**Who’s Investing In Long Beach?**

**By BRANDON RICHARDSON**
Senior Writer

Long Beach Mayor Robert Garcia frequently describes the city as “booming.” One of the measures he uses to demonstrate this is the number of developments underway and planned citywide. Dozens of developments, residential and commercial, are already taking shape, with more to come.

According to city staff, over 1,350 residential units are currently under construction, with 1,500 more in the planning stages—and these numbers include only developments with five or more units. Lennar Multifamily Communities’ 210-unit apartment complex, Oceanaire, at 150 W. Ocean Blvd. and Sares-Regis’s three downtown housing projects totaling 348 units are among the projects.

These are a few of the companies investing in Long Beach by building or overseeing residential, commercial or industrial projects within the city. The above companies responded to our questions: Why did your company choose to invest in Long Beach? What about the city’s culture, economics and/or future makes it a good investment?

**Philanthropies And Companies Reflect On The State Of Corporate Giving In Long Beach**

**By SAMANTHA MEHLINGER**
Assistant Editor

Philanthropies serving the Greater Long Beach area and some of the major companies that support them report that corporate giving has ranged from stable to increasing over the course of the past five years, both in terms of monetary giving and the donation of time and resources.


**Can Long Beach Bridge The Digital Divide?**

**By KAREN ROSES MEIKS**
Contributing Writer

Long Beach Business Journal

Long Beach Media Collaborative

(1) Assistant Editor: An experiment in journalism teamwork, the Long Beach Media Collaborative is made up of participants from the Press-Telegram, Long Beach Post, Grunion Gazette and Long Beach Business Journal. The goal: To combine forces for in-depth, multi-platform reporting on poignant issues gripping the community.

Our first project, Strengthening the Signal, explores the dearth of Internet access in some corners of the city—and mines potential solutions for bridging the gap.

City leaders are on the verge of unveiling a 500-page report on a project that holds the potential to connect everyone in Long Beach to the Internet in the coming years and nearly double the number of city-owned fiber connections. It would make it easier for residents, especially in the North and East Long Beach, to connect to the Internet in the coming years. (Please Continue To Page 24)

**The City’s Perspective On Housing Needs In Long Beach**

**By SAMANTHA MEHLINGER**
Assistant Editor

If there’s one thing most real estate experts and developers agree on, it’s this: California is in the midst of an affordable housing crisis. “Up and down the State of California, there is a really serious conversation happening around affordability,” Mayor Robert Garcia told the Business Journal. “We need housing at every level. It’s not just about affordable units; it is also about market rate homes and single-family homes.”

**REAL ESTATE QUARTERLY**

Low Supply Dominates Most Sectors

**By BRANDON RICHARDSON**
Senior Writer

High demand continues to be the trend for Long Beach’s residential and industrial real estate markets, while office and retail space have remained relatively flat. Coupled with a lack of supply, particularly in the industrial and residential markets, prices continue to creep upward.

“We’re not building enough housing. We calculated that Los Angeles County should be building about 35,000 units per year. It’s building about 25,000 units,” Richard Green, director of USC Lusk Center for Real Estate, said.

“Vacancy rates for apartments are under 3% and we look at 5% as a normal market so, as a result, rents and prices are rising.” (Please Continue To Page 24)

**ILLENIAL PULSE**

Yes, Our Generation Still Has A Sexism Problem

By Assistant Editor Samantha Mehlinger

How many times have you heard a man justify sexist words or behavior because he is a “product of a different time?” Use of this “mansplaination” for unwanted sexist behaviors or remarks has become commonplace at the national level, and in recent weeks was most famously used by disgraced film mogul Harvey Weinstein.

(Please Continue To Page 5)
Marla Hunter has been named vice president, commercial banking officer for First Bank’s Downtown Long Beach office. The Long Beach resident has 12 years of experience in commercial banking industry and most recently served as a relationship manager for Citizens Business Bank. Hunter, a native of Nicaragua, earned her bachelors from Old Dominion University. She serves as marketing chair of the Los Altos YMCA... Long Beach resident Allan Rahn has been appointed chief strategy officer for Blue C Advertising, a full-service advertising and marketing communications agency based near John Wayne Airport. Rahn is responsible for the agency’s expansion of its health, wellness and fitness practice, and assisting with developing and executing agency initiatives. He has held senior management and executive positions with responsibilities in sales, media, public relations, corporate strategy, marketing and communications in a variety of industries. Andrea Baker, a longtime community activist serving on a number of downtown stakeholders,” Mancebo A Long Beach resident, Mancebo is a graduate of UCLA... The following five individuals were recently inducted into the Long Beach City College Hall of Fame: Michelle A Dobson, a Long Beach attorney with a lengthy list of community service. Anne Emigh, a long-time community activist serving on a number of nonprofit organization boards. Jerry Green, who co-founded Innovative Dialysis Systems and is a former teacher at Cal State Long Beach. Jim Ostach, a 29-year veteran of the Navy and former LBBC professor; and Brian Russell, a commercial realtor for the past 28 years with numerous involvements in community organizations... The Community Hospital Foundation has inducted the following four individuals who “have made extraordinary contributions to Community Medical Center Long Beach” into its Legacy Wall: Margie Clay, a hospital employee since 1987; Beverly Cook, who has a 40-year history of volunteering at the hospital; and Jerry Hughes, M.D., and Nancy Gillis-Hughes, former hospital employees, with Jerry helping establish “emergency departments” nationally and innovating the 911 response system.

Long Beach Business Journal

The Aquarium continually deploys new technologies to enhance exhibits and programs, engage our visitors, and make ocean science accessible. Several exhibits feature a high-tech component, including Our Water Future, which uses interactive maps and video screens to tell the story of water in Southern California. The Hub, a multiscreen Hiperwall installation in the Tropical Pacific Gallery, can display several video components at once, including live feeds from ocean expeditions and data visualizations. The Aquarium’s Ocean Science Center houses Science on a Sphere, a six-foot global display system developed by the National Oceanic and Atmospheric Administration (NOAA). Science on a Sphere uses datasets collected by NOAA, NASA, and other agencies on a daily basis to illustrate ocean currents, marine life, and other phenomena, with high-tech components that can be shared via email.

The Aquarium’s Ocean Science Center houses Science on a Sphere, a six-foot global display system developed by the National Oceanic and Atmospheric Administration (NOAA). Science on a Sphere uses datasets collected by NOAA, NASA, and other agencies on a daily basis to illustrate ocean currents, marine life, and other phenomena, with high-tech components that can be shared via email. For the third consecutive year, the Long Beach Airport has earned a spot among the “Top 10” airports in the U.S., rated at #3 by 300,000 readers of Condé Nast Traveler magazine. In 2016, the airport ranked #7 in the country. The airport is known for its efficient and convenient service, with a focus on environmental sustainability.
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**Bogie Investment Group**

APARTMENT INVESTMENT - ADVISORY - CAPITAL MARKETS

$587 Million Closed | 392 Transactions

As part of Marcus & Millichap, the nation’s largest CRE investment brokerage firm, Bogie Investment Group provides the best research, financing and advisory services available, as well as access to the industry’s largest inventory of exclusively listed properties.
Latino women are working full-time and times as many African American and live in high poverty neighborhoods. Twoican residents are five times more likely to tus, or criminal history.

Long Beach resident, no matter their race, economy that includes and benefits every an initiative designed to promote a local opportunities of today and the future. prepared to take on the jobs and economic every resident in every neighborhood is intentional with our actions and ensure many of our families continue to struggle While careers and jobs continue to evolve, business and commerce in Long Beach. Advances in technology and the expan- Long Beach, Latino and Native Amer- That’s why I am launching Everyone In, 

I'm confident this initiative will succeed because we are already doing this work in North Long Beach.

We’ve created a new business improve- district in a non-traditional location and invested in our infrastructure to set the stage for a new “Main Street” in North Long Beach. We’ve helped small business- improve their storefronts to attract new customers. This investment in our cor-

The Everyone In initiative will set out to increase access to capital through re-evaluating banking and financial services, create pathways to homeownership, modernize government contracts and procurement to increase local benefit, and cultivate job training and development programs that promote career pathways for every resident.

Our city has already begun taking steps on much of this very key work. We’ve also shown a commitment to fairness and inclusion by creating the Office of Equity to ensure every Long Beach neighbor- hood is treated fairly when it comes to health, city investment, and services. The Everyone In initiative expands upon this work to ensure all of our residents have economic opportunities.

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Everyone In – A Bold Plan To Build Pathways Of Opportunity For All Long Beach Residents

Everyone In is included in our city’s prosperity. It’s time to bring Everyone In.

First, we will ask our city council to make a commitment to addressing the eco- nomic disparities in Long Beach. We will direct our city’s Economic Development Department and Commission to embark on a listening tour engaging underrepresented groups such as businesses owned by people of color, women, and Millennials.

We will then seek the means to create an economic equity profile that provides us with a better understanding of the chal- lenges our communities face. This profile will serve as a marker for us to track progress and move toward a more prosperous economy.

Second, we will focus on supporting small businesses and entrepreneurs. Small businesses are the backbone of our city’s economy, accounting for 86.8% of all businesses in Long Beach. However, access to capital continues to be a chal- lenge for entrepreneurs.

That’s why we’re proposing to partner with the Long Beach Community Foun- dation and the Local Initiative Support Corporation to make Long Beach a “Kiva City.” Kiva is a non-profit, innovative online microfinance platform that provides borrowers the opportunity to apply for crowdfunded loans of up to $10,000 with a 0% interest rate. Across the United States, 16 cities have been designated as a “Kiva City” and Kiva has crowdfunded more than 2.4 million loans totaling over $1 billion worldwide.

I believe this will be an innovative tool that will help provide new pathways to opportunity and start more small busi- nesses in Long Beach.

Everyone In will transform the lens in which we view economic opportunity and improve the quality of life for all of Long Beach’s residents. By investing in our com- munity, we’ll be able to create quality local jobs that provide pathways to the middle class and can’t be outsourced. We’ll in- crease economic security and mobility for vulnerable families and workers. Most im- portantly, we will cultivate homegrown tal- ent through a strong cradle-to-career pipeline.

Let’s work together to ensure every community, every resident, and every business is included in our city’s prosperity. It’s time to bring Everyone In.
suddenly going to rocket ahead thanks to nia. The rate of our progressivism is not constructs that have persisted for millen-

And that, my friends, is what your Grandpa (should he be a product of, oh, I don’t know, civilized upbringing) should call a load of hooey.

As typically happens when new generations begin to step into leadership roles, Millennials are turning out to be more progressive than those who came before us. Most Millennials I know would describe themselves as feminists, supportive of LGBTQ rights, and incensed that sexism is some age-related affliction that therefore does not exist among younger generations.

Still, we must not fool ourselves into believing that we are immune to social constructs that have persisted for millen-

The prevalence of these stories is, to me, indicative of a problem. Consider (perhaps ironically, now that you’ve heard of my little tête-à-tête on the same app) the story of how Bumble came to be. Millennial Whitney Wolfe, a co-founder of the popular dating app Tinder, ultimately left the firm and filed a complaint in court against it, claiming two Millennium male co-founders subjected her to “a barrage of horrendously sexist, racist, and otherwise inappropriate comments, emails and text messages,” according to court documents. Again, the contents of these messages are not something I would share in print.

Wolfe settled, and then started Bumble with the intention of giving women more power in the world of online dating. The application allows matches to be made mutu-

According to data from Pew Research, Millennials are the highest level of harassment online: 62% of daily users reported experiencing harassment. The survey did not specify whether there was sexist harassment or harassment of another type, but no matter what the case, that’s not a great statistic. According to the Rad Campaign et al survey, 59% of Americans believe online harassment is more common than in-person harassment.

It should come as no surprise, I think, that a generation raised on the Internet should exhibit its problematic proclivities online more so than in person. But just because such behavior is often faceless and more impersonal because it is occurring via a screen-to-screen interaction does not mean that it is less of a problem than it would be if spoken or acted aloud. Where there’s smoke, there’s typically fire. ■
The ports of Long Beach and Los Angeles have yet again teamed up to advance cleaner air in the region. On November 2, their governing boards passed a new Clean Air Action Plan (CAAP), a document outlining the most ambitious goals for cleaning up the air at the ports yet.

The plan aims to build upon the successes of its previous iteration, passed in 2006, which required trucking companies to upgrade their vehicles to cleaner running engines and mandated that shipping lines institute certain measures to reduce emissions, among other air quality improvement strategies.

The goals outlined in the CAAP were in part the result of a directive by the mayors of Long Beach and Los Angeles for the ports to create a path to zero emissions operations.

In an e-mail to constituents, Long Beach Mayor Robert Garcia called the CAAP “the most progressive clean air plan in the nation to fight climate change and boost the green economy.” He said that both ports will work with terminals to move toward zero emissions and “support good jobs.”

In a joint statement from the ports, Los Angeles Mayor Eric Garcetti reflected, “This update to the Clean Air Action Plan is an important step toward our ambitious goal of zero-emissions landside goods movement by 2035, and I look forward to making even more progress with our partners in the months and years to come.”

The CAAP document indicates that it could cost between $7 billion to $14 billion to implement its goals. According to a statement released by the ports, major goals within the CAAP include the following:

- By 2020, requiring terminal operators to purchase zero-emission equipment or the cleanest equipment available when purchasing cargo handling equipment. The end goal is to transition terminals to zero-emissions operations by 2030.
- Transitioning to a zero-emission drayage trucking fleet by 2035, and creating rate structures and incentives to encourage turnover to near-zero emission truck technologies in the interim.
- Creating universal truck appointment systems at terminals and identifying other programs to both reduce emissions and improve the flow of goods.
- Creating infrastructure plans that support electrification and use of alternative fuels and other energies for terminal operations.
- Expanding on-dock rail infrastructure with the goal of moving half of all port cargo by rail.
- Reducing greenhouse gas emissions to 40% below 1990 levels by 2030, and 80% below 1990 levels by 2050.
- By 2023, reducing emissions of diesel particulate matter to 77%, nitrogen oxides by 59% and sulfur oxides by 93%, compared to 2005 levels.

Coordinated strategies for achieving these goals fall within the categories of clean vehicles; equipment and fuels; infrastructure investment and planning; supply chain efficiencies; and energy resource planning.

The document directs that an advisory group of public sector and industry stakeholders be formed to develop specific strategies for the trucking industry. Industry reactions to the plan’s approval were mixed. In an official statement, John McLaurin, president of the Pacific Merchant Shipping Association (PMSA), said that both ports and their boards “listened to, and in some cases, addressed” its organization’s concerns. The PMSA represents terminal operators and shipping lines. McLaurin said progress had been made in key areas, including a provision that the ports would regularly assess the rate of development of new, cleaner technologies rather than mandating the use of technologies that are not available. “Our concerns remain about the CAAP’s $14 billion in costs, its potential impacts on port competitiveness and the one in nine jobs in the Southern California region that are reliant on the ports,” McLaurin stated.

The ports stated that truck drivers have consistently stated that the CAAP “will severely exacerbate” their exploitation by their employers, as detailed in a recent USA Today investigative report.

Greg Roche, vice president at Clean Energy Fuels and a member of the California Natural Gas Vehicle Coalition, told the Business Journal via e-mail that he had hoped to see more aggressive goals in the CAAP. “Our industry advocated for immediate actions to deploy clean trucks

By Samantha Mehlinger
Assistant Editor

Former Long Beach Harbor Commissioner Rich Dines announced his candidacy for the 5th District city council seat on October 26. The seat is currently held by Stacy Mungo, who is running for reelection in 2018. The primary is April 10.

Dines’ entry into next year’s city council race had been rumored since August when Mayor Robert Garcia chose not to run for re-election to improve the flow of goods.

In a press release, Dines stated that while serving on the commission he worked with his board members and port staff to improve efficiencies, create programs and policies to save the “hundreds of millions of dollars,” create new jobs with the priority of hiring local residents and veterans, and put the ports on a path to zero emissions operations, and more.

“I enjoyed my service and after much thought and encouragement from community and business leaders, I have now chosen to run for city council, where I feel I can make a difference continuing to work on behalf of our community,” Dines stated.

Dines currently serves on California State University, Long Beach’s policy and steering committee; the board of directors for the International Seafarer Center; and the advisory board of the International Trade Academy at Banning High School. He lives with his wife Yolita in the Lakewood Village neighborhood of Long Beach. The day after Dines’ official entry into the race, Mungo issued a press release announcing that “more than 300 supporters” attended her campaign kickoff event on October 13. The release did not indicate how much money was raised from that event, but the July 31, 2017 campaign disclosure statement showed Mungo had already received nearly $60,000 for her reelection effort.

At the October 13 event, Mungo told her supporters, “I’m running for reelection to continue the work we’ve started, to improve our roads and sidewalks, to protect the low-density character of our neighborhoods, and to create new economic opportunities for businesses in the 5th District. I promise to continue to do what I have always done, and that’s put our residents first.”

On November 2, Mungo’s campaign announced receiving the endorsement of the labor group, Painters and Allied Trades District Council 36.

“This should be an interesting race to follow,” Business Journal Publisher George Economides said. “We expect more than $200,000 combined to be spent between now and the April 10 election, and it could get a bit nasty.”

He said that while incumbents are always favored in city council races, he believes the face-to-face debates will most likely be the deciding factor.

“Four years ago, voter turnout in the district primary was nearly 30% – and that was with a hotly contested mayoral race, which is anticipated next year. However, several hot-button issues such as the 2016 Measure A tax increase, the current debate over land use and density, the effort to rename the El Dorado Park library after deceased mayor Ernie Bell, the airport, what to do about coyotes in the neighborhood, etc., have engaged more 5th District residents, so we expect a larger turnout.

“This may be the only contested race in the city, so all eyes on the 5th District,” he said. “That’s why I’m the candidate for the two candidates to raise money.”

The filing deadline to run for city offices (mayor, city attorney, city auditor, city prosecutor or city council for odd-numbered districts), is January 12.
because the technology is available and there are urgent needs to fight climate change and air pollution. We commend the commissioners for listening and advancing the start date to 2020. Certainly, we would like to have seen an earlier start date but, regardless, we will work tirelessly with the ports, Air Quality Management District, and Air Resources Board to deploy near-zero RNG [renewable natural gas] trucks as quickly as possible,” he stated.

**Mayor Calls Meeting With Neighborhood Group To Discuss Land Use Element**

By ANNE ARTLEY  
Staff Writer

Long Beach Mayor Robert Garcia called a meeting with the Council of Neighborhood Organizations (CONO), a community group, on October 26 to discuss the proposed Land Use Element after residents in several districts raised strong objections to it. The Land Use Element is a city’s blueprint for its goals and policies regarding land use and future development. A point of particular contention to some residents is a possible increase of building heights in certain areas. Provisions in the proposal must consider the construction of 7,048 residential units by 2021 to accommodate an estimated population growth of 18,230 in Long Beach by 2040. These are state projections and requirements.

Local real estate broker Robert Fox, who established CONO, said the meeting resulted in “a really good conversation.” Seven neighborhood association presidents attended but no councilmembers were present, he said. “The mayor seems to be moving towards where CONO is at,” Fox said. “We requested that density would not increase east of Alamitos Beach and the mayor said he would start it in 1993 in response to the economic downturn following the military downsizing in Long Beach. While the group disbanded at the turn of the millennium, Fox said he decided to reactivate it nine months ago when friends began expressing concerns about the Land Use Element.

Fox established the Council of Neighborhood Organizations (CONO) as a forum for leaders of the neighborhood associations to discuss their concerns with the city. He said he started it in 1993 in response to the economic downtown following the military downsizing in Long Beach. While the group disbanded at the turn of the millennium, Fox said he decided to reactivate it nine months ago when friends began expressing concerns about the Land Use Element.

Fox and others from his organization spoke out during a September 30 community meeting that the city hosted at the Veterans Park Community Center. It had been disbanded at the turn of the millennium, Fox said he decided to reactivate it nine months ago when friends began expressing concerns about the Land Use Element.

Fox and others from his organization spoke out during a September 30 community meeting that the city hosted at the Veterans Park Community Center. It had been disbanded at the turn of the millennium, Fox said he decided to reactivate it nine months ago when friends began expressing concerns about the Land Use Element.

In an e-mail to the Business Journal, the mayor’s office said Garcia regularly meets with residents on a variety of topics, and that he enjoys the direct conversations. Fox said he was “grateful” for the mayor’s responsiveness. “He’s such a charming man,” Fox said. “He doesn’t have a vote so he’s our cheerleader.”
City Council Update (Continued From Page 7)

Council Votes Into Enter Parking Contract

The city council is voting tonight to award LAZ Parking California a contract for up to $9,448,978 over a three-year period. The company will maintain operations of the city’s 25 municipal parking lots and year-round special events. Its mobile application “LAZgo” allows users to reserve and pay for hourly and event parking before arriving.

Additional Funds To Support Arts Programs

The city council authorized the city manager to execute an agreement with the Public Corporation for the Arts of the City of Long Beach, Inc. to allocate additional funds for a grant. This year’s budget set aside $454,300 for the agreement, a $50,000 increase from the previous fiscal year. The additional payment supports the Challenge Grant, a matching grant that encourages contributions from other sources. The initiative aids arts programs in underserved communities as well as marketing efforts for the city’s arts community.

City Considers Creating Two Commissions To Promote Trust In Government

Tonight, the city council is discussing establishing two commissions that would require a charter change and, thus, a vote of the people. The purpose of a City Ethics Commission and a Citizen Redistricting Commission is to promote public faith in local government.

The redistricting commission would determine the city district boundaries. Every 10 years, following the Census, they are reconfigured based on population. Eighth District Councilmember Al Austin said he introduced the item to begin planning now, even though the process is not due to happen in Long Beach for about three more years. “Currently, the city council does the redistricting,” Austin told the Business Journal. “Last time, the process was very, very dramatic. It seemed to be political. It would take a lot of the mistrust out of the process if everyday citizens were involved.”

Carson To Vote On Oil Industry Tax Tomorrow

By BRANDON RICHARDSON Senior Writer

Carson residents are set to vote on Measure C, a permanent quarter-percent oil industry business license tax, during a special municipal election today, November 7. Proponents of the tax claim it is simply a matter of updating outdated policy, which has kept millions of dollars out of the city’s general fund, while opponents claim a new tax could deter business in the city, which has a track record of being business friendly.

“We have businesses in Carson that are very successful. In order for them to continue to prosper, they need an environment that is supportive of them and has a proper foundation to continue the ability to thrive. Measure C is the most appropriate means for the city to do that,” Carson Mayor Albert Robles said. “The business community cannot take advantage of us. Together, the community can prosper and their businesses can prosper.”

According to city data, the city of Torrance generates nearly $11 million in revenue from its one refinery. Similarly, El Segundo brings in $11.6 million in revenue from its one refinery. Carson generates just over $5 million in revenue from its two refineries. Robles argues that the discrepancy is unfair to the city and its residents.

Numerous businesses, individuals and groups have come out against the proposed tax, including the Carson Chamber of Commerce and its president John Wogan. The proposed tax has businesses feeling frustrated and angry and could lead to new businesses passing on the city entirely, according to Wogan.

“We care about the city. We want everyone to be fiscally sound and healthy but we don’t feel that every time the city is having problems handling expenses that the answer is tax,” Wogan said. “We had the utility users tax two years ago, now it’s this and two years from now it could be another tax. It’s just not the way to go.”

Wogan argues that if the city maintains its identity as a business-friendly city that more businesses would choose to operate there, which would bring in more jobs and higher revenues. However, according to Wogan, with increased taxes and the city’s current moratorium on certain developments, Carson is becoming less and less attractive for doing business.

The city estimates that Measure C would bring in an additional $24 million annually, with no cost to residents. This city has been operating with a budget deficit for several years and currently has a structural deficit of $8 million, though this year’s budget deficit is only $1 million due to one-time payments and settlements.

Opponents of the tax claim the city is essentially writing itself a $24 million blank check to do with as it pleases. Robles said the money would go directly into the city’s general fund to be used for public safety, parks and recreation programs, youth and senior programs, and infrastructure. According to a city newsletter, strict reporting on the usage of funds would be made by a citizens’ oversight committee.

For more information on Measure C and the special municipal election, visit ci.carson.ca.us/Government/Election2017.aspx.

Deep Water Exercise Raises Funds – Fifteen participants in a community deep water exercise classes at CSU Long Beach raised $2,900 for health programs in low-income neighborhoods as part of a fitness challenge. They recruited sponsors to fund their efforts to run as far as they could in the university’s deep-water pool in an hour. They donated the proceeds to The Children’s Clinic, a local nonprofit that provides medical care and health education to underserved communities.
Saudi Arabia Helps Develop Human Spaceflight

By Anne Artley
Staff Writer

The Public Investment Fund of Saudi Arabia entered into a non-binding memorandum of understanding to invest about $1 billion into Virgin Galactic, The Spaceship Company and Long Beach-based Virgin Orbit – both companies are part of Virgin Group founded by Sir Richard Branson.

Virgin Orbit provides launch services for small satellites, such as its current project, LauncherOne. This service is meant for commercial- and government-built satellites. Its rockets are designed and built in Long Beach. Saudi Arabia’s Crown Prince Mohammad bin Salman Al Saud and Branson agreed on the partnership, which includes the possibility of another $480 million for future investment in space services, according to a Virgin company statement. The prince is also the chairman of the Public Investment Fund (PIF).

The investment aids Virgin’s plans for human space travel and creates the possibility for a space-related entertainment industry in Saudi Arabia.

“‘We are now just months away from Virgin Galactic going into space with people on board and Virgin Orbit going into orbit and placing satellites around the earth,’” Branson said in the statement. “‘The investment will enable us to develop the next generation of satellite launches and accelerate our programme for point-to-point supersonic space travel.’

The investment also helps Saudi Arabia fulfill its vision of establishing a modern, diverse economy.

“This partnership with Virgin Group reflects the great strides the Kingdom is making towards our vision for a diversified, knowledge-based economy,” the prince said in a statement. “It’s through partnerships with organizations like Virgin Group that we will make active contributions to those sectors and technologies that are driving progress on a global scale.”

PIF Managing Director Yasir bin Othman Al-Rumayyan and Virgin Group Senior Managing Director Patrick McCall signed the memorandum during the Future Investment Initiative in Riyadh, Saudi Arabia, which took place October 24 to 26.

News In Brief

By Anne Artley
Staff Writer

Long Beach Aquarium Forum To Discuss Sustainability

The Long Beach Aquarium is hosting a forum called Sato-umi in the Anthropocene on November 13 from 9 a.m. to 5 p.m. Sato-umi is a Japanese term that embodies the “relationship between humans and coastal and marine areas, and how humans manage these areas for sustainability,” as defined in an Aquarium statement. Anthropocene is the current geologic epoch.

The speakers will discuss the application of sato-umi in an era marked by humans’ expanding influence on the earth’s natural processes. A panel discussion will take place from 7 to 8:30 p.m. on how sato-umi might be applied in Southern California. The forum is co-sponsored by American Honda and the panel discussion is offered as part of the Aquarium’s Guest Speaker Series. To RSVP, please call 562/590-3100, ext. 0.

City’s Fleet Services Bureau Earns Top Environmental Qualification

The City of Long Beach Fleet Services Bureau earned a Tier Four ranking with the NAFA Sustainable Fleet Accreditation Program, the highest ranking the non-profit association provides.

The program is offered in collaboration with CALSTART, an initiative that collaborates with businesses to create and execute clean, efficient transportation solutions. Currently, 34 fleets across the country are ranked in tiers one to four. Fleets are assigned a tier through a points-system for sustainability efforts. They are evaluated on criteria such as emissions reduction, fuel efficiency and air quality improvement.
In 1986, when Reverend Gregory Boyle was appointed pastor at Dolores Mission Church in the Boyle Heights neighborhood, he said “there were eight gangs at war with each other.”

Two years later, he and other community members began what would later grow into Homeboy Industries, the world’s largest gang intervention and rehabilitation program. It developed from an initiative to create opportunities for gang members. This was a novel approach to crime, since mass incarcerations were the primary tactic for dealing with gang violence at the time.

Now, the Ukleja Center for Ethical Leadership at California State University, Long Beach, has selected Boyle to receive its 2017 Nell and John Wooden Ethics in Leadership Award. The community is invited to attend the celebration on November 16, from 6 to 9 p.m. at the Carpenter Performing Arts Center, 6200 E. Atherton St.

The event will include dinner and a talk by Boyle, a Jesuit priest and the executive director of Homeboy Industries, entitled “Lessons from the Field: Kinship as an Intervention.” Boyle’s new book, Barking to the Choir: The Power of Radical Kinship, will be released on November 14. He is also the author of the 2010 New York Times-bestseller, Tattoos on the Heart: The Power of Boundless Compassion.

Boyle’s initial program, Jobs for a Future, included creating an alternative school and identifying pathways to employment, according to the Homeboy Industries website. Boyle said his methods gained more attention after the 1992 Los Angeles Riots. “Every pocket of poverty in the city ignited during the riots and ours didn’t. The L.A. Times wanted to know why,” Boyle said. “I told them we had 60 strategically hired gang members – perhaps the most likely to torch our neighborhood – engaged in purposeful activity.”

After the riots, Jobs for a Future and Proyecto Pastoral, a Dolores Mission community-organizing project, converted the abandoned bakery across the street from the church into their first business, Homeboy Bakery. Movie producer Ray Stark helped purchase it after he approached Boyle and asked how he could contribute to his cause.

“We put enemy rival gang members baking bread together,” Boyle said. “It was hard, but they had a common interest. They all wanted to have a reason to get up in the morning, and a reason not to gang bang the night before. Once you give them that reason, they were able to rise to the occasion and work side by side. You can’t demonize people you know.”

Homeboy Industries now provides services to about 15,000 men and women. It operates other social enterprises such as Homeboy Recycling, Homegirl Café and a diner at Los Angeles City Hall. And Boyle’s approach has spread nationwide: 147 programs in the U.S. and 16 outside of the country are modeled on Homeboy Industries.

“I think Homeboy changed the metaphor,” Boyle said. “It stands for being smart on crime. The day won’t ever come when I have more courage or I’m closer to God than these folks are.”

Boyle’s accolade, the Nell and John Wooden Ethics in Leadership Award, aims to honor a person or organization that embodies “ethical behavior and visionary leadership,” according to the Ukleja Center. Homeboy Industries will receive a portion of the proceeds from the November 16 event. Tickets are $300 for individuals. For reservations or more information, contact Jane Roeder at jane.roeder@csulb.edu or 562/985-8600.
The board of directors of The Los Cerritos Wetlands Land Trust sued the City of Long Beach over its approval of a land use plan that permits the construction of taller buildings and more density near a coastal habitat.

The area in question is located in the southeast corner of Long Beach, bordering Orange County to the east and south and the Pacific Ocean on the southwest. It comprises 1,472 acres of land south of 7th Street, east of Bellflower Boulevard and north and west of the city’s border, as outlined in the plan. (See adjacent map) The city council approved the Southeast Area Specific Plan (SEASP) on September 19. The city’s advance planning officer, Christopher Koontz, said the blueprint focuses on redevelopment rather than adding on new buildings. It was designed to replace the Southeast Area Development and Improvement Plan (SEADIP), which hadn’t been updated since around 1977, he explained.

“The area is in the gateway location to the city, right as you come in from Seal Beach,” Koontz said. “It’s pretty dilapidated and definitely not our best foot forward.”

The new plan created environmental protections that had not existed before. The former plan allowed for development within the wetland areas, which SEASP now safeguards against. Another provision imposes an impact fee on all new developments to help cover restoration and monitoring of the wetlands. SEASP also provides protections for birds, and includes native plant landscaping.

Although the Los Cerritos Wetlands Land Trust approved the changes, these enhancements are not enough to offset the impacts of increased traffic and insufficient wetlands buffers, according to a statement from the organization.

“Our goal is to robustly preserve and protect the wetlands, and the plan approved by the city council does not sufficiently do that,” Los Cerritos Wetlands Land Trust Executive Director Elizabeth Lambe told the Business Journal. “[Filing the lawsuit] wasn’t an easy decision for us. But the SEASP area is a really special and unique area with some fragile ecosystems. The vast majority, [in] the high 90%, of California wetlands are lost forever. If you look at it in that context, then you need development nearby that is respectful and acknowledges the fragile habitat.”

Koontz said that the city conducted outreach meetings and that he personally spent “hundreds of hours” incorporating feedback from the Los Cerritos Wetlands Land Trust.

“Unfortunately, litigation has become part of the planning process,” he said. “We came up with a plan where some folks thought it was too much but then we also heard from landowners who said it didn’t have enough development opportunities. As a planner, you know you’ve reached that consensus point where everyone’s a little unhappy, but a little happy overall.”

Koontz predicted the lawsuit would take about 18 months to resolve, and said the city won’t move forward with any individual projects until then. But any incoming proposals will be evaluated based on the 1977 standards, which exclude many environmental protections.
Westside communities, to have more access to affordable, quality Internet. Nearly 16% of Long Beach households lack an Internet subscription, which is defined as someone who either has broadband from an Internet service provider or a smartphone with a data plan, according to the 2016 Census Bureau American Community Survey released in August.

Further insight into the Census data reveals that 74.7% of households have broadband from an Internet service provider, while 9.5% connect to the Internet only with a smartphone, leaving 15.8% of homes without no Internet access at all.

But whether easier access to affordable, quality Internet will happen depends on whether the city can afford to build the infrastructure needed to extend the network, as well as its ability to strike deals with the private sector to offer affordable coverage, especially in underserved areas.

In a recent Long Beach City Council study session, city officials said it could earn back its $82 million investment in a fiber network that could connect city facilities to high-speed Internet. That's part of a larger $88 million cost to upgrade the city's outdated digital infrastructure.

The Fiber Master Plan is a long-awaited document nearly two years in the making, has been completed and is expected to be presented to the city council in the coming weeks. The initiative by the Technology and Innovation Department explores several ways to foster citywide connectivity, from deployment scenarios and their costs to various implementation opportunities, such as the development of a small cell policy and the use of a “Dig Once” concept that would allow the city to save money by pairing the creation of fiber optic infrastructure with scheduled public works projects.

“This lays out ultimately what we have, where the gaps are and where we need to grow to really reach the entire city,” John Keisler, director of economic and property development for the city, said. “This is a playbook for how we deal with core services, deal with existing needs and the cost to build that out.”

Long Beach has 62 miles of city-owned fiber that links city facilities and manages traffic signals at high volume intersections. The plan is to expand the network to 110 miles.

A community that prides itself as a “Top 10 Digital City,” by the Center for Digital Government, Long Beach is aware of its residents’ own lack of Internet access, especially in the city’s North, Central and Westside neighborhoods.

Long Beach 1st District Councilmember Lena Gonzalez has seen firsthand her neighbors’ struggles to connect to fast, reliable Internet at home. There is no library in her district, and the closest one is the Main Library at the Civic Center, which is too far a distance for many of her constituents to travel. In response, in the last two years she has hosted youth camps to teach children in her district about coding, game design and how to use PowerPoint.

“It’s really great, but they don’t have the opportunity to do this at home,” said Gonzalez, who recently announced at her “State of the 1st District” address that bridging the digital divide would be one of her top priorities.

Vice Mayor Rex Richardson, whose 9th District includes the northernmost part of the city, said his community has Houghton Park, the city’s most utilized community center, and the Michelle Obama Neighborhood Library, one of the most modern and in-demand libraries in the city.

“The stories I have are of teachers who are pulling money out of their own pockets to provide resources in their classrooms,” he said. His focus is trying to integrate city infrastructure to connect the Atlantic Avenue corridor in his district to a city-owned fiber network.

Last year, Richardson started a project called UpLink, which involved installing fiber security cameras from the Michelle Obama Library to Jordan High School. “And that’s the first step,” he said. “There’s still more to do: low cost Internet is first; and we still need a robust laptop and mobile device checkout program.”

Richardson said there needs to be more infrastructure and integration, and access to devices and low-cost connectivity. “Look, there is enough infrastructure here to be really forward-thinking in closing the digital divide,” he said. “It takes focus and leadership from our school district, city, libraries and parks.”

Connectivity Issues

The impetus for the Fiber Master Plan came from the city’s Innovation Team in 2015.

“The team was looking at solutions to reduce disparity in terms of equity and economic outcomes,” Keisler said. “What are the drivers of the new economy? Over and over again, connectivity kept coming up, [having] access opportunities of producing, consuming and transacting goods and services online.”

About 4,800 businesses in the city’s mid-town area were studied, including those along Anaheim Street. Officials discovered that 40% of the businesses on Anaheim had no Internet connectivity or Internet presence. “That was a big finding in the original research,” Keisler said.

That fall, the city partnered with California State University, Long Beach, to track the progress of 12 entrepreneurs. Findings revealed that not having access to high quality, affordable Internet was a barrier to becoming more successful.

“The communities that are not connected to the Internet are not connected to the economy either,” Keisler said. “The information economy has fundamentally changed every segment of every industry in significant ways.”

Long Beach’s biggest industries – logistics, manufacturing, health care, and hospitality and leisure – are heavily technology-focused in terms of strategies and service delivery, he said. “This is the new high-tech industry that fuels the economy,” Keisler said. “This is a utility as important as electricity and water.”

The city hired The Broadband Group in early 2016 to conduct a $25,000 study on what the financial model might look like if the city expanded its network and leveraged a municipal fiber network for private sector use.

The city has considered existing examples such as Chattanooga, Tennessee, which spent about $330 million to build out a fiber network it owns, operates and maintains as a utility.

What about relying on the private sector to expand access in Long Beach? For many companies, that has been a tough sell, Keisler said. Some see putting fiber in the ground as an expensive and time-consuming process involving plan submissions and blessings from public agencies.

The expansion of Google Fiber, the tech company’s attempt to provide Internet service with gigabit per second speeds for downloading and uploading, has slowed to a crawl five years after it launched in Kansas City. “For a city, it’s a core competency of ours to be working in the ground, working on sewers and water systems, and repaving streets,” Keisler said. “And we can coordinate that work. When Gas and Oil rips up a street to fix a pipe, we can lay conduit and pull fiber when ready. The private sector doesn’t have that core competency.”

City officials also have explored the concept of public-private partnerships. Santa Monica, for example, has both found ways to connect fiber to One Wilshire, the data center that connects the West Coast, and leverage unused fiber strands to negotiate low Internet rates.

Despite some challenges, a “Dig Once” concept to provide connections to residents in places such as a public housing project and a school district.

“That’s an example of what a city can do,” Keisler said. “You can do cool public policy stuff if you own the hardware and can coordinate the installation.”

While the master plan has not yet been released, an overview of the plan was presented to the Technology and Innovation Commission in late July detailing three potential city build scenarios and their preliminary cost estimates:

- Scenario 1: This would involve a $12.6 million plan to build out Internet connectivity to all 143 city facilities and select neighborhoods, public safety corridors.
- Scenario 2: This $32.8 million plan would connect government facilities and businesses, the cost of which would be offset in 10 years by not only selling broadband service to business enterprises and public safety corridors.
- Scenario 3: A $182.5 million investment that would connect government facilities, businesses and residential neighborhoods to the Internet. Here the city would make back its money by not only selling broadband service to business enterprises but leasing its fiber to network tenants.

While the considerations and cost estimates presented to members over the summer were broad and prospective, it did emphasize the city’s direction to bridge the digital divide, something that the Long Beach Technology and Innovation Commission will be tackling in the coming months through community outreach workshops and events, according to commission chair Robb Korinke.

“Long Beach, no different from many cities, has been subject to uneven coverage,” Korinke said. “But for the first time in my professional career, I’m optimistic that we are going forward. From the standpoint of education and job creation, having even access to high-speed Internet is vital. People without it would be similar to towns bypassed by the railroad 200 years ago. It’s absolutely vital to moving a community forward.”

Expansion Efforts

Meanwhile, Long Beach is already finding ways to expand its network.

The city council recently authorized a deal with Crown Castle, an Irish-based provider of wireless infrastructure, for a small cell solutions network consisting of 21 “nodes” that will attach to city street poles and other infrastructure around Shoreline Drive as part of a pilot program that will take place over the next few months.

The deal allows Crown Castle to lease public city space and make its nodes available to any cellular provider to share in its “fiber-fed network.” In exchange, Crown Castle agreed to lease city street fiber strands to help build out its network. The city gets to collect $1,500 a month for every node through the Crown Castle deal.

The small cell solutions network of 21 nodes will be installed before the start of city’s biggest annual event, the Toyota Grand Prix of Long Beach.
“We’ll be able to leverage the new Crown Castle network in partnership with the city, reinvest in fiber or Internet access and ultimately expand the network to get into other communities,” Keisler said.

State legislation threatened to hinder the city’s progress. Internet service providers had been challenging the State of California to reduce local government control in order to quickly densify the cell network with more cell towers to increase capacity. But in October, Gov. Jerry Brown vetoed the bill.

“We want everybody in the city to have at least high-quality 4G cellular connection, [and] if not, a landline connection to broadband,” Keisler said. “We’re also expanding that, but it’s also something we want to be able to negotiate because so far they [companies] have not been willing . . . to go into a lot of the neighborhoods and provide the kind of Internet services needed.”

The Long Beach Public Works Department is working with the city attorney’s office to finalize changes to the municipal code that would give administrative approval for a public/private partnership under which the city can monitor and manage small cell antennas meets specifications, rather than going to the Long Beach Planning Commission. The changes are expected to go before the city council in the next few weeks to be activated.

“Crown Castle is the bridge to figure out what the specifications should be,” Keisler said.

Once city officials learn from that pilot, the city will draft a new ordinance that will standardize how and where small cell antennas should be placed in Long Beach, he said.

Meanwhile, Long Beach is hoping to pave its own path to One Wilshire.

Thanks to a $993,000 Metro grant, construction of the Fiber Master Plan began in early January on a nearly $1.6 million project to improve signal intersections along 4.3 miles of the Metro Blue Line corridor, including 33 intersections from downtown to Wardov Station and 52 intersections along Atlantic Avenue.

Set for completion in the late spring, the project, which will involve installing 14 miles of fiber optic cable and security cameras at strategic locations, will not only help expand Long Beach’s fiber network but also keep an eye on potential interloper cabling operations along the corridors when they’re arriving farther in advance, but also set the groundwork for better Internet connectivity down the road.

“We’re looking at this as the first leg to get to One Wilshire,” Keisler said, adding that Santa Monica’s first run of fiber was also a grant from Metro, which wanted to synchronize signals for buses.

The city’s fiscal year 2018 budget included $530,000 for the Fiber Master Plan and when the city does street work, with a larger discussion about fiber plan funding anticipated in a city council study session as early as this month.

Google Fiber has already reached out to see how the city can logistically provide more connectivity. She also is looking to partner with an organization to provide low-cost personal computers and Wi-Fi while the city figures out the Fiber Master Plan.

Gonzalez said she looks forward to delving into the plan when it’s formally presented to the council in the coming weeks. “We’ve got to get it right,” she said. “It’s got to be comprehensive of every neighborhood.”

(Reporters Ashleigh Ruhl, Grunion Gazette, and David Downey, Press-Telegram, contributed to this report)
Corporate Giving

(Continued From Page 1)

Corporate supporters include Wells Fargo, Ralphs, Food For Less, Toyota and Mattel, according to Katz. Some Long Beach institutions that support the foundation include Laserfiche, Farmers & Merchants Bank, P2S Engineering, the Port of Long Beach, the International Longshore & Warehouse Union, and Keesal, Young & Logan.

Katz said that corporate giving has remained stable over the past five years.

Laura Victoria, human resources director for Laserfiche, a Long Beach software company, said that her firm partners with the MemorialCare Medical Center Foundation for its Team Spirit 5K benefiting breast and ovarian cancer support programs. About 20 employees run in that event each year, she noted. Laserfiche also participate in the Flames of Hope Program, in which they fill out cards with inspirational messages that are placed for children to see throughout the hospital.

“In terms of monetary donations, one of the organizations that we have supported consistently throughout the years is the YMCA of Greater Long Beach,” Victoria said, noting that the organization was near to the heart of the firm’s founder, Nien-Ling Wacker. “Many years ago, we actually built the Fairfield YMCA’s fitness gym for them, to the tune of $150,000,” she noted. Each year, the firm matches employee donations to the Fairfield YMCA’s Camp Oaks program for kids, and ultimately pays for about 10 kids to go to camp, she added.

Victoria said Laserfiche employees have volunteered to serve meals at the Long Beach Rescue Mission and Long Beach Ronald McDonald House in the past year.

“We feel that Long Beach has done so much for us and given a lot to us in terms of the talent we have recruited,” she said. “We want to give back to our local community. I think it’s also because we have a very young, dynamic, passionate, engaged workforce, and that’s something that is really important to them: philanthropy and giving back.”

Cheri Bazley, executive director of the Long Beach Ronald McDonald House, said that overall corporate giving to the organization has remained stable over the past few years. The nonprofit provides a place to stay for families of critically ill child patients undergoing care locally.

“We are very fortunate to have several, (although not as many as we would like), but several long-time corporate partners,” Bazley said. “That said, they have been very good to us. They have been consistent in their giving.”

Some companies have been increasing their giving, while others have had to pull back a bit, she said. One corporate sponsor recently moved some of its operations to an out-of-state facility, and as a result had to pull back, she explained.

“In addition to their financial support, we are also grateful for their teams’ involvement. For instance, they provide volunteer support to several of our big events,” Bazley said. “We have corporate sponsorship that provides orthodontic services to local youth, as well as its youth mentorship program, she said.

“We have corporate sponsorships that range anywhere from $500 up to $10,000-plus,” Kashiwabara said. Larger donations typically come in the form of grants, she noted. “Usually, if you want to write for larger grants then that’s when you write to their foundations. Let me give you a few examples: UPS, Union Pacific, Ronald McDonald House Charities of Southern California, Andeavor,” she said, adding that another big corporate supporter is The Boeing Company.

Andeavor gives to organizations that support three focus areas, including environmental sustainability, public safety and science, technology, engineering and mathematics education. Some benefiting Long Beach organizations include the YMCA of Greater Long Beach, the Long Beach Boys & Girls Club, the Long Beach Education Foundation, the American Red Cross – Long Beach, and the Long Beach Symphony Orchestra, among many others.

The oil firm also encourages volunteerism among its employees through its Dollars for Doers program, in which the company donates money back to organizations where its employees volunteer.

“We have been growing. Financial performance is increasing, and therefore so is our community investment,” Rau said.

Wells Fargo is another major philanthropic presence in Long Beach, having donated about $2 million to support local organizations over the past five years, according to Gregg Sharkin, vice president and senior community relations manager for the bank. “This year, we have done about $450,000 in contributions so far,” he said.

“We really do have a strong affinity for Long Beach as we do for all the other com...
Committed to investing in the Communities
Committed to Southern California

In 2016, invested more than $4 million in nonprofit organizations and public agencies throughout Southern California to support STEM education, public safety and environmental conservation.

1736 Family Crisis Center
AbilityFirst
Algalita Marine Research and Education Institute
American Diabetes Association - Los Angeles
American Red Cross - Long Beach
American Red Cross - Desert to the Sea
Aquarium of the Pacific
Assistance League of Long Beach
Avalon High School
Boys & Girls Clubs of Carson
Boys & Girls Clubs of Long Beach
Boys & Girls Clubs of the Los Angeles Harbor
Boys & Girls Clubs of the South Bay
Cal Poly Pomona Foundation
California Latino Legislative Caucus Foundation
California State Lands Commission
Carson African American Empowerment Coalition
Carson Citizens Cultural Arts Foundation
Carson Coordinating Council
Carson High School
Carson Sheriff Station Support Foundation
Carson Women’s Club
Centro Community Hispanic Association
Century Villages At Cabrillo
Chicano Latino Youth Leadership Project
City of Long Beach
City of Los Angeles Fleet Week Foundation
City of South Gate Police Department Coalition for Clean Air
Compañer
Cora Southern California
Dolores Street Elementary School
Education Equals Opportunity Too Foundation
Elizabeth Hudson Elementary School
FIRST Robotics
Food Finders
Friends of Banning Museum
Friends of Cabrillo Marine Aquarium
Friends of the Long Beach Fire Fighters
Garfield Elementary
Girl Scouts of San Gorgonio Council
Greater L.A. African American Chamber of Commerce Ed. Fund
Gulf Avenue Elementary School Parent Teacher Organization
Harbor Area Gang Alternatives Program
Harbor Community Development Corporation
Harry Bridges Spanish School
Hispanas Organized for Political Equality - California
International Bird Rescue Research Center
International Trade Education Program
JDRF - Los Angeles Chapter
Jordan High School
Juan Cabrillo High School
Long Beach Better Learning for All Students Today
Long Beach Education Foundation
Long Beach Neighborhood Foundation
Long Beach Nonprofit Partnership
Long Beach Symphony Orchestra
Long Beach Veterans Day Committee
Los Alamitos Education Foundation
Los Angeles Council of Black Professional Engineers
Los Angeles Fire Department Foundation
Los Angeles Harbor College Foundation
Los Angeles Unified School District
Mariachi Academy of Carson
Marine Mammal Care Center
Mexican Alumni Association
Operation Jump Start
Pacific BattleShip Center
Pacific Islander Health Partnership
Pan African Technical Association
Philippine Independence Day Foundation
Phineas Banning High School
Rancho Dominguez Preparatory School
Rancho Los Cerritos Foundation
San Fernando Valley Federation of America
San Bernardino County - Office of Emergency Services
San Pedro Art Association
Santa Catalina Island Conservancy
Saglawag Productions
Search to Involve Pilipino Americans Sharefest
Society of Women Engineers
Solheim Lutheran Home
South Bay Center for Counseling
South Bay Children’s Health Center Association
South Bay Family Health Care
Southern California Leadership Network
Special Olympics Southern California
STEM Magnet Center at Stephen Mallory White Middle School
U.S. Coast Guard Foundation
U.S. Veterans Initiative
United Cambodian Community
University of California - Los Angeles
University of Southern California
What’s Next Now ORG
Wilmington Coordinating Council
Wilmington Park Elementary School
Women in Non-traditional Employment Roles
Workshop for Warriors
YMCA of Greater Long Beach
YMCA of Greater Long Beach - Fairfield Family Branch
YMCA of Metropolitan Los Angeles
YWCA of the Harbor Area & South Bay

andeavor
Focus On Philanthropy

(Continued From Page 14)

In 2011, the Port of Long Beach gave Dignity Health St. Mary Medical Center a nearly $835,000 grant to create a mobile unit dedicated to caring for respiratory illnesses like asthma in areas affected by port operations. The unit is still active today. Pictured from left are St. Mary staff: Veasna Mai, with Dignity’s Families in Good Health program; Sister Celeste Trahan, vice president of mission integration; Leon Choiniere, chief financial officer; Carolyn Caldwell, hospital president (top); Lindsay Gervacio, manager of Families in Good Health; Yolanda Salomon-Lopez, Welcome Baby educator; Denise Livingston, assistant financial officer; and her colleagues knew the bridge and Middle Harbor were originally built some strong partnerships with community organizations that hadn’t existed before.

The Largest Of Any Seaport

Port Of Long Beach Community Grants Program:

“Once those two projects are over, there wasn’t any additional source of funding for community mitigation grants. And we realized that the mitigation grants were very important to the community,” she said. “So what we decided to do was to work with the staff to carve out a portion of the budget for the next 12 years to be able to fund those grants.”

Originally, the grants program benefited only programs or projects in a portion of Long Beach near the port and along the 710 freeway, as well as portions of Wilmington and San Pedro, that addressed air quality and health, according to Moilanen. Eligible areas have been expanded throughout Long Beach and to some surrounding communities like Carson, Paramount and Compton. Additionally, grants are now also awarded to projects that address water quality, traffic and noise.

The port has divided its grant-giving into three programs: community health, community infrastructure, and facility improvements. Examples of eligible projects include installing high-functioning air filters and HVAC replacements, stormwater improvements, creating park space and more, Moilanen said.

“Because our revenues are very tightly regulated by the state, we can only spend money on things that have a direct nexus to port operations,” Moilanen explained. “We had to work very closely with the State Lands Commission to develop a nexus study to identify our connection to specific community impacts.”

The port is particularly focused on benefiting sensitive populations who are more likely to be impacted by port operations, such as children, the elderly or those with respiratory conditions, Moilanen said.

Examples of projects that have benefited from port grants include: air filter, window and door replacements at local schools and other facilities; a mobile care unit for St. Mary Medical Center dedicated to asthma treatment; asthma education and outreach; tree plantings; and more.

“We have become partners with these organizations. We definitely see that we are more than just a grantor,” Moilanen said. “We are always trying to figure out how we can do things more collaboratively. So one of the nice side benefits of this program has been the fact that we have re ally built some strong partnerships with community organizations that hadn’t existed before.”

“We are the economic engine for the area. We are also one of the most significant causes of air pollution and emissions,” Bynum said. “There is no port on the globe that is doing this kind of thing with its community and its region to be able to try to mitigate and help.”

Bynum said she hopes that future harbor commissioners will choose to extend the program on an ongoing basis once the allocated funds have been spent.

To learn more about the port’s community grants program and how to apply, visit www.polb.com/environment/grants/default.asp.

Port Of Long Beach Community Grants Program:
The Largest Of Any Seaport

By: SAMANTHA MEHLINGERN
Assistant Editor

The Port of Long Beach now boasts what it hails as the largest community grants program of any seaport in the world. In 2016, the Long Beach Board of Harbor Commissioners decided to expand the program, which was originally founded in 2009 to mitigate the impacts of its largest capital improvement projects, the replacement of the Gerald Desmond Bridge and the redevelopment of its Middle Harbor.

“Initially, we set aside almost $17.5 million and awarded about 115 projects over about a four- or five-year period,” Renee Moilanen, the port’s manager of air quality, told the Business Journal. After the board of harbor commissioners directed staff to expand upon the program, a thorough analysis of community impacts and needs was conducted. “We went through a process that resulted in the port allocating an additional $46.4 million to this program,” Moilanen said.

The result is that a total of more than $64 million will be spent in the community over the next 10 to 15 years, with the goal of spending at least $3 million per year, according to Moilanen.

Lou Anne Bynum, president of the board, said that she and her colleagues knew the bridge and Middle Harbor projects would be drawing to a close in a few years and wanted to ensure that the grants program continued.

The Largest Of Any Seaport

Port Of Long Beach Community Grants Program:

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**Archstone Foundation Celebrates**

**30 Years of Grantmaking in Aging**

Archstone Foundation is a private granting organization whose mission is to contribute towards the preparation of society in meeting the needs of an aging population.

Through grants, Archstone Foundation supports programming that seeks to help vulnerable and low-income older adults, and improve the knowledge and skills of their healthcare providers.

After three decades of operation, and 1,077 grants, the Foundation’s grantmaking commitment has surpassed its initial endowment of $47 million, with over $105 million in grants awarded.

While Archstone Foundation has formerly concluded its initiatives in fall prevention, elder abuse and neglect, and palliative care at the end of life, it recognizes that these continue to be key public health issues for older adults, and there is much work still to be done.

Archstone Foundation continues its focus on grantmaking in three priority areas:

- **Aging in Community** – to enable older people to remain in their homes and communities, with a focus on creating systems of change and building a field;

- **Depression in Late-Life** – to improve the quality of life for older adults suffering from depression by funding an adaptive version of the Collaborative Care model; and

- **Family Caregiving** – to develop and implement innovative responses to the family caregiving needs of older adults.

Responsive Grantmaking remains Archstone Foundation’s strategy to address the emerging and unmet needs of California’s diverse aging population, and those who serve them. It provides an important platform to offer direct service support, important local services, and to address developing programmatic and policy-related issues.

For more information about Archstone Foundation please visit www.archstone.org.

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**Corporate Partners & Friends Helping Children**

Special thanks to our Foundation Friends and Corporate Partners for helping Assistance League of Long Beach provide nearly 8,500 Long Beach Unified School District children in need with new sets of school uniforms, backpacks, and school supplies during the past school year.

In addition to financial support, our corporate partners and their employees have volunteered hundreds of hours to help pack backpacks filled with new school uniforms and school supplies to distribute at our local schools. Since 1974 more than 100,000 children have been provided with new school clothing.

**Foundation Friends**
- Adams Legacy Foundation
- Lawrence P. Frank Foundation
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- Kenneth T. and Eileen L. Norris Foundation

**Senior Partners ($10,000+)**
- Andeavor
- City National Bank
- Ronald McDonald House Charities of Southern California Union Pacific UPS

**Partners ($5,000+)**
- Employees Community Fund of Boeing California
- Gulfstream Aerospace Corporation
- Southern California Edison
- TABC
- Valero

**Associates ($2,500+)**
- AES Alaminos
- American Business Bank
- American Golf Corporation
- Cavanaugh Machine Works, Inc.
- Employees of The Boeing Company and Gift Match
- Enterprise Holdings Foundation
- HealthCare Partners
- Rotary Club of Long Beach
- Stater Bros. Charities
- Soames Investment Group
- Norm Wilson & Sons

**Friends ($1,000+)**
- Atkinson, Andelson, Loya, RUJ & Romo
- Energy Tubulars
- Bob & Mary Alice Brady
- Farmers & Merchants Bank
- HMHD Insurance Services
- Kwanais Club of Long Beach
- Long Beach Police Motor Patrol Association
- LBS Financial Credit Union
- Millie and Severson
- P2S
- Shore Business Center
- Signal Hill Petroleum
- The VONS Foundation

**Supporters ($500+)**
- Association of Long Beach Educational Managers & Confidential Employees
- Cuthman & Wakefield of California
- Gail & Jim Gray Family Foundation
- Kensington Investment Counsel
- Long Beach City College
- Long Beach Lifeguards Alumni Association and Long Beach Lifeguard Association
- Rotary Club of Lakewood

**Corporate “It’s in the Bag” Program**
- Employees of The Boeing Company

**Corporate In-Kind Gift Donors**
- Barnes & Noble
- William Wade Fine Photography
- Kathryn Wade Fine Framing
- Gazette Newspapers
- Press-Telegram
- Minuteman Press
- Signal Hill Petroleum

**Additional Gifts**
- Employees of Gulfstream Aerospace Corporation

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**Assistance League of Long Beach**

6220 E. Spring Street, Long Beach, CA 90815  ■  562.627.5650  ■  www.ALLB.org
where we work. In 2016, we have had our team members donate over 1,300 hours to support various initiatives in the Long Beach area,” Sherkin said.

Long Beach-based Environ Architecture is another firm that is dedicated to affordable housing. “Probably one of the first things we did was start a charity called the Long Beach Affordable Housing Coalition. That was founded back in 1993,” Alan Burks, Environ president, said. “I was the founder of that organization. I was president for many years and have served on the board for many years after that. It is an organization that provides affordable housing to residents within Southern California.”

Many of Environ’s employees are involved in local philanthropic organizations, including Vice President Willetta McCulloh, who is a member of the Rotary Club of Long Beach. “Environ makes lots of allowances and sacrifices so that I can be active in that. And it’s such a good fit for me because it’s a service club that has organized their activities for humanitarian good,” she said.

“Most of our employees are Long Beach residents and they do participate in community organizations,” Burks said. “We encourage them to participate. . . . And, as a company, we actually seek out local charities to help.”

Environ has donated its design services pro bono or at reduced costs to local groups like community garden The Growing Experience and Habitat for Humanity, Burks pointed out. “There are [also] lots of donations,” Burks said. “We support Mental Health America, the Guidance Center, Power for Youth, the Long Beach Library Foundation — these are charities we support pretty regularly, usually with small donations.”

Molina Healthcare, a Fortune 500 company based in Long Beach, is also big on local volunteerism, according to Ruthy Argumendo, associate vice president of community engagement. Molina gives back to organizations that address one or more of five focus areas, including caregiver support, homelessness, food, literacy and healthy living, she said.

One such organization is the Long Beach AIDS Food Store on Retro Row. “They provide a weekly food distribution for either individuals who have AIDS or have very low means and are very underserved,” she explained. “Through our employee volunteer program called Helping Hands, Molina goes in there and we are there moving boxes [and] filling out these bags and making sure that every individual not only gets a bag of groceries, but also has the opportunity to have an interaction.”

Molina Healthcare has also held book drives, health clinics, and other events in Long Beach to support underserved communities, according to Argumendo. One way the firm gives back monetarily is through its Community Champions Awards Dinner, in which it recognizes individuals who have made a difference in the community and grants each of them $1,000 to donate to the charity of their choice, she noted. Molina’s giving continues to increase, she said.

SCAN Health Plan, a locally based non-profit provider of Medicare plans, not only supports local programs and services that serve seniors and their caregivers, but also runs its own philanthropic programs to serve the community.

One of the major ways SCAN supports the local community is through grants to organizations that provide direct services to seniors, according to Jacqueline Lauder, community giving manager for SCAN. For example, last year the organization gave a $5,000 grant to Ability First to provide warm water therapy to arthritic senior patients, she noted. SCAN regularly sponsors fundraising events for local groups focused on senior care, she added.

SCAN also directly provides services to the community. “Annually, we provide 2,500 meals out in the community on Thanksgiving Day to isolated seniors who would not have a Thanksgiving meal otherwise,” Lauder said. The organization also operates Independence at Home, a program that provides low-cost services as well as a support network to seniors in need, according to Lauder.

Additionally, SCAN’s Volunteer Action for Aging program recruits local volunteers to help community organizations dedicated to senior care, Lauder said, noting that, overall, SCAN’s philanthropic efforts in the community continue to increase.

**Long Beach Salvation Army Receives Donation For Community Center**

By Anne Astley
Staff Writer

The Donald Hunt family gave $5 million to the Salvation Army in Long Beach to fund a new community center, one of the largest private gifts in the city’s history, according to a Salvation Army press release.

The Donald and Priscilla Hunt Red Shield Community Center will include a 20,000-square-foot gymnasium with a basketball court, fitness center, indoor track and studios for classes. It will also feature a 40,000-square-foot athletic field and a senior center. The location was not identified.

“If you are blessed, instead of accumulating wealth and material things . . . you should share,” said Donald Hunt’s widow, Priscilla, at the announcement reception for the gift. Participating in the ceremony were Long Beach Mayor Robert Garcia, 7th District Councilmember Roberto Uranga, City Attorney Charles Parkin and Signal Hill Mayor Ed Wilson.

**Thank you.**

**Your voice makes a difference.**

We believe connected conversations are the fuel for real change in Long Beach. On September 23, 2017 Long Beach residents connected and the Long Beach Community Foundation listened. Survey results from this citywide event are expected by year end.

Stay tuned for how we can use this information to initiate positive change in Long Beach.

**Congratulations to our Philanthropic partners!**

- Since 1989, the Josephine S. Guminber Foundation has sought to enrich the lives of women and children in greater Long Beach.
- 100% of all grant dollars promote equity and empowerment for economically disadvantaged women and children.
- $13 million dollars have been awarded to 1,200 local nonprofits.

**Josephine S. Guminber Foundation**

www.jgf.org
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www.POLB.com
Do We Give To Help Our Hearts Or Our Wallets? The Trump Tax Plan Might Reveal The Answer

By ANNE ARTLEY Staff Writer

When it comes to tax reform, one of President Trump’s stated goals is to give American workers a “raise” by allowing them to keep more of their paychecks. Among other changes, the GOP tax plan calls for the doubling of the standard deduction (a $20,000 deduction for married couples), which would benefit lower- and middle-class taxpayers by essentially eliminating the need for many to itemize deductions, including charitable deductions. But tax professionals and representatives from local philanthropies reported that these changes could remove personal incentives for donating money, thus begging the question: do we give from our hearts or to help our bottom line?

When filing, taxpayers have an option to claim the standard deduction or itemize each deduction, whichever lowers their taxes the most, according to H&R Block. While the plan retains itemized tax incentives for charitable contributions, there is nothing built in to the standard deduction to reward charitable giving. Linda Alexander, executive director of the Nonprofit Partnership in Long Beach, expressed concern that individual contributions would decrease without a personal benefit to the donor.

“We expect nonprofits that get their money from the middle class are going to be hardest hit,” she said. “Most count on the middle-class donor, not big contributions. If I was giving from $50-$250 per year that are the bread and butter of the sector.”

Alexander, whose organization provides support to nonprofits, cited an Indiana University study that predicted tax policy changes could reduce donations by up to 513 percent. She said that, while the holidays may encourage a spirit of giving, she receives an influx of donations in the last few days of the year.

“Where you see incredible spikes in donations that starts in November,” she said. “A good percentage of that is for tax deductions. If it was purely just charitable, I’d imagine giving would be pretty consistent between Thanksgiving and Christmas. Maybe it would even drop off after Christmas, but the giving actually swoops up during the last few days of the year.”

Alexander noted that donors must give within the calendar year to write it off on this year’s taxes.

The largest and most well-known nonprofits already receive a disproportionate amount of funds, and this trend is likely to continue if the GOP tax plan passes in its current form.

“The vast majority of giving in the United States goes to 5% of the largest nonprofits in the country,” she said. “That means there’s a very small amount of money that gets spread across the 1.2 to 1.5 million nonprofits across the country.”

The Josephine S. Gumbiner Foundation Executive Director Julie Meeman said that if individual donations diminished, nonprofits would struggle to replenish resources. She cited statistics from Giving USA: The Annual Report on Philanthropy, that reported 72% of charitable donations are made by individuals while contributions from foundations comprised 15%.

“Then we tax away our limited dollars that we make in grants each year we might skyrocket,” she said. The Gumbiner Foundation supports organizations providing resources for women and children.

St. Mary Medical Center Foundation President Drew Gagner agreed that, while the tax plan could possibly have a “deleterious” impact on charitable giving overall, he does not think it will affect his foundation’s upwards of 2,100 yearly donors.

“I don’t have any proof, but I truly believe most individual charitable donations aren’t typically tied to making a tax deduction,” he said. He added that, “St. Mary’s has been very fortunate. This past year, we raised almost $91.1 million, the year before was about $72.7 million, while six or seven years ago we raised about $4 million per year. Things have been going up progressively for us and we believe that will continue.”

Accounting firm Holthouse, Carlin & Van Trigt (HCVT) partner Blake Christian also said that he did not think most charitable donations were made with a personal incentive in mind; thus, the plan would not have a significant impact, except perhaps among low-income taxpayers.

“My experience with taxpayers is that 80 percent of people are giving for purely philanthropic reasons, so that won’t stop,” Christian said. “I think President Trump certainly has a focus on philanthropic good deeds, so I wouldn’t be surprised if Congress put something in the plan to encourage lower-income people to continue to give.”

In fact, Republican Congressman Mark Walker of North Carolina introduced a bill, the Universal Charitable Giving Act, to establish a charitable deduction for individuals and married couples who do not itemize. Under the proposed legislation, taxpayers can deduct endowments of up to one-third of the standard deduction.

Long Beach Rescue Mission Executive Director Robert Probst called the bill “a very important and welcome development,” in an e-mail to the Business Journal. Probst explained that, while the tax plan could adversely affect donations, the Universal Charitable Giving Act would “help rescue missions coast to coast.”

Probst concluded, “helping lower-income people to continue to give.”

Christian predicted that most of his clients will continue to itemize, and so the change in the standard deduction would not likely affect them or their chances of giving.

In fact, he said another facet of the Trump tax plan could inspire more philanthropic contributions: the removal of the alternative minimum tax (AMT).

AMT taxes certain income of individuals in the highest tax brackets that would not otherwise be taxed and disallows certain tax deductions, to ensure high earners pay at least some income taxes.

“I think people on both sides of the aisle want to see the AMT go away,” Christian said. “It’s very cumbersome and hard to plan around.” He noted that 80% of his clients, who described as “higher net worth,” are subject to this extra tax, and said that it is rare for the tax to apply under the standard deduction. Christian’s clients generally earn a minimum of about half a million dollars per year.

If the AMT were repealed, Christian said, not only would his clients have more disposable income, they could receive a larger tax write-off for any contributions. Christian explained that taxable income under the AMT is higher in most cases, so the majority of his clients end up submitting to it rather than the regular tax. But, while the AMT expands the taxable base, the money is taxed at a lower rate: 28% for the highest bracket versus 39.6% under the current regular tax. Therefore, if the AMT is repealed, benefactors could receive a larger deduction (39.6%) for a philanthropic gift.

“Unfortunately, in the Trump tax proposal, charitable contributions will be more valuable to a large number of higher net-worth people,” Christian said. “It wouldn’t explicitly encourage giving, but just the fact of the AMT going away, and the concept of marginal benefits, might help.”

Jon Coupal, president of Howard Jarvis Taxpayers Association, said he did not think the plan would have any impact on charitable deductions at all.

“I think they’re going to give to whatever they itemize or not. I think most of the charitable giving is done by middle and higher-class individuals so I don’t see that really changing,” he said.

Coupal stated that “the plan is a “step in the right direction” in terms of re-invigorating the economy. Marcelle Epley, president of the Long Beach Community Foundation, expressed trepidation that the administration would set new regulations regarding donor-advised funds (DAFs), a vehicle for giving that she described as “charitable checking accounts.” A DAF is an account opened with a public charitable organization by a donor with an initial contribution. Going forward, the donor directs funds to be donated (“grants”) to charitable organizations of his or her choosing, and may also make more deposits to the DAF. Because the contributions to the account are irrevocable—that is, the donor can’t get the money back—he or she gets an immediate tax deduction.

“Most donors don’t need to file tax forms to pay attorneys for the administration and setup,” she explained. “It’s the easiest and most cost-efficient way to have a family foundation. The donor remains active and involved in the giving and retains the ability to make recommendations as to how grants are made from that fund.”

Epley’s organization focuses on broad charitable contributions throughout the city, rather than on a particular issue. She said that out of the 150 funds the Community Foundation manages, 55 of them are donor-advised.

“There’s a sensitivity being discussed that these DAFs are a ‘placeholder’ for charitable funds, and that the administration is considering figuring out a way to make sure these funds are spending the money and not just holding it there,” she said.

Epley clarified that there are no restrictions on the timing of endowments from donor-advised funds as opposed to private foundations, which are required to distribute 5% of their funds annually.

“We’re a member of the League of California Community Foundations, the advocacy arm working with community foundations all up and down California to communicate that donor-advised funds need to remain flexible and allow people to give in a way that makes sense for them,” she said. “Somebody might be saving to make a large gift, for example. Or a donor might want to build a charitable fund for their children or grandchildren.”

Epley expressed hope that, if there is any change in policy, it will shift in a positive direction for community foundations. Under the Pension Protection Act, individuals who are 70.5 years or older can roll over up to $100,000 from their retirement account directly into a qualifying charity without identifying the funds as income, according to The Council on Foundations, a philanthropic network. Thus, benefactors do not have to pay a tax on their gift. However, the policy excludes donor-advised funds.

The Trump tax plan also proposes removing the estate tax, which applies to transfers of property after death. Under the current framework, charitable bequests made by estates are incentivized because they lower the taxable amount of assets.

“I could see there being a fall-off in legacy giving, and people maybe retaining their assets and passing them on to the next generation,” Christian said. “But my prediction is . . . we’ll retain the estate tax.”

Archstone Foundation’s President Joseph Prevarlat said that, since the plan has yet to become law, it is too early to determine how it will impact the organization, which focuses on supporting the elderly.

“It’s a framework,” he said. “Nobody knows yet how it will appropriately work, or the implications.”

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Focus On Philanthropy
Building strong relationships in our community

The opportunity to show our commitment to our communities means a lot to us. What each of us contributes can, together, make life better for everyone.

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Orthodontics specialist Dr. Howard Lee completed his residency in 2007. In 2009, one of his former professors was preparing to retire and asked Lee to take over his practice, located at 6330 E. Spring St., which he did. “I always wanted to go into the health profession and I had a great experience with my childhood dentist,” Lee said. “I completed dental school and actually worked with my childhood dentist in Chicago for three years. “The practice sees about 40 patients per day, which Lee explained is not uncommon in orthodontics. He suggested that many of the books are donated but new copies of best sellers and new releases are also stocked. Moor said he tried hard to create a “third living room” type of space, which has resulted in book club meetings, poetry readings, children’s events and even a wedding. “I believe a town without a bookstore is really a town without a soul.” For more information, call 562/421-6200 or visit www.seascapeinc.net.

Howard Lee, DMD, Inc.

Seascape Inc.

After long careers in various sectors of the food industry, Kim Schneider and Brian Dunn formed Seascape, a frozen breaded and battered seafood and vegetable provider for restaurants. Twelve years ago, the business relocated to its current site at 6200 E. Spring St. “We really like working with restaurant chains. They’re always looking for the next thing. We just can create right alongside them,” Schneider said. “The chefs have their own ideas and collaborate on those and develop products that are going to work for them – take some labor out of their kitchens, bring in a lot more consistency and food safety.” Along with fish, shrimp, calamari and mussels, the company coats green beans, zucchini, cauliflower, jalapeños, tomatoes, and pickles, and makes onion rings and falafel. The partners have three employees and a small, mobile research and development trailer where they perfect the breads and batters. “We’re working on a new tagline: “The Craft of the Crunch.” We’re OK with fried foods, and most people are, especially vegetables because people are trying to get away from potatoes and French fries and things like that. Something that has fewer calories, that’s a little bit healthier but still tastes great and is craveable. So that’s where our coated vegetables come in.” For more information, call 562/421-6200 or visit www.seascapeinc.net.

Family Floors

Jay and Melissa Glatman are the third generation owners of Family Floors, a flooring company specializing in carpet, hardwood and vinyl tile and plank flooring. Jay’s grandfather started the business in 1952. Jay and Melissa took over the business from Jay’s father eight years ago and opened the business’s first retail store on East Spring Street. Three years ago, the couple opened a second location in Westminster, along with a warehouse. “We’re very competitive with everybody,” Melissa said. “I love the customers and dealing with people on a daily basis.” The couple has 13 employees who rotate shifts between the two locations, with Melissa managing in Long Beach, while Jay manages in Westminster. In recent years, Melissa said carpet sales have declined but are looking back up with the introduction of waterproof carpet. However, she explained the big seller is the vinyl tile and plank floors because they are waterproof, kid-proof and pet-proof. In contrast to their big-box competitors, Melissa said Family Floors is a community-based store. “We treat everyone with the same respect, we give great service, great prices, we take care of our customers. Family Floors is based on a good, honest handshake. We don’t hide anything in our bids. Everything is straightforward.” The store is located at 6447 E. Spring St. For more information, call 562/506-0505 or visit www.familyfloorslb.com.

Gatsby Books

Seven and a half years ago, Sean Moor realized his dream of opening his own bookstore. After filling his garage with books, then a year and a half of searching for the right location, he opened Gatsby Books at 5535 E. Spring St. “Any time I’ve had the chance to travel somewhere else, I always go to the used bookstores in town. I’ve always been on the hunt for things,” Moor said. “I don’t really collect books as much as I used to. I’m just more into the idea of putting the books back into the great stream of books and passing them on to other people.” With around 20,000 titles, Moor explained that his store has the best curated selection of used books for a store its size anywhere in the country. Many of the books are donated but new copies of best sellers and new releases are also stocked. Moor said he tried hard to create a “third living room” type of space, which has resulted in book club meetings, poetry readings, children’s events and even a wedding. “I believe a town without a bookstore is really a town without a soul.” For more information, call 562/208-5862 or visit www.gatsbybooks.com.
Support Local Small Businesses

Paw Shoppe Pet Center

In November 1977, Paw Shoppe Pet Center opened on the border of Long Beach and Lakewood near the intersection of Woodruff Avenue and Carson Street. In the mid-1990s, the store was relocated to its current location at 6416 E. Spring St. Bobby Bilderback began working at the shop around 1992 and in 2004 took over as owner. Bobby married his husband Ted in 2014 and the two have been operating the shop together ever since. “We’re one of the few actual pet stores left in existence. A lot of places are going out of business,” Ted said. “There are a lot of feed stores around but not a whole lot of places that will carry animals anymore, even feeder animals.” The pet store does not carry dogs but sells cats, birds, reptiles, rabbits and even the occasional chicken. The store also sells everything a pet would need, from food to cages to toys to grooming supplies. The couple said the vision of the shop has always been to be community-oriented and educational for customers. “You get more with a pop-and-pop pet store. The customers, the community votes for what’s in here. If they don’t like it, it doesn’t stay,” Bob said. “We don’t have a corporation that tells us what to sell. We sell what the community wants, what they like, what they suggest.” For more information, call 562/425-5131 or visit www.pawshoppetcenter.com.

Grounds Bakery & Cafe

Regina Walter immigrated to the United States in 1990 from Brazil, where she was an attorney, to join her sons, Ronald and Rodrigo, who already lived in the country. In 1993, Regina opened Grounds Bakery & Cafe at 6277 E. Spring St. “We’re basically a 24-hour operation. We make the dough and we bake everything here,” Regina said. “When we open at 5 a.m., everything is fresh baked. There are no leftovers from the day before. Everything that’s left from the day before, we sell half price or donate.” Recently, Regina allowed Ron to step up and take charge of the business and its 34 employees, though she still works mornings to chat with long-time customers and assist with orders. She said the bagels and cupcakes sell well but that made-to-order sandwiches are always the best seller. Regina explained that it has always been difficult competing with fast food chains and that she faced discrimination for being an immigrant and a woman in a male-dominated society. However, she said customers in the area have always been loyal. “This part of Long Beach is kind of a small city. Everybody knows everybody,” Regina said. “A lot of the kids in the old days would call me grandma. It’s kind of a family, even with the employees. We’ve had an employee here since day one, 25 years. That tells you something.” For more information, call 562/429-5661 or visit www.groundscafe.com.

Jax Bicycle Center

Jax Bicycle Center opened near the intersection of Bellflower Boulevard and Spring Street in 1971 by Jack Salem. He moved the store to its current location at 3000 N. Bellflower Blvd. in the mid-1980s to create a state-of-the-art bike shop in the larger space. In March 1999, Dave and Liz Hanson bought the Long Beach location from Jack. “Making people happy, that’s my favorite part,” Dave said. “When you can see that you’ve made a connection with somebody and they have a smile on their face and they are leaving the store pleased, that’s the pinnacle of being in business.” The couple now owns 10 bike shops in four counties, four of which were opened by Jack. The Long Beach shop has 12 employees and offers full-service repairs and maintenance, as well as selling new and used bikes, accessories and apparel. Dave explained the shop strives to provide a 24-hour turnaround on work that comes in, which his team is able to accomplish on most jobs at this point. “Poor health, more people are obese, more people are on medication, more people are not exercising, our roads being full of cars, our smog levels being high — cycling can fix all of those things,” Dave said. “Long Beach has been wonderful in embracing cycling and doing more for our cyclists. It’s a wonderful community built around serving its citizens and I’m proud to have a store in Long Beach.” For more information, call 562/421-4646 or visit www.jaxbicycles.com.
moving along, with several affordable housing developments rising up and two single-family neighborhoods also under construction, to name a few.

Hundreds of thousands of square feet of commercial space are currently under construction or planned as well. Aside from numerous residential projects featuring retail space on the ground floor, Douglas Park construction continues with retail, office and industrial space by Sares-Regis and others, and Southeast Long Beach is also seeing the demolition of the SeaPort Marina Hotel to make way for retailers and restaurants.

For the city to prosper, or be “booming,” Long Beach needs investors who see potential in its future and are willing to take a chance on that future. From large-scale and unique projects the likes of which the city has never seen, to much-needed housing at all levels, the following companies are a few of the many investing in Long Beach:

The companies listed here responded to our questions: Why did your company choose to invest in Long Beach? What about the city’s culture, economics and/or future makes it a good investment?

**Ratkovich Properties**

Broadway Block – One 22-story and one seven-story building at Long Beach Boulevard and 3rd Street, including 392 residential units and 30,000 square feet of restaurant, retail, art gallery and Cal State Long Beach creative space.

“As for many years, dating back to the ’70s, Long Beach was the forgotten city as families migrated from L.A. to Orange County in search of the utopian suburban lifestyle. But today, Downtown Long Beach has been discovered and is in the middle of a dramatic renaissance fueled by the development of over 4,000 new residential units, a new civic center, the repositioning of retail centers, the redevelopment of the waterfront surrounding the Queen Mary, the expansion of the Aquarium, and its appeal to younger urban professionals seeking a creative office setting in the heart of a legitimate city. Combine all of these factors with inspiring and visionary city leadership that welcomes new development, and you have the ingredients for an attractive place for new investment.”

– Cliff Ratkovich, President

**Nexus Development Corporation**

Hampton Inn & Homewood Suites – A 241-room dual hotel concept at Douglas Park with amenities including a lounge area, 1,800 square feet of meeting space, a gym, an outdoor pool and a recreation area.

“For many years, dating back to the ’70s, Long Beach was the forgotten city as families migrated from L.A. to Orange County in search of the utopian suburban lifestyle. But today, Downtown Long Beach has been discovered and is in the middle of a dramatic renaissance fueled by the development of over 4,000 new residential units, a new civic center, the repositioning of retail centers, the redevelopment of the waterfront surrounding the Queen Mary, the expansion of the Aquarium, and its appeal to younger urban professionals seeking a creative office setting in the heart of a legitimate city. Combine all of these factors with inspiring and visionary city leadership that welcomes new development, and you have the ingredients for an attractive place for new investment.”

– Cliff Ratkovich, President

**Urban Commons**

Queen Mary Island – The development of 65 acres of land and water surrounding the Queen Mary. The project includes 700,000 square feet of cafes, bars, retail shops and a 200-room hotel, as well as a boardwalk, a 5,000-seat amphitheater and a 150,000-square-foot indoor adventure park.

“The Long Beach we knew several years ago is drastically different than the one that is emerging today. A growing commercial, cultural and tourism hub, the future has never been brighter for the City of Long Beach. Significant expansions of infrastructure and investment have made this renaissance possible, which in turn is attracting new residents and tourists to the city’s thriving downtown. We were presented with a once-in-a-lifetime opportunity to create a new destiny for the beloved Queen Mary, which serves as an iconic landmark in Southern California. The ship is truly the heart of the community and, through our development and revitalization plans, we hope to enhance the overall experience at the Queen Mary by bringing even more vitality and energy to the area. We are committed to the City of Long Beach and look forward to making Queen Mary a premier destination on the West Coast.”

– Taylor Woods, Principal

**Urbana Development**

The Terminal – Four 25,000-square-foot buildings featuring for-sale office condominiums at Douglas Park.

“As we are currently completing our second hotel project in the past four years at Long Beach Airport, Nexus Development is excited about the revitalization activity continuing in Long Beach. The Port of Long Beach and Long Beach Airport are the big economic drivers and key reasons we chose to invest in the market. In addition, Long Beach’s strategic location between Los Angeles and Orange counties with tremendous freeway accessibility makes a lot of sense. The new city hall project bodes well for the future of the city and will help the downtown core immensely. Specifically regarding Douglas Park, past and present city leaders, along with Boeing, had a grand vision for a large vibrant mixed-use community surrounding the airport and it is great to see it happening. Their combined foresight and years of hard work should be applauded. Nexus is proud to join Sares-Regis, Burnham Ward and others as contributors to the success of Douglas Park.”

– Cory Alder, President

**City Ventures**

Huxton – A 40-unit, four-story townhome development at Broadway and Elm Avenue, featuring an all-electric design for a greener community. The units are expected to be completed in mid-2018.

“City Ventures is an award-winning urban infill developer and builder with a track record of successful public-private partnerships. Huxton is situated on a former underutilized parking lot formerly owned by the City of Long Beach. In partnership with the City of Long Beach, City Ventures designed Huxton and will build the first for-sale new home community downtown in over 10 years. We believe the investment in Long Beach is easy to understand. Long Beach has everything you need to stay local and thrive, as it is the epicenter of diversity. Whether your active lifestyle has you enjoying the bike paths throughout the city on a Saturday, or visiting the local farmers market, Long Beach has it all, and Huxton is at the center of it all. You’ll find numerous venues for live music, performing arts, comedy shows, farm-to-table restaurants, art galleries, and much more, right in your backyard when living in Long Beach. These characteristics align perfectly for what our homeowners are looking for when buying a new home and we can’t think of a better place to invest than in Long Beach. City Ventures is also working on two new communities, again in partnership with the City of Long Beach, on properties at 4800 and 5100 Long Beach Blvd.”

– Joe Otiele, Vice President of Development

**Investors In Long Beach**

(Continued From Page 1)
**Studio One Eleven**

Company headquarters – A 34,000-square-foot creative office space, located at 245 E. 3rd St., shared with its partner company, Retail Design Collaborative.

“‘When our downtown office lease expired in a corporate high-rise last year, we had numerous opportunities to move our headquarters with 135 employees outside of the city. However, we were excited about the evolving downtown with its growing creative class, local and authentic retail and residential base, coupled with an expanding bike and art culture. We have always felt downtown has a great urban infrastructure with the potential to become a vibrant waterfront metropolis. We choose to contribute to this evolution by investing downtown. As architects, urban designers and landscape architects, we were able to practice our mission of repairing cities by moving to an overlooked area in the core and at the same time create an open office environment that supports collaboration, education, sustainability, innovation and community engagement. By investing $2.5 million of our own money in the abandoned Nordstrom Rack, we were able to leverage another $18 million of development within a block of us. We anticipate another $110 million of investment slated for this area over the next few years. We are proud to be a part of the revitalization of downtown. As architects, urban designers and landscape architects, we were able to practice our mission of repairing cities by moving to an overlooked area in the core and at the same time create an open office environment that supports collaboration, education, sustainability, innovation and community engagement. By investing $2.5 million of our own money in the abandoned Nordstrom Rack, we were able to leverage another $18 million of development within a block of us. We anticipate another $110 million of investment slated for this area over the next few years. We are proud to be a part of the revitalization of downtown.”

— Michael Bohn, Senior Principal and Design Director

Co-developers Anderson Pacific LLC and Ledcor Properties Inc., along with their partners Qualico and Lantower Residential

Shoreline Gateway – The sister project of The Current, the 35-story building will be the tallest building in Long Beach. The project includes 221 luxury residential units, 6,367 square feet of retail space and will be linked to The Current by a 10,000-square-foot plaza.

“We chose to develop in Downtown Long Beach because it provides one of the most unique waterfront urban settings in California – walkable amenities, a vibrant downtown, a mix of cultural and recreational amenities, integrated with several modes of public transportation, all within proximity to major employment centers in the region. Downtown Long Beach is strategically located between Downtown Los Angeles and Orange County, providing convenient access to quality jobs throughout the city and region, access to a highly skilled and educated workforce, while providing an urban waterfront lifestyle that is distinctly unique along the West Coast. Following upon the success of our development project, The Current – the first high-rise residential tower built in Long Beach since the Great Recession, and the first rental apartment tower developed since the 1960s – few opportunities for new high-rise waterfront rental apartments remain in the region. We see great potential in the downtown core that continues to attract residents who desire all the qualities this urban waterfront offers. Shoreline Gateway, at 35 stories with 315 luxury apartment homes and 7,000 square feet of retail, will be highly desirable to those who enjoy elevated lifestyles and high-end coastal amenities within an urban experience.”

— Ryan Allison, Executive Vice President of Anderson Pacific, and Jason Silver, Director of Development for Ledcor

**Burnham-Ward Properties**

Long Beach Exchange – A 266,000-square-foot retail center on the southwest corner of Lakewood Boulevard and Carson Street at Douglas Park. Confirmed tenants include 365 by Whole Foods, PetSmart, T.J. Maxx, Orchard Supply Hardware, Nordstrom Rack, Ra Yoga, Orangetheory Fitness, Grit-Cycle, In-N-Out Burger, MOD Pizza and Dunkin’ Donuts.

“We have been focused on investing in Long Beach for many years and have been attracted by its business-friendly culture and business growth. Its strong foundation, central location, port, airport, arts, demographics, history and more will all bode well for its future economic growth, innovation and long-term stability.”

— Scott Burnham, CEO of Burnham USA

**CenterCal Properties**

2nd & PCH – A 245,000-square-foot retail development at the site of the defunct SeaPort Marina Hotel, which is currently being demolished. The project includes, 95,000 square feet of retail space, 70,000 square feet of restaurant space, a 25,000-square-foot fitness and health club and a 55,000-square-foot Whole Foods.

“The City of Long Beach is an amazing community, offering the best residents, location, climate, demographics and attitude that anyone could ask for! Our property at 2nd and PCH will offer a mix of daily needs services such as Whole Foods, along with a great mix of restaurants and retail stores that will serve as a major upgrade to the community and will lead the way for positive change in the area. We look forward to being a part of Long Beach for many decades to come, and to serving the community by providing the very best retail, food and entertainment experience possible.”

— Steve Shaul, Senior Director of Development
The housing crisis plaguing California has been a hot topic in Long Beach of late due to the city’s proposals for the Land Use and Urban Design Elements as part of its General Plan. The proposal calls for increased density to allow for more housing units to help solve the shortage and to alleviate affordability issues.

Already the city has numerous residential developments underway, including two single-family neighborhoods, a 40-unit townhouse complex and numerous multifamily developments. According to city staff, about 1,850 new residential units are under construction or in the planning stages citywide.

“People have delayed leaving their parental homes for the housing market. We’ve seen, in the last three to four years, a pickup in kids moving out of their parents’ house and starting their own household,” Green said. “That means we need more units because there are more people looking to be in households on their own.”

According to a report from the California Association of Realtors, the state’s housing affordability dropped to its lowest level in 10 years, with only 28% of households able to afford the third quarter median home price of $555,680. This is down from 31% of households during the third quarter of 2016. With unemployment in Long Beach at 5.3% as of September and the labor force up 2.4% from last year, Robert Kleinhenz, economist and executive director of economic research for Beacon Economics, said the city is adding jobs more quickly than much of Southern California and the state as a whole.

“So, for housing, it means that potentially we’re seeing increases in jobs and incomes on the part of residents and in turn that’s contributed to a nice increase to the median price of existing homes,” Kleinhenz said.

According to Kleinhenz, the broad picture of the California economy is doing great.”

Kleinhenz added that a property’s time on market is partially due to a sharp decrease in listings, which are down 14% for single-family homes and 27% for condominiums from September 2016 to September of this year. Multifamily housing affordability continues to be a topic of discussion in Long Beach, as the city continues to experience significant rental rates. The sale of multifamily properties remains strong, with higher down payments and many sales occurring off-market, according to local real estate experts.

The industrial real estate market is performing better than any other, with a vacancy rate in Long Beach below 1% and prices continuing to increase, particularly in the city’s marijuana overlay zones. In the South Bay, Kleinhenz noted that industrial rental rates have increased 25.7%, while L.A. County as a whole increased only about 7%. However, Green said the office and retail real estate markets aren’t performing quite as well.

“What’s bad for retail is good for industrial because you need space for all the stuff that’s being sold online,” Green said. “So warehouse distribution centers, the demand for them is just amazing. That’s a particularly important part of the Southern California economy. So that’s doing great.”

The major factor impacting the retail market is the changing landscape, namely stores having to deal with Internet sales. Local experts noted that overall the market has remained flat, with rates downtown around $2.50 per square foot and the suburban market between $2 and $2.25 per square foot. However, increased residential units means more consumers, which bodes well for local retailers and restaurants.

Office space performance is skewed, since creative space is doing well, while traditional space is not, Green explained. He said this is because companies are using less space per worker by utilizing creative space and allowing employees to work remotely, and companies need less storage space because files are saved digitally.

According to local experts, the office vacancy rates in Long Beach were flat, with 14.7% vacancy in the downtown market and 9.7% vacancy in the suburban market. Additionally, the downtown market saw a 1.7% increase in rental rates to $2.39 per square foot, while the suburban market remained at $2.24 per square foot. According to Kleinhenz, the broad picture is that the county, the state and the local economy have effectively hit full employment, which is beneficial to all real estate markets. Because of this, he does not
Local Experience.

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2,115 SF 2-Story Multi-Tenant Office Suites - $1.85/SF (PSO)

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3,105 SF Historical Single Tenant Office Building - $2.10/SF (N/R)

3841 ATLANTIC AVE. - BIXBY KNOLLS
4,700 SF Office/Retail Space - $1.65/SF (NNN)

3868 132ND STREET - HAWTHORNE
4-Unit Multi-Family Property sold for $1,025,000 ($250.68/SF)

717 E. 1ST STREET
4-Unit Multi-Family Property sold for $1,300,000 ($337.84/SF)

1025 LOCUST AVENUE
8-Unit Multi-Family Property sold for $1,220,000 ($223.72/SF)

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It’s “boring but true”: the same market dynamics of low supply and high demand have been driving up sales prices of Long Beach single-family homes for the past few years continue to hold, according to California Association of Realtors President Geoff McIntosh.

Given current demand, all single-family homes listed on the market in Long Beach would sell out within 2,1 months, and all condos would sell within 2.1 months, McIntosh said. “The average number of days on market from list to sell was 29 days. And the average price of a single-family home in Long Beach was $620,000,” McIntosh said.

Both McIntosh and Jones are concerned about tax proposals from the GOP and Trump administration. It has been widely reported that the state and local tax (SALT) deductions and property tax deductions would be eliminated in the House of Represent-ative’s tax bill, which has not been released yet. Both McIntosh and Jones believe this would be detrimental to Cali-fornia homeowners.

In California, we’re really being hit hard if the [tax] plan goes through as proposed,” Jones said. “As it’s proposed right now, they are eliminating the ability to deduct your property taxes, your state taxes, and your local taxes. In other words, it becomes double taxation. So we’re opposing it on that premise for sure,” he said.

For a homeowner who makes $100,000 a year – which is what’s required approxi-mately to buy a median priced home – which is what’s required approximately to buy a median priced home, under current tax law their tax liability would be $9,340. And under proposed law, it would be $10,478,” McIntosh said. “And the more they make, the more it goes up.”

McIntosh noted that homeowners of all income levels would likely be impacted by a proposal to double the standard deduction because it would eliminate the benefit of using the mortgage interest deduction. Those taking the standard deduction cannot use itemized deductions. “About 70% of properties in California have a mortgage,” he noted. McIntosh pointed out that homeowners are staying in their homes longer than was common in prior years. “I came upon a sta-tistic that 74% of people 55 and older have not moved since the year 2000, which means that people are staying in their homes much longer,” he said. “We used to anticipate houses turning every four to five years, and on a statewide basis it’s well over 10 years now. And in coastal California, like Long Beach, it’s closer to 19 years.”

Despite increasing home prices, demand to buy is “still incredibly high,” particularly for entry-level priced properties, McIntosh noted. “In entry-level properties, we can almost count the time on market in hours in stead of days. It’s that bad,” he said. “Now when you move into higher-end inventory . . . of say $1.5 million up, we have a much more normal inventory: probably between six and eight months of inventory in that upper-end property.”

Whirledge said that she does not believe the price appreciation for some, if not all, the Long Beach multi-family market is a “bubble.” “Unlike the 2007 mar-ket where many buyers were over-lever-aged, there are new lending regulation requirements that for the most part prevent that environment – hopefully leading to fu-ture market strength,” she said.

Both McIntosh and Jones are concerned about tax proposals from the GOP and Trump administration. It has been widely reported that the state and local tax (SALT) deductions and property tax deductions would be eliminated in the House of Representative’s tax bill, which he does not recommend in order to get the bill passed. Left: Steve ‘Bogie’ Bagoyova, senior vice president of investments with the Long Beach office of Marcus & Millichap, just sold this 16-unit building at 1211 Magnolia Ave. north of Downey for $2.5 million. (Photographs by the Business Journal’s Brandon Richardson)

(Continued From Page 26)

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(Continued From Page 26)
all, of these properties may be topping out.

“Pricing right now is like a razor’s edge. If you miss price by a little bit over the market, it could sit for a while,” Steve “Bogie” Bogoyevac, senior vice president of investments for the Long Beach office of Marcus & Millichap, told the Business Journal. “I think we have kind of topped out a bit.”

Eric Christopher, senior associate with INCO Commercial, also said that pricing for multi-family buildings in Long Beach seems to be reaching a plateau. “I don’t see wind-fall appreciation happening going forward because the prices have reached a point where the lending parameters are being maxed out,” he said. “We used to be able to sell a building for 25% down. And based on the pricing going where it has, the down payments have increased to 35% to 40% to meet the debt parameters that are required.”

Still, there is room for rental rates to increase, which would add to the value of properties, Christopher noted. “That will organically keep the price going up based on the [rental] income stream. But just from a pure market appreciation, which is [like] the tide, if you will, I think the tide has probably hit the high tide level.”

Robert Stepp, principal of Stepp Commercial, believes that high-quality Class A buildings and good quality Class B buildings with amenities should continue to experience price gains. “We think the A area is going to get even more expensive. We’re seeing some record prices on properties on either the sand or in Belmont Heights/Belmont Shore,” he said.

Mike Toveg, senior vice president of Stepp Commercial, noted that Class C properties, which are of lesser quality, have likely topped out in price. “People are a little more cautious than usual, just because the market is so high,” he said of potential buyers. “For [Class] A and B markets, I think those investors and buyers are willing to stretch a little more than they will on a [Class] C asset.”

All three noted that sales of multi-family properties continue to be strong, with many deals occurring off-market. “There have been more off-market deals now than we have ever seen in my 14 years [in real estate],” Stepp said. “That is the biggest change we have seen this year in how properties are sold: the fact that they are sold off-market. A seller gets a call from an agent who has got an offer, he likes the offer, and they just accept it. It’s that quick.” Stepp said he would prefer sellers consult with a broker and list their property in order to get the best value.

Bogoyevac said he expects current market dynamics to continue, barring any major shift in interest rates or the economy, or a global event such as a conflict.
City Perspective On Housing (Continued From Page 1)

The California Association of Realtors (CAR) estimates that, as of the third quarter of 2017, only 28% of California residents could afford a median-priced home in the state, which goes for $555,680. Just one year ago, 31% of residents could afford a median-priced home. An annual income of $112,100 is necessary to make monthly mortgage payments at 4.16% interest rate for a median priced home, according to CAR. The association’s president, local realtor Geoff McIntosh, estimated that the median price of a single-family home in Long Beach is significantly higher than the state average, at $620,000 as of September.

As of 2016, the median household income in Long Beach was $54,769, according to a report by the Southern California Association of Governments (SCAG). The home ownership rate in the city is 41.4%. The majority of the city’s residents are renters. Long Beach home ownership numbers are far below the state and the nation. According to the U.S. Census Bureau, California’s home ownership rate is 53.5% and for the U.S. it’s 69.5%.

To get a better grasp on the affordability of rental housing, the Long Beach City Council asked city staff in February to conduct research on rental rates and their changes within the city over time and across zip codes. In late September, Long Beach Development Services Director Amy Bodek and Director of Economic Development John Keisler issued a memorandum summarizing the findings of this research.

The Long Beach Economic and Property Development Department entered into a contract with CoStar Group, Inc., a well-known firm commonly used by real estate brokers to gather data about sales and rental prices of residential and commercial properties. Staff used information collected by CoStar to compile their report.

CoStar’s database includes comprehensive rental data for 20% of all multi-family properties and 43% of all multi-family units citywide. City staff analyzed data dating back to 2007 to provide a 10-year perspective on how rental rates have changed by zip code.

Citywide, rental rates for all bedroom configurations have increased by 22.1% in the past 10 years. In the past year, they increased by 4.1%. The zip code with the highest 10-year and one-year appreciation rates was 90808, which is located in the largely suburban area of East Long Beach. The second highest rate of increase was in 90802, which represents the majority of Downtown Long Beach. This is where much of the construction of new, Class A multi-family buildings has taken place within that time frame.

Rental rate increases of individual zip codes in the past year range from 2% to 5.6%. The five zip codes with the most rental units – 90802, 90804, 90805, 90806 and 90815 – experienced rate increases of 3.8% to 5.2%. In one zip code, 90810, rental rates decreased due to acquisition and renewal of affordable housing contracts at two housing complexes, according to the city report.

The vacancy rate for apartment buildings, which reflects how many units are empty and available to rent, is right on the edge of what SCAG considers healthy for cities in its region. The vacancy rate of Long Beach apartments is 4.6%, and SCAG considers a rate of 4.5% to be healthy.

As the city staff report points out, a healthy vacancy rate is necessary to “moderate the cost of housing, allow sufficient choice for residents and provide an incentive for upkeep and repair.” Vacancy rates decrease, “competition for units increases, causing housing prices and rental rates to rise,” the report states.

“The City’s analysis has demonstrated that Long Beach needs a variety of housing choices, from single-family homes and condominiums to rental units for large families, seniors, people with disabilities and other populations,” Bodek told the Business Journal via e-mail. “Since the City cannot manufacture new land, it must balance the need for this type of housing with other land use needs, including job growth, economic development, and the changing retail environment.”

In preparing a report required by the state that assesses “fair housing” in Long Beach, city staff has concluded that 16.2% of renters and 6.1% of homeowners experience overcrowding, according to Bodek. SCAG determines the city’s housing needs, which the city must plan for in the Housing Element of its General Plan. “SCAG has determined that the city’s regional housing needs are 7,048 units through the year 2021,” Bodek said. “The production of these units is allocated across all income levels, including affordable, market and above market rates.”

The breakdown of Long Beach housing needs during the period of 2013 to 2021 is as follows:

- Very low/low income – 2,839 units
- Moderate income – 1,170 units
- Market rate – 3,039 units

Since 2014, Long Beach’s cumulative total of housing starts (data which indicates the beginning of construction) amounts to 1,125 units, according to Bodek. The city would have needed to generate 2,643 housing starts by now to have kept in line with SCAG’s annual goal of 881 housing unit starts.

“Housing production has not kept pace with population changes and preferences of renters, nor has it allowed a reduction in overcrowding to occur. These are some of the factors that contribute to rising rents,” Bodek explained.

“You’re seeing some of that appetite for new apartments,” she said. “In the Sacramento region growth dramatically because they are building a lot more housing, because they have hundreds and hundreds of thousands of acres to build on. That’s not Long Beach,” Garcia said. “We are a built-out community. And so, we will do what we can, but we are not going to have a lot of population growth outside of the downtown area.”

Garcia noted that Long Beach needs more single-family homes, and that two new communities are being built to accommodate those needs. However, he said that most of the city does not have room for such developments.

“We are going to build some more housing in the downtown area and certainly along the Metro where there is some opportunity to build some housing for seniors and young professionals and families. But the rest of the city is pretty much built out,” Garcia said. “I think most of the housing responsibility has got to be with other cities in the state that actually have room. And that’s not us.”

Long Beach Development Services recently finished a series of community meetings to get feedback on the proposed update to the Land Use Element of the General Plan. The element includes changes to allowable land uses and building heights in some areas in part to accommodate housing needs.

“The Land Use Element (LUE) is not a stand-alone document. It must balance housing and employment needs of the city to ensure that the city’s fiscal health remains strong in years to come. It must also address the adopted Housing Element and the city’s adopted Economic Blueprint,” Bodek said. “It does not, however, control market decisions, so there is no guarantee that any development will occur anywhere in the city based on the adoption of the LUE. Rather, the LUE is meant to provide the guidance on where, when and what kind of development the city wants to encourage to meet its housing and economic development goals.”

Garcia has come out in opposition to some proposals in the LUE that would increase allowable building heights in East Long Beach suburban areas. He said that the city must be realistic about where new housing should be created. “There just isn’t a room and it’s really not appropriate to dump and build a lot of housing in much of East Long Beach or the north, since these are residential, suburban communities. But we can and we will continue to build in the downtown. I think that’s where it’s appropriate.”

Garcia noted that, while there is “always more that can be done to address homelessness,” the city is invested in providing services and creating housing for the homeless. “We have one of the most comprehensive villages [aimed at eradicating homelessness] out in West Long Beach in the Villages at Cabrillo, and we’re actively expanding the housing opportunities there for homeless families and homeless veterans,” he said. “And we just built the Mental Health America site there on Long Beach Boulevard north of PCH, which is going to be great. So, we will continue to do what we can. … But it’s just tough. As you know, the rental vacancy market is so tight. It’s tough across the State of California.”

(Continued From Page 29) with North Korea. “We are still seeing...
Commercial And Industrial Real Estate

BY BRANDON RICHARDSON
Senior Writer

As the economy continues its steady upswing, commercial and industrial real estate markets remained relatively flat through the 3rd quarter, according to industry experts. Vacancy rates held or increased slightly, while rental rates increased slightly in some areas. Some experts said the continued development citywide in residential and commercial space is reason to believe the markets are positioned for a bright future.

Office

According to David Smith, senior vice president of CBRE, Inc., both the downtown and suburban office markets were flat in the 3rd quarter. Downtown Long Beach had a vacancy rate of 10.7% for Class A space and 19.1% for Class B space for an overall vacancy of 14.7%. The suburban market fared better, with Class A vacancy at 6.4% and Class B at 12.1% for an overall 9.7% vacancy in the area.

“Everyone thinks that the future of Long Beach is pretty bright from an office space standpoint,” Smith said. “Though, particularly downtown, leasing has been a little slower than most people would have hoped based on a lot of the work that has been done to a number of the buildings.”

Currently, Downtown Long Beach is experiencing a high volume of residential and retail development, which Smith said is important to the office market. He explained that office, retail and residential markets rely on one another – retailers need customers, offices need employees and residents need jobs and goods and services. Therefore, additional residents could be a positive for the office market in the long term.

Despite slow new-tenant activity, Smith said there are some new leases that could be signed during the 4th quarter, including several State of California deals in both the suburban and downtown markets. At 211 E. Ocean Blvd., creative office tenant Pacific Six recently leased 9,000 square feet of office space, which is currently being built out.

“One of the big questions for downtown is Molina Healthcare and what the impact of their current situation is in terms of their layoffs and staff reductions and how that’s going to impact the office market,” Smith said. “The truth is no one knows the impact that’s going to have yet.”

Smith explained that, in the short term, Molina would be vacating space at the World Trade Center, causing vacancy to increase drastically. However, he noted that Molina’s lease in the building was short and never intended for long-term occupation.

Absorption in the downtown market was up from the previous quarter with 47,772 square feet in all classes, according to a 3rd quarter report by Cushman & Wakefield.

The office building at 211 E. Ocean Blvd. is undergoing continued renovations to transform several floors into creative office space with roll-up doors leading to balconies on every floor, operable windows and common spaces, according to Dave Smith, senior vice president of CBRE Group. (Photograph by the Business Journal’s Brandon Richardson)
Phase one of the Terminal at Douglas Park is nearing completion, while crews lay the foundations for phase two. The project consists of 25,000 square-foot-for-sale office condominiums by Long Beach-based Urbanova Development. (Photograph by the Business Journal’s Brandon Richardson)

The suburban market was also up, with a total absorption of 14,846 square feet. The downtown market also saw a 1.7% increase in asking rental rates to an average of $2.39 per square foot, while the suburban market rates remained flat with an average of $2.24 per square foot.

“The market is improving at a steady pace, which is reflective of the overall economy. The office market is fueled by jobs. So, when jobs are created, it creates a demand for office space,” Robert Garey, senior director at Cushman & Wakefield, said. “The stock market is at an all-time high, unemployment at an all-time low. We’re feeling a little bit more bullish about things going forward. It’s kind of a steady market at present and I anticipate it will continue on this path.”

The most notable sale was of 4900-4910 Airport Plaza Dr. to Starwood Capital Group, according to Garey. The building is about 150,000 square feet. He added that nothing significant occurred as far as leases in office space.

Following the announcement of the Trump administration’s tax plan, Garey said it remains to be seen if it would have any impact on the office real estate market. He said that, if it is true tax reform, he hopes companies will reinvest in themselves and employees, which would call for additional office space. However, he noted the plan could end up just being a “remixing of the same ingredients” and have little to no impact.

Industrial

Brandon Carrillo, a principal at Lee & Associates Commercial Real Estate Services, said the industrial real estate market has been performing incredibly, with consistency for the past eight or so quarters. “We continue to see lease rates increase, especially from first quarter of this year to third quarter—lease rates have increased by 10%. We continue to see sale prices increase as well,” Carrillo said. “The volume of sales transactions has jumped immensely considering how we started in the first quarter, which was around $6 million worth of transactions, to this quarter with $316 million worth of transactions.”

According to a Lee & Associates 3rd quarter report, absorption was down from the previous quarter, with 73,064 square feet, and vacancy remained flat at 0.8%. However, with average rents at 91 cents per square foot and sales prices at $171.90 per square foot, Carrillo said the market is strong with no signs of letting up. He added that 1 million square feet of new industrial space is currently under construction in the Los Angeles and Long Beach areas.

One factor maintaining the strength of the industrial market in Long Beach is the diversity of industries in the area, Carrillo explained. He said that, by not relying too heavily on one industry, the market does not take big hits when one sector experiences a shakeup.

“There was a statistic that came out from the federal government between L.A. and Orange counties, we did over $1 trillion worth of gross domestic product. That just puts us on par with New York and Texas and Florida. We’re right behind them,” Carrillo said. “And we’re competing with countries. We’re on par with Mexico and Indonesia. So there’s a lot of business being done in our area.”

The introduction of marijuana operations into the Long Beach industrial market continues to cause a stir, and sales prices for properties within the city’s overlay zones, according to Carrillo. He said the market is seeing up to double or triple the value for these properties from where prices were before the overlay areas were created.

Looking to the future of the market, Carrillo said he expects more of the same. He said the 4th quarter should be strong, and he expects continuing growth persisting into 2018, especially considering the gridlock at the federal government level, which means no major impacts coming to the market.

In addition to record low vacancy rates, Lance Ryan, senior vice president of marketing and leasing for Watson Land Company, said a lack of developable land in the Long Beach and South Bay areas is also a factor when considering rental and sales rates in the market. “So, very tight, very limited in terms of new development as a result of being largely infill property,” Ryan said. “What we’ve seen as a result of that too is that, when there’s developable land available, it also has exceeded the past highs. So we are in record territory for land prices as well.”

Recently, the Carson City Council and planning commission approved a 400,000-square-foot industrial development despite the city’s current development moratorium, according to Ryan. However, he said the problem remains land availability, especially near the Carson City prison. The Republican Congress is spearheading the move, and of course to cut taxes you have to itemize deductions to take advantage of it. The reality is that even for taxpayers of modest incomes—especially those who are self-employed or have a small business—there are many deductions that can be itemized to reduce the tax liability—and the mortgage interest deduction is not going away for them.

The National Association of Home Builders (NAHB) has been front and center with trying to get a housing tax credit added to the new reforms to make up for those that would not find the traditional mortgage deduction useful, and recently appeared to be extremely disappointed that the House Way and Means Committee had removed that provision from the latest draft of the new tax bill. “Lawmakers missed a golden opportunity to give the American people a tax reform package that would boost middle-class families and promote greater housing opportunity for Americans across the economic spectrum,” said Granger MacDonnell, chairman of NAHB. “This plan is particularly disappointing, given that the nation’s home builders warned that the proposal would severely diminish the effectiveness of the mortgage interest deduction and presented alternative policies that would retain an effective housing tax incentive in the tax code. "By sharply reducing the number of taxpaying homeowners who would itemize, what’s left is a tax bill that essentially eviscerates the mortgage interest deduction and strips the tax code of its most vital homeownership tax benefit. This tax blueprint will harm home values, act as a tax on existing homeowners and force many younger, aspiring home buyers out of the market.”

These comments seem extreme given the fact that the mortgage interest deduction has not been eliminated or reduced (at least not yet). Saying that the new legislation, which is expected to lower the standard deduction for those who don’t want to itemize, is going to harm the incentives for housing is like saying that the mortgage deduction incentive is not as powerful as it could be because many homeowners are paying a third less in interest today than in the era when mortgages were at 12% a couple of decades ago.

As long as the mortgage deduction stays intact, the real drivers of homeownership will be healthy housing values and a good job base to support those whose desire it is to own a home. (Terry Ross, the broker-owner of TR Realty Views, will answer any questions about today’s real estate market. E-mail questions to Realty Views at terrynross1@cs.com or call 949/457-4922.)
cially in Carson where much of the land is landfill or has had past petroleum uses.

Another factor keeping available land void of industrial space is the strong demand for paved yard space for truck, trailer and other storage. He said landowners are making enough from those uses that developing the property does not make fiscal sense.

When discussing the prospect of Long Beach and the South Bay losing out on industrial tenants to the Inland Empire, Ryan said it is unlikely simply because of the type of space users want and need.

“What we’ve seen so far is kind of a co-location. Many of our existing customers here in the South Bay have locations out in the Inland Empire,” Ryan said. “When you’re looking at a facility that’s close to the ports, most of the buildings are not going to be racked buildings — there’s a much higher velocity of throughput. Product is floor stacked and it comes in and out very quickly. The reason a company would want to be located here is they can get more truck turns to the port each day.”

While rents in the Inland Empire might be lower, Ryan explained that transportation costs become much higher. He said typically the area houses major distribution centers that have a higher volume but slower throughput velocity, meaning product sits longer.

For Watson Land Company, Ryan said that no notable transactions and deals were made in the 3rd quarter because the company’s 20 million square feet of space in Southern California (11 million square feet in the South Bay alone) is 99% leased, with most tenants opting to renew. He did note the recent sale of the 110-acre former Toyota campus in Torrance to Irvine-based real estate development, investment and management firm Sares-Regis Group.
Steve Olson Discusses Housing Crisis As His Firm Celebrates 30 Years Of Providing Affordable Housing

By SAMANTHA MEHLINGER
Assistant Editor

The Olson Company is a highly-awarded housing developer, as evidenced by this wall in the company’s Seal Beach office lobby. This year, the firm was named the top single division builder in the county by the Orange County Business Journal. (Photo: Samantha Mehlinger)

Steve Olson, founder and chairman of The Olson Company, is greatly concerned that California is turning into a community of “rental rentals due to the affordable housing crisis. His firm has been building affordable communities in the state for 30 years. (Olson Company photo)

FORMED IN 1988, SEAL BEACH-BASED THE Olson Company is celebrating 30 years of providing affordable housing in urban areas. Since it was founded, the company has built more than 400 walkable, transit-oriented communities in more than 100 cities.

Founder and chairman Steve Olson has a varied career before he decided to start The Olson Company, having specialized in investment banking and later working for an aerospace firm that was eventually sold to an international corporation. Upon the sale of that company, Olson formed a board of directors to strike out on his own and, after conducting some market research, decided to form a firm dedicated to building affordable communities.

In the 1970s and ’80s, homebuilders were focused on creating master-planned communities in areas with abundant land such as the Inland Empire and San Fernando Valley, Olson recalled. “If you went to places like Glendale, Pasadena, places in the San Gabriel Valley [or] even places in Central Orange County, we did not have any of those activities taking place,” Olson recalled.

“We had recognized a need in housing in urban and metropolitan areas, and that there were opportunities that were not being met to provide housing,” Olson said.

One of the challenges came with a series of challenges: familiarity with cities’ general and specific plans, which denote allowed land uses and building types; getting entitlements; and understanding the unique needs of each community, Olson explained. Recognizing these challenges, the firm initially hired employees who in many cases had worked for municipal governments.

The Olson Company’s first project was a few duplexes on Balboa Island in Newport Beach. Following that, the company built its first affordable community in Fountain Valley in the early 1990s. “We actually had a complete sellout of that particular community in one hour. It kind of confirmed the niche that we were in,” Olson said.

“When cities learned, and it was very important in this time period, is that to support their retail businesses they needed to have residential that was nearby,” Olson said. “We have actually always tracked a couple of things. Number one, what do cities want to do with their commercial retail base? And the second thing is, where is transit going in the way of light rail?”

The Olson Company began tracking the development of light rail in Southern California, and worked closely with transit agencies and cities in the development of their communities. “I would say we’ve consistently been probably the largest builder of transit stops in the state,” Olson said. “In the early part of our career we were in Northern California and we worked a lot with BART. We also worked in San Diego with their agencies. And here we’ve worked with MetroLink and [other] light rail in terms of transit stops,” he explained.

“When we looked at the grid and where proposed transit stops were going to be, and then we superimposed on that your job base and where employment actually was, we saw a disconnect between where people were living and where jobs were being created,” Olson said.

“If I had to describe what is a quintessential Olson community, it is one that is transit-oriented, it is near retail and amenities, it is entirely walkable,” Olson said, adding that Olson community garages typically accommodate just one car, with some extra space. “It basically is something that is eco-friendly and affordable to a buyer. And it also would be close to jobs so people don’t have to drive very far.” Long Beach has two Olson communities, which are all dubbed “Walks,” including Promenade Walk in Downtown Long Beach and Renaissance Walk along Atlantic Avenue.

The Olson Company uses outside firms to conduct demographic studies of the markets they build in.

“The changes that are occurring are in a way less at the city level and are a lot more at the neighborhood level. Some of these are ethically driven. Some of those are driven in terms of Millennials. It is also age driven,” Olson reflected. The firm commissions the studies to get a better understanding of the patterns of where people work and live, and buyer preferences. “There are probably 90 markets that we study in Southern California today,” he noted.

Moving forward, Olson said the company will continue to work in many of the communities it has in the past, but is also now looking to the South Bay for building opportunities. “If you look at South Bay, there is an employment base there that is strong. Some of that is actually related to the port activities, but there is [also] technology, software and other things that exist in those areas,” he observed. “We look at some of the affordable housing, or lack of affordable housing, in those markets [to see] if there are places that we can actually be helpful to people in terms of providing a home that they can buy.”

One of the challenges of building affordable communities in California is that surrounding higher-income community members often believe they will dilute property values, according to Olson.

“The best long-term property play in a community is one that is well balanced,” Olson continued. It is best to have communities that have entry-level properties as well as higher-value move-up properties for when those homeowners begin earning more money and choose to move up, he explained. “When you get into communities where you’re blocking certain elements like that out, it doesn’t make sense because you hit problems along the way in terms of liquidity. You’re not teeing up the next round of liquidity for somebody that is at a higher price point.”

Olson pointed out that if higher-end communities do not have housing that is affordable for middle or lower wage income earners, the workers who perform important services to the community including police, firefighters and nurses cannot afford to live in the areas they serve.

Olson said he is concerned with the scarcity of affordable housing in Southern California. “I would say housing in Southern California today is really a crisis. It is nothing less than that,” he said. He cited a pervasive homelessness issue in Los Angeles County, as well as the difficulty Millennials have had breaking into rental markets, as evidence of the problem. “Anybody who says it’s not a crisis is not being real about the numbers and what is going on in the communities,” he said.

To tackle this crisis, the magnitude of the problem must be better understood, Olson said. Additionally, he suggested that the state should establish codes and guidelines that would allow any developer whose plans were in compliance to build affordable housing. “You [should] give cities some ability to craft architectural and design needs, because ultimately . . . you want people to have power where they live because they know their communities better than anybody else. But you have got to have things that streamline the entitlement process,” he explained.

“In California, as it relates to housing, we are in a crisis that we can’t wish away. It will not end,” Olson said. While The Olson Company is doing its part to provide affordable housing, he said their approach is not enough to solve the overall crisis. “The long-term implications are that, if you don’t solve it, you’ll have people leave the state. They will be in search of employment and more affordable housing and other places like Texas, potentially Arizona or even potentially the Carolinas or Georgia. And people will just quietly leave.” He emphasized, “California is in jeopardy today. We have to solve the problem.”
Retail

Outside of major development projects moving forward such as Long Beach Exchange at Douglas Park and 2nd & PCH in Southeast Long Beach, Joe Linkogle, vice president of investments at Marcus & Millichap and director of its National Retail Group, said very little has changed in the retail real estate market since the second quarter.

“The market is still good. The only amazing thing that I’m surprised by is there are not more sellers right now because the market is still red hot,” Linkogle said. “I think a lot of that has to do with the fact that property owners are simply doing well. People start thinking about selling when their property is not doing well but the reality is that the time to sell your property is when it’s doing well. You’re not going to sell your car when it’s not running, right?”

In certain areas of the city, such as Belmont Shore, Linkogle said he thinks rental rates have plateaued after steady increases. However, the impacts of the 2nd & PCH development just up the street are yet to be seen, Linkogle explained. One definite impact of the development is Marina Shores Shopping Center losing Whole Foods, which Linkogle said is going to be a tough location to find a tenant for, due to its size.

“Market is still solid.”

Linda Treffry, associate at Coldwell Banker Commercial BLAIR WESTMAC, agreed, describing the retail market as flat. She said rates for retail space in the downtown core are about $2.50, while the suburban market is ranging anywhere from $2 to $2.25. Additionally, she said vacancy rates have increased across the board.

“Everybody is in an area that’s redeveloping, or there’s a lot of change in the downtown core, main because of all the changes happening in the downtown center, and the redevelopment, and new development that’s underway,” Treffry said. “So, we’re positioned well for future growth in the sector, but right now it’s been flat and lagging.”

With more than 2,500 residential units under construction or planned in the city, Treffry said more retail concepts would be attracted to the city due to the increased number of consumers. Along with the city’s persistent development and redevelopment projects, Treffry explained the changing landscape of retail in general is making it difficult for traditional brick-and-mortar stores to survive, mainly due to the Internet.

Because of trends in shopping, Treffry said experiential shopping environments with unique concepts are likely to thrive over traditional stores, as are professional services and boutique gyms – businesses that are resistant to the Internet. This trend is not specific to Long Beach or even California, Treffry explained, but rather to the nation as a whole.

“When they step into a shopping area, consumers want an experience. They don’t want to just go in and purchase an item they have been looking for because they could do that easily online. They want to have an overall experience,” Treffry said. “I look at the success of Belmont Shore and that’s why it has very low vacancy rates with very high rents. It remains to be seen whether it can sustain those high rents. Definitely that mix of tenants is changing.”
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