



Date: March 11, 2022

To: Thomas B. Modica, City Manager 

From: John Keisler, Director of Economic Development 

For: Mayor and Members of the City Council

Subject: **Queen Mary Reopening Plan Update**

On July 20, 2021, the City Council held a [special meeting](#) to receive and file a [presentation](#) and considered options for Pier H and the long-term preservation of the Queen Mary (Ship). Since that time, City staff and its contractors have been in the process of completing several recommended repairs in anticipation of reopening the Ship later this year. The following memo provides a written update to the City Council and Harbor Commission regarding work completed, reopening plans, and next steps to reopen the Ship to the public later this year.

Background

As the City of Long Beach (City) recovers from COVID-19, reopening the Ship is a critical economic priority for the City and the surrounding region. When open and operating, the Ship is one of the largest economic generators in the leisure, hospitality, and tourism sector drawing an estimated 1.6 million visitors a year to the Ship and surrounding area for a variety of activities and special events. Confirming this immense economic impact, a study completed by Beacon Economics was released in May 2020 ([Queen Mary Economic Impact Report](#)), establishing that spending associated with the Ship supported 1,374 jobs, including 329 jobs onboard the Ship and \$42.7 million in labor income; \$93.7 million in economic output for Long Beach; and, over \$3 million in tax revenue to the City general fund annually. The Ship and surrounding area is a major contributor to the local economy and a critical source of revenue to pay for City services that has been lost while the Ship remains closed.

On June 4, 2021, for the first time in over 40 years, the City of Long Beach (City) regained full control of the Ship and surrounding properties. The City's Department of Economic Development (ED) oversees the financial agreements associated with the Ship, while the Department of Public Works (PW) leads the physical repair and preservation efforts. Over the past two years, while the Ship was closed due to COVID-19 and the resulting bankruptcy of former Lessee Urban Commons, the City has contracted with Evolution Hospitality to provide caretaker services including daily maintenance, security, and oversight of the archive of historic assets aboard the Ship.

Transfer Process

On September 14, 2021, the City Council directed the City Manager to engage in negotiations with the Harbor Department for the transfer of the assets, operations, and control of Pier H from the City Manager to the Harbor Department. Since that time, representatives from the City Manager and Harbor departments have met regularly with tenants, operators, engineering consultants, and special events coordinators, to (a) conduct due diligence, and (b) identify plans for reopening the Ship and transferring oversight to the Harbor Department. The following

provides updates on each of the specific areas highlighted in the September 14th staff report, and recommended transition plans for City Council approval needed to reopen the Ship later this year.

Transfer Approval Process

The City Attorney has confirmed that the City Council will have to vote to transfer the assets and administration of the Ship, adjacent land and other properties to the Port, and the Harbor Commission will have to vote to accept the transfer. The State Lands Commission will not be voting, nor will they have formal approval rights over the transfer. It is always a possibility that the State Lands Commission or other entity could appeal and challenge the transfer process, but it is not anticipated.

Future Oversight

Over four decades, seven private operators managed the Ship and surrounding land via a Master Lease agreement with the City. While this Master Lease model managed to preserve a one-of-a-kind historic asset utilizing private revenues generated on site and limiting the financial exposure to the General Fund, the maintenance and preservation of the Ship has fallen short of City standards and now requires the City to explore a different approach to management, maintenance, preservation, and presentation of the historic Ship. As discussed at the Study Session with City Council and the public, there are certain activities—such as hotel operations, hospitality, and special events—that can be handled by private operators and certain activities—such as historic preservation and capital replacement—that should be handled by City staff. The following roles and responsibilities are recommended for future oversight of the Ship and surrounding area:

- Pier H Bureau Manager: provide strategic planning, contract management, negotiations, financial management, external communications, and human resources for the staff and operators of the Ship and surrounding area. Also, to serve as the asset manager for the Ship and surrounding area.
- Real Estate Project Coordinator: oversee new and existing leases, including Carnival Cruise Lines and Catalina Express, and real estate agreements associated with Pier H and the surrounding areas.
- Development Project Manager: coordinate the real estate-related planning and master development agreement, and RFP for both short- and long-term development of Pier H.
- Queen Mary Analyst: provide day-to-day coordination, budgeting, accounting services, financial reporting, grants management, and contract administration for the Ship, contractors, and other operators.
- Construction Project Manager: provide day-to-day oversight of the construction management plan, maintenance, design, testing, bidding, procurement, inspection, and oversight of construction-related contractors.
- Special Events Coordinator: responsible for coordinating special events and filming activities at the Ship and surrounding areas.

- Other: structural funding will be needed for landscaping, maintenance, security, historic preservation activities, administration, technology, and construction studies ongoing.

Recommendation:

Direct the City Manager to prepare recommendations for City Council and Harbor Commission approval as part of the Fiscal Year 2023 (FY 23) Proposed Budget process, for hiring Pier H Bureau staffing and contractors to oversee reopening, operating, and ongoing maintenance of the Ship and surrounding area, offset by revenue generated by the Ship and surrounding area.

Critical Repairs

As part of the FY 22 budget, the City Council approved \$5.5 million in emergency funding from reserves to complete five key projects identified in recent engineering studies commissioned by the City. Since that time, with the help of marine engineering experts, the City has designed the specifications and layouts for the required repairs and has established key milestones for the project and an anticipated completion date later this year. In December 2021, the City was cleared by the State Lands Commission to use Tidelands funding, as required by State law, which cleared the way for work to begin in February 2022. The following section provides a status report on the critical repairs that are near completion or underway and a timeline for next steps to reopen the historic Ship to the public later this year.

Lifeboat Removal and Preservation

One of the most critical repairs identified in previous engineering survey reports was the removal of deteriorated lifeboats. The lifeboats exert stress on the side shell of the Ship which has created severe cracks in the support system. Removing the deteriorated lifeboats will enhance the structural stability of the Ship. A draft historic assessment was completed in January 2022 and requirements for treatment were developed in accordance with the Secretary of Interior's Standards for Rehabilitation. The City has contracted with Exbon Development, Inc., to remove the deteriorated lifeboats, which will not be retained for preservation on the Ship. The lifeboat removal process is currently underway, and the [City is now seeking bids](#) from qualified non-profits to acquire and preserve lifeboats at maritime museums throughout the country.

Although it is not recommended to restore all the lifeboats, which have different origins and were installed at various times, the City intends to preserve two original lifeboats that are currently in the best condition. Of the 22 lifeboats recommended for removal, 13 lifeboats have been identified as potentially salvageable and will be made available to selected museums, preservation groups, and qualified parties interested in preservation. To promote preservation of the remaining lifeboats, the City is working directly with the [Council of American Maritime Museums](#), which includes membership from 95 organizations dedicated to the preservation of maritime history, who will be sharing the lifeboat RFP with their entire membership as part of the efforts to make the lifeboats available to qualified organizations. Selected proposers must provide evidence of their organization's capacity and experience in preserving historic relics and also provide descriptions of the method(s) in which they intend to preserve the lifeboats. Awardees will need

to execute an indemnity agreement and acquire necessary loading and transportation for the lifeboats they acquire.

Emergency Generator Installation

Although the existing power systems supporting the Ship are very reliable and can safely support guests onboard for tours, dining, and overnight stay, it is very important to provide a reliable backup source of power to support the fire suppression systems, bilge pumps, and emergency response plans in the unlikely event that power systems fail. Currently, the design of the emergency generator and all the mechanical, plumbing, and electrical systems that are tied to the generator are in the design process. The contract to design this new system has been awarded but a timetable for the procurement of the equipment and construction of the support systems will not be available until this design work is completed and bid. There are many factors outside City control including the availability of materials, equipment, and labor impacted by COVID-19 and lingering supply chain issues. Additionally, final approval of this new system will require several regulatory agencies at the local, regional and State level. Staff are recommending that more concrete information is established before an opening date can be established. The entire process is expected to take at least 180 days.

Bilge Pump Installation & Watertight Bulkhead Repair

Upgrading the Ship emergency response systems is another major priority to ensure the safety of guests and support long term preservation. Connected to the emergency generator project but on a separate contract, the City will install new permanent bilge pumps to discharge water intrusion in the unlikely event of flooding. As part of this project, a mathematical model of the Ship was developed to assess the behavior of the Ship in various flooding scenarios. The marine architects used the model to select the strategic locations of bilge pumps and watertight bulkheads that would be needed to safely displace water until it could be removed. The modeling was conducted using the software General Hydrostatics which estimates the stability of the Ship (metacentric height) during each flooding scenario. The fire flood scenario was developed in discussions with the Long Beach Fire Department (FD) and was also used to help inform the updated all hazards response plan.

The result of the model identified the location of 11 bilge pumps and the repair of two critical bulkheads. Once the emergency generator and pump specifications are confirmed, PW will begin the procurement process for critical equipment—generator, bilge pumps, and alarm system—and select a third-party contractor with expertise in this area to complete the installation. The entire process is expected to take approximately 180 to 270 days.

Emergency Fire Response Plan

Updating the emergency fire response plan for public safety personnel once major repairs are completed is another critical task for ensuring the safety of staff and guests prior to reopening the Ship to the public. Staff from several departments, led by the Long Beach Fire Department, have been working closely with expert consultants in emergency response planning to update the training, technology, and response plans for the unlikely event of a major fire emergency. Final plans will be in place prior to reopening and are expected to be ready later this year.

Other Repairs

Earlier this month, the City made repairs to re-light one of the Ship's exhaust funnels, a skyline focal point that is illuminated by several spotlights positioned on the deck. To ensure the safety of the electrical systems and proper functionality of the lights, repair work was done to the surrounding circuits, the electrical timeclock and lighting fixtures. City staff from the Public Works Department (PW) continue to work daily on minor repairs including painting, replacement of lighting, and other maintenance work.

Additionally, Port of Long Beach staff have been working with outside consultants to assess the structural integrity of the Ship which will require draining and testing the ballast tanks located in the hull. These tanks provide weight and stability for the Ship. Although this scope of work is not yet finalized, staff will provide an update to the City Council and Harbor Commission once Port staff have provided an update regarding the process, timing, and cost to complete this task.

Recommendation:

Staff recommend that critical repairs already funded by the City Council be completed prior to reopening the Ship to the public later this year; and, to work with the Harbor Department to identify funding to complete the ballast tank inspection process once a scope of work is available. Regular updates regarding the construction process will be provided to the public via the internet and social media. It is estimated that it will take at least 180 to 270 days to complete this work and that the Ship can be reopened in late 2022.

Historic Preservation Efforts

In the "2009 Inventory Report" prepared by PCR Services Corporation, there are over 4,700 individual items and 2,400 identified items deemed valuable assets on the Ship. These include one-of-a-kind original items that include paintings, sculptures, decorative objects, and utilitarian hardware. Even while closed to the public, the City continues to fund a "Historic Preservation Advisor" to oversee the maintenance and security of the art collection and to provide input to special events, filming, architecture, and repair projects.

As part of the previous study session, the City Council and Harbor Commission directed staff to develop a recommendation for the historic preservation and presentation of the Ship, as well as to explore opportunities for national historic designation. Since that time, there have been several meetings with representatives from the Queen Mary Heritage Foundation (Foundation), Long Beach Museum of Art (LBMA), Museum of Latin American Art (MOLAA), and the California State University Long Beach (CSULB) College of Art and Design, which oversees the historic preservation and museum program at CSULB. Each of these organizations have presented preliminary plans to collaborate with the City on the historic preservation and presentation of the Ship and its historic collection.

Staff are currently refining recommendations for a new organizational structure to oversee preservation and presentation (public education) activities that involves the collaboration of several local cultural institutions. The proposal will include recommendations for both one-time funding for the establishment of new asset management systems as well as ongoing funding for

long-term operations and oversight of the historic collection. Although these recommendations are still under development, staff intend to return to the City Council and Harbor Commission with a final proposal prior to the reopening of the Ship to the public later this year.

National Monument Designation and Historic Tax Credits

Finally, it is recommended that the Foundation dedicated to historic preservation described above prepare proposals for (a) National Monument designation, and (b) historic tax credit status. Both projects will require significant time, expertise, and funding from the City Council to prepare, submit, and advocate for approval by different federal authorities.

Currently, the Queen Mary is designated as a National Historic Landmark. National Historic Landmarks are neither owned nor operated by the Federal Government. The National Park Service offers limited grants and certain tax incentives for National Historic Landmarks. Grants are typically sourced through three main groups: The National Historic Preservation Fund, State Historic Preservation Office, and the Save America's Treasures Grant Program, although funding is typically limited. A 20 percent income tax credit is available for the rehabilitation of historic, income-producing buildings that are determined by the Secretary of the Interior, through the National Park Service, to be "certified historic structures." As a National Historic Landmark, the Ship is considered to be a certified historic structure. The State Historic Preservation Offices and the National Park Service review the rehabilitation work to ensure that it complies with the Secretary's Standards for Rehabilitation. It is recommended that the City hire a consultant with the expertise to prepare and submit an application to designate the Ship as a certified historic structure eligible to receive the 20 percent tax credit in advance of additional investment.

Additionally, it is recommended that the City enter into an agreement with the Foundation, including funding, to prepare an application for National Monument status for consideration by Congress through legislation or by the President of the United States through the use of the Antiquities Act. The National Park Service definition of a National Monument is a "a place of historic, scenic, or scientific interest set aside for preservation." National Monuments are owned and operated by the Federal Government through one or more of the following agencies: The National Park Service, Fish and Wildlife Service, Bureau of Land Management, and National Oceanic Atmospheric Administration. To be considered for National Monument status, the City and its partners would identify a responsible party to conduct research, prepare a compelling proposal, and engage the legislative resources of the City to seek approval for National Monument Status (including ongoing funding for operations and maintenance), from Congress or the President of the United States for approval.

Recommendation:

Authorize the City Manager to negotiate a memorandum of understanding with the Queen Mary Heritage Foundation and its partners to provide education, outreach, and fundraising services for the historic preservation and presentation of the Ship to the public; to pursue National Monument and Historic Tax Credit designations in partnership with the City; and, to identify both one-time and ongoing funding to support these activities; and, to bring back these recommendations for approval by the City Council and Harbor Commission.

Reopening Plan

Reopening the Ship after critical repairs are completed will take several months of negotiation, hiring, and preparation to ensure that the Ship is ready for guests after several years of caretaking. In addition to the negotiation, approval, and execution of an operating agreement with a hotel and hospitality provider, there are several non-structural repairs to the systems that support hotel rooms, restaurants, and event spaces (e.g., boilers, chillers, fire suppression, HVAC, etc.), that will require repair and replacement. These internal systems and tenant improvements will likely take several months and will require funding in addition to the structural and safety repairs that are currently underway.

Although a traditional RFP process is recommended to establish the long-term hospitality manager for the Queen Mary Hotel, restaurants, and event spaces, City Council has provided direction to the City Manager to reopen the Ship to the public as soon as possible. It is estimated that a traditional RFP process will take approximately 12 months to complete and another three to six months for a new operator to open to the public. In an effort to fulfill this requirement and to reopen the Ship later this year, staff recommend to City Council and the Harbor Commission, a short-term Hospitality Management Agreement (HMA) with an experienced operator for the immediate reopening and operation of the Ship—including termination options for each year of operation—for a period not to exceed five years with options to extend. Additionally, as part of the HMA, the operator will be required to (a) recall and rehire hotel and event staff impacted by the COVID-19 closures, (b) efficiently re-establish mechanical systems needed to operate the hotel and visitor-supporting spaces, and (c) present a detailed plan, including financial projections, to reopen the Ship later this year.

Finally, any final agreement to reopen the Ship or surrounding areas to visitors will require public review, Harbor Commission consent, and City Council approval at an open meeting of the City Council.

Recommendation:

To begin the process of reopening the Ship to the public for special events and hospitality by the end of 2022, authorize the City Manager and Harbor Department staff to engage with a qualified hotel operator, familiar with the unique aspects of the historic Ship, to negotiate a short-term agreement to reopen and operate the Ship for an initial term of five years with the option to extend for up to two additional one-year terms at the discretion of the City Manager or designee, and to return to the City Council and Harbor Commission for final approval.

Landscaping & Maintenance

Maintaining a higher standard of landscaping and maintenance is critical for attracting visitors, tenants, and special events to the area surrounding the Ship including Harry Bridges Park, the Scottish Village, and the Dome. Past operators have been responsible for maintaining the parks, parking lots, and other infrastructure. However, there have been complaints from both existing tenants including Carnival Cruise Lines and the community about the level of care for such a highly visible and highly-used hospitality and entertainment district along the city waterfront. City staff have been working closely to identify different models for ongoing landscaping and

maintenance and have identified a City contractor responsible for the higher level of service along the City waterfront to bring the area surrounding the Ship to the same standard of Rainbow Harbor.

Recommendation:

To reopen the area surrounding the Ship to a higher volume of special events, increased passengers on Carnival Cruise Lines and Catalina Express, and expanding the number of visitors to the Ship in 2022, authorize the City Manager and Port staff to engage with existing City contractors to negotiate a short-term agreement for an initial term of five years with the option to extend for up to two additional one-year terms at the discretion of the City Manager or designee, and to return to the City Council and Harbor Commission for final approval.

Outstanding Deposits

As part of the Ship closure and subsequent bankruptcy of the former operator due to COVID-19, city staff was able to identify approximately \$470,000 in deposits for 97 individual social and wedding events that never occurred. Although many depositors filed claims directly with the bankruptcy court, it is unknown if they will ever be reimbursed for lost deposits.

As previously shared with the City Council and Harbor Commission, deposits were collected by the now bankrupt operator and the City does not have the ability to collect and reimburse these funds on behalf of the depositors. Meantime, City Attorney continues to explore legal options for both depositors and the City and staff continues to work with current caretaker Evolution Hospitality to: (a) rebuild historical records, (b) develop options for depositors to reschedule events once the Ship is reopened, and (c) assess options for City Council consideration to offset financial impacts to individuals and organizations impacted by the Ship closure and subsequent bankruptcy.

Recommendation:

As part of the reopening plan, staff will identify options for City Council review and approval, to assist approximately 97 depositors with social and wedding events once the Ship is reopened in late 2022.

Scorpion Submarine

Although not included in the original list of critical repairs approved by the City Council, the removal of the privately-owned Scorpion Submarine has been identified as a top priority for long-term preservation of the Ship. The City, through legal counsel, is attempting to have the owner of the Scorpion Submarine remove the abandoned submarine. The City Attorney has issued several written demands to the submarine owner to remove its submarine, but the owner has failed to respond and attorneys representing the owner have not responded to several attempts to discuss the matter. Given these efforts, the City may consider the property abandoned and file a lawsuit against the property owner seeking removal of the submarine and/or damages resulting from the failure to do so.

Meantime, the City need not wait for the lawsuit to be filed or resolved and several actions are recommended to both secure the submarine and prepare for its removal. As part of this process, City staff requested engineering consultant Moffatt & Nichol to summarize potential alternatives for the removal of the submarine. Although a detailed assessment has not been initiated, options to be evaluated include bringing the submarine onto land for dismantling in a laydown area adjacent to her berthing or towing the submarine to another location for recycling. The landside removal approach has been recommended because it presents less potential for pollutant release and less disruption with Catalina Express or surrounding tenant operations but may be costly.

Recommendation:

As part of the reopening plan, staff will identify options for City Council review and approval, to complete a feasibility study of removal options, costs, and potential funding sources for the removal of the Scorpion Submarine and continue legal process to compel its removal or reimbursement of costs by the owner.

Maintenance and Preservation Plan

In June 2021, engineering consultant Moffatt & Nichol provided the City Council and Harbor Commission and public an overview of options for the long-term preservation of the Ship including dry docking the Ship for periodic hull repair. At that study session, the City Council directed the City Manager to further explore these options and to complete a full assessment including summary of activities, costs, logistical, technical, social, environmental concerns. PW and its consultants are in the process of developing that scope of work. In addition to the long-term preservation plan, staff prepared a request for proposals (RFP) for long-term maintenance of Ship. Although the RFP to prepare this plan is ready to go, staff and consultant resources have been focused on completing the critical repairs described above and will issue the RFP once the new systems are in place.

Recommendation:

Once critical repairs are completed, staff will update the (a) RFP for long-term maintenance of the Ship, solicit proposals, and bring recommendations to award the contract for ongoing maintenance, and (b) complete the scope of work for the long-term preservation study, and bring both recommendations to award the contracts to the City Council and Harbor Commission for approval.

Special Events

Under the Master Lease Agreement, special events and filming activities—and associated revenues—were marketed and managed by the Lessee. Now that the City has regained control of the Ship and surrounding property, there is tremendous opportunity for the City and the public to directly benefit from the activation and revenue creation at the Ship and surrounding property. With direct control of these activities, significant new revenue can be invested into visitor-serving infrastructure, beautification, and historic preservation of the Ship.

A limited amount of private filming activity has continued on the Ship and surrounding property throughout COVID-19 while the Ship has been closed to the public, outdoor concerts and special events open to the public have recently resumed—managed by City Special Events and Filming permitting staff—and consistent with public health order requirements. Already projected for FY 22 are over 20 special events and filming permits and nearly \$2.2 million in revenue to the City that can be used to offset operations, maintenance, and other investments in the Ship. To maximize the number of available days and revenue generating potential of Pier H, long-term contracts for promoting the site is recommended in the coming year.

Recommendation:

Once construction around the Ship is completed, staff will issue an RFP, solicit proposals, and bring recommendations to the City Council and Harbor Commission to award contracts for the exclusive marketing, promotion, management and booking of special events on land surrounding the Ship.

Other Funding Sources

After 40 years of private management, the City now has responsibility for the maintenance, security, and financial management of approximately 25 acres of property including the historic Ship. Although there are many costs associated with directly managing such a large area there are also many opportunities for revenue development and public benefit. Over several months, staff have been working closely with existing tenants and partners to assess the fiscal impacts of recovering Pier H and the historic Ship. The following section discusses several funding opportunities for City Council and Harbor Commission consideration that help to inform the recommended reopening plan.

State Funding

On multiple occasions, the City has advocated for State funding to support the immediate infrastructure needs and revenue losses at the Ship. In June 2021, as the State's FY 22 Budget was being solidified, the City submitted a letter to the Governor requesting \$20 million in immediate relief for the Ship. Additionally, the adopted FY 22 Budget included \$250 million in COVID-19 relief funds to address the impacts of the pandemic at California's public ports. While the Port of Long Beach was listed as an eligible recipient of these funds, the State Lands Commission overseeing the funding determined that the Ship—and Pier H—were not Port property and therefore were ineligible for these funds. In November 2021, the City sent another request to the Governor to identify \$30 million for capital projects, structural repairs, and long-term economic development at the Ship, but have not received an answer.

The State is once again forecasting a significant surplus for FY 23—nearly \$50 billion. If one-time funding opportunities arise as they did last year, the City will again request the Ship for consideration. It would be beneficial to have the City Council and Harbor Commission and Harbor Commission approve a joint letter in support of this request for State resources for the Ship.

Recommendation:

It is recommended that staff continue to prioritize reopening the Ship to cultural tourism as part of the Legislative Agenda of the City Council and Harbor Commission, and to request additional support from our legislative delegation to advance a formal funding request for the Ship once legislative offices begin accepting one-time funding requests; and, to follow up with the Governor's Office at that time to identify a path forward to promote historic preservation, cultural tourism, and recovery of the hospitality sector as part of the May Budget Revise process.

Passenger Fees

Passenger fees generated by Carnival Cruise Lines and the Long Beach Cruise Terminal are an important source of visitor-generated revenue that fund the Historic Preservation Capital Improvement Plan (HPCIP) for the Ship. Currently committed to the repayment of roughly \$17.6 million in bonds issued for critical repairs, passenger fees generate approximately \$3 million a year and growing as more cruise Ships pass through the Long Beach Cruise Terminal. Even a small increase to passenger fees can generate thousands of dollars per month in visitor-paid-fees for repairs to the Ship and surrounding infrastructure.

A study of passenger fees charged by the City and Carnival Cruise Lines is currently underway. The purpose of the study is to assess whether there is an opportunity to cover additional costs associated with Ship repairs via the per passenger fees charged by Carnival Cruise Lines and the City. Initial data indicate that Long Beach Terminal passenger fees may be below market when compared to other domestic cruise terminals and there may be an opportunity to increase them without a negative impact on Carnival Cruise Line passenger activity. More study is required to develop a recommendation for City Council and Harbor Commission that helps both the City and Carnival Cruise Lines further the growth of passenger activity at Pier H. It is expected that this study and recommendations to the City Council and Harbor Commission can be completed within the next 90 days.

Recommendation:

Complete Passenger Fee Study and return to the City Council and Harbor Commission with recommendations to bring fees in line with regional industry standards and provide a new source of revenue to fund necessary improvements.

Communications

In an effort to communicate with the public about the process for reopening the Ship to visitors and guests, the City has developed a webpage located at the following web address on the Economic Development Department webpage: www.longbeach.gov/QueenMary. The intent of the webpage is to provide public updates about the reopening process and a one-stop-shop for actions taken by the City Council and Harbor Commission to reopen and preserve the Ship.

Because this Ship involves the ongoing efforts of several City departments, the Public Information Officer (PIO) in the Office of the City Manager (CM) is currently leading communications regarding the Ship, with content provided by Ship caretaker Evolution Hospitality and PW as described

above. Prior to reopening to the public for special events and hospitality activities, the focus of Ship updates will be construction related to reopening plans. The current goal is to provide the public with weekly updates about construction as well as historical and promotional information. The public may follow these weekly updates via website, social media pages, and publicly available news channels. The PIO is currently pushing out communications via “Queen Mary” Facebook, Twitter and Instagram accounts; and ED is maintaining a webpage populated with associated City formal communications and actions.

Recommendation:

Although the Ship remains closed to the public until the critical repairs are completed, the City will continue to update the [Queen Mary Updates](#) webpage and social media about the status of repairs, ways to participate in the preservation process, and other milestones achieved in the reopening process. To assist in the communication process, staff recommend that dedicated funding is identified to support partners in the historic preservation and education process.

Recommendations

The following section provides a summary of recommendations described in previous sections. Some of these recommendations will require City Council and Harbor Commission approval while others can be completed under existing City Council and Harbor Commission authority. City staff will coordinate with Port staff across all the following recommendations.

1. Future Oversight: Direct the City Manager to prepare recommendations for City Council and Harbor Commission approval as part of the FY 23 Proposed Budget process, for hiring Pier H Bureau staffing and contractors to oversee reopening, operating, and ongoing maintenance of the Ship and surrounding area, offset by revenue generated by the Ship and surrounding area.
2. Critical Repairs: Staff recommend that critical repairs already funded by the City Council be completed prior to reopening the Ship to the public later this year; and, to work with the Harbor Department to identify funding to complete the ballast tank inspection process once a scope of work is available. Regular updates regarding the construction process will be provided to the public via the internet and social media. It is estimated that it will take at least 180 to 270 days to complete this work and that the Ship can be reopened in late 2022.
3. Historic Preservation: Authorize the City Manager to negotiate a memorandum of understanding with the Queen Mary Heritage Foundation and its partners to provide education, outreach, and fundraising services for the historic preservation and presentation of the Ship to the public; to pursue National Monument and Historic Tax Credit designations in partnership with the City; and, to identify both one-time and ongoing funding to support these activities; and, to bring back these recommendations for approval by the City Council and Harbor Commission.
4. Reopening Plan: To begin the process of reopening the Ship to the public for special events and hospitality by the end of 2022, authorize the City Manager and Harbor Department staff to engage with a qualified hotel operator, familiar with the unique aspects of the historic Ship, to negotiate a short-term agreement to reopen and operate the Ship for an initial term of five years with the option to extend for up to two additional one-year terms at

the discretion of the City Manager or designee, and to return to the City Council and Harbor Commission for final approval.

5. Landscaping & Maintenance: To reopen the area surrounding the Ship to a higher volume of special events, increased passengers on Carnival Cruise Lines and Catalina Express, and expanding the number of visitors to the Ship in 2022, authorize the City Manager and Port staff to engage with existing City contractors to negotiate a short-term agreement for an initial term of five years with the option to extend for up to two additional one-year terms at the discretion of the City Manager or designee, and to return to the City Council and Harbor Commission for final approval.
6. Outstanding Deposits: As part of the reopening plan, staff will identify options for City Council review and approval, to assist approximately 97 depositors with social and wedding events once the Ship is reopened in late 2022.
7. Scorpion Submarine: As part of the reopening plan, staff will identify options for City Council review and approval, to complete a feasibility study of removal options, costs, and potential funding sources for the removal of the Scorpion Submarine and continue legal process to compel its removal or reimbursement of costs by the owner.
8. Maintenance & Preservation: Once critical repairs are completed, staff will update the (a) RFP for long-term maintenance of the Ship, solicit proposals, and bring recommendations to award the contract for ongoing maintenance, and (b) complete the scope of work for the long-term preservation study, and bring both recommendations to award the contracts to the City Council and Harbor Commission for approval.
9. Special Events: Once construction around the Ship is completed, staff will issue an RFP, solicit proposals, and bring recommendations to the City Council and Harbor Commission to award contracts for the exclusive marketing, promotion, management and booking of special events on land surrounding the Ship.
10. State Funding: It is recommended that staff continue to prioritize reopening the Ship to cultural tourism as part of the Legislative Agenda of the City Council and Harbor Commission, and to request additional support from our legislative delegation to advance a formal funding request for the Ship once legislative offices begin accepting one-time funding requests; and, to follow up with the Governor's Office at that time to identify a path forward to promote historic preservation, cultural tourism, and recovery of the hospitality sector as part of the May Budget Revise process.
11. Passenger Fee Study: Complete Passenger Fee Study and return to the City Council and Harbor Commission with recommendations to bring fees in line with regional industry standards and provide a new source of revenue to fund necessary improvements.
12. Communications: Although the Ship remains closed to the public until the critical repairs are completed, the City will continue to update the [Queen Mary Updates](#) webpage and social media about the status of repairs, ways to participate in the preservation process, and other milestones achieved in the reopening process. To assist in the communication process, staff recommend that dedicated funding is identified to support partners in the historic preservation and education process.

Next Steps

Thank you for your ongoing support and consideration for this generational project which represents such significant economic impact to the City of Long Beach and the State of California. Staff will continue to work with the Harbor Department to refine recommendations and return to the City Council and Harbor Commission for regular updates and approvals. Please contact Economic Development Director John Keisler at (562) 570-5282 with any questions.

CC: CHARLES PARKIN, CITY ATTORNEY
LAURA L. DOUD, CITY AUDITOR
DOUGLAS P. HAUBERT, CITY PROSECUTOR
LINDA F. TATUM, ASSISTANT CITY MANAGER
TERESA CHANDLER, DEPUTY CITY MANAGER
APRIL WALKER, ADMINISTRATIVE DEPUTY CITY MANAGER
MONIQUE DE LA GARZA, CITY CLERK (REF. FILE #[072021-SS-1](#))
MARIO CORDERO, EXECUTIVE DIRECTOR HARBOR DEPARTMENT
DEPARTMENT DIRECTORS