

CITY OF LONG BEACH

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DEPARTMENT OF PUBLIC WORKS

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January 7, 2014

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager, or designee, to execute any and all documents necessary for a Supplemental Agreement to Management Agreement No. 21667 with SMG, formerly known as Spectacor Management Group, for the completion of certain capital improvement projects at the Long Beach Convention and Entertainment Center (Center) located at 300 East Ocean Boulevard. (District 2)

DISCUSSION

On September 3, 2013, the City Council, as part of the FY 2014 CIP Budget, appropriated \$4,065,000 from Tidelands oil revenue for high priority capital projects at the Long Beach Convention and Entertainment Center. The State Lands Commission also approved this expenditure on December 2, 2013. The proposed projects include:

Light, Sound Systems & General Improvements (Approximately \$750,000):

As part of the continuing efforts to improve the experience of guests at the facility and to further enhance the appearance and marketability of the various venues, additional lighting and sound equipment will be obtained. By doing so, the facility will be able to activate more areas for use by clients and further increase the capabilities of venues, such as the Terrace Theater, the Center Theater and the Arena.

Arena Entry Enhancement (Approximately \$1,000,000):

To complement the new Pacific Ballroom at the Long Beach Arena, a showcase canopied entrance will be designed and installed. This marquee entrance is planned to include lighting elements that will complement the existing interior and exterior lighting instruments that have already been installed.

Arena Air Handlers (Approximately \$750,000):

Many of the original eighteen air handlers installed in 1962 have been repaired or replaced. This is a continuation of efforts to upgrade all remaining original air handlers. By doing so, the overall functionality and efficiency of the Arena will be greatly improved. This effort will complement the renovation and improvements recently made to the Arena.

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Improvements to Food Services/Special Event Areas: (Approximately \$315,000):

Improvements to the food service and special event facilities will be made to better serve guests visiting the Center. The improvements will include enhancements to the appearance of fixed food service areas (e.g. concession stands) and also obtaining items to further support and service special event areas (e.g. Terrace Theater Plaza, Bogart's, etc.).

General Facility Improvements (Approximately \$1,250,000):

To continue to improve the functionality, operating efficiency and flexibility of the venues, projects include, but are not limited to:

- Replacement of doors and windows around the facility
- Completion of Restroom Renovations at Seaside Meeting Rooms
- Furniture for replacement and/or activation of underutilized areas
- Enhancement of underutilized public areas of the Center

This Supplemental Agreement is required to authorize SMG to manage these capital improvement projects. SMG shall ensure that the bidding process for these projects complies with City regulations and the resulting contracts comply with the State Labor Code, as well as with City's insurance, bond and other performance requirements. SMG shall confirm with the City that the projects are completed according to the terms of the given contract.

This proposed Supplemental Agreement provides only the authorization of SMG to contract for and administer the proposed capital improvements on behalf of the City of Long Beach. No additional compensation is provided to SMG beyond that provided under the existing Management Agreement.

This matter was reviewed by Deputy City Attorney Linda Vu on December 10, 2013 and by Budget Management Officer Victoria Bell on December 13, 2013.

TIMING CONSIDERATIONS

City Council action is requested on January 7, 2014 in order to allow SMG to immediately begin the improvements and to complete them in a timely manner.

FISCAL IMPACT

The \$4,065,000 for capital improvements at the Long Beach Convention and Entertainment Center is funded by Tidelands oil revenue, and is budgeted in the Tidelands Operations Fund (TF 401) in the City Manager Department (CM). This expenditure of Tidelands oil revenue was approved by the California State Lands Commission on December 2, 2013. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.


Respectfully submitted,



ARA MALOYAN
ACTING DIRECTOR OF PUBLIC WORKS

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SMG CIP Program.\$4.065M v2

APPROVED:



PATRICK H. WEST
CITY MANAGER