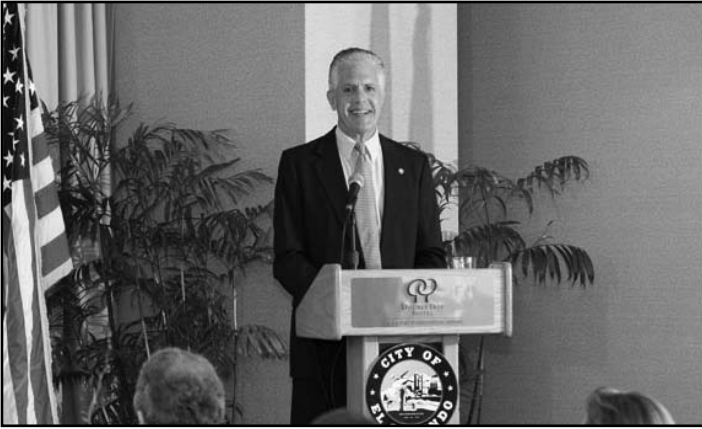


BUSINESS REPORT

The official publication of the El Segundo Chamber



Mayor Kelly McDowell delivers the keynote speech at the annual State of the City Address held May 17 at the DoubleTree Hotel.

Annual State of the City Address

Our Chamber hosted the annual State of the City Address at the DoubleTree Hotel on May 17. Before a large crowd of business and professional representatives, locally elected officials, government and military

personnel, and residents, El Segundo Mayor Kelly McDowell spoke of developments and trends within the city and gave an overview of what lies ahead for the city's economy, businesses and community.

McDowell quipped that, in a city that often appears adverse to change, he was tempted to recycle his speech from last year but said that the many positive changes in the city warranted attention. He outlined a business environment that showed signs of a significant turnaround in the past twelve months and prospects for an improved business outlook in 2006.

McDowell cited several indicators of robust health in the city's economy and business sector, including:

- Over \$117 million in construction activity has taken place in the past year, an increase of nearly 33 percent over the prior year.
- Plaza El Segundo, the new 400,000 s.f. retail center being developed on Sepulveda at Rosecrans, is expected to open in time for the holiday season.
- A new 140-room Homestead Suites hotel is planned for the Sepulveda corridor.
- Grand Park Plaza, a new retail development on Grand Avenue, will open in the next few months and is

See State of the City – page 3

President's Message

There has been so much going on at our Chamber lately. Most recently, we proudly hosted Mayor Kelly McDowell's State of the City address on May 17 at the Doubletree Hotel. Be sure to check out highlights of the Mayor's outlook for business in El Segundo in this issue of *The Chamber Business Report*.

Our Committees are very active and I want to say a word of special thanks to Chad Ceretto, the new chairperson of your Chamber's Ambassador Committee. Chad has been a terrific addition to our volunteer leadership. I encourage you to join Chad and his Committee as they will be assisting at the many great events the Chamber has planned to strengthen membership networking.

Our Assemblymember, Ted Lieu, has been busy looking out for his district and El Segundo. Highlights of a few pieces of his legislative agenda that the El Segundo Chamber is supporting include:

AB 2033: Amendment to Include CEV

This bill extends the Joint Strike Fighter (JSF) wage and property credits to taxable years beginning on or after January 1, 2006, and before January 1, 2011. The wage credit is equal to 10% of qualified wages paid or incurred in connection with an initial contract or subcontract to manufacture property for ultimate use in a JSF. The property credit is equal to 10% of the qualified property placed in service in California.

AB 2032: Increase R & D Tax Credit

Would give all companies that carry out research and development in the state of California (including numerous El Segundo corporations) more incentive and opportunity to continue doing so while spurring investment in new technologies and encouraging innovation. It would also help prevent "drift" of high-end industries to other states and overseas.

AB 1965: Military Pay Day Loan

Allows a service member, or his or her spouse to defer payment



Kim Krantz
President, The El Segundo Chamber

on any deferred deposit transaction agreement entered into by the service member or his or her spouse prior to the service member's deployment.

AB 1950: Financial Education 7-12 Grade

Permits school districts to provide instruction in economics courses related to the understanding of personal finances, including budgeting, savings, credit, and identity theft.

AB 1380: Area Code Conservation and Consumer Protection Act

This bill was created to protect the 310 area code and other area codes in the state from potential splits by establishing guidelines on number conservation, inventory assessment

See President's Message – page 3

President's Circle

Thanks to our generous investors, the President Circle members, for helping the Chamber fulfill its mission:

Diamond

- Boeing
- Chevron Products Company

Platinum

- Mattel, Inc.
- Northrop Grumman

Gold

- DoubleTree Hotel
- Los Angeles World Airports

Silver

- Computer Sciences Corporation
- Continental Development Corporation
- El Segundo Power, LLC
- First Coastal Bank
- Fisher Engineering
- Hacienda Hotel
- MWW Group
- Manhattan Village Shopping Center
- Thomas Properties Group
- Washington Iron Works

Contact Us

El Segundo Chamber of Commerce

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El Segundo, CA 90245
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Fax (310) 322-6880
www.elsegundochamber.org

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**Membership Anniversaries
March, April, May 2006**

The El Segundo Chamber of Commerce wants to acknowledge and send its appreciation to the following Chamber members for their commitment to the community and region through their membership. We are proud of them and appreciate the business you, our readers, give them.

44 YEARS

The Aerospace Corporation

42 YEARS

Douglass Family Mortuary

21 YEARS

American Overseas

Air Freight, Inc.

Continental Development

Industrial Lock & Security

Los Angeles World Airports

16 YEARS

Harbor Federal Credit Union

15 YEARS

Concorde Consulting, Inc.

Embassy Suites Hotel- LAX South

14 YEARS

U.S. HealthWorks Medical Groups

13 YEARS

Air Products & Chemicals

Courtyard by Marriott –

El Segundo/LAX South

Courtyard by Marriott –

LAX/Century Blvd.

First Coastal Bank

Hacienda Hotel

Jim & Jack's Auto Body

Jim Marak- RE/MAX Realtors

Lockheed Martin Corporation

Knights of Columbus

Mary Kay Cosmetics

Mattel, Inc./Mattel Shared

Service Solutions

Meschuk Properties, Inc.

Pacific Corporate Towers

Schofield Realty

Studio Antiques

Tahiti Tourisme

12 YEARS

Summerfield Suites by Wyndham

Travelodge LAX South

C.C. Layne & Sons, Inc.

11 YEARS

Wiseburn School District

Wyant and Associates

10 YEARS

El Camino College

El Segundo Employers Association

WAVE Communications

9 YEARS

Accountemps/Office Team

Bi Pro Computers

Commercial Capital Bank

El Segundo Residents Association

Glentek, Inc

Homestead Studio Suites Hotel

Murad, Inc.

R.O.A.D. – Reach Out

Against Drugs

8 YEARS

American Capital Corporation

BDP International, Inc.

Group 22, Inc.

Kearney Real Estate Company

Konica Minolta Business Solutions

U.S.A., Inc.

McCormick & Schmicks

Seafood Restaurant

RF International

So Cal Escrow

T.G. Construction

Triton Forwarding, Inc.

7 YEARS

Bright Horizons South Bay

Children's Center

6 YEARS

ABD Insurance and Financial Services

Adage Graphics, LLC

Jack Pursell

Upton & Sons

Vox Entertainment

Wayland & Vukadinovich

5 YEARS

1(800) Hang Glide-

Windsports.com

Bob Francis Photography

Cargo Consultants, LLC

Duhaney Home Health Care, Inc.

Embassy Suites LAX North

Innovative Pest Management

MWW Group

Residence Inn by Marriott

LAX/El Segundo

Salomon Smith Barney

Spinners D.J. Service

SpringHill Suites by Marriott

State Farm Insurance- Ed Barnhart

State Farm Insurance-

Julie Warner

4 YEARS

El Segundo Council of PTAs

Mar Ventures, Inc.

St. Michael's Christian Center

Integrated Data Services, Inc.

3 YEARS

Dewey Pest Control

Hoteltravelcheck.com

Impact Mediation

Manhattan Beach Marriott

Merrill Lynch

Morris Architects

U.S. Peace Corps

2 YEARS

AFLAC- Ted Petit

Links Marketing Group

Pacific Imaging

The Great Sepulveda Car Wash

Washington Iron Works

Working Needles

1 YEAR

El Segundo Medical Center

Please be sure to send us your press releases via email at info@elsegundochamber.org or fax to (310) 322-6880

**President's Message
continued from page 1**

and more efficient utilization of telephone numbers throughout the state. It also requires carriers to disclose their inventory of numbers every six months so that the public can get a true assessment of whether an area code is running out of numbers.

AB 208: Children of Military Personnel Preference

This bill requires that school districts give preference to the children of military personnel applying to attend a school outside of their district of residence. This bill will provide greater access to a quality K-12 education for children of military personnel.

Assemblyman Lieu and his talented staff continue to move his agenda forward from their offices here in El Segundo and in Sacramento. I encourage you to drop him a message through his District Director, Rusty Hicks at RustyHicks@asm.ca.gov.

Things are indeed happening at your Chamber and I invite you to take part. Be sure to save July 19 on your calendar for the Chevron Mixer. It will be a great opportunity to network, catch up on the latest committee activities and welcome our many new members.

Kim Krantz
Chamber President

Members are invited to submit your business or event flyers for distribution with our July Business Report. For details and pricing please call (310) 322-1220

For Information on Chamber Membership Call (310) 322-1220

State of the City continued from page 1

expected to bring new retail outlets to the area east of Main Street.

- Downtown businesses are expected to benefit from marketing and promotional campaigns, partially funded by Plaza El Segundo, aimed at stimulating sales in the downtown area.

- Office vacancy rates have decreased steadily and are anticipated to drop to 14 percent, an improvement of approximately 32 percent over the 22 percent vacancy rate in 2004.

- Teledyne will move into a 125,000-s.f. space in El Segundo.

- An unnamed British consumer products company will make El Segundo its U.S. headquarters.

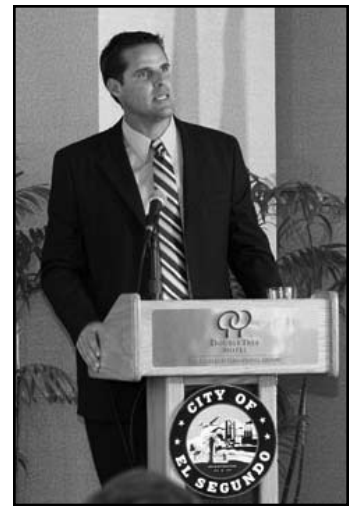
- Toyota Sports Center is negotiating with the Lakers to modify the facility to accommodate a Laker-sponsored minor league basketball team.

- The Douglas Street gap closure project is on time and budget for completion in 2007. The gap

closure, along with the restoration of Nash and Douglas Streets to two-way operation, will improve traffic flow and provide opportunities for development that will, in turn, bring new jobs and revenues to the city.

McDowell said the City's budget will finish with a surplus this year. The surplus will be used to bolster the city's capital and reserve funds that have been underfunded in prior years. McDowell's priorities for the city in 2006 include infrastructure improvements, beefing up disaster preparedness efforts, and improving public safety through increased usage of trained citizen volunteers.

"Whether El Segundo is where you work, where you make your home, or both, our unique quality of life will be ours to enjoy and preserve," McDowell said. "I know of no other city where the sense of community pride is as wide and deep as in our town."



Mayor Pro Tem Eric Busch as Master of Ceremonies at the State of the City Address.

The State of the City Address was co-sponsored by El Segundo Chamber and the DoubleTree Hotel, and Corporate sponsor, Continental Development Corporation.



Quiznos on Rosecrans Celebrates Grand Re-Opening

Quiznos Subs at 2041 Rosecrans in the Continental Center celebrated its "Grand Re-Opening" under new ownership on April 26 with a ribbon-cutting ceremony.

Quiznos Grand Re-opening - (Front row) City Manager Jeff Stewart, Councilmember Carl Jacobsen, Quiznos owners George and Sydne Newberry, and Quiznos associates Mericia Evans, Raynisha Stringer and Ayde Flores. (Back row) Continental Development's Sherry Kramer, Chamber Director Liz West, Chamber associates Denise Wellington and Katie Adams, and Continental Development's Lianne Ibarra.

Calendar of Events

Date	Time	Event	Location
JUNE			
6/13/06	8:30 a.m.	Ambassador Committee Meeting	El Segundo Residence Inn
6/14/06	8:00 a.m.	DESI Committee Meeting	E.S. Chamber of Commerce
06/21/06	8:00 a.m.	Military Affairs Committee Meeting	E.S. Chamber of Commerce
06/26/06	11:45 a.m.	Government Affairs Committee Meeting	Second City Bistro
JULY			
7/06/06	7:00 p.m.	Dodger Day	Dodger Stadium
7/11/06	8:30 a.m.	Ambassador Committee Meeting	Residence Inn El Segundo
7/12/06	8:00 a.m.	DESI Committee Meeting	E.S. Chamber of Commerce
7/18/06	7:30 a.m.	Board of Directors Meeting	Hacienda Hotel
7/19/06	8:00 a.m.	Military Affairs Committee Meeting	E.S. Chamber of Commerce
7/19/06	5:30 p.m.	Chevron Mixer	Chevron Park

New Member Profiles

AUTO ART PRECISION DETAIL

2121 Rosecrans Ave.
Lower Level Parking Structure
El Segundo, CA 90245
Contact: Steven Petersen
Phone: (310) 606-5595
Fax: (310) 606-5694
Email: Steve@autoartdetail.com

Business Category:

Automobile/Automobile Repair

Auto Art offers every aspect of auto appearance care and reconditioning using state of the art methods, materials and tools. At Auto Art Precision Detail you can expect the very best in care for your vehicle and in customer satisfaction.

BEACH CAPITAL FINANCIAL CORP.

1990 E. Grand Ave., Suite 250
El Segundo, CA 90245
Contact: Ala Tabatabai
Phone: (310) 321-7352
Fax: (310) 321-7359
Email: Ala@bcfhomes.com

Business Category:

Mortgage Company

Beach Capital Financial Corp. arranges residential financing.

BANNER STATIONERS

415 Main Street
El Segundo, CA 90245
Contact: Dave Hornbecker
Phone: (310) 726-9002
Fax: (310) 726-9004
Email: bannerstationers@sbcglobal.net

Business Category: Office

Products and Supplies

Banner Stationers is a family-owned stationary and office supply store serving the South Bay since 1957.

BROWNING AND TRUDEAU INSURANCE ASSOCIATES, INC.

360 N. Sepulveda Blvd., Suite 1054
El Segundo, CA 90245
Contact: John F. Fellows
Phone: (310) 406-8448
Fax: (310) 406-8449

Email: fellows@browningtrudeau.com

Web: www.browningtrudeau.com

Business Category: Insurance

Browning and Trudeau is a personal lines only insurance agency and brokerage located in the South Bay and West Los Angeles for over 50 years.

EL SEGUNDO

FOURSQUARE CHURCH

429 Richmond Street
El Segundo, CA 90245
Contact: Nina Thomas
Phone: (310) 322-2637
Fax: (310) 322-3921
Email: Nina@esfoursquare.net
Web: www.esfoursquare.net

Business Category: Church

We are a Bible-based Christian church with a strong community focus for the family, single parents, marriage and parenting training, family activities and outreach. We offer Camp Vacation Bible School, UTURN Youth Program, focus groups, community outreach with "Heroes Night," and "Shorefest" honoring our city and serving where the need is.

HENJUM GOUCHER LITIGATION SERVICES

2041 Rosecrans Ave., Suite 360
El Segundo, CA 90245
Contact: Melissa Card
Phone: (310) 414-9460
Fax: (310) 414-8135

Email: Mcard@henjumgoucher.com

Web: www.henjumgoucher.com

Business Category:

Attorney/Legal Services

Provides litigation services including court reporting, videography, and reprographics.

JP CYBERTECH, INC.

311 Main St., Suite G
El Segundo, CA 90245
Contact: Dr. Jeffry Padin, Ph.P., P.E.
Phone: (310) 433-2864
Fax: (310) 648-7898

Email: jpadin1@earthlink.net

Web: www.cybertech.com

Business Category: Computer Engineering/Consulting

We are a high-tech company that specializes in advanced computers for home, business, car, boat or truck applications. We also do small application designs.

PEGASUS PRESS, INC.

1730 East Holly Ave.
El Segundo, CA 90245
Contact: Michael Jacobs
Phone: (310) 615-0177
Fax: (310) 607-0238

Email: Michael@Pegasus-Press.com

Web: www.Pegasus-Press.com

Business Category: Printing

Pegasus Press is a full service printing company with an emphasis on service. We have the experience and expertise to fulfill all your printing needs quickly, correctly, at a good price and with a smile.

QUIZNOS SUB

2041 Rosecrans Ave., Suite 140
El Segundo, CA 90245
Contact: George Newberry
Phone: (310) 291-0574
Fax: (310) 837-5593

Email: hannibal232@comcast.net

Web: www.Quiznos.com

Business Category: Restaurant

Quiznos is a quick-service restaurant chain that strives to stay ahead of the competition by offering a wide variety of innovative sandwiches, soups, salads, pastries, and now breakfast dishes made with the freshest, highest quality ingredients.

STEWART WESTON BROKERAGE

One World Trade Center #2100
Long Beach, CA 90831
Contact: Laneshia Stamm
Phone: (562) 436-5800
Fax: (562) 495-2111

Email: LStamm@marcusmillichap.com

Web: www.thewestonteam.com

Business Category: Financial Services

Our commitment is to help our clients create and preserve wealth by providing the best real estate investment research, advisory, and transactional services available.

TRILOGY SPA

120 Eucalyptus Drive
El Segundo, CA 90245
Contact: Chandra Shaw
Phone: (310) 416-9111
Fax: (310) 416-1138

Email: chandra@trilogyspa.com

Web: www.trilogyspa.com

Business Category:

Skin Care Services

Trilogy Spa is a full service spa in three locations - Hermosa Beach, Manhattan Beach and Squaw Valley Lake Tahoe - and a corporate office in El Segundo.

STILLPOINT

ACUPUNCTURE & HERBS

333 Richmond St.
El Segundo, Ca 90245
Contact: Joe Curcio
Phone: (310) 335-0073
Email: info@acupoint.net
Web: www.acupoint.net

Business Category:

Health and Fitness

A beautiful and serene natural health clinic located in downtown El Segundo. Stillpoint offers superb acupuncture, dietary counseling, craniosacral therapy, and herbal treatments, along with other complementary modalities that help you to achieve radiant health! We treat a variety of health issues such as digestive disorders (including weight control), asthma/allergies, headaches/ migraines, anxiety, arthritis, and chronic/acute pain, among others.

WORLDWIDE CENTER FOR ORGANIZATIONAL DEVELOPMENT

408 Richmond St., Suite 10
El Segundo, CA 90245
Contact: Dr. Jon Warner
Phone: (310) 606-5688
Fax: (310) 606-5687

Email: joncwarner@aol.com

Web: www.od-center.org

Business Category:

Management Consulting Firm

We provide organizational development solutions to middle-to-large corporations and public sector clients worldwide. We specialize in customized training and educational programs including corporate university installs.

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