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OCTOBER 2025

LONG BEACH
BUSINESS JOURNAL

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Photo by Thomas R. Cordova/Long Beach Business Journal

Construction workers are on top of scaffolding as a new housing building is constructed along Broadway in Long Beach.

Audit says the city undercharged developers by millions

By John Donegan

The city of Long Beach missed out on tens of millions of dollars for infrastructure upgrades because it failed to raise fees charged to builders of new homes and businesses for decades, according to a new audit.

City Auditor Laura Doud found Long Beach lost at least $22 million in fees charged to developers because city departments never updated rates for inflation — something she called an "inexcusable" oversight. City management disputed the scope of this finding, saying they believe the true number is closer to between $2 million and $6 million.

The audit, released in September, examined how the city collected development impact fees — a standardized, per-unit

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Photo by Thomas R. Cordova/Long Beach Business Journal

Benjamin Schleuniger and Ross Doherty, co-owners of Orbital Operations, stand in front of 3D-printed pieces of a rocket at their warehouse.

The combat satellites being developed in Long Beach

By John Donegan

Benjamin Schleuniger and Ross Doherty's business is built on the idea that the next great war between the U.S. and another superpower will begin in space. That is, of course, unless their invention can stop it.

From their 5,500-square-foot warehouse in North Long Beach — they leased in June — their company, Orbital Operations, hopes to develop by 2029 a highly mobile satellite that, once rocketed up into space, will lie dormant in orbit until called upon to intercept enemy spacecraft.

The two formed the company in 2023 while working at another Long Beach aerospace lab, Relativity Space. The pair actually sat next to each other; Schleuniger handled designs and Doherty oversaw the manufacturing and testing.

Poking fun at Doherty, Schleuniger said his team was basically paid to destroy "the things we designed."

"(Doherty) was running the team of technicians and manufacturing engineers that would go and break all of our stuff and tell us why, and tell us to fix it," he joked.

At company barbecues, the pair came up with their concept and even recruited who would become a lead engineer from Seattle-based aerospace company Apex.

The key to their business model is developing a spacecraft not meant to be flown into space, but around it,

***Orbital** page 17*

Why many self-checkout lanes are closing in Long Beach

By John Donegan

Self-checkout lanes closed in late September at Vons grocery stores across Long Beach, with signs saying it was because of a local ordinance regulating self-checkout that went into effect earlier that month.

All four Vons locations — near the Traffic Circle, in Belmont Shore, downtown and on Spring Street in East Long Beach — shut down their self-checkout stations. It was unclear if it would be permanent or temporary.

A Vons representative didn't immediately respond to questions, but customers walking into stores were greeted with a sign that blamed a recently passed Long Beach law:

"Due to a new City of Long Beach ordinance (25-0010) regulating self-checkout operations, we are currently unable to operate our self-checkout lanes," the message read.

The Albertsons on Willow Street

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EDUCATION

Photo by Thomas R. Cordova/Long Beach Business Journal

In this file photo, kindergarten teacher Anna Gines welcomes her class on the first day of school at Garfield Elementary School in Long Beach, Wednesday, Aug. 30, 2023.

Negotiations restart after teachers reject contract with no raises

By Kate Raphael

The union that represents Long Beach Unified teachers recently picked a new contract bargaining team and is restarting negotiations with the district after its members took the unprecedented step of rejecting a tentative agreement.

"It's thrown us into a bit of turmoil," said Teachers Association of Long Beach President Gerry Morrison. The new bargaining team, chosen by Morrison and approved by TALB's executive board, is "going to try to pick up the pieces and go back to the table with the district," he said.

The old contract expired at the end of June but remains in effect until a new agreement is reached. TALB members rejected the tentative agreement the same month, with 61% voting no and 39% voting yes, a clear sign of dissatisfaction. Morrison speculated that the rejection was less about what the tentative agreement contains — modest bargaining wins — than what it lacks: a pay raise. Now, with the district operating at a significant deficit, the new bargaining team will attempt to reach a new agreement that TALB members can support.

Since the 2008 financial crisis and its fallout, TALB has consistently won pay raises, Morrison said. The last contract included a 4% salary hike retroactive to July 2023, increased future payments and a bonus.

District employees represented by TALB have come to expect these pay raises, said Morrison: "We've been a victim of our own success."

Teachers who spoke with the Long Beach Business Journal said they're facing rising costs of living and large class sizes, so it was frustrating that the tentative agreement didn't include a pay raise. Several, who spoke on the condition they not be named to avoid any blowback at their school sites, said they believe teachers are consistently undercompensated and undervalued.

But a pay increase may not be possible this year. At a recent school board meeting, Yumi Takahashi, LBUSD's chief business and financial officer, reported that the district had a deficit of $46.4 million at the end of the 2024-25 school year — the first deficit in a decade.

As enrollment continues to drop and projected costs rise, the district predicts a "steep acceleration of deficit spending," Takahashi said. State funding has fluctuated in recent years, and the district has lost federal funding. This year, LBUSD's deficit is projected to reach $100 million, Takahashi said in the board meeting.

One LBUSD high school teacher said she voted no on the agreement because of what was missing: pay raises and reductions in class size, adjunct hours and monthly meetings. "I hope the 'no' was a message to the district," she said.

A high school teacher at Poly High School also voted to reject the agreement. She expressed concern that without a salary raise, "we're not going to keep our young teachers." Reading through the contract, "it felt like the bargaining team wasn't truly bargaining," she said.

Still, the tentative agreement included what Morrison called "little wins": protections for payroll errors, exemptions for nurses and speech language pathologists, a clearer process for balancing classes, two added workdays and modest health insurance copay increases to keep premium costs low.

But since TALB membership rejected the agreement, those changes have not gone into effect. Without the premium cost-cutting measures in the agreement, "we're heading for the situation where teachers are going to have to start paying for their health benefits," Morrison said.

When Morrison asked members what they disliked about the tentative agreement, "a mixture of a ton of different things" bubbled up, he said. "In the last couple of years, we've been able to paper over a lot of that by getting pay raises," he said. Without a pay raise, "people started to concentrate on their own personal gripes."

Later this month, the TALB bargaining team will conduct a survey to better understand what those issues are — and how to address them. ■

California community colleges to lose $20M next year amid federal grant cuts for Hispanic-Serving Institutions

By Michael Burke, EdSource

This story was originally published by EdSource with additional local reporting from Long Beach Business Journal staff writer Kate Raphael.

California's community colleges are expected to lose about $20 million next year as a result of the Trump administration ending grant programs for Hispanic-Serving Institutions and other Minority-Serving Institutions, the system's chancellor said in late September.

Long Beach City College is projected to lose $1.2 million next year due to several grant cuts. That projection rises to $3 million over the next three years, according to LBCC spokesperson Stacey Toda.

After last month's announcement by the U.S. Department of Education, the statewide chancellor's office began surveying the 115 degree-granting community colleges across the state. At least 97 of those colleges are designated as Hispanic-Serving Institutions (HSIs). That designa-

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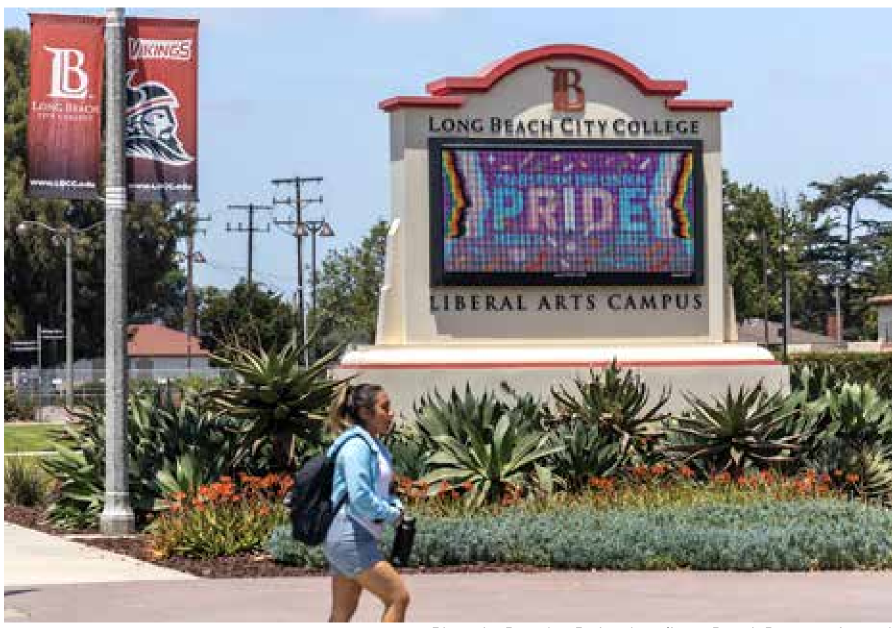

Photo by Brandon Richardson/Long Beach Business Journal

A student walks through Long Beach City College's Liberal Arts Campus on Carson Street in the Lakewood Village Thursday, June 22, 2023.

Does another education bond stand a chance with voters?

By Mercy Sosa, CalMatters

This story was originally published by CalMatters. Sign up for their newsletters at CalMatters.org.

Aging buildings, failing infrastructure, earthquake safety issues, and a severe lack of campus housing are straining California's public higher education systems. As they face high-cost fixes, lawmakers have introduced a bond bill that ambitiously intends to fund both the modernization of academic facilities and the addition of affordable student housing throughout the state.

The College Health and Safety Bond Act of 2026, AB 48, would start to address a growing $17 billion maintenance backlog within California's university systems and the need for more affordable student housing in the state. The bill's lead author, Assemblymember David Alvarez, a Democrat from San Diego, said it likely won't include a dollar amount for the bond until it goes to the Senate next year to give the three public higher education systems in California time to report how much they need and a plan for spending it. If passed by the state Legislature, the bond would be placed on the November 2026 ballot for voters to decide.

If an education bond measure sounds familiar, here is why: In the November 2024 general election, Californians passed Proposition 2, which authorized $8.5 million in bonds for public K-12 schools and $1.5 billion for community colleges. Although lawmakers originally included the University of California and Cal State systems in the measure, they were later excluded to cap the total bond amount at $10 billion.

System leaders at the UC and Cal State were disappointed that they were removed from Proposition 2, according to previous reporting by CalMatters. The last time Cal State and UC benefited from a bond measure was in 2006, when both systems shared $3.1 billion for facility repairs and upgrades. Those funds were exhausted by 2012.

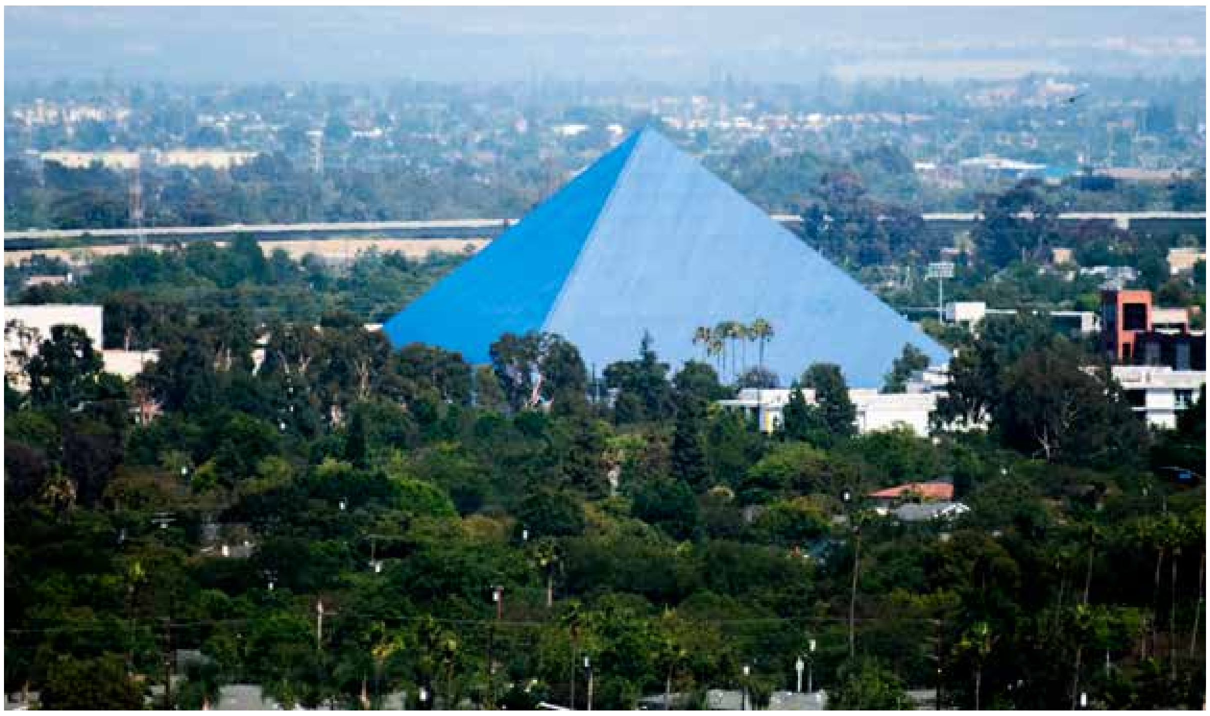

Photo by Thomas R. Cordova/Long Beach Business Journal

The Cal State University Long Beach Pyramid in Long Beach, Friday, July 16, 2021

University buildings are in bad shape

A 2025 report by the Legislative Analyst's Office shows that public higher education facilities are aging, campuses have growing maintenance needs, and their conditions are generally poor.

The backlog of repairs needed for the system's facilities, known as deferred maintenance, has led to such issues as extreme indoor heat, outdated roofs and electrical problems. Since 2015, the state has provided deferred maintenance funding of just $689 million for UC, $784 million for Cal State, and an estimated $904 million for community colleges, according to the report.

However, CalMatters' reporting found the UC and Cal State systems would need around $9 billion each to address their deferred maintenance needs. Community colleges have nearly $2.2 billion in maintenance needs in their current five-year plan, according to Chris Ferguson, the executive vice chancellor overseeing the finance and facilities division.

Some of the bond bill's objectives are to prioritize safety issues and seismic deficiencies. Roughly 30% of UC and Cal State buildings and 20% of community college buildings were constructed before 1970.

According to the Cal State system's current five-year plan, priority projects include replacing Peterson Hall 1 at Cal State Long Beach, which currently houses health sciences and is on the priority list for not meeting California's building codes for earthquake safety. The building would consolidate other programs and replace two faculty office buildings from the 1950s, according to Paul Gannoe, an assistant vice chancellor in Cal State's business and finance division.

Cal State also plans to replace Sacramento State's engineering building, Santa Clara Hall. The infrastructure of the building, built in the 1960s, has exceeded its useful life, according to Cal State's previous five-year plan.

The UC system's six-year capital plan lists seismic safety, student housing, and facility restoration as its top goals. UC Berkeley, which opened in 1868, reports its highest priority for new funding is to add an academic building to house mathematics, economics, and other departments, moving them out of seismically unfit spaces. The campus also has plans for three future student housing projects.

At UC Davis, a $68 million improvement plan for the 86-year-old Hickey Gymnasium Building is on the unfunded priority list. One faculty member there, Carolynn Patten, has had to halt her stroke research due to rats chewing on cables and the extreme indoor heat compromising her equipment, she previously told CalMatters.

Although community colleges already are receiving funding for facilities from Proposition 2, Assemblymember Alvarez said they are included in this new bill because their needs are still significant and they are important to the entire ecosystem of higher education.

"In order to maintain our competitiveness as a state, we need to make sure we're always investing in education, and we need to have the right facilities to do so," Alvarez said. "A very large percentage of our buildings and our universities and colleges are outdated, and technology has advanced, and so we make sure we have the right types of learning environments."

Student housing needs are also on the rise

Despite California's generous financial aid programs, Kevin Cook from the Public Policy Institute of California said that due to the high cost of living in the state, trying to house students is an increasingly expensive task.

The average housing cost for independent students ranges from $1,400 to $1,520 per month, according to the California Student Aid Commission's 2023 Food and Housing Survey, which surveyed students who applied for financial aid for the 2022-23 academic year. The same survey found that 53% of student respondents experienced housing insecurity.

A separate 2020 study by the Center for the Transformation of Schools at UCLA found that about 1 in 5 community college students, 1 in 10 Cal State students, and 1 in 20 UC students experience homelessness. Although the Legislative Analyst's Office warns of limitations on both of these surveys, it does point out the noteworthiness of the number of students experiencing housing insecurity and homelessness.

The location of a campus can greatly impact student housing costs. The U.S. Department of Housing and Urban Development reported that the average off-campus rent for two-bedroom apartments near UC Merced was $1,465 per month in 2024, while for UC Santa Cruz it was $4,297 per month.

For Cal State students, the average rent per month for a two-bedroom apartment is $1,807 near Cal State Bakersfield, while the average is $3,014 per month near San Francisco State.

Aditi Hariharan, president of the UC Student Association, said the bond bill aligns with the association's priorities, though they have not yet taken an official vote on whether to support the bill.

"Students are constantly struggling to stay in university and be enrolled, find housing, and that's a significant cost of living barrier," Hariharan said.

Chris Chandler, vice president of the Student Senate for California Community Colleges, said his association supports the bill because they understand how important housing is for their student body. Chandler is studying business administration at Southwestern College in Chula Vista, where students struggle to find affordable housing.

"You might hear students say, 'Well, you know, I'm couch surfing with a friend', or, 'I'm about that van life' and things like that," Chandler said. "But you know, if we're being really fair, those are homeless students, and they're just looking for alternatives, to find a place where they can lay their head at night."

Southwestern College does not offer on-campus housing to its students. However, 14 out of 116 California Community Colleges do. The proposed bond funding would help community colleges continue to develop affordable housing for students.

Facilities funding has evolved for universities

Traditionally, funding for university facilities has come from two sources: The state budget, for funding academic buildings such as classrooms, labs and faculty offices, and fees charged by the universities for self-supported facilities, such as housing, parking and campus dining.

In 2013 and 2014, in an effort to reduce state debt, then-Gov. Jerry Brown gave the UC and Cal State systems the authority to issue their own bonds. The university systems began selling revenue bonds to fund facility projects.

For revenue-generating projects such as student housing, universities use the proceeds from the bond as well as fees and rent paid by students to repay the bond and interest, said Robert Eaton, an assistant vice chancellor in Cal State's business and finance division.

Academic facilities, such as a science building, do not generate revenue and have to be repaid through the system's central budget. While Cal State trustees have the ability to set aside funds to service debt, they haven't done so since 2018 due to an inadequate budget, Eaton said.

About five years ago, as housing and construction costs were sharply increasing, the state decided to start putting money toward affordable student housing. In 2021, the state Legislature approved allocating $2 billion over three years to public colleges and universities for the construction and renovation of student housing through the Higher Education Student Housing Grant. Gov. Gavin Newsom then took back that funding in 2023 to help close a state budget deficit, with the state instead agreeing to pay the principal and interest on bonds the colleges and universities issued themselves. That saved projects already in the works, but the state's community colleges and public university systems still have many more student housing plans in need of funding.

A statewide bond that would fund both academic facilities and affordable student housing would address both deficits troubling California's public higher education systems.

However, the inclusion of student housing in the bond bill is "a big departure from historic state practice, and it's raising a new tension with how to deal with academic facilities and improving the condition of those facilities, while also addressing student and faculty housing needs," said Jennifer Pacella of the Legislative Analyst's Office.

Would a bond have a chance with California voters?

According to the Legislative Analyst's Office report, voters approve most state bonds for higher education facilities. From 1986 to 2016, voters approved 10 out of 12 state bond measures that benefited higher education. The only higher education bond measure to fail in the past 30 years was in 2020, when voters rejected Proposition 13, a $15 billion bond measure for K-12 schools, community colleges and universities.

The Howard Jarvis Taxpayers Association opposed that bond, and now opposes the new bill's proposal. Susan Shelley, a spokesperson for the association, says that she looks at it from the perspective of the taxpayers who will be paying for the interest rate of the bond.

"Every couple of years, there's a request for another bond to be added on top of that," Shelley said. "We want to make sure that bonds are always funding something that will still be giving value to the people who are paying for it 30 years from now, and that it's not just being used for current expenses or maintenance expenses or anything that won't give value to the people who have to pay for it."

Darien Shanske, professor of law at UC Davis, argues that the state subsidizing the cost of public education is a good investment. Although a state bond initiative would need public polling to determine its ability to pass, "there seems to be a fair amount of support for public higher education," Shanske said.

An August 2025 poll by UC Berkeley's Institute of Governmental Studies shows that out of 6,474 registered California voters who responded, 58% believe state funding should be increased for the UC system.

Mercy Sosa is a contributor with the College Journalism Network, a collaboration between CalMatters and student journalists from across California. CalMatters higher education coverage is supported by a grant from the College Futures Foundation. ■

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or square-footage charge placed on new construction — between fiscal years 2019 and 2024 in four service areas: police, fire, parks and transportation, which is operated by the Public Works Department.

Long Beach fees total about $7,000 for a house, $5,602 per multifamily dwelling unit and $3,491 for an accessory dwelling unit, according to the audit. Commercial, office and industrial fees are charged according to square footage.

The money collected — at almost $14.5 million in 2025 — pays for amenities meant to accommodate the development and the assumed burden brought by a growing population: new roads, traffic stops, fire trucks, sports fields or playgrounds, among other examples.

While state law allows cities to adjust these levies annually, most of Long Beach's own rates haven't changed "since inception," the audit found.

The transportation impact fee, which pays for road improvements, has not changed in 35 years, causing at least $14 million in recent inflationary losses, according to Doud. The fire and police impact fees have not been updated since they were established in 2007.

Park fees, meant to correlate with construction costs across the Los Angeles Metropolitan area, haven't changed since 2011, even as building costs countywide have nearly tripled from 1989 to 2024.

City department heads say fees were left unadjusted intentionally as a strategy to spur affordable housing production, named a priority goal by the City Council in 2020.

From management's point of view, fees are desirable but carry some risk; the cost is borne entirely by developers and future home buyers, and drives developers to other, less expensive areas. Long Beach, they said, has won accolades for being a housing-friendly city in part by keeping fees low.

"The City's successful increase in housing production, improving housing supply, quality and affordability, reducing overcrowding, all while growing recurring revenues such as property tax, should be applauded," Financial Management Director Kevin Riper and Community Development Director Christopher Koontz wrote in a response to the audit.

Doud said this justification to keep fees artificially low was never brought up until after her audit was completed, and if true, should

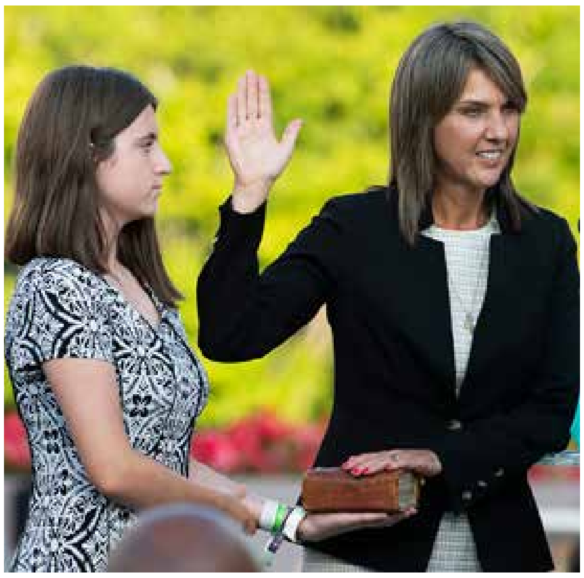
Photo by Thomas R. Cordova/Long Beach Business Journal
City Auditor Laura Doud being sworn into a new term at an inauguration ceremony in Long Beach on July 17, 2018

have been a decision made publicly by the City Council, not in private by staff.

"They determined this policy; they chose to do (this) on their own," Doud said. "If they were on top of it, and if they should have been applauded for all of the great work they were doing, it should have been applauded publicly, but no one knew what they were doing."

The city did study whether to raise Parks Department fees in 2018 and 2022, but those reports were never provided to the public or City Council, despite city code mandating these are completed and presented every five years.

In an interview after the audit's release, Koontz said that the first report, finished in 2020, was not presented to council due to the onset of the coronavirus pandemic.

"I had to make a call along with the city manager, and we didn't proceed with an increase at that time based on everything that was going on with the city and with the world," Koontz said.

The 2022 study was drafted but never released, also a "management decision," he said.

Other department fees have been left at leadership's discretion, with state law coming into effect in 2022 mandating a study be completed every eight years.

Koontz said City Council members are briefed annually on the development fees, "and if a City Council member disagreed with the staff approach and the fact that they haven't been increased, they could have made that comment on any of those annual reports," Koontz said. "That did not occur."

Had Long Beach raised fees as aggressively as Fresno, Sacramento, Anaheim or San Diego, Huntington Beach and Oakland — cities used for comparison in the audit — it could have generated even more money. Charging an average of those cities' fees, auditors projected Long Beach to collect an additional $64 million over six years.

Long Beach rates, they found, were among the lowest in the study pool: parks fees 40% lower than Fontana, fire fees 78% lower than Fresno and transportation fees 60% lower than Sacramento and about half of Anaheim.

City management bristled at this criticism, according to Doud. In a written response that she said was unusually delayed, Koontz and Riper questioned the audit's methodology and disputed the claim that the city "forewent millions of dollars."

"As staff, we believe the impact fee program is not broken, it is working well within the context of the City and its larger budget and efforts are already underway to improve it further," officials wrote.

It's unfair, they said, to compare Long Beach to cities like San Diego, given its square mileage is 6.5 times that of Long Beach with triple the population. Additionally, six of the comparison cities cited in the audit have grown in population at a rate six to 12 times greater than Long Beach in the past 15 years, officials added.

They called Doud's comparisons "unhelpful" and "apples to oranges" — akin to asking why the Padres don't raise their ticket prices to match the Dodgers.

More helpful comparisons, they said, would be to nearby cities such as Lakewood, Lynwood, Paramount, Downey and Compton, which charge either no impact fee or a small sum. Only two nearby cities, Signal Hill and Bellflower, charge more, they added.

The city ultimately agreed to all 15 of the audit's recommendations, saying it will start adjusting fees for inflation, establish a steering committee for all departments to work out regular adjustments and create a web page to make this information available to the public. City code will be updated to require studies every five years.

A study of the four fees is expected to be completed before March 2026. ■

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tion is earned mainly by having an undergraduate student body that is at least 25% Latino. According to LBCC, 60% of its students identify as Hispanic or Latino.

So far, about half the colleges have responded to the survey and reported they were previously anticipating $9.2 million in HSI grant funding in 2026 and an additional $800,000 in other Minority-Serving Institution grants — funding that is now being terminated. Based on that response, the system projects a total $20 million loss across the colleges next year, Sonya Christian, the state chancellor, said during a meeting of the system's board of governors in Anaheim.

Across the colleges, HSI grants are currently funding initiatives such as dual enrollment, mentoring, career counseling and transfer support, Christian said.

"As open access institutions, the mission of our colleges is to ensure that all students, regardless of background, have the opportunity to succeed. We are deeply troubled that this action could limit access to resources that support their educational advancement and economic mobility," she added in a statement decrying the cuts.

HSI grants fund a wide range of "critical student success services" at LBCC, a spokesperson for the college said. With the elimination of HSI funding, LBCC will have to slash or significantly reduce supports including: basic needs services, bilingual counselors and mental health clinicians, career and financial aid support, readiness programs for first-time college students, identity-focused workshops, completion and transfer guidance, peer mentorship and reserve seats in math and English.

LBCC is still assessing the impacts from the cuts. Some services may continue but with reduced staff.

In canceling the grant programs, U.S. Secretary of Education Linda McMahon said they "discriminate by restricting eligibility to institutions that meet government-mandated racial quotas." Proponents, however, have regularly noted that when colleges receive grant funding, it is typically spent on programs available to all students, not just Hispanic students.

At LBCC, these services are available to Hispanic and low-income students, with some services available to adult learners, Toda said.

Five University of California campuses and 21 California State University campuses are also considered HSI schools. The designation allows those colleges to apply for the grants, which are competitive and not guaranteed. Together, California institutions have received more than $600 million in HSI grants since the program's inception in 1995.

LBCC will have until September 2026 to spend down any funding already received.

In a separate communication last month to local community college chancellors and presidents, Christian said the chancellor's office is "exploring legislative options for a California-based HSI block grant," though she did not provide further details about that or its potential funding source. ■

EXPERTS JOIN THE CONVERSATION

This column is underwritten by the **Ukleja Center for Ethical Leadership at Cal State Long Beach**

Putting ethics back in business

BY MICK UKLEJA AND MARK SUAZO

Leo Durocher, the baseball legend, once said, "Nice guys finish last." But in today's complex and transparent business environment, that sentiment no longer holds water. Success is not hindered by kindness, fairness or integrity. Rather, it is the lack of competence, and more often the absence of ethics, that leads to personal and organizational failure. In contrast, ethical leadership has proven to be one of the most consistent predictors of long-term success.

From family-owned shops on Second Street to global shipping operations at the Port of Long Beach, businesses of every size and scope are beginning to realize that ethics are not a soft skill, they're a foundational asset. When leaders consistently act in accordance with their values and principles, they build trust, strengthen culture and outperform competitors. In a region as economically diverse and dynamic as Long Beach, this understanding isn't just idealistic, it is strategic.

Why moral intelligence matters now more than ever

Over the past two decades, business leadership discussions have heavily emphasized cognitive intelligence (IQ) and emotional intelligence (EQ). IQ and technical ability are often referred to as "threshold competencies." In other words, you need them to get in the door. But to lead effectively in the modern world, another form of intelligence is gaining traction: moral intelligence (MQ). This refers to the capacity to discern right from wrong and to act on that understanding, even when it's inconvenient, unpopular or costly.

This matters because the world has changed. Consumer behavior is shaped by values more than ever. Employees are prioritizing meaningful work. Investors are demanding environmental, social and governance (ESG) accountability. Ethical missteps, whether intentional or unintentional, are quickly exposed in the court of public opinion, and the consequences can be severe: damaged reputations, lost talent, legal penalties and eroded customer trust.

Despite cultural, political and generational differences, research has consistently shown that basic moral principles are universally recognized. People everywhere understand the wrongness of lying, stealing, cheating or exploiting others. These shared principles cut across borders, religions and ideologies. While values may vary (some cultures emphasize independence, others community), the underlying ethical framework remains consistent.

In this way, we are all born with the "hardware" for morality, just as we are for language. But hardware alone is not enough. We need programming. Moral development requires reflection, mentorship, discipline and exposure to real-world dilemmas. Ethics cannot be outsourced to compliance checklists or annual trainings. Theymust be woven into the day-to-day decision-making of leaders and teams.

Beyond compliance: the power of ethical culture

In the aftermath of corporate scandals and economic collapses, many organizations have leaned heavily into compliance as a risk management tool. While regulation is necessary and rules have their place, compliance alone cannot build a strong moral foundation. Fear of penalties might prevent a few bad actors from making obvious mistakes, but it doesn't inspire people to do the right thing when no one is watching.

True ethical cultures arise when leaders model integrity, when values are lived rather than laminated, and when employees are empowered to speak up without fear of retaliation. This kind of culture doesn't just prevent wrongdoing; it attracts better talent, builds brand loyalty and fosters innovation.

In Long Beach, where the economy spans maritime trade, health care, technology, construction, tourism, education and small business, the opportunity to lead with values is profound. Ethical leadership is not industry-specific, it is universally needed. Whether you are managing a logistics warehouse, operating a design studio or launching a sustainable food venture, your ability to make principled decisions is what earns the trust of your team, customers and community.

What ethical leadership looks like in practice

So, what does it look like to lead ethically in 2025? It starts with clarity. Organizations must define their values explicitly (e.g., ensure those values are not just statements on a website, but active decision-making filters). Leaders must ask: Are we transparent with our stakeholders? Do we prioritize people over short-term profits? Are our business practices aligned with the promises we make?

Next comes consistency. Ethics isn't about heroic decisions in crisis moments. Ethical decision-making is about small, repeated actions that reflect honesty, fairness and accountability. Ethical leaders keep their word, admit when they're wrong and create systems that support, not punish, transparency.

Finally, ethical leadership requires courage. Speaking out against unethical behavior, especially when it's systemic or culturally tolerated, is never easy. But without courageous voices, even well-intentioned organizations drift into gray areas. Moral intelligence enables leaders to stay grounded, even in uncertainty.

A local opportunity with global implications

The Long Beach region is undergoing significant transformation. With new infrastructure investments, rising environmental priorities, workforce shifts and technological disruption, the business community faces both opportunity and pressure. In this environment, ethical leadership isn't just a competitive advantage, it's a necessity.

Younger generations entering the workforce bring different expectations. Many want to work for organizations that reflect their values. They are less motivated by hierarchy and more by purpose. They are more likely to leave a job, or call out leadership, if they perceive injustice, dishonesty, or indifference. That reality is reshaping how businesses recruit, retain and relate to employees.

As our city grows, as industries evolve and as new challenges arise, the Long Beach business community has a unique opportunity to lead by example. We can prove that strong economies and strong ethics are not mutually exclusive. In fact, they are mutually reinforcing.

The bottom line

Ethics is not about perfection or moral superiority. It is about intention, attention and action. It's about creating systems where people can thrive and be proud of what they contribute. Developing moral intelligence is as essential to a business as financial planning or strategic forecasting. It is not a "nice to have" — it's a must-have.

Doing the right thing is more than good business — it's the best business.

MICK UKLEJA, PH.D. is co-founder of the Ukleja Center for Ethical Leadership at CSULB. Housed in the College of Business, the Ukleja Center works with students, faculty and community leaders to offer training to enhance the integration of ethics in everything we do. It has a bold vision of having an ethics module in every CSULB course.

MARK SUAZO, PH.D. is dean of the College of Business at California State University, Long Beach (CSULB). Suazo has a wealth of experience in higher education leadership and public service, plus a vision to establish The Beach as the region's premier destination for business education.

UKLEJA CENTER FOR ETHICAL LEADERSHIP
CALIFORNIA STATE UNIVERSITY LONG BEACH

REAL ESTATE

Can Long Beach find a new way to fix up vacant lots?

By Jacob Sisneros

For at least three years, the empty lot across from Arthur Khaghatryan's pawn shop has been a sea of weeds.

"I wish there was a building there," Khaghatryan said. "It would be better for the whole neighborhood."

The city knows it's a problem. The owner of the lot at Long Beach Boulevard and 12th Street has been cited 24 times since 2018, with eight citations for weeds and/or debris and seven for graffiti.

But it hasn't fixed the issue here, or at 163 vacant lots in Long Beach that have failed to meet at least one city-imposed standard for maintaining the property since 2018.

In what may be the most extreme cases, two properties on Pacific Coast Highway — one near Pacific Avenue and another near Linden Avenue — have, respectively, racked up 93 and 87 violations, according to city data.

So Long Beach officials are experimenting with a new approach.

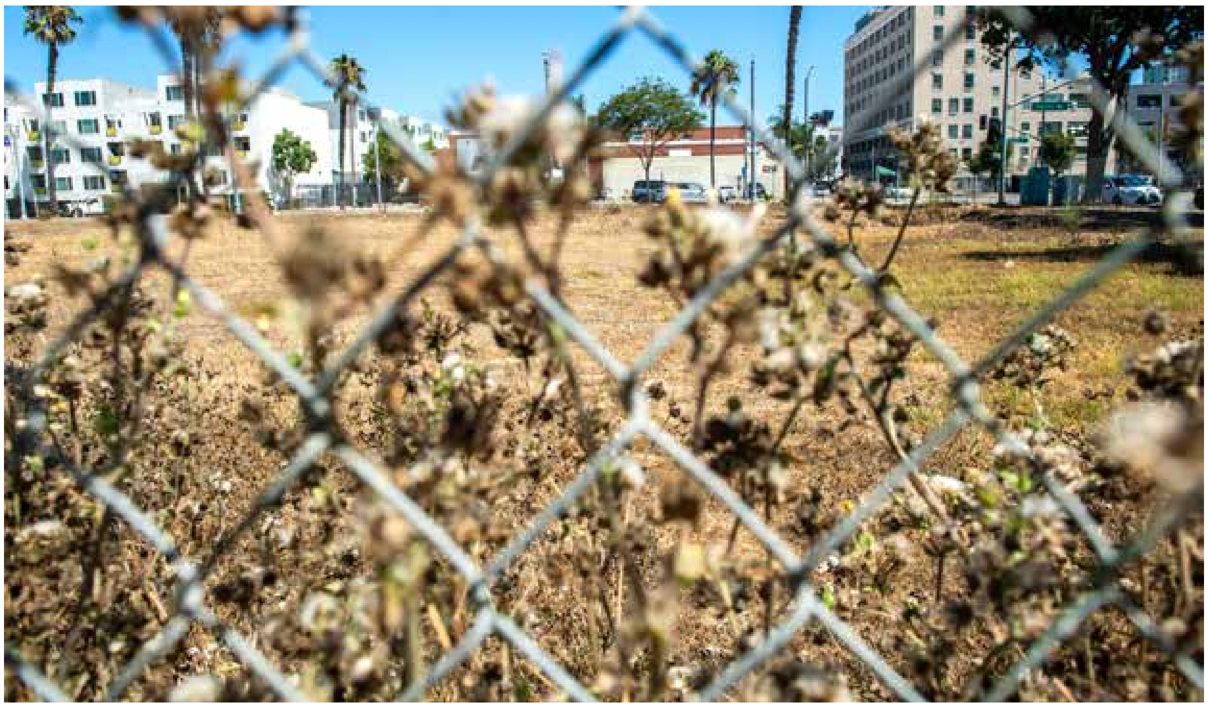


Photo by Thomas R. Cordova/Long Beach Business Journal

Weeds grow along the fence at an empty lot at 507 Pacific Ave.

In August, the Community Development Department issued a request for proposal, asking vendors to submit plans for a pilot program to remedy problem properties.

One winning bidder will receive $75,000 to implement their proposed solution at a single vacant lot starting in February and lasting for up to 12 months.

The request for proposals spelled out a few examples vendors could try. They include, but are not limited to:

- Putting up visual art installations to enhance the space and deter graffiti
- Installing mobile infrastructure, such as solar lights, temporary fencing or planters to activate lots without permanent construction
- Partnering with local organizations to provide job training, garden maintenance or youth engagement on repurposed lots
- Putting in QR code signage for reporting dumping, overgrowth or encampments
- Creating interactive maps or mobile tools for residents to view lot status, submit feedback and track response from the city

These suggestions came from a city-run workshop in July, during which a mix of city employees and neighbors discussed ways to reduce the number of vacant lots.

Residents reported that they often don't know who owns the lots and what maintenance requirements the city enforces. Residents also said, according to the request for proposal, that community organizations are interested in fixing up the empty lots, but often don't know whom to contact in the city to start that process.

The city is also exploring tougher penalties to spur negligent property owners into maintaining lots.

In October 2024, a staff report on a City Council item labeled the city's municipal code as vastly outdated and "insufficient." Staff also wrote that the lack of enforcement has led to a rise in "nuisance and criminal activity" along with "dozens of fires" in recent years.

"It's critical" that property owners keep up their lots "so that they don't contribute to blight or create safety concerns," District 5 Councilmember Megan Kerr said at the time.

In a memo last May, Director of Community Development Christopher Koontz wrote that his department will recommend "increasing fines for third citations from $500 to between $1,300 and $2,500 depending on the type of violation."

Other recommended changes to the city's municipal code include recording violations against title, creating a specific municipal code for owners to keep their property safe and secure and "expediting the city's ability to secure or demolish a property if the property owner fails to do so."

But business owners operating near vacant lots often don't have time to wait for legislative solutions.

Denise Maldonado, owner of Confidential Coffee on West Sixth Street near Pacific Avenue, said she avoids walking by the fenced-off, 46,500-square-foot stretch of empty land around the corner from her coffee shop.

After at least a half-dozen break-ins at her business over the past few years, Maldonado opted for a roll-down metal gate to cover her storefront at night.

Since installing the security measure, "things have been way better," Maldonado said.

"I can actually sleep at night without stressing about somebody trying to break in again," Maldonado said. ■

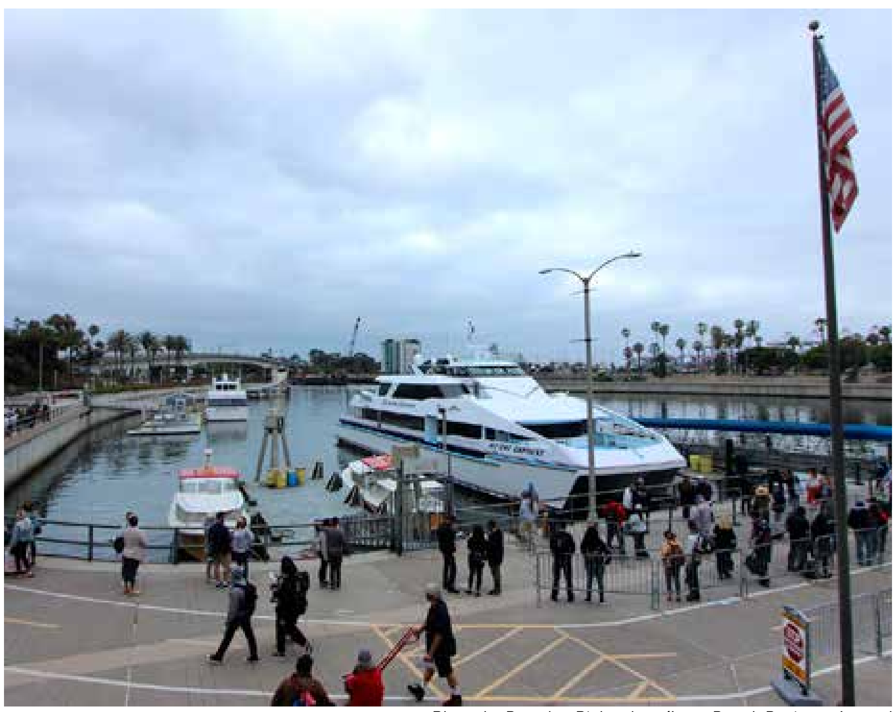


Photo by Brandon Richardson/Long Beach Business Journal

A Catalina Express boat is docked on May 7, 2021, at Catalina Landing where the landlord is in a legal dispute with the city of Long Beach over dredging fees.

Dredging fight spawns multimillion-dollar lawsuit

By Jacob Sisneros

The city of Long Beach is suing its tenant at a premier piece of real estate along the downtown shoreline, alleging the company owes at least $3.75 million in past-due fees.

The company, TIC Catalina Landing LLC, pays the city $1.3 million annually to manage and rent out four office buildings, a three-level parking structure and a saltwater basin with various docks on Golden Shore Drive. According to the company's website, renters include the Catalina Island Conservancy, T-Mobile, the law firm Keesal, Young & Logan and Catalina Express, which uses the docks for its ferry service to the island.

For years, Long Beach alleges, the company has failed to hand over a portion of its parking revenue, which is supposed to help pay for dredging the nearby channel to a depth of at least 15 feet so vessels can easily pass through.

In a lawsuit filed in June, attorneys for Long Beach allege TIC Catalina Landing stopped paying the fees in 2022, amounting to more than $3.75 million in overdue payments.

TIC Catalina Landing has filed a countersuit, saying it stopped paying the fees because Long Beach reneged on its responsibility to maintain the channel — only dredg-

Dredging page 10

Office building may become student dorms

By John Donegan

Plans for the conversion of a seven-story office building into dormitory space for college students were approved Sept. 18 by the Long Beach Planning Commission.

The construction, at 5150 East Pacific Coast Highway, must be approved by the Long Beach City Council — likely in November — before work can commence. The entire plan includes a student plaza, outdoor fitness park, patios and picnic areas, study rooms and laundromats, as well as a cafeteria and splash pool.

It would offer 149 suites, ranging from single-person flats to six-room apartments, altogether capable of accommodating nearly 600 students.

Against a backdrop of concern over transportation options, the project will include 150 bike parking slots and lockers, as well as 360 parking spaces in the existing underground parking garage. Developers said they are in talks with Cal State Long Beach to establish a shuttle service to and from campus.

City officials said the project is exempt from 1:1 parking standards since multiple bus stops are within a half-mile of the proposed dormitory.

Housing will be exclusive to students. Due to a dearth in available student housing, the city and Long Beach's collegiate apparatus are desperately seeking ways to house more people near their respective campuses. The Park Tower project is one mile from the Cal State Long Beach campus and about 2.5 miles from the Long Beach City College Trades, Technology, and Community Learning Campus.

Roughly 76,000 students attend Long Beach's three colleges — CSULB, LBCC and Pacific Coast University School of Law.

Without any dormitories, LBCC said it is moving forward with plans to build a $95 million, 422-bed dormitory on its Liberal Arts Campus by fall 2028.

In 2024, the school estimates that one in five of its students experienced some form of homelessness in the previous year. In the first four weeks of the 2025 semester last fall, more than 400 students self-identified as being in a similar situation, with 124 saying they were outright homeless and 45 stating they slept in their vehicle.

An average of six students slept in their cars each night in the college's parking lot during the spring 2025 semester, as part of the school's Safe Parking Program.

CSULB, though largely a commuter campus, has three dormitories. The college wasn't immediately able to say how many students are homeless, but the college says it plans to have that data sometime in 2026.

Without a price range available yet, principal planner Derek Burnham with Burnham Planning and Development said rooms will be "more affordable than renting your own apartment."

While they approve of the repurposing and acknowledge the lack of student housing, the local Sierra Club raised concerns that the tower's reflective glass may lead to unnecessary deaths of birds that run into the mirrored building.

"Park Tower is across the street from Recreation Park and the Recreation Park Golf Course with hundreds of trees and other vegetation attractive to birds!" the club wrote. "In fact, on its south side, its seven-story glass wall clearly reflects the trees in the park, making this huge structure a death trap for birds."

Others opposed the project over its parking availability; the project would include a little more than half of the number of expected beds in the building.

"Our guests would have absolutely nowhere to park, it is already a challenge," wrote Joey and Shelley Rooney, owners of the nearby Crooked Duck restaurant on PCH.

***Dorms** page 10*

A photo included in planning documents of the building at 5150 East Pacific Coast Highway

Dredging *from page 8*

ing the basin once in 23 years.

Instead, the company alleges, the city was depositing the fees into its dwindling tidelands fund and diverting it to other projects along the coastline.

TIC Catalina Landing estimated that the city received "$15 to $20 million in annual Parking Revenue Fees since 2002," despite the actual cost of a single dredging being "at most, a few hundred thousand dollars," the company's lawyers wrote in the lawsuit.

The company further alleged that the city knew the channel needed dredging since at least 2023. A Freedom of Information Act request to the U.S. Army Corps of Engineers revealed that in 2023, the Army Corps informed the city that the water depth in the basin was less than 15 feet in various spots, the company's lawyers wrote.

Despite that, the city told the Army Corps not to dredge the basin, the company's lawyers alleged.

In court papers, the city's lawyers say Long Beach has held up its end of the bargain because the water depth at low tide "is sufficient to permit [vessels] to navigate the basin."

For years, TIC Catalina Landing has asked the city to renegotiate the dredge agreement, according to the company. They say the city has refused, claiming any discount "would run contrary to the city's fiduciary responsibility to the public to maximize the return on City assets."

Alleging the city wasn't holding up its end of the bargain, TIC Catalina Landing terminated the dredge agreement in August 2024 and asserted it no longer owed the parking revenue fee.

The two sides were due back in court for a case management conference on Oct. 6.

This is not the first time the city has sued the tenant managing the Catalina Landing property over a dredging issue.

In 2005, the city sued AC-Catalina Landing LLC after it failed to pay the parking fee in 2004 and 2005.

That case ended in a settlement between the two sides, with AC-Catalina Landing agreeing to pay slightly more than $1 million in exchange for the city creating a $1 million fund solely dedicated to dredging the canal. However, the agreement to maintain that earmarked fund sunset at the end of 2007. ■

Dorms *from page 9*

The two added that some solutions, like parking permits, would "basically put us out of business."

Commissioners, acknowledging the residential gripes, said this development "isn't perfect" but is a better-case scenario to remedy something that "should have been built probably seventy years ago." Officials added that the developer initially approached the owner of the building, which is largely vacant.

"It isn't perfect, but nothing in this city's going to be perfect given the constraints that we have in terms of no available land," said Commission Chair Alvaro Castillo. "It's good to see something positive is coming out of this building." ■

Courtesy of the city of Long Beach

A rendering of the project that includes RV parking and storage at 3701 Pacific Place.

Environmental lawsuit seeks to block project next to LA River

By John Donegan

Two environmentalist groups have sued Long Beach over its decision to allow construction of a self-storage warehouse along the Los Angeles River, marking the latest snag in the years-long battle to develop the 14-acre plot.

Filed in Los Angeles Superior Court, the lawsuit brought by the Riverpark Coalition and Los Angeles Waterkeeper alleges the city did not conduct a sufficient environmental review of the project, adding that the analysis of its impacts on the surrounding land was "prejudicially misleading."

Long Beach City Council members voted 8 to 1 in August to proceed with the plan, billed as a long-overdue step to develop vacant land near the Los Cerritos neighborhood that had in recent years become a public nuisance.

The land, once used as a 12-derrick oil field and a brine treatment facility — afterwards as a golf range until 2007 — is now a blighted industrial site with abandoned cars, contaminated soil and encampments.

The project would build a three-story self-storage warehouse, RV parking and car wash facility at 3701 Pacific Place. In the plan, developers agreed to maintain a half-acre native plant preserve in the north section of the site. They also agreed to pave a trailhead through its southern half that connects the Los Cerritos neighborhood to the L.A. River bike path.

At a planning commission meeting in June, the city refuted some environmental claims, bringing forward its own air and water consultants who said the project would not bring about any significant disruption to air quality or the L.A. River.

Environmentalists maintain that the land serves as a necessary floodplain, meant to absorb invaluable groundwater during the rainy winter months.

Since 2020, the two groups have opposed the project, asking the city to instead make it a park.

Bounded by the interchange of the 405 and 710 Freeways, the land sits within the "diesel death zone" that environmentalists dub for the census tract in western Long Beach where the parcel in which it is located ranks worse than 89% of the state for pollution levels.

"In approving this project, the Long Beach City Council has robbed our community of the opportunity to preserve and enhance much-needed open space in an area that is already overburdened by poor air quality, too much concrete and not enough park access," said Leslie Garretson, president of Riverpark Coalition. "There are lots of places in Long Beach where this type of project could be built, but this parcel along the L.A. River is irreplaceable."

Courtesy of the city of Long Beach

A map showing the location of the proposed project at 3701 Pacific Place.

As part of the plan, the site would also include a dumping station for RV owners to empty their septic tanks, which the groups worry will contribute towards more river pollution.

The city says it lacks the cash to build a park, citing a 2021 city study that found a similar 11-acre site would cost $27.5 million to develop, on top of the $2 million needed to purchase the land and $250,000 per year to maintain it.

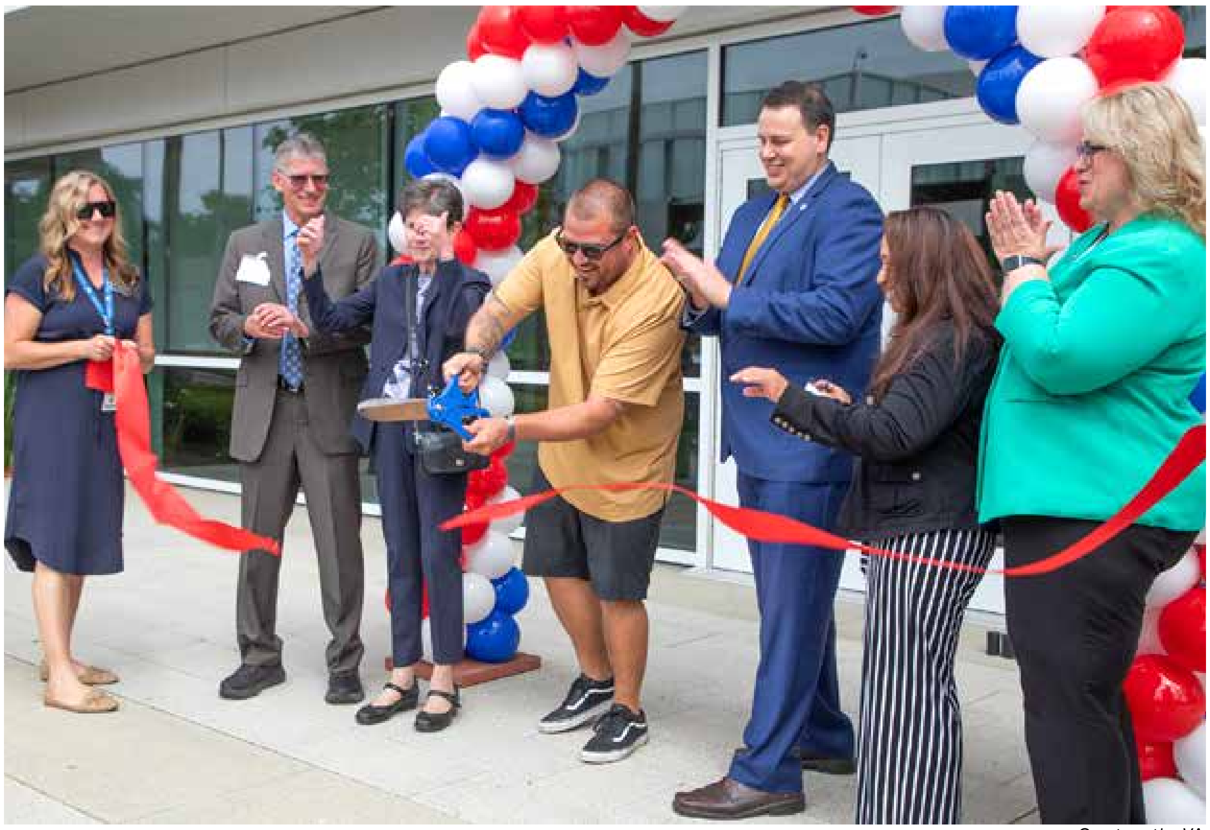
By comparison, the city's Parks, Recreation, and Marine Department budget in fiscal year 2025 was $85.33 million. Projecting a $57.3 million shortfall through 2031, the city says it simply cannot afford to buy the land and convert it into a park.

One attorney representing the two groups says the lawsuit will likely "kick off a couple of years of litigation." Their team is putting together an administrative record to present before a court before any hearing date is set. ■

HEALTH CARE

New mental health facilities open at VA after $175 million expansion

By John Donegan



Courtesy the VA

Officials and veterans cut the ceremonial ribbon on two new mental health facilities at the Tibor Rubin VA Medical Center.

A ceremony in August heralded the new mental health facilities at the Tibor Rubin VA Medical Center in Long Beach, touted by officials there as the national example of future psychiatric care for the military.

The two buildings add 160,000 square feet of space for counseling and other services at the center, allowing the hospital to consolidate its mental health wing under two roofs.

Previously, inpatient and outpatient services were scattered throughout different floors and wings of the medical center. There are also 15 more inpatient beds, now at 45 total.

Officials hope this will cut wait times as the hospital strives to admit new patients within 20 days.

"We're a little bit over that right now, but we've been working really hard on it, and have dropped our wait time in the last few months by close to 10 days," said Dr. Larry Albers, the center's chief of psychiatry and mental health.

Dr. Carolyn Clancy, the day's keynote speaker, said the buildings' architecture was "designed to make patients feel more at home and provide better privacy" when needed.

During a tour, officials touted the abundance of natural light, spacious common areas for group therapy and classes, a new dedicated women's health space and space for telehealth services to remote patients. Forty-one of the 45 inpatient beds will have a private restroom and shower.

Construction, which began in late 2018, cost $175 million. New patients were admitted starting Sept. 8, according to a VA spokesperson.

It comes as construction is underway or near completion for a multistory parking garage and a new community living center that should finish within the next year.

The Veterans Affairs hospital in Long Beach is one of the largest in the nation, a 100-acre campus that treats 64,000 veterans, including more than 20,000 veterans with mental health needs, each year. With 300 essential staff, including more than 150 clinicians, the hospital regularly deals with those suffering from PTSD, mood disorders, addiction, suicidal ideation and severe mental illnesses.

There are an estimated 220,700 veterans in Los Angeles County alone, according to the U.S. Census.

"Our veterans deserve nothing less than the best level of care available," said Walt Dannenberg, the center's director.

Among those on the initial tour was Christopher Louie, a U.S. Marine veteran who served from 2008 to 2012, with combat deployment in Sangin, a town in the Helmand province of Afghanistan.

In a teary-eyed speech, and with his wife and child watching in the audience, Louie said the center played an incomparable role in readjusting him to civilian life.

"The lessons I learned along the way have not only guided my professional path, but also enriched my relationship with my wife, kids and my family," Louie told the crowd. "It is truly an honor on behalf of those who serve and sacrifice for our country." ■

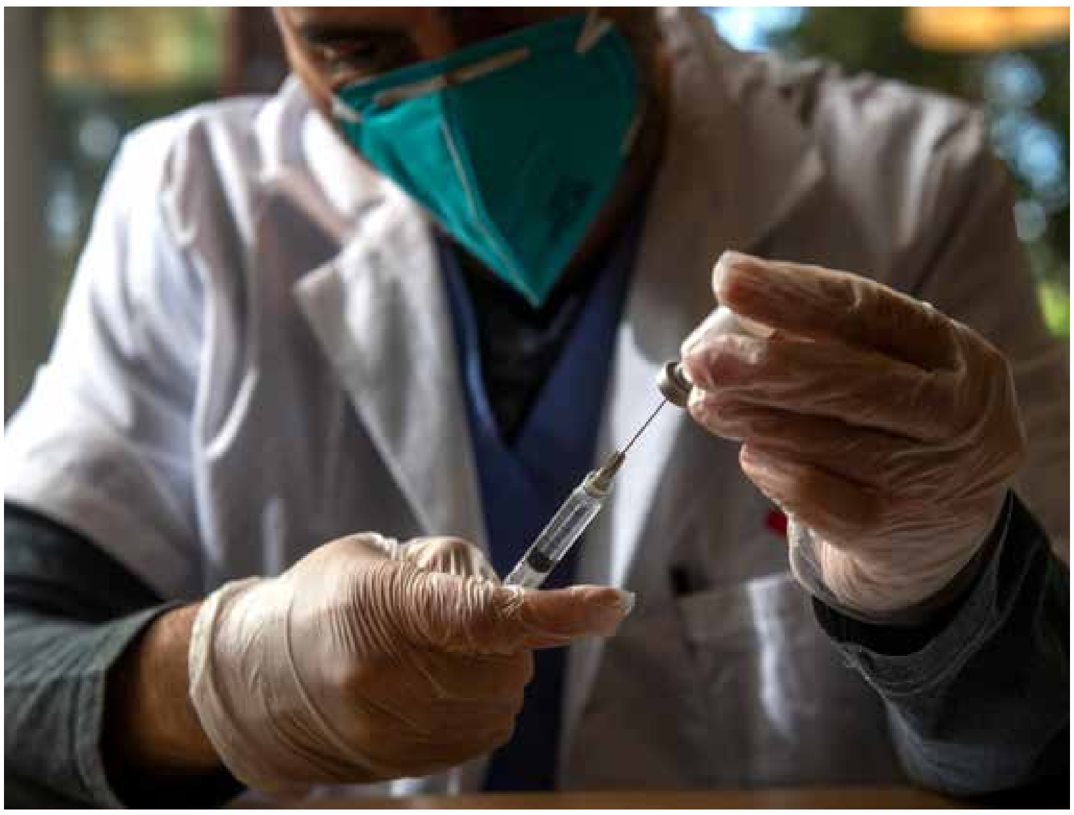


Photo by Thomas R. Cordova/Long Beach Business Journal

A syringe is filled with the COVID-19 vaccine

California releases its own vaccine recommendations as RFK shifts federal policy

By Ana B. Ibarra, CalMatters and Kristen Hwang, CalMatters

This story was originally published by CalMatters. Sign up for their newsletters at CalMatters.org.

In anticipation of restrictive federal immunization rules, state health officials issued their own vaccination guidelines on Sept. 17, recommending that all Californians 6 months and older who want protection from the COVID-19 virus get this season's updated vaccine.

Gov. Gavin Newsom and state health officials released the recommendations as part of the state's newly formed health alliance with Oregon, Washington and Hawaii. Leading medical organizations, including the American Academy of Pediatrics and the American College of Obstetricians and Gynecologists, informed the recommendations, according to the state's announcement. Simultaneously, Newsom signed Assembly Bill 144, which among several things, requires insurance plans to cover the vaccines the state endorses.

"We are here to protect our communities," Dr. Erica Pan, di-

Vaccines page 12

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rector of the California Department of Public Health, told CalMatters. "Many of us have dedicated our lives to doing that. We feel really strongly and want to show our unity" as medical, scientific and public health experts.

Pharmacies across the country started dispensing the vaccine in recent weeks, but anecdotes and news reports reveal a patchwork of access, with some people having no difficulty getting the shot, while others still unable to get it.

In August, the U.S. Food and Drug Administration approved the use of an updated COVID-19 vaccine but only for seniors and for people ages 5 to 64 who have an underlying condition that puts them at high risk for complications from a COVID-19 infection. This is more restrictive than in previous years, when the federal drug agency approved the vaccine for nearly everyone. Leading medical groups and some states immediately pushed back on the agency's decision.

California's guidance came just two days ahead of a key meeting where a federal vaccine panel reviewed the updated COVID-19 vaccine. Public health experts anticipated this panel would restrict access to the vaccine.

That's because U.S. Health and Human Services Secretary Robert F. Kennedy, Jr. who is, known for anti-vaccine activism, in June dismissed all 17 members of this panel known as the Advisory Committee on Immunization Practices at the U.S. Centers for Disease Control. He replaced them with 12 new members, some of whom are documented vaccine skeptics.

Typically, after the FDA approves a vaccine for use, this federal committee makes recommendations on who should be immunized. In the past, insurers have based their vaccine coverage on the guidelines issued by this group.

Pan said California's actions are necessary because the committee's credibility has been "compromised." Now with the state's separate guidance, the CDC group's recommendations will carry no weight for Californians.

"Whatever comes out of (this committee), our new law is independent of that," Pan said.

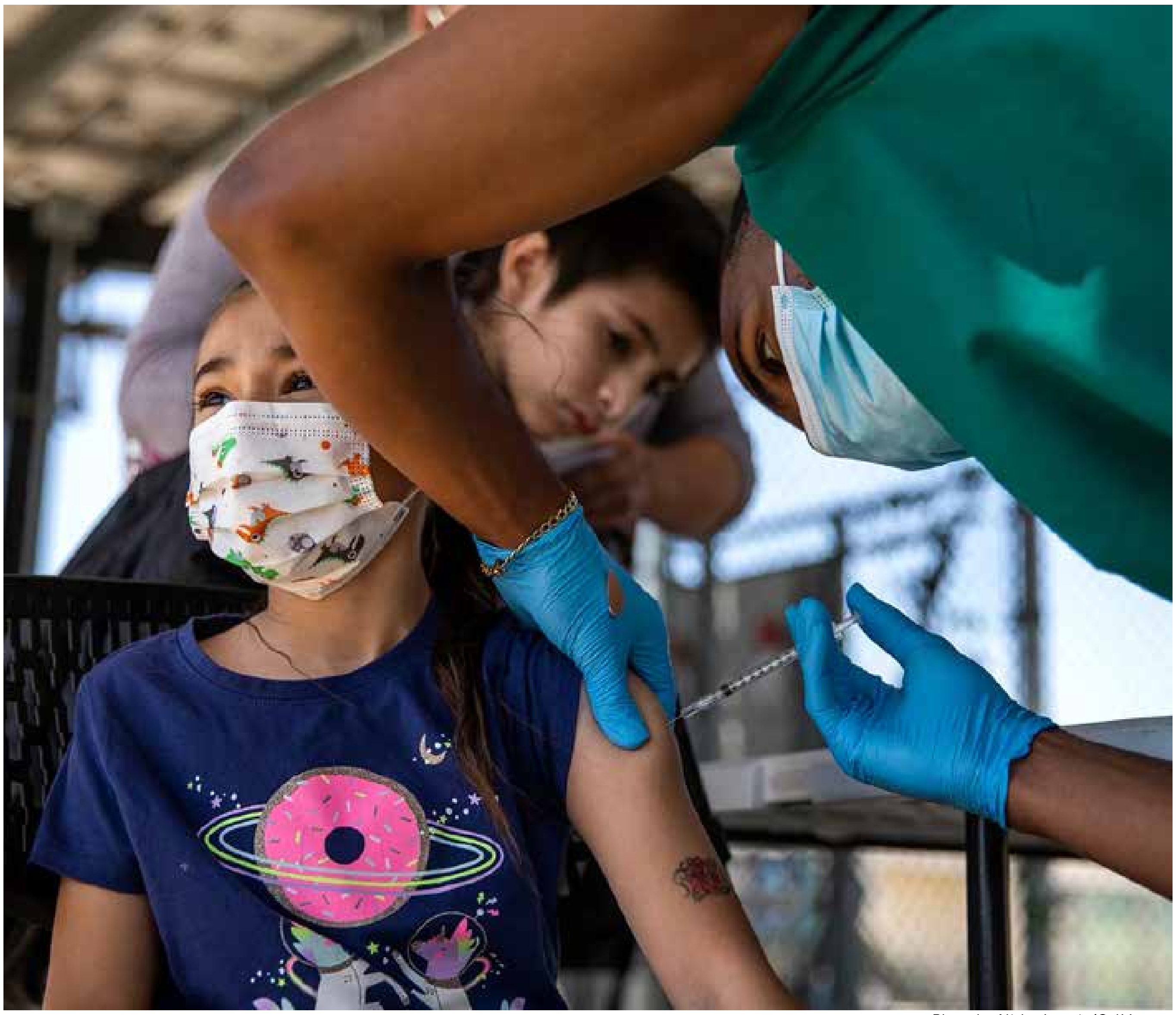

Photo by Alisha Jucevic/CalMatters

Amaya Palestino, 6, receives a COVID-19 vaccine at one of St. John's Well Child and Family Center mobile health clinics in Los Angeles on March 16, 2022.

Easier access under state rules

The new law accompanying the state's independent guidance ensures that most Californians will be able to get a COVID-19 vaccine, including young children, pregnant people and those without underlying medical conditions, said Dorit Reiss, a professor at UC Law San Francisco and an expert on vaccine law. That's in part because it allows pharmacists to independently prescribe and administer the shot so long as the state health department recommends it.

Many people rely on pharmacies for seasonal vaccines like the flu shot and COVID-19 booster, Reiss said. Now if somebody who does not meet the more narrow federal guidelines goes to a CVS or Walgreens they won't need a separate doctor's prescription.

The law also grants the state health department broad authority over other vaccine policies. Many of the state's immunization laws, including school vaccine schedules, insurance requirements and prescriber authorization, had also been tied to recommendations made by the CDC advisory committee. The state health department's recommendations now take precedence.

Under these new policies, the department will be able to respond to future threats to vaccine availability and access, Pan said.

"We do anticipate there may be other issues that we would like to be unified on again," she added.

It also comes amid reports that Kennedy intends to change the childhood vaccine schedule.

Pan said California and the other states in the alliance will base immunization recommendations on the work done by "trusted medical groups" that have independently assessed vaccine safety for years.

Insurers to cover state-endorsed vaccines

Most Californians have insurance through state-regulated health plans, which now must cover the updated COVID-19 shot without copays. The new law also requires Medi-Cal, the state-run insurance program for low-income residents and people with disabilities, to cover the COVID-19 shot and other vaccines recommended by the state health department.

Mary Ellen Grant, a spokesperson for the California Association of Health Plans, said the state's policy changes "will greatly reduce the amount of confusion" among patients and ensure they have access to vaccinations.

About 5.4 million Californians have insurance that is subject to federal regulations rather than state ones. Generally, these are people who work for large, multistate or multinational companies. Nationally, insurers have been hesitant to make statements about vaccine coverage ahead of the CDC's vaccine advisory committee, leaving coverage for people with federally regulated plans uncertain.

Still, Reiss said, she expects insurers to continue covering vaccines regardless of future changes made by the CDC's advisory committee. It's much cheaper for insurers to pay for vaccines than it is for them to pay for treatment of the diseases they prevent.

The state's partnership with Hawaii, Oregon and Washington also creates market pressure on insurers to continue vaccine coverage, Reiss said.

"They might just say, 'This is a big chunk of the population. We might as well have the same policy for all the country,'" she added.

Vaccines continue to be key protection

The rollout of this year's vaccine is coinciding with a moderate surge in COVID-19 infections. Data from the California Department of Public Health show that cases have been ticking up since July. As of Sept. 6, 11.72% of samples sent in for testing were positive, slightly higher than this time last year.

Public health officials say the best way to stay healthy this fall and winter is to get vaccinated.

In addition to the COVID-19 vaccine, California's immunization guidance also recommends that everyone 6 months and older get a flu shot. The vaccine to protect against Respiratory Syncytial Virus, or RSV, is recommended for all babies younger than 8 months and for babies between 8 months and 19 months if they carry risk factors. The RSV vaccine is also recommended for pregnant women at 32 weeks to 36 weeks of gestation and for all seniors 75 and older, as well as for those ages 50 to 74 with comorbidities.

"If we want to make America healthy, rather than treating disease, we want to prevent disease, and well, vaccination is one of the best creations to prevent disease," said. Dr. Jeffrey Silvers, an infectious disease specialist at Sutter Health. "It's right up there with clean water in terms of preventing disease."

Supported by the California Health Care Foundation (CHCF), which works to ensure that people have access to the care they need, when they need it, at a price they can afford. Visit chcf.org to learn more. ■

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Día de los Muertos parade canceled over concerns about immigration enforcement

By Jacob Sisneros

The city of Long Beach will not put on its annual Día de los Muertos parade this year "out of an abundance of caution" after officials say they heard "genuine fears raised by community members" about federal immigration enforcement in the region.

The city is "not aware of federal enforcement activity targeting the parade, a large and very public event," but decided to cancel it at the request of First District Councilmember Mary Zendejas, city spokesperson Jen De Prez wrote in an email.

The decision comes after months of immigration raids across Southern California, during which several thousand people have been arrested or detained by federal agents.

Civil rights groups and activists allege many of the stops are indiscriminate or based on profiling, including raids at Long Beach car washes.

A federal judge and an appeals panel recently agreed, barring officials from conducting "roving patrols" that the court found were targeting people based solely on their perceived ethnicity, language, location or type of work they were performing, but the U.S. Supreme Court issued a ruling that sided with Immigration and Customs Enforcement, reversing the lower court and clearing the way for operations to resume.

Long Beach's vibrant Día de los Muertos parade typically draws hundreds of visitors to downtown, with dozens of floats, folklórico ensembles and mariachi bands traveling along Pine Avenue to celebrate Day of the Dead, a Mexican tradition that involves people paying respects to their deceased friends and family members.

This year's parade would have marked the 10th in Long Beach. The Arte y Ofrendas Festival at Rainbow Lagoon Park, a two-day, separate ticketed event organized by an outside vendor, will also not take place this year.

Roberto Carlos Lemus, the marketer for last year's festival and cofounder of Latino Restaurant Week in Long Beach, said the decision to cancel was "unfortunate."

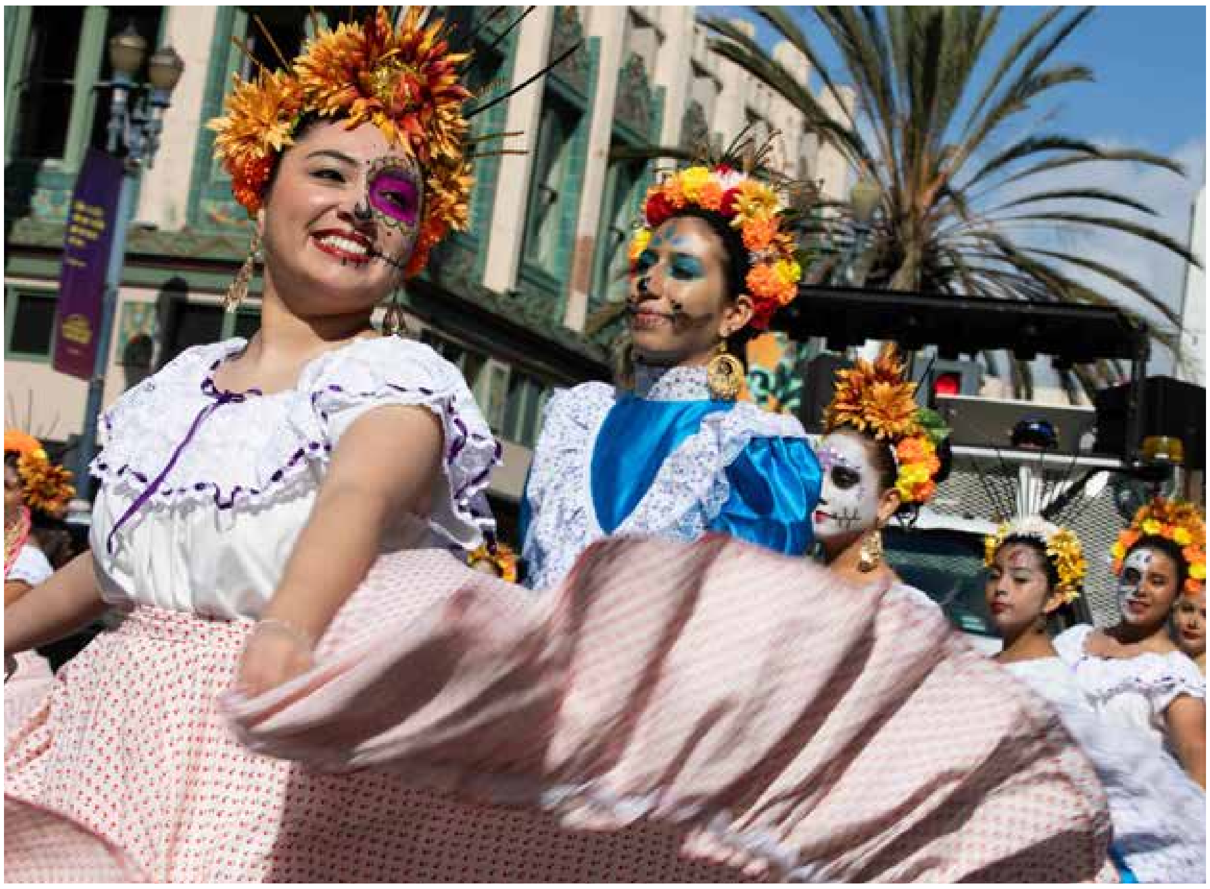


Photo by John Donegan/Long Beach Business Journal

Folklorico ballet dancers twirl during Long Beach's ninth annual Día de los Muertos parade on Saturday, Nov. 2, 2024.

But, he said, "I get why they're doing it."

While organizing a recent kick-off event for Latino Restaurant Week, Carlos Lemus said he had to take extra precautions himself.

He ultimately decided to hold it at a private venue "because it's easier to control who comes in and who goes out," Carlos Lemus said.

At its meeting on Sept. 9, the Long Beach City Council approved a motion from Mayor Rex Richardson to push the funding for this year's parade to next year, making $100,000 available for the 2026 event.

At the same meeting, the City Council approved a $1.85 million budget for the Long Beach Justice Fund, which provides legal representation to residents facing immigration cases.

"The city deeply values the vibrant cultural diversity of its community and is looking forward to continuing our Día de los Muertos Parade next year," De Prez wrote.

Carlos Lemus said he hopes the 2026 event "is a lot bigger" than the one in 2024. ■

Long Beach continues cracking down on unpermitted street vending

By Jacob Sisneros

Long Beach has continued to crack down on street vendors who lack permits since it began enforcing its new rules earlier this year, according to recent data from the city's Health Department.

Numbers released on Sept. 15 showed city staff seized food from unpermitted vendors 41 times this year and impounded their equipment 39 times. That's up from just 18 times each as of early May.

Since the start of the year, the city has also issued 161 cease-and-desist letters and written 74 administrative citations to unpermitted vendors, the data shows.

The continued enforcement contrasts with the County of Los Angeles, which announced last month that it was temporarily halting penalties on unpermitted street vending because of recent federal immigration operations throughout Southern California.

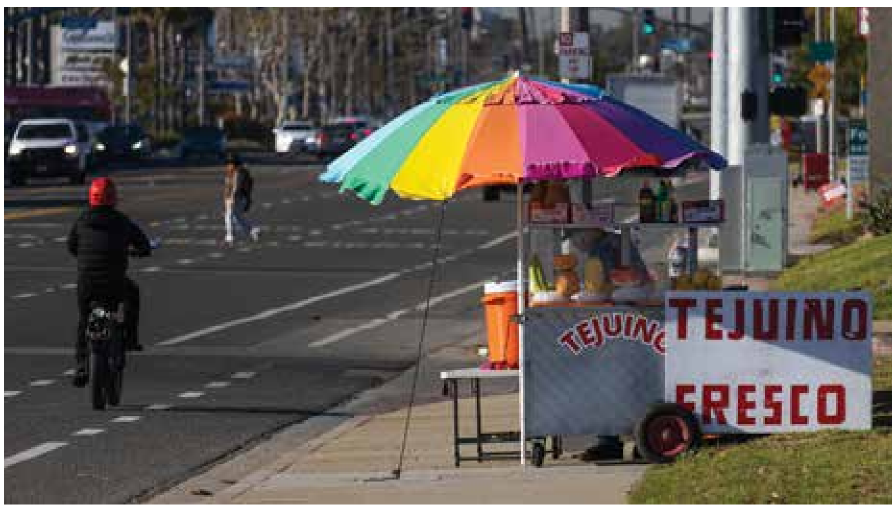


Photo by Brandon Richardson/Long Beach Business Journal

A street vendor waits for customers in front of the Marketplace retail center.

A spokesperson for the Long Beach Health Department did not say whether the department has considered a similar pause.

Long Beach says it targets enforcement based on complaints.

The city has not disclosed exactly where it's taken action, but it is planning to publish an online map showing "where and how enforcement efforts have been carried out across the city."

Street vendors previously told the Long Beach Business Journal that complying with the city's rules can be arduous, expensive and confusing.

Through mid-September, fewer than 14% of vendors who have applied for a business license have been approved to legally serve food on sidewalks throughout Long Beach.

Since rolling out its sidewalk vending ordinance in February 2024, the city has put together a 32-page guide on proper protocols, including minimum handwashing and cooking temperatures to serve perishable food.

It also published an online map showing where approved vendors can set up. The city has also offered to waive application fees and give out 40 free carts to qualified applicants.

As of Sept. 15, the city has received 113 applications for the free cart and given out 10.

Despite efforts to crack down on vendors who aren't in compliance, complaints over potential health

Vendors page 18

These high-tech toilets tracked each flush; Long Beach decided they're worth paying for

By Jacob Sisneros

What's the price tag for a porcelain throne? In Long Beach, it was about $3.11 per flush.

Since April, the city has been testing a handful of rented high-tech public toilets. They're free to use, but they require a cell phone for entry and automatically open the door after someone's been inside for 10 minutes. Now, they're here to stay — most of them, at least.

The restroom at Shoreline Marina will be removed soon, while the locations at Harvey Milk Promenade Park, Belmont Pier and DeForest Park will remain in place through at least October 2026, according to the city.

The bathrooms are the brainchild of Throne Labs, which operates restrooms across five states, including the dozens it provides to the Los Angeles Metro Transportation Authority.

After a four-month pilot program in Long Beach concluded in August, city staff decided to extend its contract with Throne at the three most popular test locations "based on the performance indicators from the pilot and available budget," Technology Partnerships Officer Ryan Kurtzman wrote in an email.

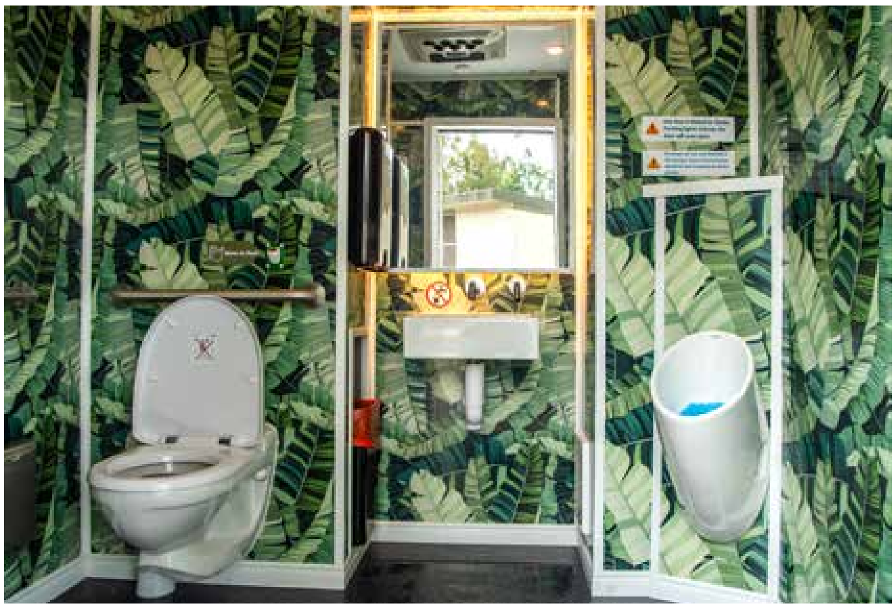


Photo by John Donegan/Long Beach Business Journal

Inside a Throne public restroom at DeForest Park, near the pickleball courts in Long Beach, on Wednesday, April 23, 2025

Kurtzman did not provide an exact cost for extending the contract but said it will range between $216,000 and $324,000 "based on the level of cleaning service and preventative maintenance provided." Further extensions could come to the City Council for consideration.

Each 7-by-8-foot bathroom has 21 sensors that gather various data, including how often and how long the unit is used.

From April 15 through Aug. 15, the four Long Beach restrooms were used more than 31,000 times, according to Throne Labs. Based on the $99,200 funding for the pilot, that was $3.11 per flush.

Belmont Pier's unit received the most use, with an average of 119 uses per day. It was the second busiest Throne bathroom in the nation, said the company's co-founder, Jessica Heinzelman. Only the Throne in Los Angeles' Little Tokyo was used more frequently.

District 3 City Council Member Kristina Duggan said she wasn't surprised to hear how in-demand the Belmont Pier unit was.

The two permanent bathrooms located halfway down the pier are "difficult to maintain" because they are constantly getting clogged, Duggan said.

"I think the Throne bathrooms offer such a great option for people coming down to the pier," Duggan said. "It's clean, it's ADA accessible, it's easy."

Anyone trying to get into a Throne must use a cell phone to scan a QR code or send a text message to open the doors. Once the user exits, they are given a digital survey to rate the bathroom on cleanliness and overall satisfaction.

Toilets page 18

Self-checkout *from page 1*

in Wrigley also closed its self-checkout station.

This came two weeks after the Long Beach City Council gave final approval to a law it dubbed "Safe Stores are Staffed Stores." Debate over the ordinance pitted unions — who argued it would help keep workers safe and reduce retail theft — against store operators, who said it was a thinly veiled attempt to force them to hire more union labor.

It established a 3:1 staffing ratio, where larger grocery stores and retail drug stores must staff at least one worker to supervise every three self-checkout stations. It also limits self-checkout lanes to purchases of 15 or fewer items and bans certain locked items from being purchased through self-checkout.

The sign in Vons specifically singled out the locked item requirement. Because of that rule, "self-checkout registers are unavailable," the notice reads.

Violating the new law can open up stores to fines and the possibility of being sued. For instance, every hour a store fails to meet staffing requirements, it can be charged up to $2,500 for each violation.

The law allows businesses — roughly 19 affected citywide — 30 days to implement the new rules, which critics of the law say is simply not enough time.

"A lot of grocers are finding it extremely challenging," said Nate Rose with the California Grocers Association.

Rose said the issue might be chalked up to the time needed to update kiosks to not allow some locked-item purchases in self-checkout.

"It's because of how things are categorized in their system," he said. "The razor blade that you want to buy, in some stores, it's locked up. Maybe some stores, it's not. And the self-checkout machine has to be able to detect that."

Celeste Wilson, with the Long Beach Chamber of Commerce, said there is also confusion around square-footage rules in the new law that apply to both food and drug stores: Those more than 15,000

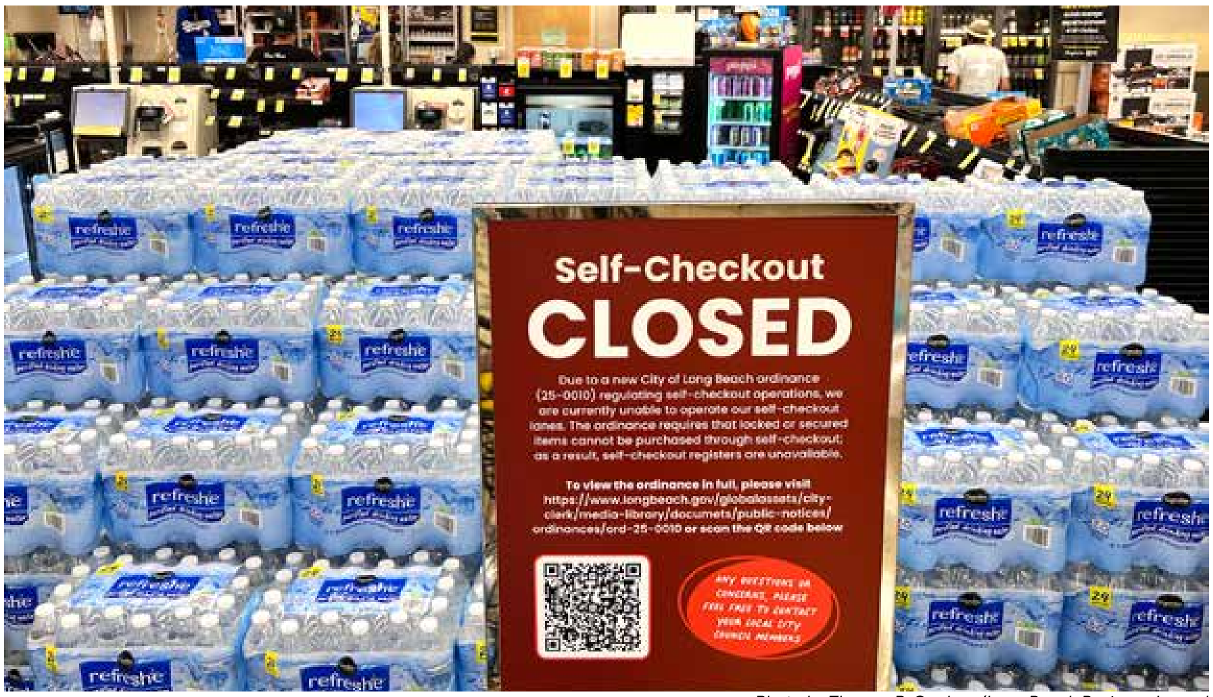


Photo by Thomas R. Cordova/Long Beach Business Journal

Several cases of water are used to block the entrance to the self-checkout at Vons in downtown Long Beach on Tuesday, Sept. 23, 2025.

square feet in size that sell primarily household groceries and those more than 85,000 square feet with at least 10% of their sales floor dedicated to the sale of foodstuffs.

Without knowing for sure, Wilson said businesses may close the stations during the 30-day implementation period or until they can prepare their stores for the new ordinance.

"While they're kind of figuring out all the nuances of the ordinance and trying to implement all those different things, I think that they're just going to close down the self-checkout stands until they have something a bit more structured in place," Wilson said.

Derek Smith, the political director with UFCW 324, which has members at stores across the region, said grocers were following the rules of the ordinance during a visit to their sites.

"It does not require them to keep self-checkout open," Smith explained. "They can certainly close the self-checkout. Now, if they do, I would hope they consider customers and wait times and that they would put folks back on cashier lines, but they are following the ordinance."

While he's not sure how long the closures will last, Smith said it's understandable for the stores to "work out kinks."

"We want to work with the industry to the extent that we can to make sure that's a good rollout that works for workers and customers," Smith said. "I think they are entitled to some time to kind of work out kinks." ■

Orbital *from page 1*

from low orbit or LEO, to more than 22,000 miles above Earth's surface, just above what is known as geosynchronous orbit.

From that vantage point, older Pentagon and spy satellites sputter around with 5 to 50 pounds of thrust, capturing vital GPS data from a distance that takes longer to reach the surface.

Lying dormant in low orbit, their craft — dubbed Astraeus — would guard these satellites, sprinting to a target within hours using a 15,000-pound-thrust engine. Outfitted with robotic arms and a laser, it could grab hold of a spacecraft and fry its camera lenses.

Similar advances have come out of Russia and China, Schleuniger said, while a countermeasure by U.S. aerospace defense would have to fit something onto a rocket and launch it into orbit — at least a five-month process.

"We do not have that capability to do a rendezvous out in orbit, grab something and move it," he said.

The two share the belief with U.S. defense officials that future attacks on American allies would likely start 22,000 miles from Earth, abducting upper orbit satellites that guide vital communications, surveillance and GPS systems.

"If there's a war in the South China Sea, the first thing they're going to do is remove GPS and Naval communications," Schleuniger said.

"I honestly think right now we are in a space arms race," Schleuniger said. "Let's be real. We did not go from biplanes to jets in thirty years because of commercial ambitions … thirty years from the Wright brothers to jets. I think space is going to wind up doing the same thing there."

It's their hope that this spacecraft will serve as a further deterrent against a greater conflict.

Raising an $8.8 million seed round in April, the company hopes to have a testable engine by year's end.

There's also the difficulty of building a cooling system, which they hope to demo by sometime next year. Once in space, the craft will rest in cryogenic sleep — a cool, 20 degrees Kelvin, or -423.67 Fahrenheit — to keep its hydrogen and oxygen fuel from boiling off.

Later models might be used for delivery of supplies, studies of communications, vision or rendezvous and docking, servicing of nuclear-powered vehicles and collection of space debris. One company has already approached them to provide a ferry service to asteroids using magnets.

"A Pony Express for asteroid mining," Doherty said.

While they may need to expand at some point — possibly to a 15,000-square-foot spot at the airport — for now, the team is still coming together. "Haven't even finished the Ikea furniture, yet," Schleuniger joked, pointing to a topless counter and a push cart with all their utensils that make up their kitchen. ■

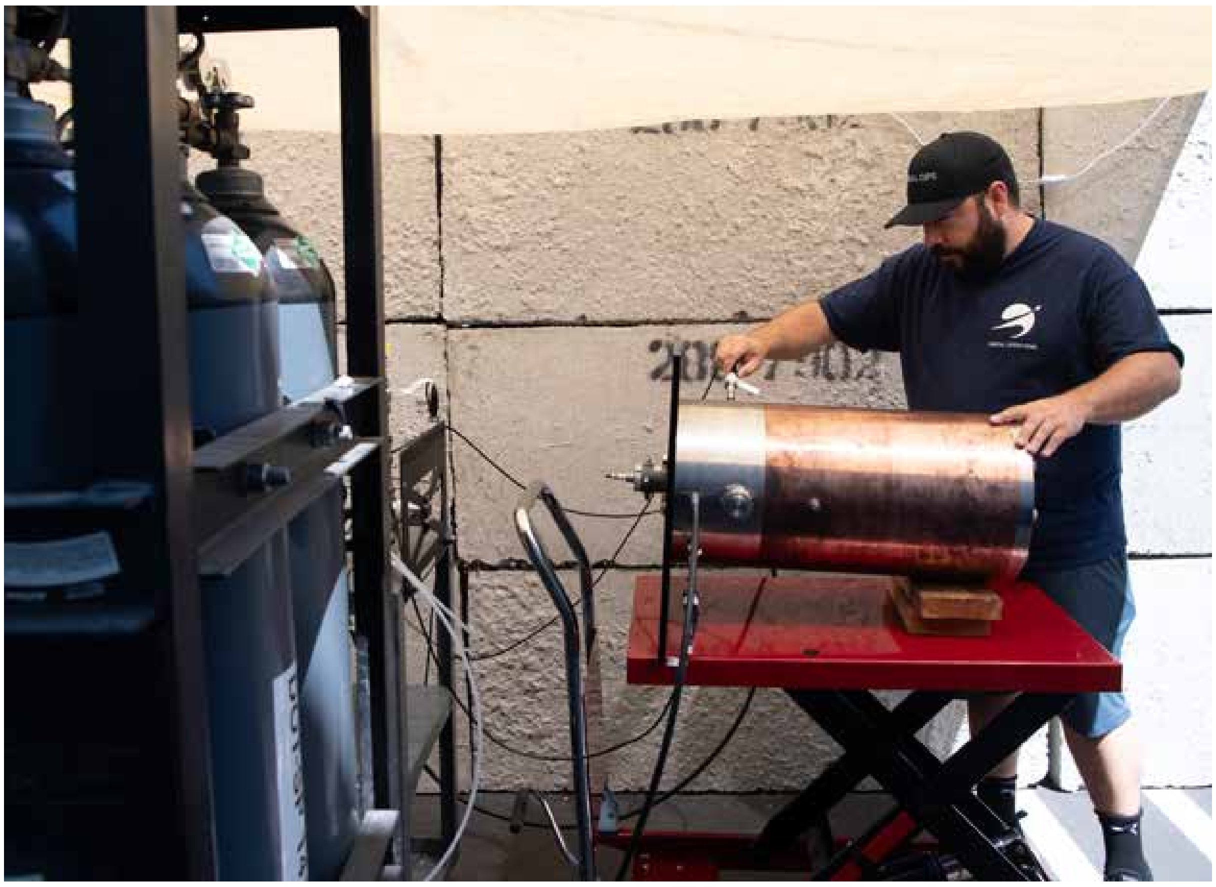


Photo by Thomas R. Cordova/Long Beach Business Journal

Nico Montoya, founding engineer of Orbital Operations, tests a thrust engine in Long Beach on Friday, Aug. 22, 2025.

California's marijuana industry gets a break under new law suspending tax hike

By Nadia Lathan, CalMatters

This story was originally published by CalMatters. Sign up for their newsletters at CalMatters.org.

Gov. Gavin Newsom on Sept. 22 signed a bill to roll back taxes on recreational weed in an effort to give some relief to an industry that has struggled to supersede its illicit counterpart since voters legalized marijuana almost 10 years ago.

The law will temporarily revert the cannabis excise tax to 15% until 2028, suspending an increase to 19% levied earlier this year. The law is meant to help dispensaries that proponents say are operating under slim margins due to being bogged down by years of overregulation.

"We're rolling back this cannabis tax hike so the legal market can continue to grow, consumers can access safe products, and our local communities see the benefits," Newsom said in a statement, and that reducing the tax will allow legal businesses to remain competitive and boost their long-term growth.

An excise tax is a levy imposed by the state before sales taxes are applied. It's applied to the cannabis industry under a 2022 agreement between the state and marijuana companies. It replaced a different kind of fee that was supposed to raise revenue for social programs, such as child care assistance, in accordance with the 2016 ballot measure that legalized cannabis.

Photo by Thomas R. Cordova/Long Beach Business Journal

A person trims the leaves from a nug of weed at the Fresh Baked cannabis growing facility.

For years, the cannabis industry has lobbied against the tax, arguing that it hurts an industry overshadowed by a thriving illicit drug market.

"By stopping this misguided tax hike, the governor and Legislature chose smart policy that grows revenue by keeping the legal market viable instead of driving consumers back to dangerous, untested illicit products," Amy O'Gorman, executive director of the California Cannabis Operators Association, said in a statement.

Since its legalization, the recreational weed industry has struggled to outpace the illegal market as farmers flooded the industry and prices began to drop. Taxable cannabis sales have slowly declined since their peak in the second quarter of 2021 of more than $1.5 billion to $1.2 billion four years later, according to data from the state Department of Tax and Fee Administration. Legal sales make up about 40% of all weed consumption, according to the state Department of Cannabis Control.

Several nonprofits that receive grants through the tax opposed the bill, arguing that it will threaten services for low-income children, substance abuse programs and environmental protections.

In the Emerald Triangle, where the heartland of the industry lies nestled in the northern corner of the state, conservation organizations said they were disappointed in the governor and that it was a step backwards for addressing environmental degradation caused by illegal growers in years past.

"All this bill does is reduce the resources we have to remedy the harms of the illegal market," said Alicia Hamann, executive director of Friends of the Eel River in Humboldt County.

Many nonprofits supported spiking other fees in agreement with lawmakers and industry groups that the excise tax would be increased three years later, Hamann said.

"It feels a little bit like a stab in the back," she said. ■

Toilets *from page 16*

Every fifth user is asked about smell, Heinzelman said.

During the pilot, 91% of users rated the bathrooms as "good" or "great," and 82% of users said they felt safer compared to using a traditional restroom, according to Kurtzman.

Each Long Beach unit was cleaned once every 12 uses, on average, Heinzelman said.

The units contain a flushing toilet, urinal, sink with running water, mirror, baby-changing station and a menstrual pad dispenser.

Users have a 10-minute limit for each use, after which a voice warns the user that the automatic door will slide open.

That time limit deters loitering and provides access to emergency crews if someone has a medical emergency inside the bathroom, Heinzelman said.

Multiple businesses near the Throne unit at the Harvey Milk Promenade Park told a Throne representative that being able to point non-customers somewhere else for a public restroom was "a huge benefit," Heinzelman said.

The restrooms are open daily from 7 a.m. to 10 p.m., according to the city.

For DeForest Park in North Long Beach, the Throne bathroom could not have come at a better time.

The park has been without a permanent restroom since June last year, when a fire torched the interior of the public bathroom near DeForest Avenue and 61st Street.

Two portable toilets were set up as a temporary solution while the city made plans to demolish the red-tagged structure and build a new restroom. Until recently, the portable toilets were not emptied and cleaned every day, said nearby resident Benjamin Pohlmeier.

With the Throne unit now added, people finding other places to go in the park "has been a lot less of an issue, especially when there is a No. 2 emergency," Pohlmeier said.

According to Heinzelman, the DeForest Park unit had the most repeat users out of the four pilot locations, likely because of its proximity to the pickleball courts. ■

Vendors *from page 14*

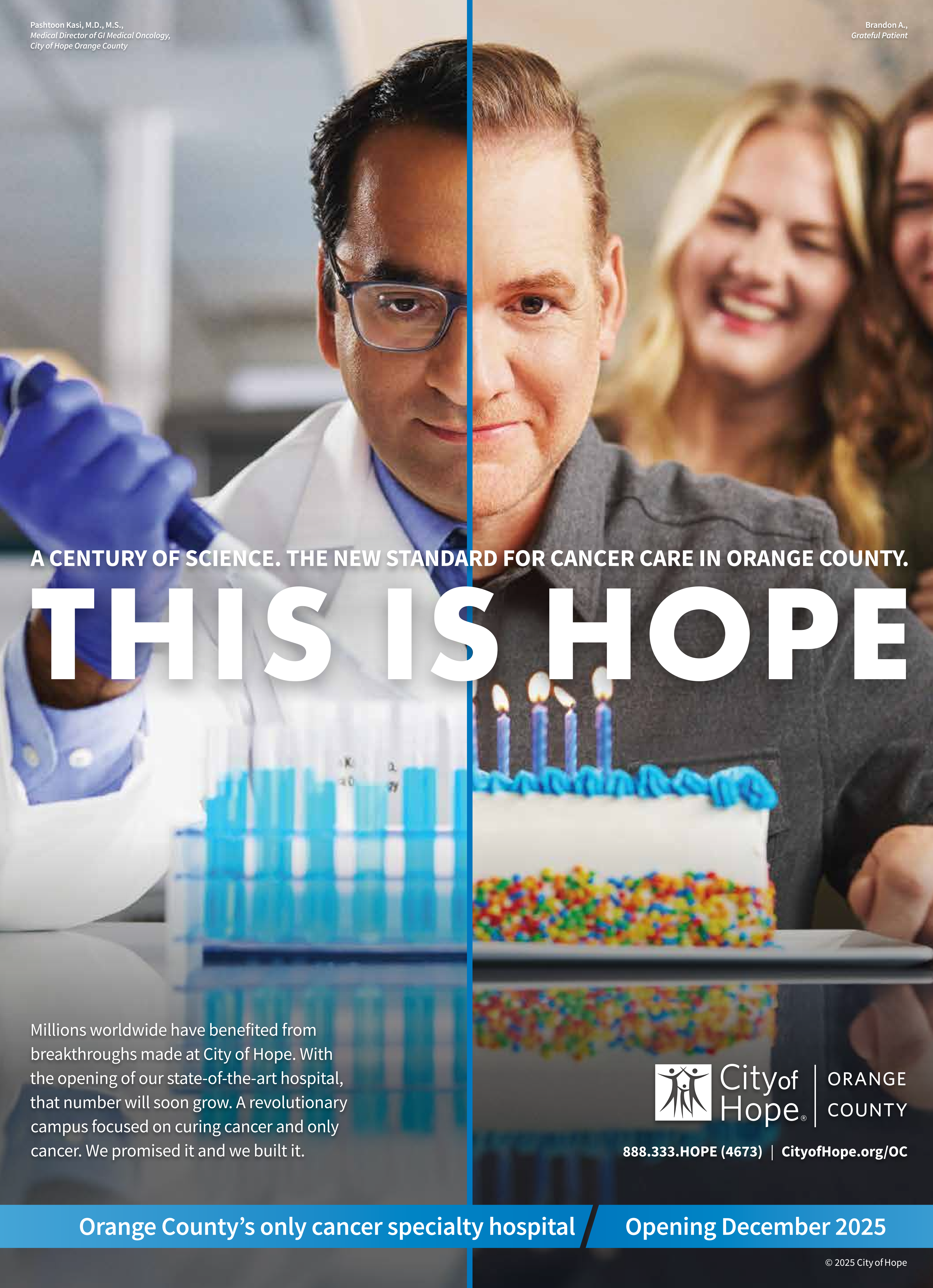
code violations have rolled in at a steady pace.

Through the first four months of the year, the Health Department received 564. At the eight-and-a-half-month mark, that number reached 822.

Some restaurant owners have also complained directly to top city officials, saying they're not doing enough to crack down, according to emails reviewed by the Business Journal.

The city says its enforcement strategy is a delicate balancing act.

"Some stakeholders feel the city is doing too much, while others believe we're not doing enough," Deputy City Manager Grace Yoon said at a May City Council meeting. ■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