



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

R-23

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December 2, 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 February 11, 2014, the City Council, as part of a FY 14 quarterly budget adjustment, appropriated \$1,270,000 from Tidelands oil revenue for high priority capital projects at the Long Beach Convention and Entertainment Center. The State Lands Commission approved this funding on April 23, 2014. The proposed projects include:

Security Equipment and Card Reader System (Approximately \$160,000):

To further enhance the overall security of the facility, additional security cameras will be installed in locations that require either replacement of aging equipment and/or were not previously monitored. In addition, other measures to enhance the security of the facility will be installed, such as an electronic card reader system that will eliminate the need for keys to be distributed to staff and/or guests to gain access to areas.

Reception Area Renovations (Approximately \$275,000):

To complement the carpeting and furniture that has been installed in various parts of the Convention Center, wall sconces and artwork will be added. The installation of these items will further enhance the appearance and attractiveness of the Long Beach Convention Center in this highly competitive climate.

Concrete Repairs (Approximately \$100,000):

Due to the passage of time, there is a need to modify/repair concrete areas around the facility that have deteriorated or are in need of modification due to lack of functionality.

Light Fixtures in Exhibit Hall Entry and Arena Lobby (Approximately \$225,000):

The installation of efficient and attractive lighting in the areas adjacent to and in the Arena Lobby, itself, will provide the facility with a competitive advantage. The installation of these new light fixtures will also provide an opportunity to create additional usable space within the facility that can be utilized by clients and guests as part of their event programming.

Meeting Room Chairs (Approximately \$510,000):

Existing meeting room chairs throughout the facility are outdated, of inconsistent style, or are in disrepair. The addition of new meeting chairs and storage carts is not only necessary for effective operation of the event facilities, but will complement recent and ongoing upgrades.

This Supplemental Agreement is required to authorize SMG to manage these capital improvement projects. SMG shall ensure that the bidding process for these projects comply with City regulations and the resulting contracts comply with the State Labor Code, as well as with the 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 for 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 November 4, 2014 and by Budget Management Officer Victoria Bell on November 20, 2014.

TIMING CONSIDERATIONS

City Council action is requested on December 2, 2014 in order to allow SMG to immediately begin improvements and to complete them in a timely manner.

FISCAL IMPACT

The \$1,270,000 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 April 23, 2014.

Due to recent declines in oil prices, there is significant risk that there will not be enough cash from oil revenues to support the FY 15 Tidelands Budget and Capital Plan. As a result, the City Manager will be developing an alternative FY 15 Tidelands Budget and Capital Plan for City Council consideration that defers or reduces the budgets for some projects, and will take into account any updated revenue information and cash flow needs.

Approval of this recommendation will provide continued support to the local economy.

HONORABLE MAYOR AND CITY COUNCIL

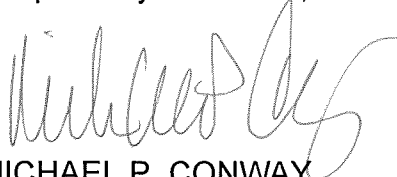
December 2, 2014

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY
DIRECTOR OF ECONOMIC AND PROPERTY DEVELOPMENT

MPC:JMV

APPROVED:



PATRICK H. WEST
CITY MANAGER