



CITY OF LONG BEACH R-21

DEPARTMENT OF PUBLIC WORKS

333 West Ocean Boulevard 9th Floor • Long Beach, CA 90802 • (562) 570-6383 • Fax (562) 570-6012

November 15, 2011

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 located at 300 East Ocean Boulevard. (District 2)

DISCUSSION

On June 7, 2011, the City Council appropriated \$18 million from Tidelands Measure D oil revenue for high priority capital projects, which included \$3 million for the Long Beach Convention and Entertainment Center (Center). The FY 12 Budget includes an additional \$2 million of Tidelands Measure D oil revenue funding for the Center, for a total of \$5 million in improvements that are anticipated to be completed by December 2012.

Despite a highly competitive market, the Center has established itself as a solid convention, meeting and special events venue, and an important destination for visitors in Southern California. Therefore, it is vital to maintain and upgrade these facilities to meet current and anticipated future customer needs. The Center's success in hosting various high-profile events, such as the TED Conference, can be directly linked to the Center's ability to position itself as a contemporary and attractive event location.

The capital improvements to be completed by December 2012 under this Supplemental Agreement generally include:

Mechanical Upgrades (Approx. \$2,925,000):

- Replacement of original hot and cold-water delivery system piping
- Replacement of original hot and cold air ventilation system
- Installation and upgrade of Fire Life Safety system in Arena
- Replacement of old trash compactors
- Redesign Terrace Theater fountain system
- Replacement of Terrace Theater fountain pump system
- Replacement and modification of Arena sewer lines system
- Install security cameras in parking garages
- Replacement of kitchen equipment

- Replacement of heating, cooling and ventilation control systems
- Modification of Arena air conditioning compressors
- Replacement of motor controls in Arena
- Replacement of intake and exhaust fans in Arena

Facility Preservation (Approx. \$950,000):

- Replacement of window blinds in Terrace Theater
- Apply tinted film to glass walls of Terrace Theater
- Repair concrete areas around facility
- Painting of various areas at Center
- Replacement of doors
- Replacement of carpeting, ceiling tiles and lighting in Seaside Meeting Room area

Competitive Facility Upgrades (Approx. \$775,000):

- Modification of indoor/outdoor lighting
- New painting and drapes for Grand Ballroom
- Modification and enhancement of underutilized space within Center
- Installation and modification of way-finding signage
- Renovation of restaurant and dining areas
- Replacement of tables and podiums

Meeting Room Chairs (Approx. \$350,000):

Approximately 4,000 new chairs for meeting rooms and general use.

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 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 letter was reviewed by Principal Deputy City Attorney J. Charles Parkin on October 25, 2011 and by Budget Management Officer Victoria Bell on October 28, 2011.

TIMING CONSIDERATIONS

City Council action is requested on November 15, 2011 in order to allow SMG to immediately begin the improvements and to complete them in a timely manner.

FISCAL IMPACT

The \$5 million for capital improvements at the Long Beach Convention and Entertainment Center 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 October 27, 2011.

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:



PATRICK H. WEST
CITY MANAGER