

Investments In Long Beach Convention Center And Arena Already Paying Off

Estimated Economic Impact Approaching \$62 Million Even Though Arena Upgrade Completion Isn't Until October

By **GEORGE ECONOMIDES**, Publisher

Despite being six months away from completing renovations to the Long Beach Arena that promise to make it a premier destination for special events, the city is already close to banking nearly 10 times its original investment.

In February 2012, the Long Beach City Council approved \$5.3 million from the tidelands fund to move forward on arena improvements. At that time, Long Beach Area Convention & Visitors Bureau President/CEO Steve Goodling claimed, "Essentially what we are doing is taking under-utilized space at the arena and transforming it into space that can drive revenue to the city while also increasing the prestige and marketability of the city."

Bullseye!

Last week, Goodling reported that because of the improvements, and following tours and presentations to prospective clients, two large groups have signed contracts to use the space and another 21 groups are tentatively "on the books, representing a total possible estimated economic impact of \$62.9 million" including \$2.5 million in new transit occupancy tax revenue.

The city spent another \$1 million for the recent completion of Bogart & Co., a dining, bar and kitchen space between the arena and exhibit halls, and to the arena lobby area, including adding an outdoor element. "Clients that we've walked through the updated arena lobby and Bogart & Co. have commented how they can't find this type of space in other facilities," Goodling noted.

Since the Long Beach Convention and Entertainment Center – which includes the meeting rooms and exhibit halls, arena, the new Bogart & Co. and the Long Beach Performing Arts Center – is located within the tide-



Above, an exterior view looking at the arena lobby and Bogart & Co. Below left is the lobby with five lounge pads that include leather sofas and end tables – a perfect place to network during an event's breakout sessions. Below center, the newly added outdoor patio with a resort feel, looking into the arena lobby. (Photographs by the Long Beach Area Convention & Visitors Bureau)

lands area, money from the tidelands fund is authorized to use on center improvements, with city council approval.

The arena is being positioned as one of the premier ballroom and concert venues in the region. State-of-the-art lighting, sound and video systems are being installed that will be complemented by floor-to-ceiling curtains that isolate the 45,000-square-foot arena floor, allowing it to be used for events ranging from high-end sit-down dinners for several thousand guests to elaborate multi-media affairs. When used during concerts, the curtain systems would also allow the facility to transform from the 13,500-seat, full-scale arena seating plan down to a much more intimate environment with

seating for about 5,500 guests. That is double the current ballroom capacity of the arena.

Goodling took

the arena transformation a step further: "Once we complete this, it will be the only type in the world – and that's a quote from the architect."

An economic analysis prepared by the economics department at California State University, Long Beach in late summer 2011, when the idea for the arena was being pushed by several of the city's top business executives, indicated "the city's investment could optimistically generate nearly \$225 million in economic impact to the city over 10 years." If the initial reaction from clients is any indication, that figure will be easily surpassed.

The 350 capacity, 6,500-square-foot Bogart & Co., which, along with the lobby improvements, was unveiled April 8, is described by Goodling as a restaurant-catering space. "It's not a restaurant like you and I think about," so it's not competing with regular restaurants outside the center, he said.

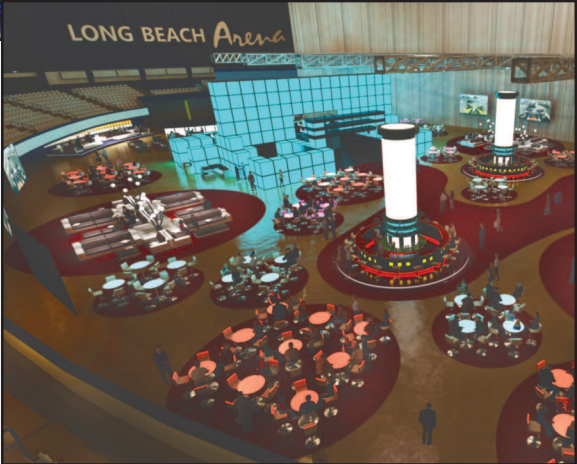
Goodling stressed that one of the key factors with all the space that has and is being transformed, is "flexibil-

ity." It has a variety of uses from special events, parties and receptions for associations and local groups, "but it also can be used with the exhibit hall space so that people can migrate back and forth in between the exhibit hall and the dining area and the bar and not lose them (leaving the center and not returning).

"I had two convention planners say to me, 'the redesigns that you're doing are perfect because the last time we met here our people left and we could never get them back in. And then the exhibitors weren't happy.' When you run a convention, if your exhibitors aren't happy, that's where the money comes from to run your convention and run your association."

He said most people don't understand the relationship among conventioners, planners, exhibitors and attendees.

"These changes make us competitors. Our goal for the new space is to carve out a position of uniqueness in an oversupplied convention center market – and, it's working." ■



Above, two renderings of the new Long Beach Arena by HKS. The new arena is expected to be completed in October. Below, the new Bogart & Co. space in the arena lobby. (Photographs by the Business Journal's Thomas McConville)

