seasonal service to New Orleans and daily service to Salt Lake City. Both routes begin next month.

The small municipal airport is limited in the number of daily flights it can offer due to a strict noise ordinance. Currently, 53 slots are held by carriers, but that figure will be bumped up to 58 in the coming months, with the airport adding five daily slots following its most recent noise audit.

Southwest currently holds 40 of the daily flight slots after it was awarded two more last month. The slots became available after newcomer Breeze Airways forfeited its only daily flight slot and American Airlines relinquished one of its slots.



A Southwest Airlines plane flies over the Los Altos neighborhood as it makes its final approach into Long Beach Airport.

The five new slots have not yet been awarded to any airline, but it is likely Southwest will pick up multiple. Including Orlando, Southwest flies direct to 17 U.S.

cities, which is likely to increase further as the company continues to announce destinations for the remainder of its slots and any it may gain in the future. ■

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The East Anaheim Plaza shopping center on Anaheim Street was destroyed in a four-alarm fire.

Tess Kazenoff / Business Journal

East Anaheim Plaza shopping center destroyed in overnight fire

By Tess Kazenoff

The East Anaheim Plaza shopping center on Anaheim Street in Central Long Beach was destroyed earlier this month in an overnight four-alarm fire, according to Long Beach Fire Department officials. The shopping center was vacant

at the time of the fire, according to fire officials, and there were no injuries to firefighters. Still, the Long Beach Police Department shut down a portion of Anaheim Street on Dec. 11 and encouraged nearby residents to shelter in place out of an abundance of caution.

By early afternoon that day, the roads had been reopened.

According to Fire Department spokesman Capt. Jack Crabtree, officials were notified of the fire at 3:40 a.m. Dec. 11.

The department requested assistance from the Los Angeles County Fire Department “to assist with their heavy excavator, because there’s numerous partially collapsed walls,” he said. “And because of the

possibility of further collapse, our firefighters aren’t able to sift through a lot of the remaining rubble and structure to make sure the fire is fully extinguished.”

Authorities have not provided details on what may have caused the fire.

The shopping center, which was home to several businesses including multiple restaurants, a medical clinic, a pharmacy, a salon and a shoe store, was unrecognizable the day of the fire. The entire structure was charred, and the roof had collapsed.

The plaza had been in the midst of renovation work, and some of those businesses were temporarily closed during the construction. But several continued operating through the months-long project.

Bharpur Singh, who owned a Subway in the shopping center, was alerted to the fire at around 7 a.m., when an employee who was scheduled to open the store that morning called and gave him the news. Singh, who lives about an hour away, rushed to the site.

“We’ve owned the Subway since 2008,” he said. “It was our first business, so it was definitely a shocker to me and my family, seeing our first business go down. There’s some emotional sentiment.”

His family owns other businesses, including 7-Elevens and another Subway down the street, but, he said, “this is where it started.”

Singh said he had recently spent about \$100,000 to renovate the Subway, and that work was completed about two months ago. The work on the entire plaza was scheduled to be completed in March 2023, he said.

“We were ready for the whole thing to be done,” he said. “I can’t even process my feelings.” ■

Local Starbucks stores join temporary nationwide strike

By Laura Anaya-Morga

One month after staging a strike on Red Cup Day, unionized Starbucks workers at around 100 stores nationwide began a weekend strike earlier this month, the largest union campaign to date, according to Starbucks Workers United.

Unionized Starbucks locations in Long Beach and Lakewood joined seven other stores across Southern California in participating in one- to three-day strikes throughout the weekend of Dec. 16-18. The stores called supporters to stand on the picket line with them and refrain from buying any gift cards from the company this holiday season.

In Lakewood, employees started striking since 4 a.m. Dec. 16 and were completely shut down

through Dec. 18, according to Tyler Keeling, who has been a prominent union leader at the location on Candlewood Street since early this year and has worked at the company for over six years.

The Starbucks store on the corner of Redondo Avenue and Seventh Street in Long Beach also participated in the strike for one day. That store shut down as well.

“We’re asking that allies and supporters who are wanting to, you know, help make a difference, to cut back on the Starbucks gift card spending until Starbucks wants to bargain with us again,” said Josie Serrano, a barista and union leader at the unionized store in Long Beach.

Starbucks Workers United has claimed that the coffee giant has doubled-down on union-busting efforts in stores across the country



Brandon Richardson / Business Journal

Unionized Starbucks employees at the 4833 Candlewood St. store in Lakewood cheer as cars drive by honking their horns.

by closing unionized stores, firing unionized workers and withholding benefits like pay raises and credit card tipping from unionized stores.

In response, the union dubbed its latest effort the “double down” strike. “We’re sending (Starbucks) the

message that they have been trying to send us,” said Keeling.

In contract bargaining, unionized stores are asking for several improvements to their working conditions, including organizing rights, health and safety protocols

Continued on page 22

‘This is a dream come true for me’: How Breakwater Tattoo made its mark in Long Beach

By Fernando Haro Garcia

When Justin Tauch opened up his first tattoo shop in Bixby Knolls three years ago, he never expected it to become one of the most popular places to get inked in Long Beach.

Breakwater Tattoo, an ode to Long Beach’s infamous breakwater, can be found within a narrow corridor located alongside a jewelry store at 4130 Atlantic Ave.

Inside the intimate space, a plethora of unique illustrations hang on the light blue walls—a color that resembles the flag of his native Chicago. Lights reflect off the glossy wood floors, where one corner is decorated with a coffee table and couches that give the shop an at-home vibe.

Walking into a tattoo shop for the first time can be a stressful experience for some people, Tauch said. So when he thought about opening up his own shop, he wanted to create an environment where customers could visit and “feel at ease instead of anxiousness.”

That method has proved to be successful for the shop. It was voted one of the top five tattoo shops in the Long Beach Post’s “2022 Best of Long Beach” list, a title that’s earned through votes by community members.

“I’ve worked at a lot of different shops, and almost everyone that I worked for told me to never open a shop and that I’d hate it,” Tauch said. “But I felt like I was at a point in my career where I ready to do it.”

Tauch was born on the north side of Chicago. From an early age, his sister appeared to have a natural talent for drawing, which encouraged Tauch to also learn.

Inspired from a young age by the illustrations in Spawn, a monthly comic book about a superhero/antihero, and the Japanese anime Dragonball Z, Tauch soon developed his own illustrative style.

“I just knew that was going to be the route that I was going to take, especially because in high school, all my classes that I had that were art-related—I would always end up doing well in them,” Tauch said.

After high school, he attended the American Academy of Art in Downtown Chicago, where he is still friends with some of his professors, Tauch said. There, he also met his wife, Carla.

Throughout his time in Chicago, Tauch explored different avenues where he continued to hone his art, working freelancing gigs where he created designs for skateboard decks and a beer company.

While getting his own tattoos, he’d ask his artists questions about their style and how they performed

certain techniques. “I was always planting the seeds,” Tauch said.

One day while walking in the suburbs of Chicago, he walked upon a tattoo shop and looked at the art on the wall. At that moment, he thought, maybe tattooing would be something he’d be good at.

But getting at an opportunity in the tattoo industry proved to have its difficulties. First off, Tauch had to find an apprenticeship, but there wasn’t anyone taking applications at the time.

But Tauch persevered. He knew his strengths, which eventually led to his first offer to be a tattoo apprentice.

Ever since then, it’s been “full throttle” for Tauch’s tattoo career.

For a while, all was fine until Chicago began experiencing a “Snowpocalypse” in 2011, where record-breaking winters hit the city for four years, Tauch said.

“If you look at pictures, it looks like the movie ‘The Day After Tomorrow,’” Tauch said. “Every winter was the worst winter I’d ever had.”

One particular incident, however, finally convinced Tauch it was time to move. A blizzard had struck



Courtesy of Justin Tauch

The Breakwater Tattoo staff from left to right: Chelsea Jane, Justin Tauch, Jade Quail and Naomi Butterfield.

Chicago, and he had to get to an appointment with a client.

His car was snowed in, and his only other option at the time was to walk 2 miles in the heavy snow to make it on time.

In 2015, Tauch and his wife moved to Long Beach.

“There was something that was very Chicago about Long Beach,” Tauch said. “Chicago and Long Beach have a very strong community

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Poke Pub opens on The Promenade

Located at 160 The Promenade North, the former site of Foundation Sandwich Shop, Poke Pub offers an array of customizable fresh poke and barbecue options.

By Fernando Haro Garcia

June Choe wants to bring the feeling of her native Hawaii to Long Beach through her new restaurant, Poke Pub, in Downtown Long Beach.

Located at 160 The Promenade North, the former site of Foundation Sandwich Shop, Poke Pub offers an array of customizable fresh poke and barbecue options for bowls, along with Hawaiian beers to wash it all down.

The inspiration behind Poke Pub comes from Choe's upbringing in Hawaii, where poke is a staple typically paired with a beer, she said.

"If you ever have a beer, you always have poke because it's one of the best appetizers you can have for alcohol," said Choe, who opened up her new location in Long Beach to be closer to the beach. "That's just how I grew up: getting a bowl of poke, a hand roll and going straight to the beach. It's the Hawaii life."

Eighteen years ago, Choe moved to California to work in advertising. But after 10 years of working in the advertising industry, she decided to venture out and start her own business.

Thereafter, she decided to open up her first poke restaurant in Glendale



Brandon Richardson / Business Journal

A customer leaves Poke Pub, a new eatery on the Promenade between Broadway and First Street.

before launching other locations in the Los Angeles area.

"My whole family does restaurants [in Hawaii] ... and eight years ago I felt like, 'OK, it's time for poke here in California. I think they're ready for it.'"

But Choe, who said she was always looking for her next venture, eventually sold each location before finding herself opening her latest small business in Long Beach, where the Poke Pub had its soft opening last month.

So far, Choe said it has been a slow process getting the business up and running. But she's also felt that the community has been really supportive and has made her feel welcomed.

"I do hope to be here long-term," Choe said. "The community is very tight-knit here."

At Poke Pub, the secret is in the sauce, according to Choe, who said she marinates her poke using a recipe that has been in her family for

more than 20 years.

"Every single sauce has history to it," Choe said.

Customers can customize their bowls, choosing from four bases followed by a variety of proteins such as blue crab, shrimp tempura, and albacore.

For people who don't like raw fish, Poke Pub provides vegan options such as tofu bowls, and avocado and cucumber handrolls. Other options include bulgogi, spicy pork and chicken teriyaki, which can be used to make a bowl or a burrito.

"Hawaii itself is a tourist attraction, so we cater to people all over the world," Choe said. "We have to consider everyone's palate. That's why Hawaii's flavors are really good."

Poke Pub is open Sunday to Thursday from 11 a.m. to 8 p.m. and Friday to Saturday from 11 a.m. to 8:30 p.m., although it closes each day for an hour from 4 to 5 p.m. ■

Breakwater Tattoo

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and a hometown vibe kind of thing."

Once Tauch found the right location in Bixby Knolls, Breakwater Tattoo opened for business in 2019.

Soon after, the COVID-19 pandemic struck, affecting businesses like Tauch's, which had to close for months at a time amid restrictions aimed at preventing the spread of the virus.

During this time, Tauch applied for grants and made artwork for customers on commission to help the shop survive. He also traveled to states with more lax COVID-19 restrictions like Montana to do guest spots.

"We had everything working against us," Tauch said. "... but we thought, 'We're making the best of it. This isn't going to last forever.'"

By January 2021, restrictions that had prevented tattoo shops from being open eased, allowing Breakwater Tattoo to reintroduce itself to the community.

Since then, work has been nonstop, and Tauch said his artists are often booked up to three to six months in advance.

"We're here to stay," Tauch said. "People in Long Beach have a genuine appreciation for each other, and they're very supportive of local businesses."

On Nov. 13, Breakwater Tattoo celebrated its three-year anniversary with a "Flash Day," where clients got to pick from a sheet of pre-drawn illustrations to get tattooed.

Customers got to the shop early and eagerly waited in a line that stretched to the outside of the corridor. Some clients who were just finished getting a tattoo went back in line for the chance to get another one.

"One of my favorite aspects of tattooing is getting to know my clients," Tauch said. "This is a dream come true for me." ■



LOCKED OUT

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Starbucks Strike

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and scheduling benefits, among other requests listed on the Starbucks Workers United website.

That weekend's strike came four months after Starbucks implemented new employee benefits across all of its stores, except those that have unionized. At the time, a Starbucks spokesperson said, "The law is clear: once a store unionized, no changes to benefits are allowed without good faith collective bargaining."

Serrano said their store waived bargaining rights over specific terms like pay raises and credit card tipping, but no changes have been made since.

Starbucks did not respond to requests for comment on the nationwide strikes.

According to Starbucks Workers United, the National Labor Relations Board has issued 39 official complaints against Starbucks, encompassing over 900 alleged violations of federal labor law.

Starbucks, meanwhile, has filed 22 unfair labor practice charges against Workers United for allegedly failing to bargain in good faith as of Oct. 28.

"Workers United representatives continued to thwart NLRB rules throughout the week," the company said at the time, "resulting in extensive and wholly unnecessary delays that negatively affect our partners."

There has been no progress in contract bargaining since then, said Keeling.

Last month, Mayor Rex Richardson, L.A. County Supervisor Janice Hahn and members of Councilmember Cindy Allen's office joined the union's picket line in solidarity. ■



Brandon Richardson / Business Journal

Tyler Keeling, a 26-year-old Starbucks employee at the company's 4833 Candlewood St. location in Lakewood, stands in the middle of the street during a union strike.



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