34. 26-57356 Recommendation to increase appropriations in the Tidelands Area Fund Group in the Economic Development & Opportunity Department by $7,314,000, to fund higher site improvement, pre-opening services, and furniture, fixtures, and equipment costs for the development of the Long Beach Amphitheater, offset by the venue's future net operating profit. (District 1)

Office or Department:

Suggested Action: Approve recommendation.

CITY OF LONG BEACH

Economic Development and Opportunity
411 West Ocean Boulevard, 10th Floor, Long Beach, CA 90802
(562) 570-6099

34

January 6, 2026

Honorable Mayor and City Council
City of Long Beach
California

RECOMMENDATION:

Recommendation to increase appropriations in the Tidelands Area Fund Group in the Economic Development & Opportunity Department by $7,314,000 to fund higher site improvement, pre-opening services, and furniture, fixtures, and equipment costs for the development of the Long Beach Amphitheater, offset by the venue's future net operating profit. (District 1)

DISCUSSION

City Council approval is requested to increase appropriations in the Tidelands Area Fund Group in the Department of Economic Development & Opportunity (EDO) to fund higher site improvements, pre-opening services, and furniture, fixtures, and equipment costs for the development of the Long Beach Amphitheater (Amphitheater).

On April 1, 2025, the City Council approved the selection of ASM Global Convention Center Management, LLC (ASM Global) to operate the Long Beach Amphitheater for a five-year term with the option to renew for one additional five-year term. As part of this action, the Council authorized $1.5 million for ASM Global's pre-opening services and initial personnel hiring. On the same date, the City Council approved a $14 million budget to support design, permitting, project management services, site improvements, and the purchase of furniture, fixtures, and equipment (FF&E) for the development of the Amphitheater. Since that time, ASM Global has merged with the company Legends, forming the combined company now known as Legends Global. Accordingly, for the purposes of this requested action, the venue operator will be referred to as Legends Global. Since the City Council's action, the City's project team—led by the Economic Development & Opportunity Department and the Office of Special Events and Filming, in coordination with Legends Global and project consultants—has made substantial progress toward delivering the new venue.

On June 17, 2025, the City Council approved the purchase of grandstands and seating from InProduction, Inc., including three modular grandstand units, premium box and loge seating, integrated grandstand seating, and track seating. On August 19, 2025, the City Council approved the purchase of the Amphitheater stage from Brown United, Inc. Throughout this period, City staff worked closely with project consultants and Legends Global to finalize the project site plan and venue design, as well as to refine the full FF&E list required to open the venue.

Legends Global has also advanced significant operational preparations to ensure a strong and successful summer launch and beyond. The company has hired core leadership staff for the Amphitheater—including a General Manager, Director of Booking, Marketing Manager, and Finance Manager—who are actively engaged in pre-opening planning, venue programming, and operational readiness. Legends Global has established the Amphitheater's website and social media platforms and initiated marketing and business development efforts. These efforts include outreach to talent managers, promoters, potential naming rights and sponsorship partners, and future concertgoers to build awareness, generate interest, and begin securing a pipeline of bookings and partnerships in advance of opening.

The Amphitheater project plans were submitted to the Long Beach Planning Commission and received approval on November 6, 2025, followed by approval from the Board of Harbor Commissioners on December 8, 2025. As the project progressed through design and pre-construction, several factors—including refinements to the site plan, architectural and structural design updates, rising materials and labor costs driven by tariffs and broader economic conditions, and the integration of additional environmental sustainability measures—have increased overall project costs. In addition, the project team, in partnership with Legends Global, identified opportunities to enhance select FF&E components and guest-facing features to deliver a higher-quality venue that elevates the overall experience for attendees, touring artists, and promoters. These strategic upgrades and enhancements will strengthen the Amphitheater's long-term competitiveness and operational performance. As a result of these combined factors, additional funding is required to complete development of the Amphitheater.

City staff estimate that an additional $7.3 million is needed to complete and fully outfit the project. Of this amount, approximately $2.2 million is attributed to increased construction costs; $4.3 million is needed to support expanded and upgraded FF&E purchases to enhance the guest and artist experience and meet operational requirements established during project permitting; $400,000 is required to cover additional pre-opening expenses associated with extending the pre-opening period, which shifted the venue opening from spring 2026 to summer 2026; and $414,000 is set aside for contingency. It is important to note that approximately $4 million of the original $14 million project budget approved on April 1, 2025, was used to address essential emergency maintenance and site improvements within the project area. These improvements were necessary regardless of the Amphitheater project to eliminate safety hazards and improve access throughout the larger leasehold area, which includes the Queen Mary, Carnival Cruise Terminal, Maverick Helicopters, Harry Bridges Memorial Park, and the Long Beach Amphitheater.

Despite the need for additional funding, staff anticipate that the increased investment will not limit the City's ability to fully recover project costs. Legends Global has submitted an updated five-year pro forma that reaffirms the Amphitheater's capacity to repay all development and opening costs while still generating net profit over the venue's expected 10-year life cycle. According to the revised pro forma (Attached), the Amphitheater is projected to generate a net operating profit of $11.9 million by its fifth year. This projection already accounts for a shortened inaugural concert season resulting from the venue opening in summer 2026 rather than spring 2026. Based on the five-year pro forma, staff assume a conservative 3.2 percent annual growth rate in net profit from years six through ten of operations. Based on this continued projection, the venue is expected to generate roughly $28.7 million in profit over 10

years. After repaying all development costs—including the site improvements that were necessary within the former leasehold regardless of the Amphitheater project—staff estimate that the City will achieve approximately $7.4 million in net profit. After the inaugural season, which will be shorter than a typical full concert season, the venue is projected to generate annual net profits of $2.4 million to $3 million. These revenues will be used to repay the funds borrowed from the Tidelands Fund to develop the project.

Table 1. City Net Profit

Year 1	$603,167
Year 2	$2,436,272
Year 3	$2,866,204
Year 4	$2,958,371
Year 5	$3,053,302
Year 6	$3,151,008
Year 7	$3,251,840
Year 8	$3,355,899
Year 9	$3,463,288
Year 10	$3,574,113
Total	$28,713,463

Tables 2 – 4 compare the major revenue and expense categories in the original and revised proformas prepared by Legends Global. The revised proforma reflects a shortened inaugural concert season and incorporates updated assumptions regarding the number of ticketed and private events the venue can support. These adjustments are based on Legend Global's market testing and are intended to more accurately reflect event activity at the venue. Both proformas result in a similar net profit to the City over the five-year period. The original proforma projected a net City profit of $11,862,017, while the revised proforma projects a slightly higher net City profit of $11,917,316. The revised proforma shows a significant increase in gross revenue, with an estimated increase of $11,169,863, or 20.7 percent, compared to the original proforma. This revenue growth helps offset corresponding increases in venue operating costs.

Table 2. Original Proforma – Major Revenue and Expense Categories

	Year 1	Year 2	Year 3	Year 4	Year 5
# of Ticketed Events	30	36	40	40	40
# of Private Events	25	35	45	45	45
Gross Revenue	$ 8,003,109	$ 10,371,283	$ 11,503,838	$ 11,848,953	$ 12,204,422
Cost of Goods Sold	$ 4,047,245	$ 4,985,744	$ 5,579,264	$ 5,746,642	$ 5,919,041
Gross Profit	$ 3,955,864	$ 5,385,539	$ 5,924,574	$ 5,746,642	$ 5,919,041
Operating Expenses	$ 2,674,430	$ 2,754,663	$ 2,837,303	$ 2,922,422	$ 3,010,095
Management Fee	$ 300,000	$ 309,000	$ 318,270	$ 327,818	$ 337,653
Total City Profit	$ 981,434	$ 2,321,876	$ 2,769,001	$ 2,852,072	$ 2,937,634

Table 3. Revised Proforma – Major Revenue and Expense Categories

	Year 1 (Half Year)	Year 2	Year 3	Year 4	Year 5
# of Ticketed Events	15	33	37	37	37
# of Private Events	11	21	21	21	21
Gross Revenue	$ 5,908,331	$ 13,356,890	$ 14,829,418	$ 15,274,300	$ 15,732,529
Cost of Goods Sold	$ 3,361,012	$ 7,589,662	$ 8,519,838	$ 8,775,434	$ 9,038,697
Gross Profit	$ 2,547,319	$ 5,767,228	$ 6,309,579	$ 6,498,867	$ 6,693,833
Operating Expenses	$ 1,744,152	$ 3,021,956	$ 3,125,105	$ 3,212,678	$ 3,302,878
Management Fee	$ 200,000	$ 309,000	$ 318,270	$ 327,818	$ 337,653
Total City Profit	$ 603,167	$ 2,436,272	$ 2,866,204	$ 2,958,371	$ 3,053,302

Table 4. Five Year Comparison – Major Revenue and Expense Categories

	Original Proforma	Revised Proforma	Variance ($)	Variance (%)
Gross Revenue	$ 53,931,605	$ 65,101,468	$ 11,169,863	20.7%
Cost of Goods Sold	$ 26,277,936	$ 37,284,643	$ 11,006,707	41.9%
Gross Profit	$ 26,931,660	$ 27,816,826	$ 885,166	3.3%
Operating Expenses	$ 14,198,913	$ 14,406,769	$ 207,856	1.5%
Management Fee	$ 1,592,741	$ 1,492,741	$ (100,000)	-6.3%
Total City Profit	$ 11,862,017	$ 11,917,316	$ 55,299	0.5%

The planned investments in venue improvements are intended to elevate the overall quality of the guest, artist, promoter, and event organizer experience. As shown in Table 5, these improvements, including upgraded FF&E, enhanced premium spaces, and expanding VIP experience, are critical to the venue's ability to generate additional revenue from premium seating and sponsorships. While the current economic environment presents challenges and the cost of doing business has increased, the enhanced quality, excitement, and market demand for the venue are expected to help offset higher operating costs. However, realizing this revenue potential is contingent on making the additional upfront investment necessary to deliver a higher-quality experience.

Table 5. Five Year Revenue Comparison – Premium Seating and Sponsorships

	Original Proforma	Revised Proforma	Variance ($)	Variance (%)
Premium Seating	$ 1,393,648.00	$ 3,465,705	$ 2,072,057	148.7%
Sponsorships	$ 5,229,626.00	$ 8,128,620	$ 2,898,994	55.4%

These financial projections do not factor in the additional indirect financial benefits and employment opportunities the project is expected to generate. This includes new and ongoing visitor traffic during the concert and event season supporting local businesses that will result in increased spending at restaurants, bars, retail and visitor serving businesses and enhanced sales tax revenue to the city. New hotel demand and transient occupancy tax revenue growth is a key benefit from event driven overnight stays, which will accrue to the City's General Fund Group, rather than to the Tidelands Area Fund Group that is advancing its idle cash to cover all Amphitheater-related costs. The venue will provide event-based jobs and local vendor opportunities. This waterfront activation is positioned as part of the Long Beach strategy to diversify the City's revenue streams by expanding our growing tourism, hospitality, music and

entertainment sectors as part of the Grow Long Beach Initiative.

Now that the venue has received approval from the Planning Commission and the Board of Harbor Commissioners, physical development of the Amphitheater is anticipated to begin this month, starting with site improvements. These initial enhancements will include resurfacing and upgrading existing asphalt areas, installing new storm drain infrastructure to support proper drainage, and making upgrades to curbs and sidewalks to improve accessibility and pedestrian flow. In addition, the project will incorporate electrical enhancements to support future operations. Once these foundational site improvements are completed, construction will progress to the installation of the Amphitheater's core features. This phase will include the assembly of grandstands and seating, construction of the stage, and the installation of all necessary furniture, fixtures, and equipment required for a fully operational venue. Upon completion of all construction and outfitting, the Amphitheater is scheduled to open its doors to the public in summer 2026, providing a quality destination for live entertainment, community events, and cultural gatherings.

Upon approval of the additional project budget, the City will advance the FF&E designated funds to Legends Global as needed. This advance will enable Legends Global to place required deposits for FF&E procurement, ensuring that essential components of the Amphitheater's operational infrastructure are secured on schedule.

This matter was reviewed by Deputy City Attorney Ashleigh Stone and by Budget Management Officer Nader Kaamoush on December 15, 2025.

TIMING CONSIDERATIONS

City Council action to adopt a Resolution is requested on January 6, 2026, to ensure the contract is in place expeditiously.

FISCAL IMPACT

The revised estimated cost to develop the Amphitheater project is $21.3 million. The additional approved funding will fund site improvements, pre-opening services, and expanded and upgraded furniture, fixtures, and equipment required to open the Amphitheater. An appropriation increase in the amount of $7,314,000 is requested in the Tidelands Area Fund Group in the Economic Development & Opportunity Department to complete the development and opening of the Long Beach Amphitheater.

As a result of cash being held to ensure the timely funding of large City Council-approved capital projects serving as a financial cushion until the expenditures are initiated, the Tidelands Funds has sufficient idle cash now to allow the City to pay for the estimated $21.3 million project. These costs would then be repaid to the Tidelands Funds from the projected net venue operating profit. If cash invested in the Amphitheater must be redirected to fund large, City Council–approved capital projects before the borrowed funds are fully repaid from net venue operating profit, the City may need to consider issuing debt to restore the cash balance necessary to initiate the capital projects.

Based on the revised financial projections provided by Legends Global on the venue's net operating profit, staff estimate a full reimbursement to the Tidelands Funds will take eight years from the Amphitheater's opening in 2026, though this timeline could be shortened if financial performance exceeds expectations. The Amphitheater is a unique revenue generating opportunity for the City in the Tidelands and will provide additional economic impact to the City in the form of jobs, sales tax, transient occupancy tax, and parking revenue as local businesses, hotels, and City-owned parking assets benefit from spending by Amphitheater attendees. Funding this project with Tidelands Funds is not expected to impact any currently funded Tidelands projects, unless the $21.3 million total project cost ends up – for whatever reason – not being repaid before Tidelands Area Fund Group cash is needed for other City-Council approved capital projects. In which case the contingent debt issuance described above is available.

Implementation of the Amphitheater project is expected to require a moderate staffing impact beyond the normal budgeted scope of duties and is consistent with existing City Council priorities. The project will provide continued support to Long Beach's economy by creating both permanent and temporary jobs for the development, management, and operation of the Amphitheater. Additionally, it will generate indirect jobs through the economic multiplier effect created by spending from Amphitheater attendees.

SUGGESTED ACTION:

Approve recommendation.

Respectfully submitted,

Bo Martinez
Director
Economic Development and Opportunity

APPROVED:

THOMAS B. MODICA
CITY MANAGER

ATTACHMENT

Facility Proforma - Full 5-Year Projection *Updated Proposal*

Facility P&L - 11/20/25 Version	Year 1 (Half Year)	Year 2	Year 3	Year 4	Year 5
# of Ticketed Events:	15	33	37	37	37
# of Private Events:	11	21	21	21	21
Attendance:	93,500	213,500	240,500	240,500	240,500
Gross Revenue:					
Premium Seating:	360,325	742,270	764,538	787,474	811,098
Sponsorships:	900,000	1,750,000	1,772,500	1,825,675	1,880,445
Event Rent:	1,597,500	3,510,000	3,950,000	4,068,500	4,190,555
F&B Commissions (a):	1,027,663	2,441,317	2,752,708	2,835,289	2,920,348
Merchandise (Net):	63,253	146,250	165,994	170,974	176,103
Parking:	350,000	810,000	920,000	947,600	976,028
Facility Maintenance Fee:	442,500	1,020,000	1,155,000	1,189,650	1,225,340
Ticket Service Charge Rebate:	1,007,250	2,406,563	2,726,906	2,808,713	2,892,975
Off Manifest Ticket Sales:	159,840	530,491	621,772	640,425	659,638
Gross Revenue:	**5,908,331**	**13,356,890**	**14,829,418**	**15,274,300**	**15,732,529**
Cost of Goods Sold:					
(-) Selling Expenses:	303,512	602,462	617,938	636,477	655,571
(-) F&B Costs:	0	0	0	0	0
(-) Parking Expenses:	129,500	299,700	340,400	350,612	361,130
(-) Event Expenses:	1,532,500	3,387,500	3,827,500	3,942,325	4,060,595
(-) Promoter Rebates:	1,395,500	3,300,000	3,734,000	3,846,020	3,961,401
Total Cost of Goods Sold:	**3,361,012**	**7,589,662**	**8,519,838**	**8,775,434**	**9,038,697**
Gross Profit	**2,547,319**	**5,767,228**	**6,309,579**	**6,498,867**	**6,693,833**
Indirect Operating Expenses:					
(-) Staffing:	1,136,502	1,755,896	1,808,572	1,862,830	1,918,715
(-) Operations & SG&A:	298,500	614,910	633,357	652,358	671,929
(-) Repair & Maintenance	100,000	206,000	206,000	206,000	206,000
(-) Utilities:	125,000	257,500	265,225	273,182	281,377
(-) General Liability Insurance:	84,150	187,650	211,950	218,309	224,858
(-) Property Taxes & Insurance:	0	0	0	0	0
Total Indirect Operating Expenses:	**1,744,152**	**3,021,956**	**3,125,105**	**3,212,678**	**3,302,878**
Net Operating Profit before Fees	**803,167**	**2,745,272**	**3,184,474**	**3,286,189**	**3,390,954**
ASM Global Management Fees					
Pre-Opening Fee	0	0	0	0	0
Base Management Fee	200,000	309,000	318,270	327,818	337,653
Total Fees to ASM	**200,000**	**309,000**	**318,270**	**327,818**	**337,653**
Total City Profit (Loss)	**603,167**	**2,436,272**	**2,866,204**	**2,958,371**	**3,053,302**

5 yr 11,917,316

Notes:

a.) Represents the net amount of Food & Beverage revenue that will be provided to the venue by SAVOR as a percentage of gross receipts, as proposed under the F&B Commission Structure.