



# CITY OF LONG BEACH R-34

DEPARTMENT OF PUBLIC WORKS

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October 19, 2010

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 replacement of seats in the Terrace Theater at the Long Beach Convention & Entertainment Center located at 300 East Ocean Boulevard. (District 2)

## DISCUSSION

The City is the owner in trust of the Long Beach Convention & Entertainment Center (Center), which is comprised of the Arena, Terrace Theater, Center Theater and Exhibition Halls. The City contracts with SMG to operate the Center under Management Agreement No. 21667. Various prestigious conferences have been scheduled for the Center in the near future. These include the Technology, Entertainment and Design (TED) Conference, California Governor's Women's Conference, the Dalai Lama, Tony Robbins, Sesame Street Live, Nutcracker Ballet, Long Beach Symphony and Long Beach Opera. Consequently, it is important that the Terrace Theater provide modern, comfortable and attractive seating, and other amenities for its guests.

Under the Management Agreement, SMG is required to manage, operate and maintain the Center in good condition, as well as to repair and replace damaged or defective Center improvements. Annually, the City allocates Tideland Operating Funds to SMG to make needed repairs and improvements.

The City and SMG have a five-year Capital Improvement Project (CIP) List for the Center. Several significant maintenance and refurbishment projects were completed at the Center in 2009, including elevator repairs, bathroom renovations, carpet replacement, lighting, and safety and security enhancements. Other items remaining on the CIP List include equipment and fixtures that have reached the end of their useful life and are in need of repair or replacement. Accordingly, certain projects were identified and included in the Center's \$3.5 million CIP program for FY 2011, which City Council recently adopted.

One of the most critical items on the CIP List is the immediate replacement of 3,021 seats in the Terrace Theater. These seats were last refurbished in 2000, but are now worn and outdated. The new seating will provide a more competitive venue with other theater complexes in the Southern California marketplace, provide an improved visitor experience at the upcoming prestigious conventions, and further complement the other improvements that were completed at the Center in 2009.

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The estimated cost for the new seating is \$750,000 and will be funded by the Tidelands Fund. It will take approximately eight weeks for the manufacture and installation of the new seats. The target completion date for this capital improvement project is January 31, 2011, in time for the upcoming TED Conference.

A Supplemental Agreement to Management Agreement No. 21667 is required to authorize SMG to manage this capital improvement project. SMG shall ensure that the bidding process complies with all City regulations and that the resulting contracts comply with the State Labor Code, as well as with the City's insurance, bond and other performance requirements. Also, SMG shall confirm with the City that the project has been completed according to the terms of the given contract.

This letter was reviewed by Principal Deputy City Attorney J. Charles Parkin on September 24, 2010 and by Budget Management Officer Victoria Bell on September 29, 2010.

TIMING CONSIDERATIONS

City Council action is requested on October 19, 2010 in order to allow SMG to complete the seating capital improvement project by the January 31, 2011 target date.

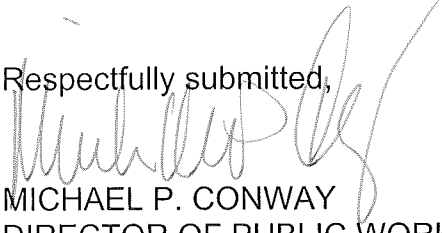
FISCAL IMPACT

The Tidelands Fund is restricted for use only within the tidelands (beaches and waterways) area and cannot be used for other City infrastructure improvements. The Council approved funds for this project in the Tidelands Fund (TF 401).

There is no fiscal impact to the General Fund and no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,  
  
MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

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APPROVED:

  
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PATRICK H. WEST  
CITY MANAGER