

Signal Hill Balances Budget, Strives To Move Past Development Difficulties

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After weathering the Great Recession and contending with years of uncertainty, Signal Hill retailers are now reporting an upward trajectory in sales and are optimistic about growing their businesses this year.

“For the first time in several years there is an uptick in sales,” Randy Kemner, owner of The Wine Country on Redondo Avenue, told the Business Journal. “It is encouraging,” he added. He called wine stores “a great bellwether” for economic growth, noting that when the economy is bad, people spend less on wine and spirits, but when the economy improves, people begin spending more on higher-end products such as champagne. Judging by his increased sales, “In the past several months, the economy is really beginning to gain some steam,” Kemner said.

Charles Feder, co-owner of Rossmoor Pastries, located next to The Wine Country, said his business is experiencing growth this year. “We have been on a huge growth path since we moved to Signal Hill. It has been a wonderful environment for our retail business,” he said. Last year, Rossmoor Pastries experienced a 10 percent spike in sales compared with 2012. Feder estimated that revenues should increase between 3 and 4 percent this year. Although not as robust as last year, this rate of growth is within what he considers a healthy range for his business, he said.



Shari Blackwell shows off some of the items she designed in recognition of the City of Signal Hill's 90th Anniversary. Blackwell owns The Undershirt, located at 931 E. 27th St. For more information, visit: www.theundershirt.com. (Photograph by the Business Journal's Thomas McConville)

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The Undershirt, a Signal Hill-based company providing career apparel with custom printing and embroidery options, is experiencing a “much improved” year compared with 2013, according to owner Shari Blackwell. “Not only is business up, but it is holding steady and is not having the big peaks and valleys that it did over the last three years or so,” Blackwell said. “I think the economy is turning around,” she added. While sales have been sporadic over the past few years, activity has been steady since January, she said. “I’m hoping that it will remain steady. I am seeing a lot of my old customers who had scaled back [are now] increasing the size of their orders,” she said.

All three companies are expanding their services this year, with Rossmoor Pastries and The Wine Country adding on to their stores. “We’re meeting with architects right now for plans to expand our craft beer selection, which has been exploding,” Kemner said. “We’re going to be installing a refrigerated beer room.” Last year, the store also expanded its wine tasting area and began offering a new service – wine storage lockers. “We’re at over 50 percent of our capacity,” Kemner said of the lockers. He added that he plans to expand The Wine Country’s gourmet food section this year as well.

Rossmoor Pastries is growing, too. “We’re in the process of building a 5,000-square-foot bakery just to do gluten-free [baked goods],” Feder said. “The shovel should go in the ground in the next few weeks, and we’ll be doing gluten-free both for wholesale and retail,” he explained. He said that the demand for gluten-free foods is “growing like crazy” and called the trend “a growing influence on the way we eat.”

While Blackwell typically sells directly to businesses, this year she is celebrating Signal Hill’s 90th anniversary with a line of apparel available for individuals to purchase at special events and online. “I am doing a dress shirt . . . embroidered with the Signal Hill 90th anniversary logo. I am also doing embroidered picnic blankets, which are perfect for our concerts in the park series coming up,” Blackwell said. “Both of those will be for sale at our big event, which is the city’s celebration and picnic at Signal Hill Park on June 21. I have also created a line of t-shirts for the celebration,” she said. Blackwell is donating 10 percent of proceeds from these items to the Signal Hill Community Foundation.

All business owners expressed their optimism while also acknowledging the operational challenges they currently face. “The challenges for all independent retailers are the

pressures of chain competition. They always have been,” Kemner said. “I like to think that The Wine Country is one of those stores that provide an incredible value to the community by providing an alternative to the cookie cutter mentality of corporate commerce.”

For Blackwell, online competition has become steep. The Internet also poses a challenge in that customers are becoming more accustomed to communicating digitally rather than face to face, she said. “People just don’t have the time to sit and meet with you or even talk on the phone. Everything is email,” she said.

Feder pointed out that a state senate bill that would raise minimum wage to \$11 in 2015, \$12 in 2016 and \$13 an hour by 2017 would create difficulties for Rossmoor Pastries if it is approved. Beginning in 2018, the bill would require minimum wage to be adjusted with inflation. The bill passed the senate in late May and awaits assembly approval. “I will have to reduce my payroll here, which means I am going to have to buy machinery to replace [workers],” Feder said. “We’re talking about [increases of] \$4.50 an hour. I want my people to have a good living wage, but let’s be realistic in terms of how that is going to affect the economy. I think that such a huge leap in minimum wage is going to create less jobs for people.”

In addition to the independent retailers reached by the Business Journal, Signal Hill is home to many franchise and chain retailers, including big box stores like The Home Depot and Costco, which continue to be among the top sales tax revenue generators in the city. ■