



CITY OF LONG BEACH **R-24**

DEPARTMENT OF PUBLIC WORKS

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

August 6, 2013

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 and the Long Beach Arena (Center) located at 300 East Ocean Boulevard. (District 2)

DISCUSSION

On February 19, 2013, the City Council, as part of a quarterly budget adjustment, appropriated \$3,831,500 from Tidelands oil revenue for high priority capital projects at the Center. These projects included:

Complete Arena Repurposing & Renovate Seaside Restrooms (Approximately \$1,350,000):

To further increase the functionality and flexibility of the Arena so that it can be utilized by clients as a ballroom, concert venue, convention/exhibit hall, and special purpose venue the purchase of additional items is needed. Potential items to be obtained include, but are not limited to:

- Upgrade lighting and supporting electrical components,
- Install drapes that will allow the venue to be segmented in size,
- Install audio speakers and related equipment.

In an effort to further support the overall functionality of the facility, the restrooms that are located in the Seaside Meeting Room area are in need of renovation. These improvements include, but are not limited to:

- Upgrade lighting and other electrical,
- Replace toilets, faucets and install automated soap dispensers,
- Upgrade existing restroom stall walls and doors,
- Upgrade countertop areas.

Arena Lobby Renovation and Facility Furniture (Approximately \$981,500):

Upgrade the Arena Lobby to complement the Arena Repurposing project by doing additional renovations/improvements including lighting, sound, and furniture.

Arena Air Handlers #1-10 Replacement (Approximately \$1,500,000):

Eighteen air handler units, which are used to condition and circulate air in the Arena, are original units installed as part of the construction of the Arena in 1962, and are reaching the end of their useful life. Approximately half of these air handlers will be replaced.

This Supplemental Agreement is necessary to authorize SMG to manage these capital improvement projects. SMG shall ensure that the bidding process for these projects complies with City regulations and that 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 matter was reviewed by Deputy City Attorney Linda Vu on July 15, 2013 and by Budget Management Officer Victoria Bell on July 19, 2013.

TIMING CONSIDERATIONS

City Council action is requested on August 6, 2013 in order to allow SMG to immediately begin the improvements and to complete them in a timely manner.

FISCAL IMPACT

The \$3,831,500 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 5, 2012. Approval of this recommendation will provide continued support to the local economy.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



ARA MALOYAN, PE
ACTING DIRECTOR OF PUBLIC WORKS

AM:VRV:jmv
08.06.13 SMG CIP Programs.\$3.831M v4

APPROVED:



PATRICK H. WEST
CITY MANAGER