



Queen Mary Operating Agreement & Critical Repair Design Work City Council Meeting

June 8, 2021

Historical Services Provided

- (11) Years
- 500 Employees
- \$65M Annual Revenue
- Hotel accommodations (347 rooms)
- Retail Food and Beverage Including (5) Restaurants
- Banqueting and catering including the famous Sunday brunch
- Special Events
- Tours and attractions
- Event Food and Beverage
- Parking Management
- Property Management
- Engineering and Maintenance
- Security

Caretaker Services

- (6) months with the option of one 6-month extension.
- Estimated \$300,000 per month up to \$2M for each 6-month period (includes utilities, labor, and monthly operator fee of \$20,000).
- Basic and limited safeguard services while closed to the public.
- Prevent material damages and waste.
- Operator is not required to provide any services at or to the Property to the extent sufficient funds are not made available by City.
- Special projects (e.g. landscaping, beautification, security enhancements, reopening preparations, as directed and paid-for by the City).

City Manager Recommendations:

Authorize City Manager, or designee, to execute a contract, and all necessary documents including any necessary amendments, with Evolution Hospitality, of San Clemente, CA, for the continued operation of the Queen Mary, in a total amount not to exceed \$2,000,000, for a period of six months, with the option to renew for one additional six-month period, at the discretion of the City Manager; and

Design Services

- \$500,000 for design services recommended by recent inspection by Elliott Bay Design Group.
- Does not include construction costs (estimated to be \$5M) for critical repairs.
- Projects include:
 - ✓ Temporary Bilge Pump Systems
 - ✓ Alarm System for Water Intrusion
 - ✓ Bulkhead Testing and Repairs
 - ✓ Lifeboat Removal
 - ✓ Electrical Source for New Systems

Design Services

- Design work and construction bids to be completed immediately.
- Temporary work may commence after City receives final decisions about Lease termination from bankruptcy Judge.
- Construction currently estimated to take up to 6 months for temporary systems.
- Ship will remain closed to the public so that repairs can occur quickly and efficiently.
- Goal is to complete emergency repairs by the end 2021.
- Funding decisions on the \$5M will be brought to the Council once the options are identified.

City Manager Recommendation:

Authorize City Manager, or designee, to execute a contract, and all necessary documents including any necessary amendments, with Moffatt & Nichol, of Long Beach, CA, to provide as-needed engineering design services for critical repair work on the Queen Mary, and appropriate up to \$500,000 for this work, offset by the Tidelands Operating Fund Group. (District 2)

Thank you

