



Legislation Text

File #: 09-0169, **Version:** 1

Recommendation to authorize City Manager to execute any and all documents necessary for the First Amendment to Supplemental Agreement No. 21667 with SMG, formerly known as Spectacor Management Group, and to the Convention and Visitors Bureau 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)

On September 2, 2008, the City Council approved Supplemental Agreement No. 21667 (Supplemental Agreement) between the City of Long Beach and SMG for the completion of certain capital improvement projects at the Center (See attached City Council letter-Exhibit "A"). Among others, these capital improvement projects included upgrading the Terrace Theater's interior elevators, remodeling the Arena and Terrace Theater restrooms, upgrading the Terrace Theater sound system, and the addition of and improvements to electrical lighting at the Center (both to address sustainability objectives and to enhance overall aesthetics).

During the course of construction, it was discovered that further work was necessary to complete certain items on the original project list. This is due to the fact that systems and facilities such as the elevators, lighting and restrooms have not been upgraded in over 35 years. In addition, new repairs were required to address life/safety code violations cited by the Long Beach Fire Department including replacement of approximately sixty (60) doors in the Arena. The additional capital improvement items are listed below:

- Replacement/Upgrade of Facility Doors (Approximately 60)
- Promenade Lobby Passenger Elevator (One)
- Replacement of Rusted and Corroded Elevator Door Sills (Elevator #11)
- Facility Lighting Upgrades and LED Enhancements
- Exhibit Hall A Freight Elevator (One)
- Convention Center Restroom Renovation
- Center Theater Lobby Improvements
- Arena Lobby Banners
- Center Theater Lobby Sheers
- Additional Design Consultation Fees (Terrace & Center Theaters)
- Painting of Terrace Theater Box Office & Columns
- Additional Terrace Theater Plaza Landscaping
- Permanent Refreshment Stands for Terrace Theater (Two Stands)

It is estimated that the above listed items will cost approximately \$1,325,000, and will be funded by the Tidelands Operating Fund and SAP Fund.

In this economy it is vital that the Center and facilities remain competitive. It has been over 35 years since major improvements have occurred. These new and remodeled facilities will allow Long Beach

to remain a contemporary and attractive destination for events such as the TED Conference.

Further, in an effort to complete these projects prior to this year's scheduled events at the Center, a First Amendment to Supplemental Agreement No. 21667 must be entered into authorizing SMG to manage the additional work. As stipulated under the provisions of the Supplemental Agreement, SMG shall continue to oversee the capital improvement projects to ensure the bidding process complies with all City regulations and that the resulting contracts comply with State Labor Code, as well as with the City's insurance, bond and other performance requirements. SMG shall also continue to manage the projects so the improvements are completed according to the terms of the given contract.

In an effort to complete some of the critical improvements in time for the holidays and TED Conference, the Convention and Visitors Bureau (CVB) used their funds to complete certain projects. As part of this action, staff is requesting authorization to reimburse the CVB \$325,000 from the Special Advertising and Promotions (SAP) Fund.

This letter was reviewed by Principal Deputy City Attorney Charles Parkin on January 26, 2009 and Budget Management Officer Victoria Bellon January 27, 2009.

SUSTAINABILITY

The improvements to electrical lighting at the Center helps to reduce energy consumption while providing the same or better quality of illumination. Retrofitting lights is amongst the easiest energy saving options to implement.

City Council action is requested on February 17, 2009, in order to allow SMG to complete the capital improvement projects immediately.

An appropriation increase of \$1,000,000 is requested in the Tidelands Operating Fund (TF 401) in the Department of Community Development for the SMG reimbursement, and \$325,000 in the SAP Fund (SR 133) in the City Manager's Department for the CVB reimbursement. The Tidelands Operating Fund has funds available and is restricted for use only within the tidelands (beaches and waterways) area and cannot be used for other City infrastructure improvements. The SAP Fund is dedicated to special advertising and promotions and currently has fund balance available to support this critical work.

There is no impact to the General Fund.

Approve recommendation.

DENNIS J. THYS
DIRECTOR
DEPARTMENT OF COMMUNITY DEVELOPMENT

APPROVED:

PATRICK H. WEST
CITY MANAGER