

Trucking Firm Says City Is Not Business Friendly

Westside Company With 25 Employees And Growing Business Moving To Cerritos

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Bear Industrial Supply and Manufacturing, which has occupied a 17,000-square-foot building in the city's westside industrial area for the past six years, is leaving the city. "We need to grow our facility, because business is growing. The environment in Long Beach is not as business-friendly as it could be, and as a result we wanted to get out of the area. Cerritos provided that opportunity," Kevin Wheeler, chief executive officer, told the Business Journal.

Bear Industrial employs 25 full-time workers. "The city council really has to consider making Long Beach business-friendly," Wheeler added. "There is high unemployment in this state, and you want businesses to stay and [new businesses to] come? Most people we hire here are from Long Beach; if not Long Beach, pretty close. This is where we eat lunch and buy our gas."

The pending Bear move to the neighboring city – and other business moves according to a local broker – comes on the heels of recent action by the Long Beach City Council to require an expensive – estimated at \$11,000 – conditional use permit (CUP) on new or expanding trucking businesses, or if there's an ownership change.

The council vote came following a city staff recommendation that was contrary to what the Long Beach Planning Commission had unanimously recommended.

The trucking issue traces back to December 2008 when the city council adopted a one-year moratorium prohibiting all truck transfer and truck terminals in the general industrial zone, mostly in the city's western and northern areas. In May 2009, city staff recommended to the planning commission that it require CUPs on truck yards located within 300 feet of residential areas. Planning commissioners – all residents of the city – however favored adopting special development standards instead of CUPs and requested city staff to develop those standards for the commission's approval.

In December 2009, the moratorium

expired, but was extended for another year, setting the new expiration date at January 13, 2011.

Planning commissioners twice voted (August 20, 2009, and December 17, 2009) to not require a CUP suggested by city staff due to the cost during these difficult economic times, and again asked staff "to create Special Development Standards for trucking uses" and "to work with the community to strengthen the proposed Standards." On May 20, 2010, the proposed standards were presented to the planning commission. According to the staff report: "After public testimony, the Planning Commission recommended approval of the Standards to the City Council."

The development standards included requiring truck yards to comply with landscaping buffers, block walls, office space, restroom facilities, lighting, etc.

It was unanimous, a 7-0 vote by planning commissioners.

Five months later, despite the lengthy, inclusive process and considerable vetting of the issue with the community and before the commission, city staff told councilmembers at the October 19 city council meeting that a CUP was necessary in order to put some enforcement teeth into the ordinance controlling trucking facilities.

At the council meeting, Assistant City Manager Suzanne Frick explained, "We feel strongly that for this particular type of use that a CUP is the appropriate vehicle for ensuring there is compatibility with the neighborhood and also that we have the opportunity to review things on a case-by-case basis."

According to planning commissioners, since they had already voted on the issue, they were caught off guard by the staff's recommendation and were not aware the item had been agendaized until the day before the council meeting.

Following public testimony, Councilmembers Robert Garcia, Gary DeLong and Patrick O'Donnell voiced concerns about the cost, the approval time of a CUP (Development Services Director Amy Bodek said that if all the paperwork is

in order, it takes six to seven weeks for CUP approval) and the overall impact on small businesses. Frick said the staff would examine the cost and a possible sliding scale and report back to the city council.

Planning Commission Chair Charles Durnin, a 60-year resident, retired physician and former chief of staff and medical director, said, "We want to be friendly, we want to have a nice business area on the westside. There's a fine line between asking someone to pay a lot of money and then in addition, add a bunch of fees to it."

Becky Blair, a planning commissioner and the president and principal Blair Commercial Real Estate, said, "Any barriers to entry, and conditional use permits are always barriers to entry for businesses, need to be weighed against the climate of the real estate market."

Another commercial broker, who did not want to be identified, said, "The problem with a CUP is that it penalizes good companies and is a disincentive for expanding. It's as if city officials don't want businesses to grow."

Brandon Carrillo, from commercial real estate firm Lee & Associates, said the CUP requirements are "bad policy at the worst possible time. I think it's more them [the city] trying to assess fees and trying to get some kind of revenue."

Carrillo has seen an influx of available industrial properties, which were traditionally leased up by trucking companies. The vacant properties not only hurt the property owner, but they also hurt local businesses, he said.

Lee & Associates is the broker for Bear Industrial. Carrillo said he is working with other companies that want to relocate. At press time, deals were still being worked out, so Carrillo would not identify the companies.

"Property owners will spend their money from rent on upkeep of their property and support local businesses. When [they] don't collect rent, they won't be able to do those improvements or spend that money. And then what happens is you end up hurting your city," he said. ■