

**REQUEST FOR PROPOSALS
FOR OPERATION OF OR PURCHASE OF
THE QUEEN MARY**

LONG BEACH HARBOR DEPARTMENT

BOARD OF HARBOR COMMISSIONERS

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July, 1992

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by

**CITY OF LONG BEACH
HARBOR DEPARTMENT**

JULY, 1992

INTRODUCTION PROPOSAL SUMMARY

The City of Long Beach Harbor Department (Port of Long Beach) is offering an opportunity for qualified companies to submit proposals to operate or purchase the Queen Mary.

LONG BEACH HARBOR DEPARTMENT

Article 12 of the Long Beach City Charter established the Long Beach Harbor Department in 1931 with a Board of Harbor Commissioners empowered, among other things, to provide for the needs of commerce and navigation, to plan promote, develop, construct, repair, maintain, and operate Port properties and facilities, and to establish, equip and operate all other facilities or aids incident to the development of the Port. All tide and submerged lands within the Harbor District are to be developed only for purposes in connection with, or for the promotion and accommodation of commerce, navigation, recreation or fisheries.

QUEEN MARY BACKGROUND

The Queen Mary, owned by the Port of Long Beach, is currently leased to W.C.O. Port Properties, Ltd. through September 30, 1992. The Queen Mary is located on Pier J in the Queensway Bay Planning District of the Port of Long Beach and the lease area comprises 45.78 acres of land, as well as 9.29 acres of water area that surrounds the vessel. The attached drawing shows this area. The majority of public and commercial recreational opportunities are located by design within the Queensway Bay Planning District. This area is zoned as a Planned Development District with uses restricted to commercial and visitor serving activities. No residential uses are allowed in this District. The Port and the Lessee are negotiating an extension for the

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operation of the Queen Mary attraction only through the end of 1992. It is the responsibility of the existing Lessee to remove the Spruce Goose and its associated structure at the expiration of lease. The Spruce Goose and the structure are excluded from the leasable area available. Removal of the Spruce Goose and its structure could occur any time during the lease and other portions of the lease area could be obstructed during its removal.

It is the intention of the Port to solicit proposals from qualified companies for the continued operation of the Queen Mary or the purchase and disposition of the vessel. In either case, the Queen Mary must be accepted by the successful proposer in an "as is, where is" condition. The City and Port do not guarantee the seaworthiness of the vessel for the purposes of moving it from its existing location to another site. The City of Long Beach, acting through its Board of Harbor Commissioners makes no warranties as to the condition of the vessel, nor does it represent and warrant that the vessel meets all federal, state and local health, safety and building codes. The vessel does contain certain asbestos containing materials (ACM) and is disclosed to proposers according to California State Assembly Bill No. 3713.

It should be noted that the City and Port are studying the economic feasibility of the Queen Mary operation, including the hotel, and the development plan for the abovementioned Queensway Bay Planning District. These studies are addressed in a later portion of this solicitation.

Catalina Express, a current sublessee of W.C.O. Port Properties will continue to operate from the lease area but in a direct relationship with the Port of Long Beach. The lease area used for ingress to and egress from Catalina Express, as well as parking for that operation, are not exclusively available to any proposed Lessee.

"Port", "Lessor" and "Seller" are used to describe the Port of Long Beach and its potential relationship to the proposers based on the various parts of this solicitation.

Furniture, fixtures and equipment that is owned by the Lessor/Seller will be included as part of the lease or sale. Lessee or Purchaser will be responsible for verifying the inventory by Lessor or Seller and ascertaining if it is adequate for their operation. This personal property is included in an "as is, where is" condition.

PART A:

PROPOSAL REQUIREMENTS – OPERATION

Those parties submitting a proposal to operate the Queen Mary must detail:

1. The proposed use.
2. Proposed term and lease payment to Port.
3. Proposed pricing structure(s).
4. Proposed advertising and marketing strategies.
5. Relevant experience of operator.
6. Financial status of operator. Information must include audited financial statements of proposer acceptable to Lessor, including both a balance sheet and income statement.
7. Demonstrate ability to obtain the following insurance, with the Lessor as additional insured: (a) Comprehensive General Liability (including \$10,000,000 General Liability and Property Damage, and \$20,000,000 Fire and Extended), (b) Innkeepers Liability Including Safe Deposit Box Liability (for proposals including operation of a hotel), (c) Comprehensive Automobile Liability Limits, (d) Garagekeepers Legal Liability, and (e) liquor license and personalities to be purchased from landlord or assignee with repurchase agreement in the minimum purchase amount of \$25,000.
8. Lessee will be responsible for purchase of any consumables and operating supplies transferred to Lessee. The Price will be mutually agreed between Lessor and Lessee.

A cashier's check, proposal bond, or other collateral acceptable to the Lessor payable to the "City of Long Beach" in the amount of \$100,000, must be submitted as a deposit with each proposal. This fee will serve as a refundable application fee paid by each applicant to this request for proposal.

The successful proposer will be required to provide a letter of credit, bond, or other collateral acceptable to Lessor in the amount of \$5,000,000 in order to guarantee obligations of Lessee as subsequently negotiated between the parties, to include annual maintenance and repair costs.

Proposers must indicate which parts of its proposal are considered confidential or proprietary information. All financial statements submitted with proposal shall be held in strictest confidence and will be returned upon request to all proposers at conclusion of the proposal process.

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PART B:

PROPOSAL REQUIREMENTS -- PURCHASE OF VESSEL

Those parties submitting a proposal to purchase the vessel must detail:

1. The purchase price for the vessel which would include removal from the site.
2. The intended use for the vessel upon acceptance of the purchase price by the Seller and relocation by the Purchaser.
3. Demonstration of financial ability to consummate the purchase.
4. Removal date of vessel, to include earliest and latest removal dates.
5. Purchaser will be responsible for purchase of any consumables and operating supplies transferred to Purchaser. The prices will be mutually agreed between the Seller and Purchaser

A cashier's check, proposal bond, or collateral acceptable to Seller payable to the "City of Long Beach" in the amount of \$100,000, must be submitted as a deposit with each proposal for purchase of the vessel. This non-refundable deposit will be applied to the purchase price submitted by the successful proposer. All other deposits will be returned to unsuccessful proposers after the close of the proposal and evaluation period, on or about September 15, 1992.

Proposers must indicate which parts of its proposal are considered confidential or proprietary information. All financial statements submitted with proposal shall be held in strictest confidence and will be returned upon request to all proposers at conclusion of the proposal process.

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ADDITIONAL PROPOSAL INFORMATION FOR PART A AND PART B:

The Port reserves the right to reject any and all proposals made for either operation of or purchase of the Queen Mary.

All unsolicited proposals previously submitted to the Port of Long Beach must be resubmitted in compliance with the abovementioned requirements.

Please submit six (6) copies of your proposal. The deadline for submission of proposals is 4:30 PM Pacific Standard Time, Monday, August 24, 1992. Proposals submitted after this time will be considered non-responsive. All proposals must be sent to:

S. R. Dillenbeck, Executive Director
Port of Long Beach
925 Harbor Plaza
P.O. Box 570
Long Beach, California 90801

All documents and exhibits submitted to the Port by proposers shall become the property of the Port and shall be disposed of at the discretion of the Executive Director.

An optional physical inspection of the vessel will be conducted on July 31, 1992 at 10:00 AM. Technical questions concerning the Queen Mary will be answered at this time.

Information contained within various reports concerning the Queen Mary is available for inspection at the Harbor Department. Reports include, but are not limited to: (1) ERA Report - Analysis of Hotel Queen Mary-Interim Report, (2) Rados Report - Ability to Move, (3) Rados Report - Limited Access Study Report. The Port of Long Beach does not guarantee the accuracy of these reports.

Please contact the Properties Division of the Port of Long Beach at (310) 590-4162 for any other information concerning this Request for Proposals.

Attachments: A through D

7/6/92

R.M.S. QUEEN MARY

Constructed by: John Brown & Co., Ltd., Clydebank, Scotland
 Commissioned by: Cunard Steamship Co., Ltd.
 Keel Laid: December 1, 1930
 Date Launched: September 26, 1934
 Maiden Voyage: May 27, 1936
 War Service: March, 1940-September 1946
 War History: Carried a total of 765,429 military personnel. Sailed a total of 569,429 miles (916,407 km). Carried up to 15,000 troops at one time. Carried wounded returning to United States. Transported Winston Churchill three times to conferences. Carried 12,886 G.I. Brides and children.
 Resumed Peacetime Passenger Service: July 31, 1947
 Retired from Regular Passenger Service: September 19, 1967 (after completing 1,001 crossings of the Atlantic)
 Departed on "Last Great Cruise": 9:30 A.M. Tuesday, October 31, 1967

Arrived at Long Beach, California: 10:00 A.M. Saturday, December 9, 1967
 Change of Ownership: Removed from British registry and officially turned over to ownership of City of Long Beach at 10:00 A.M., Monday, December 11, 1967
 Portholes: Over 2,000
 Rivets: Over 10,000,000
 Hull Plates: 8 ft. (2.44 m.) to 30 ft. (9.14 m.) in length; up to 1.25 in. (3.2 cm.) thick
 Gross Tonnage: 81,237 gross tons (230,039 cu. m.)
 Overall Length: 1,019.5 ft. (310.74 m.)
 Moulded Breadth: 118 ft. (35.97 m.)
 Height from Keel to Promenade Deck: 92.5 ft. (28.19 m.)
 Forward Smokestacks: 181 ft. (55.17 m.)
 Top of Foremast: 237 ft. (72.24 m.)
 Draft: 39 ft. 4-9/16 in. (12.00 m.)
 Number of Decks: 12
 Passenger Capacity: 1,957
 Officers and Crew: 1,174

Length of Promenade Deck: 724 ft. (220.68 m.)
 Cruising Speed: 28.5 knots (55.17 km./hr.)
 Fuel Consumption: 13 ft./gal. (1 m./l.)
 Rudder: 140 tons
 Bow Anchors: 2 @ 16 tons (16,291 kg.)
 Anchor Height: 18 ft. (5.48 m.)
 Length of Anchor Chain: 900 ft. (274.32 m.)
 Weight of Anchor Chain: 45 tons (45,818 kg.)
 Anchor Chain Link: 2 ft. (61 cm.) long, weighing 224 lb. (101.8 kg.)
 Whistles: 3 — Steam type. Two on forward funnel, one on middle funnel. Each over 6 ft. (1.83 m.) long, weighing 2,205 lb. (1,002 kg.)
 Lifeboats: 24, powered by 18 H.P. (76.11 kg.-m per sec.) diesel engines
 Lifeboat Capacity: 145 persons
 Smokestacks: 3 — Elliptical in shape; 36 ft. (10.97 m.) fore and aft, 23.3 ft. (7.1 m.) wide
 Height: Forward: 70.5 ft. (21.49 m.)
 Middle: 67.5 ft. (20.57 m.)
 Aft: 62.25 ft. (18.97 m.)





