



# CITY OF LONG BEACH

# R-19

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

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June 6, 2017

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 certain capital improvement projects at the Long Beach Convention and Entertainment Center located at 300 East Ocean Boulevard, in the amount of \$2,150,000. (District 2)

## DISCUSSION

On April 20, 2017, the State Lands Commission (SLC) approved \$1,465,000 in funding for projects at the Long Beach Convention and Entertainment Center (Center). These expenditures were previously approved and appropriated by the City Council on June 16, 2015 and September 13, 2016. Additionally, an expenditure increase notification in the amount of \$685,000 was presented to SLC, and was approved and appropriated by the City Council on May 23, 2017. The projects proposed for this total appropriation of \$2,150,000 include the following:

### **Fountain Repairs/Enhancements (approximately \$1,500,000):**

As part of the continuing effort to enhance the overall experience for guests at the Center, and to further enhance the appearance and marketability of the facility, significant repairs/upgrades are planned for the fountain located in the Terrace Theater Plaza. These improvements will include specialty lighting and dynamic fountain elements.

### **Terrace Theater Plaza Sound and Lighting (approximately \$300,000):**

To complement the fountain repairs/enhancements, light and sound systems will be integrated into the surrounding Terrace Theater Plaza. These systems will further enhance this marquee location and provide capability to integrate into current and future Center-wide improvements.

**Seaside Way General Improvements (approximately \$225,000):**

Additional lighting, sound equipment, furniture, replacement doors, replacement windows, concrete repairs, and completion of restroom upgrades are needed to address aging facilities. These improvements will enhance the guest experience and activate additional areas for use by Center guests.

**General Facility Improvements – Painting and Repairs (approximately \$125,000):**

Painting and maintenance repairs to flooring and other building facilities at the convention center will enhance the appearance and the marketability of the facility. The painting will also protect and extend the life of the current structure, which will reduce the cost of maintaining the structure over time.

This Supplemental Agreement is required to modify the Management Agreement to allow SMG to manage these capital improvement projects. SMG shall ensure that the bidding process for these projects complies with City regulations and the resulting contracts comply with the State Labor Code, as well as with City insurance, bond and other performance requirements. SMG shall 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 Linda T. Vu on May 23, 2017 and by Budget Analysis Officer Julissa Jose-Murray on May 22, 2017.

**TIMING CONSIDERATIONS**

City Council action is requested on June 6, 2017, to allow SMG to immediately begin work to complete the projects in a timely manner.

**FISCAL IMPACT**

The \$2,150,000 for capital improvements at the Center is budgeted in the Tidelands Operations Fund (TF 401) in the Public Works Department (PW). There is no fiscal impact to the General Fund and no local job impact associated with this recommendation.

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SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,



*for* JOHN KEISLER  
DIRECTOR OF ECONOMIC  
AND PROPERTY DEVELOPMENT

JK:JMV

APPROVED:



PATRICK H. WEST  
CITY MANAGER