



November 13, 2012

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 4, 2012, as part of the annual CIP Budget, the City Council appropriated \$3.9 million for the following improvements to the Sports Arena (Arena), Arena Lobby and Entrance, and other Center improvements:

### **Ongoing Sports Arena Upgrade/Re-purposing Improvements (Approx. \$2,950,000)**

The City's Sports Arena is undergoing a phased improvement so that it can be used as a "Loft Style Ballroom". Aging equipment will be replaced and modernized to maximize the facility's use for special events. The improvements to the Sports Arena will provide attractive modernized event space needed to accommodate larger functions at the Center, and update the appearance and usefulness of the Long Beach Sports Arena.

### **Arena Lobby Entrance Improvements (Approx. \$400,000)**

The Arena Lobby Entrance will be improved to create a more modern and inviting entryway to complement the improvements being made to the Arena.

### **Facility Lighting Upgrades (\$300,000)**

LED Lighting and other technical improvements will be made to the lighting systems at the Center and Arena to improve visibility and reduce power costs.

### **Arena Lobby Area Furnishings (\$150,000)**

New furniture and accessories for the Arena Lobby area to complement the improvements to the Arena and Arena Lobby Entrance.

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 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 contract.

This proposed Supplemental Agreement provides 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 Amy Webber on October 18, 2012 and by Budget Management Officer Victoria Bell on October 26, 2012.

TIMING CONSIDERATIONS

City Council action is requested on November 13, 2012 in order to allow SMG to immediately begin the improvements and to complete them in a timely manner.

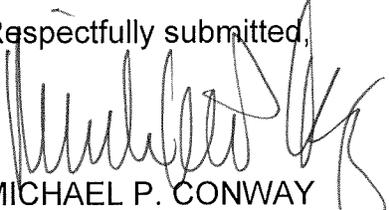
FISCAL IMPACT

The \$3.8 million for these capital improvements at the Long Beach Convention and Entertainment Center and \$100,000 for project management and administration by City of Long Beach staff is funded by Tidelands Measure D 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 May 24, 2012. Approval of this recommendation will provide continued support to the local economy.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



MICHAEL P. CONWAY  
DIRECTOR OF PUBLIC WORKS

MPC:VRV:JMV:jmv  
11.13.12 SMG Supplemental v2

APPROVED:



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PATRICK H. WEST  
CITY MANAGER