



CITY OF LONG BEACH

C-8

DEPARTMENT OF PUBLIC WORKS

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March 15, 2011

HONORABLE MAYOR AND CITY COUNCIL
City of Long Beach
California

RECOMMENDATION:

Authorize the City Manager to provide \$100,000 in Fiscal Year 2011, from the Tidelands Operating Fund, toward capital reinvestment opportunities at the Aquarium of the Pacific. (District 2)

DISCUSSION

The Aquarium of the Pacific (Aquarium) is a not-for-profit educational institution that manages and operates the Aquarium on behalf of the City. Now in its tenth year of operation, the Aquarium is committed to maintaining the Aquarium at a high standard of excellence for its guests, employees, and animals from its operating revenues. In addition, the Aquarium needs to present an entertaining and educational experience to every guest in order to ensure that the Aquarium remains a vibrant, healthy asset that delivers educational and economic benefits to the City, its neighborhoods, and the region.

On September 20, 2005, the City Council authorized the execution of an Implementation Agreement, which served to strengthen the Aquarium's ability to secure donations. The Implementation Agreement provided, among other things, a fixed lease payment, a secure parking revenue income stream, a secure operations and maintenance budget, and additional program reinvestment funds, shared with the City, should operating revenues exceed the City-approved budget. The additional program reinvestment funds are intended to address some of the program enhancements identified in the Campus Master Plan (CMP) as a goal to increase revenues.

On November 20, 2007, the City Council authorized an amendment to the Implementation Agreement requesting that the City provide up to \$250,000 annually toward capital reinvestment opportunities, contingent on the availability of Tidelands funds and approval of a number of capital reinvestment projects. Annual City Council approval is required to approve this funding. For this fiscal year, the Aquarium requested an allocation of \$100,000 toward the Aquarium's capital reinvestment program, specifically for the salt-water delivery system.

This letter was reviewed by Chief Assistant City Attorney, Heather Mahood and Budget Management Officer Victoria Bell on February 28, 2011.

TIMING CONSIDERATIONS

City Council action is requested on March 15, 2011 to allow the Aquarium to continue designing and permitting this capital reinvestment opportunity.

FISCAL IMPACT

The Aquarium's request for \$100,000 for this project was approved by the City Council during the budget adoption hearing on September 14, 2010 and is budgeted in the Tidelands Operating Fund (TF40) in the Citywide Department (XC). This will be a one-time action in Fiscal Year 2011. There is no 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