



Legislation Text

File #: 22-1311, Version: 1

Recommendation to increase appropriations in the Tidelands Area Fund Group in the Economic Development Department in an amount of \$1,000,000, for various re-opening improvements at the Queen Mary, offset by Fiscal Year (FY) 22 Special Events and Filming revenues designated for this purpose. (District 1)

On June 21, 2022, the City Council authorized a Hotel Management Agreement (HMA) with Evolution Hospitality, LLC (Evolution) for the reopening and operation of the Queen Mary Hotel, attractions, parking, retail, food and beverage services, and ship related events for a period of five years. The HMA included approximately \$2,870,500 in estimated pre-opening and re-opening costs in FY 22 in the Tidelands Area Fund Group. This estimate includes \$1.6 million pre-opening costs for staffing and other approved costs, \$1 million pre-opening improvements for priority visitor-serving projects needed to safely re-open the ship, an 8.5 percent contingency of \$195,500 for additional re-opening needs, and \$75,000 for reopening service fees.

As of October 20, 2022, Evolution has addressed plumbing issues throughout the ship, reinstated internet and Wi-Fi across the entirety of the vessel, begun the process of restoring the ship's handrails, and is actively improving the energy efficiency aboard the ship by installing energy-efficient lightbulbs and fixtures. In addition, Evolution has initiated the replacement of the ship's boilers and the repair/installation of the ship's heat exchangers.

Additional re-opening needs and improvements have since been identified. These needs and improvements will be implemented on behalf of the City of Long Beach (City) by Evolution under the HMA. City Council approval is requested to increase appropriation in the Tidelands Area Fund Group in the Economic Development Department in the amount of \$1 million in support of pre-opening improvements. The requested funding will continue to aid in the restoration of the Queen Mary Hotel, ensuring that amenities and guest experience are of the highest quality. The additional funding will support pre-opening needs include, but are not limited to:

- **Linoleum Flooring & Carpet Repair**

The replacement of linoleum flooring and carpet is needed to improve the aesthetics of the most accessible portions of the ship while remediating risks caused by trip hazards. The linoleum and carpet will be replaced with historically accurate furnishings under the guidance of the ship's Historic Resource Officer. The improvements will ensure that as operations begin to resume, common pathways are free of hazards and accessible to all guests.

HVAC/Refrigeration Repairs

To provide a comfortable experience to Queen Mary patrons, improvements and renovations will need to be done to HVAC aboard the ship. Restoration will ensure that proper heating and cooling are accessible to all portions of the vessel. The kitchen freezers and coolers will be repaired where possible and replaced where needed to ensure the timely reactivation of food services upon reopening.

Elevator Repairs

Repair and renovations are proposed to several existing elevators in an ongoing effort to improve the safety and guest experience at the Queen Mary facility and to maintain multiple options for safe and equitable public access to the ship. The modernization of these elevators will also provide aesthetic improvements, helping ensure a world-class experience for patrons.

Installation of Kitchen Hoods

The replacement of the kitchen hoods is required to obtain compliance and receive certification from the Long Beach Fire Department to resume operations and restore food service provided by the ship's restaurants.

Replacement of Guest Room Locks

To ensure guest safety, the proposed improvements will replace malfunctioning locks in various rooms to provide security to all aboard the Queen Mary.

In addition to the pre-opening costs stated above, improvements related to parking will be coordinated with LAZ Parking, the City's parking operator, and will be brought back to the City Council for review to enhance the parking capability, which is one of the major revenue generators for the ship. Special Events and Filming has facilitated activity on board the ship to help generate additional revenue during the ship's closure. In FY 22, these activities resulted in approximately \$1 million in unbudgeted revenues in the Tidelands Area Fund Group. These revenues were designated to offset re-opening improvements to the extent possible and will be used in support of the needed improvements.

This matter was reviewed by Deputy City Attorney Richard F. Anthony on October 24, 2022, and by Budget Management Officer Nader Kaamouh on October 25, 2022.

City Council action is requested on November 1, 2022, so that the re-opening improvements can begin expeditiously.

The recommended action will authorize an additional \$1,000,000 in estimated re-opening

costs. An appropriation increase in the amount of \$1,000,000 is requested in the Tidelands Area Fund Group in the Economic Development Department, offset by FY 22 Special Events and Filming revenues designated for this purpose.

This recommendation will result in significant staff resources from the Economic Development and is consistent with existing City Council priorities. There is no local job impact associated with this recommendation.

Approve recommendation.

BO MARTINEZ
DIRECTOR OF ECONOMIC DEVELOPMENT

APPROVED:

THOMAS B. MODICA
CITY MANAGER