

CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC DEVELOPMENT

R-19

411 West Ocean Boulevard • Long Beach, CA 90802 • (562) 570-6099 • Fax (562) 570 -6380

August 20, 2019

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, a Pennsylvania joint venture, for the completion of various capital improvement projects at the Long Beach Convention and Entertainment Center, at 300 East Ocean Boulevard, in the amount of \$1,000,000. (District 2)

DISCUSSION

On February 19, 2019, City Council approved the use of \$1,000,000 from FY 18 Year-End Tidelands Operating Fund Group surplus for several important projects at the Long Beach Convention and Entertainment Center (LBCEC). The California State Lands Commission (SLC) has been notified of the increase in expenditures for projects at the LBCEC. All SLC requirements have been met and approval by the SLC is anticipated on August 23, 2019. The LBCEC is ready to proceed with the following projects proposed for this appropriation:

Parabolic Aluminized Reflector Light Fixture Replacement (approximately \$60,000):

The Par Cans light fixtures used in the Grand Ballroom, Terrace Theater, and Beverly O'Neill Theater are beyond their optimal useful life and are in need of replacement.

Arena Air Handler Platform Installation (approximately \$55,000):

The Arena air handlers need work platforms for LBCEC Engineers to access the control panels and provide the necessary routine maintenance and repairs.

Concierge Desk Replacement (approximately \$35,000):

The current Concierge Desk in the Promenade is beyond its useful life. LBCEC staff use the Concierge Desk to direct more than 1.4 million yearly conventioners and visitors to restaurants, attractions, and other businesses in Long Beach.

Sound Equipment Replacement (approximately \$200,000):

Sound equipment is needed in the Beverly O'Neill Theater and Terrace Theater to replace equipment that is beyond its optimal useful life. New sound equipment is also needed in "The Cove" to complete the project as a turnkey special events space.

Terrace Theater Sign Replacement (approximately \$150,000):

Replacement of the aging "Long Beach Performing Arts Center" sign on the Terrace Theater is needed to enhance the visibility and marketability of the theater and reduce utilities costs. LED replacement lighting is more cost-efficient and would reduce energy consumption.

Safety and Architectural Lights Installation (approximately \$300,000):

Light fixtures are needed around the facility on the Terrace Plaza, Beverly O'Neill Theater Plaza, and other areas to provide additional lighting for safety.

Furniture Replacement and Reupholstery (approximately \$200,000):

Replacement furniture is needed for furniture that is beyond its useful life. There is also a need to purchase new banquet tables to replace aging inventory. In addition, LBCEC staff have found a cost-effective solution to reupholster some existing furniture inventory.

This Supplemental Agreement is required to modify the Management Agreement to allow SMG to manage these capital improvement projects. SMG will ensure that the bidding process for these projects complies with City of Long Beach (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 will confirm with the City that the projects are completed according to the terms of the given contract.

The proposed Supplemental Agreement provides only the authorization for SMG to contract for and administer the proposed capital improvements on behalf of the City. No additional compensation is provided to SMG beyond that already provided under the existing Management Agreement.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on August 5, 2019 and by Budget Management Officer Rhutu Amin Gharib on August 6, 2019.

TIMING CONSIDERATIONS

City Council action is requested on August 20, 2019, to allow SMG to immediately begin work to complete the projects in a timely manner.

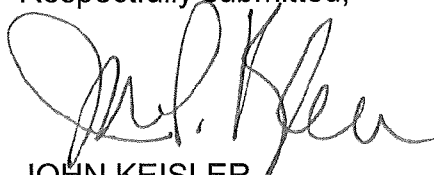
FISCAL IMPACT

The \$1,000,000 for capital improvements at the LBCEC is funded using FY 18 Year-End Tidelands Operating Fund Group surplus and is budgeted in the Tidelands Operating Fund Group in the Public Works Department. The SLC has been notified of the increase in expenditures for projects, and all the requirements have been met and approval by the SLC is anticipated on August 23, 2019. This recommendation has no staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



JOHN KEISLER
DIRECTOR OF ECONOMIC DEVELOPMENT

JK:JMV:LCC

APPROVED:



PATRICK H. WEST
CITY MANAGER