



Long Beach Civic Center

Evaluation of Proposals & Recommended Actions

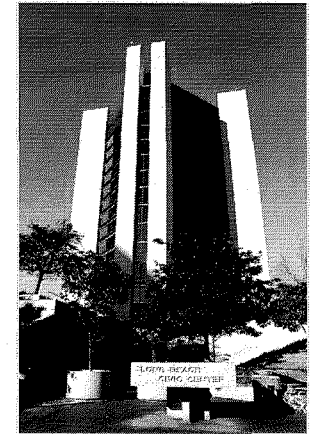
December 9, 2014

Background



Presentation Outline

- Background
- Proposal Overview
- Evaluation Process and Scoring
- Evaluation Results & Recommendation
- Next Steps
- Recommended Actions



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Background

As a result of continuous damage to the interior of the Main Library from its leading roof and the functional obsolescence of City Hall, and seismic deficiencies of both facilities, a variety of re-visioning efforts started in 2006

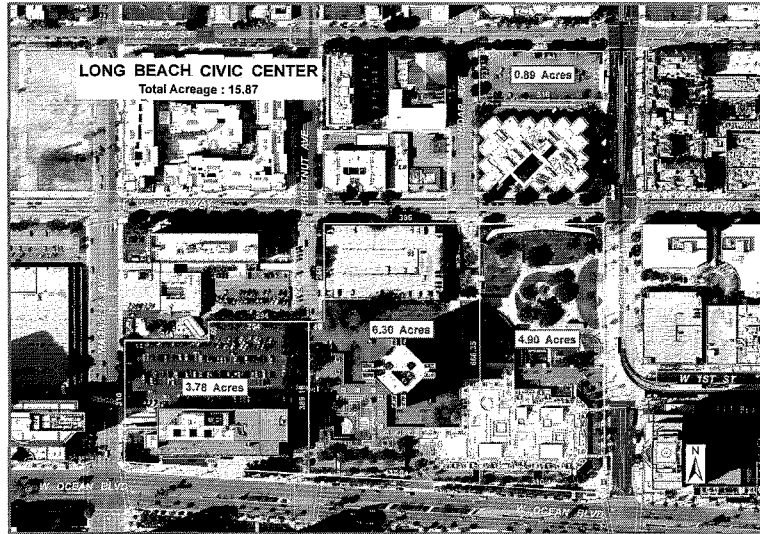
- Beverly Prior Architects conducted intensive planning and stakeholder outreach to produce the Re-envisioning the Civic Center and New Courthouse in November of 2006
- Beverly Prior Architects then update this study, incorporating a broader scope and refined objectives and produced the Re-envisioning the Civic Center report in January of 2008

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Background

PROJECT SITE



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Civic Center Study Sessions

- Study Sessions
 - Sept. 16: Historical perspective and update (LBCC)
 - Oct. 14: Presentations by Project Teams (City Hall)
 - Nov. 14: Project Team Proposals (Houghton Park)
- Open Houses
 - Nov. 1: Admiral Kidd Park
 - Nov. 8: Rogers Middle School
- Community Meetings
 - Nov. 15: Council District 4 Community Meeting

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Civic Center Study Sessions

- September 16th Study Session focused on a number of issues including:
 - Retrofit Alternative
 - Relocation Alternative
 - Re-Build Alternative
- The Retrofit and Relocation Alternatives were determined to be infeasible
- The Re-Build Alternative under a P3 DBFOM delivery model was determined to offer the best value and lowest risk to the City

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P3 - DBFOM Benefits

- The lowest risk and shortest delivery model
- Lower overall maintenance and operation costs, resulting in lower cost in current dollars
- Project Team assumes all risks of design, development, entitlement, change orders, cost overruns, construction delays and long term operations and maintenance
- City to occupy existing facilities until new facilities are available at which time, payments begin
- After 40 years, the facility is transferred to the City at no cost, at a Facility Condition Index of 15% or less

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Civic Center Process

- Feb. 12, 2013: Council directed staff to prepare and release an RFQ for a P3 to design, build, finance, operate and maintain a new Civic Center
- Apr. 1, 2013: Board of Harbor Commissioners agreed to participate in the RFQ process
- Oct. 22, 2013: Council selected the Short List of RFQ respondents and directed staff to prepare and release an RFP to this Short List
- Jan. 27, 2014: Board of Harbor Commissioners agreed to participate in the RFP, with no obligation to proceed
- Feb. 28, 2014: RFP was released to the Short List of RFQ Respondents
- June 2, 2014: Proposals from the Short List were received
- Proposals were received from two Project Teams:
 - Long Beach CiviCore Alliance
 - Plenary Edgemoor Civic Partners

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Guiding Principles

- Redevelop the Civic Center into a vibrant mix of public and private space including a grand Civic Plaza
- Improve connections between the new Civic Center and Downtown
- Revitalize Lincoln Park into a destination park with amenities appropriate for visitors, residents and Downtown workers
- Reduce maintenance costs, increase energy efficiency, consolidate offsite leases, and remain cost neutral
- Consider private development elements and/or disposition of surplus property for private development

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Project Goals

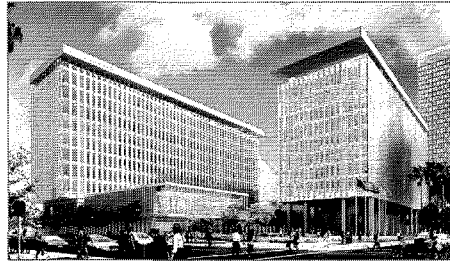
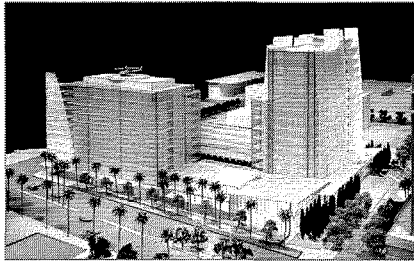
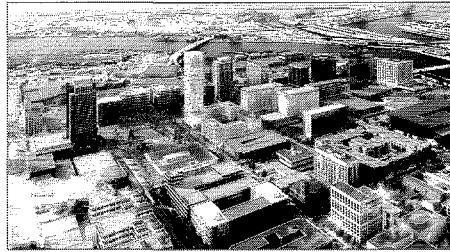
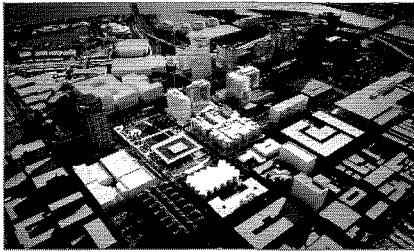
- Ensure the City's lease payments for the new City Hall and Main Library, including operations and maintenance, approximate current costs, but include annual CPI increases
- Shift risks associated with design, development, entitlement, financing, construction, operations and maintenance to the Project Team
- Incorporate a 40-year life-cycle Operations and Maintenance contract for the Civic Center as part of the City's current costs
- Require ownership of the facilities to revert at no cost to the City at the end of the contract at a "good" or better condition

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The Proposals



Proposals



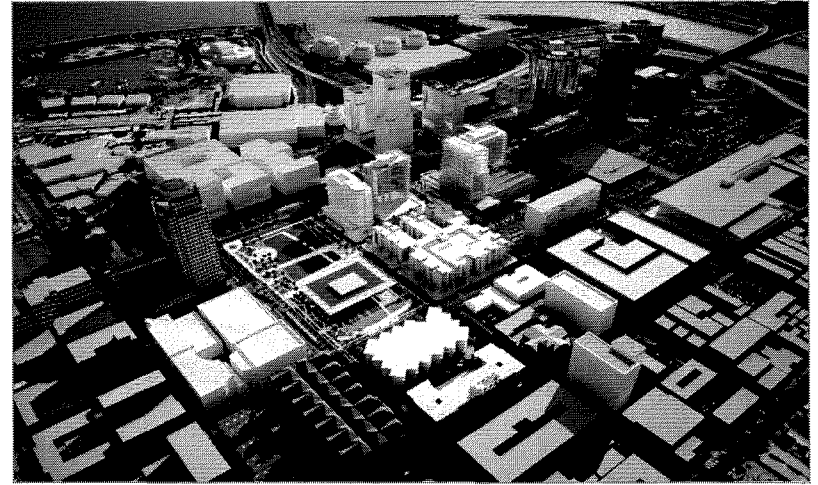
LBCCA

PECP

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Proposals



Artist's Rendering from LBCCA's RFP Submittal

LBCCA

14



Proposals



Artist's Rendering from PECP's RFP Submittal

PECP

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Proposals



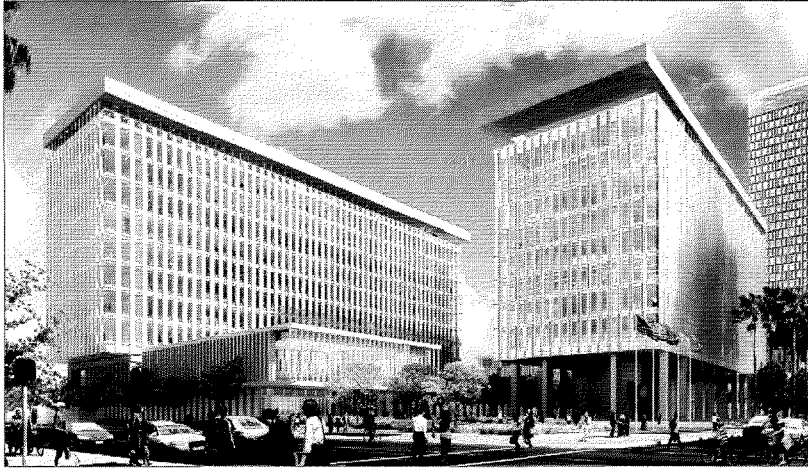
LBCCA's Model of the Civic Center

LBCCA

16



Proposals



PECP's Model of the Civic Center

PECP

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Project Team Selection Committee

- A Project Team Selection Committee (Committee) was assembled in February 2013
- The Committee includes the following:
 - Director of Financial Management
 - Director of Development Services
 - Director of Library Services
 - Director of Economic & Property Development
 - Chief Harbor Engineer of the Harbor Department
 - Managing Director of Finance of the Harbor Department

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Evaluation Process & Scoring



Project Team Selection Committee

- The Committee was tasked to achieve the following:
 - Prepare and release the RFQ on April 26, 2013
 - Recommend to City Council a Short List of RFQ Respondents on October 22, 2013
 - Work with Arup North America Limited to prepare and release an RFP on February 28, 2014
 - Prepare an evaluation matrix against which proposals would be scored
 - Review, assess and score the responses to the RFP
 - Recommend to City Council a preferred Project Team

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Evaluation Matrix

Evaluation Matrix	Port In	Port Out
Administrative Responsiveness	Pass/Fail	Pass/Fail
Technical Responsiveness	118	110
Facilities Management	18	18
Private Development	43	43
Financial Proposal - Public	50	50
Financial Proposal - Private	38	38
Total Potential Score	267	259



Evaluation: Administrative

Category	Element	Criteria	Points	Port In		Port Out	
				LBCCA	PECP	LBCCA	PECP
Administrative Responsiveness							
1	Proposal Letter	1	P/F	Pass	Pass	Pass	Pass
2	Disclosure of Litigation	1	P/F	Pass	Pass	Pass	Pass
3	Debarment	1	P/F	Pass	Pass	Pass	Pass
4	Non-Collusion	1	P/F	Pass	Pass	Pass	Pass
5	Organizational Conflicts	1	P/F	Pass	Pass	Pass	Pass
6	EBO	1	P/F	Pass	Pass	Pass	Pass
7	Key Personnel	1	P/F	Pass	Pass	Pass	Pass
8	Bank Support Letter	1	P/F	Pass	Pass	Pass	Pass
9	BDE/WBE/MBE/SBE	1	P/F	Pass	Pass	Pass	Pass
10	Consortium Agreements	1	P/F	Pass	Pass	Pass	Pass



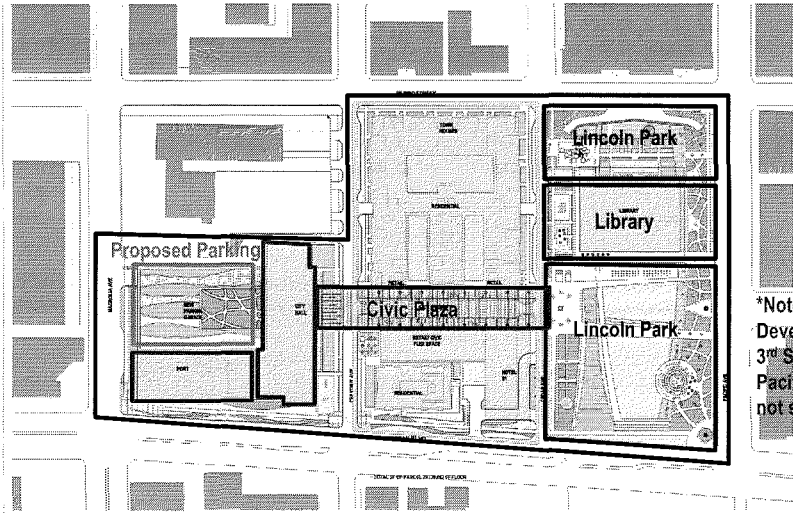
Evaluation: Technical

Category	Element	Criteria	Points	Port In		Port Out	
				LBCCA	PECP	LBCCA	PECP
Technical Responsiveness							
1	Code/Regulatory	1	P/F	Pass	Pass	Pass	Pass
2	Citywide Amenity	9	32	20	28	20	28
3	Program						
	City Hall	5	18	13	16	13	16
	Library	2	10	7	9	7	9
	Port	2	8	7	8	0	0
	Security	1	P/F	Pass	Pass	Pass	Pass
	Shared Space	2	P/F	Pass	Pass	Pass	Pass
	Parking	2	P/F	Pass	Pass	Pass	Pass
4	Sustainability	1	5	5	5	5	5
5	Quality	3	15	11	13	11	14
6	Access	6	5	4	5	4	5
7	Urban Form	7	25	16	23	13	23
Total Points				41	118	83	107
				73	100		

Technical Evaluation
Key Attributes of the Proposers' Design Concepts



Design Concepts

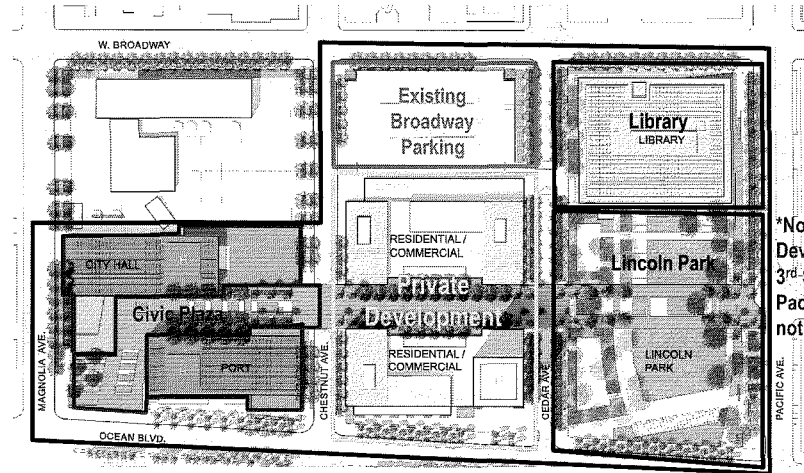


Civic Center Complex Site Plan

LBCCA Major Components of the Site Plan



Design Concepts



Civic Center Complex Site Plan

PECP Major Components of the Site Plan



Design Concepts



1st Street Closure to create Civic Plaza

Site Plan - 1st Street as Civic Plaza

LBCCA Civic Plaza



Design Concepts



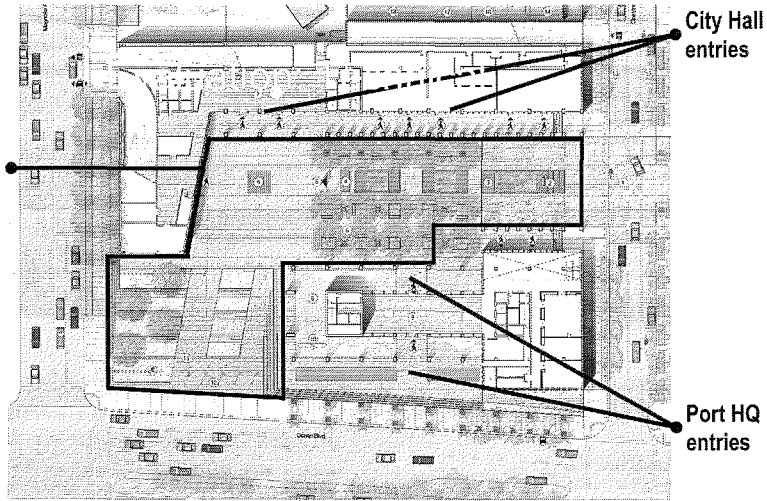
Architectural Design Response - View from Chestnut Ave

LBCCA Building Massing



Design Concepts

Positioning of Civic buildings, creates a plaza for public use, and optimizes connectivity of the urban fabric



City Hall & Port Headquarters Site Plan with Civic Plaza



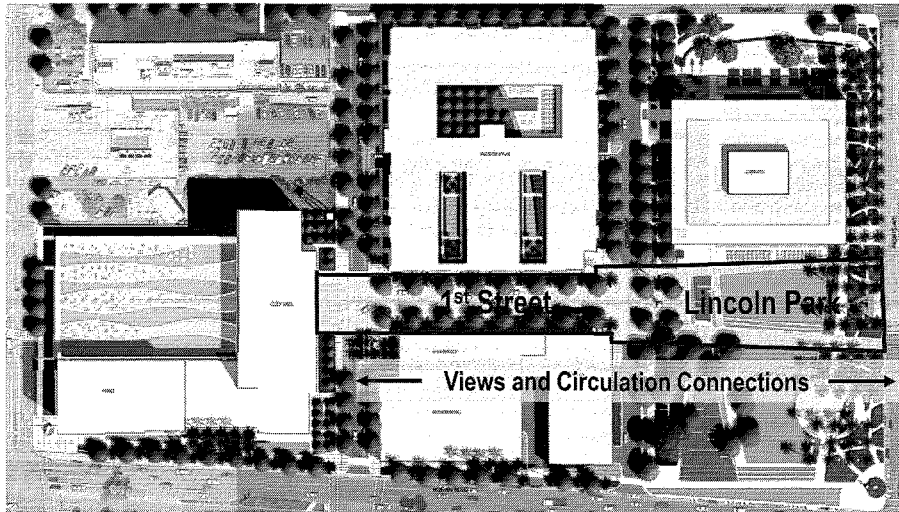
Design Concepts



Exterior Perspective – Civic Plaza & Approach to Building Entrances from Ocean Blvd at Magnolia



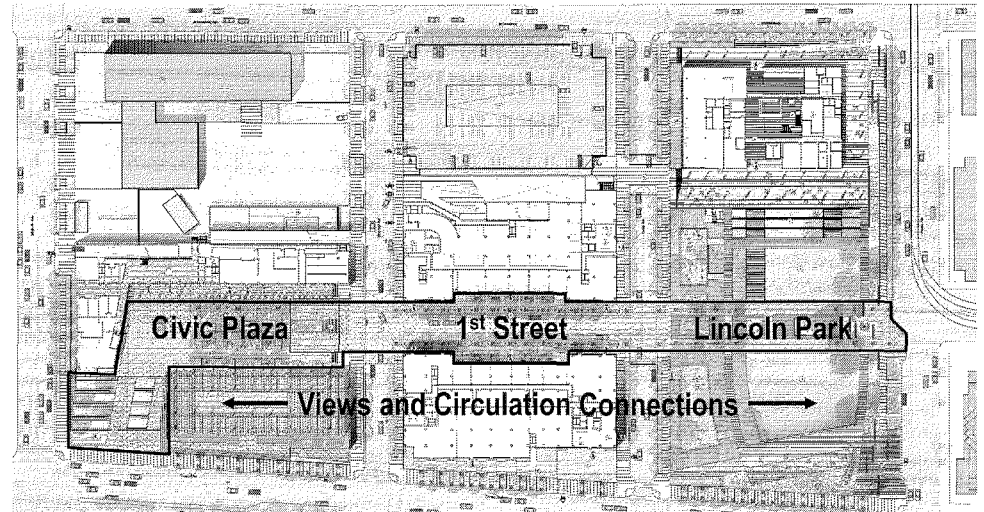
Design Concepts



Civic Center Complex



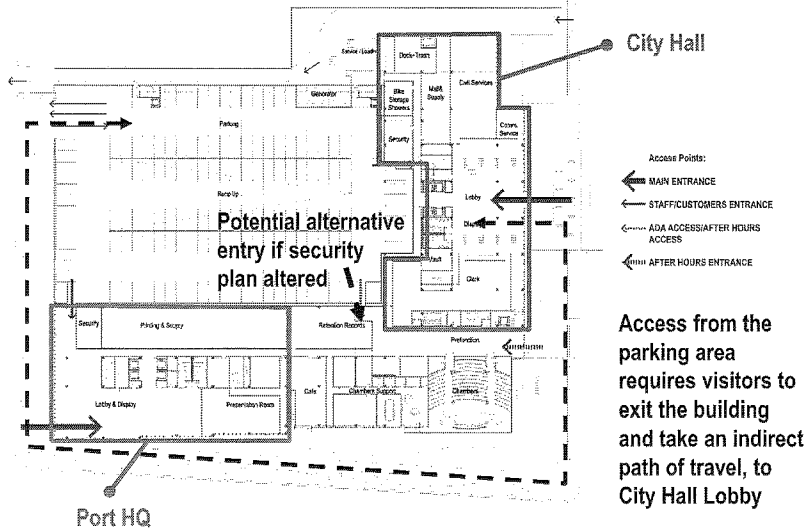
Design Concepts



Ground Floor Site Plan



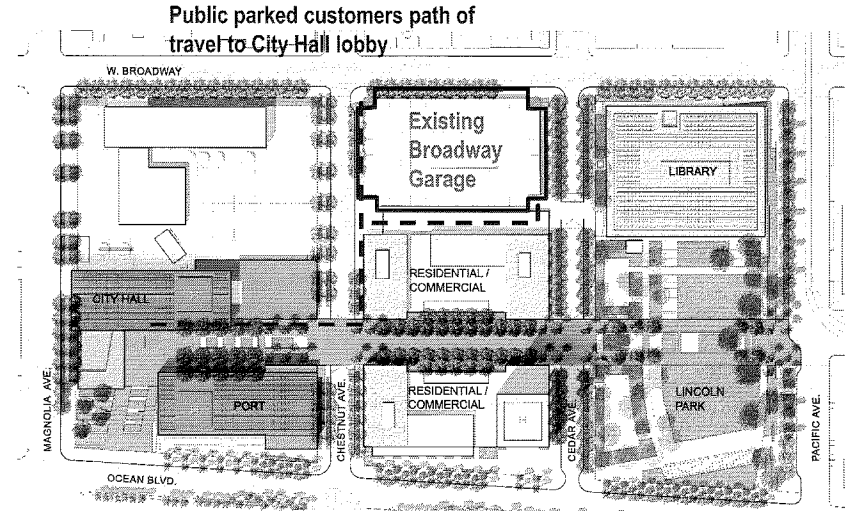
Design Concepts



LBCCA Visitor Path of Travel to City Hall



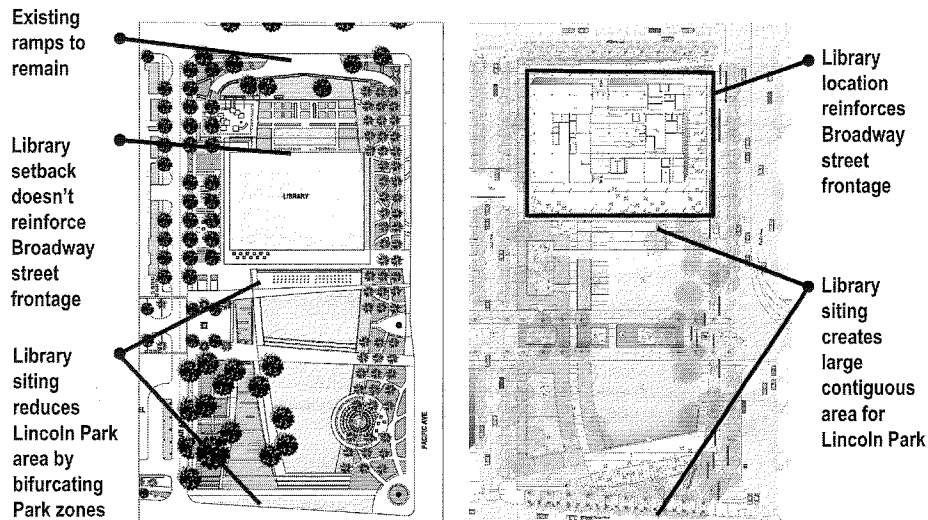
Design Concepts



PECP Visitor Path of Travel to City Hall



Design Concepts



Long Beach Main Library Site Plan & Lincoln Park Design

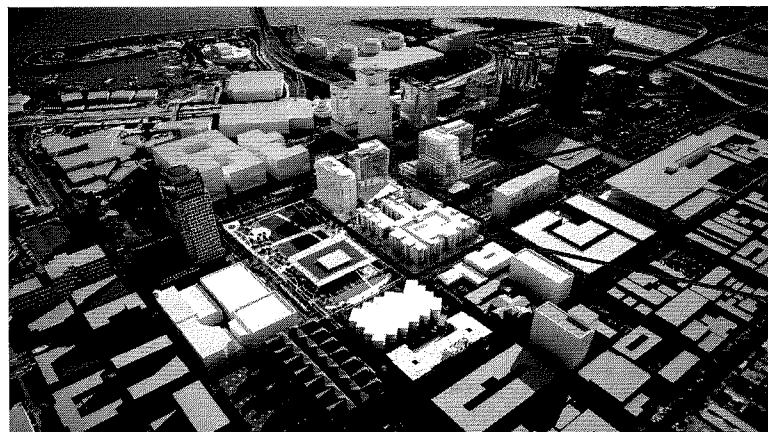
LBCCA Library Position

PECP Library Position

Technical Evaluation
Building Massing



Building Massing



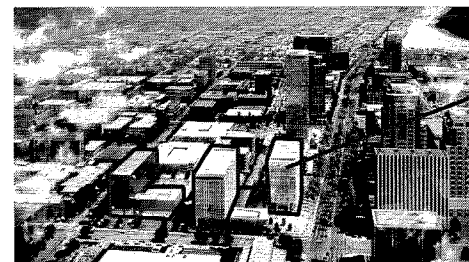
Massing of Port HQ & City Hall is unrelated

Massing of Private Development is inconsistent

Aerial Perspectives – Architectural Design Response

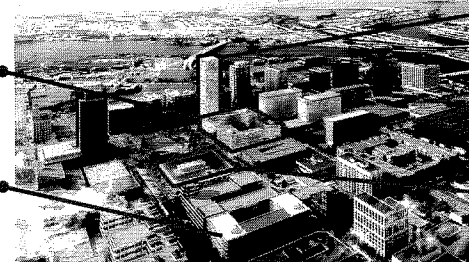


Building Massing



City Hall, Port HQ and Police HQ relate with consistent mass and scale

Residential Tower consistent with adjacent existing buildings along Ocean Ave.



Private Development is in scale with both City Hall & Lincoln Park – buildings are unified in appearance

Main Library anchors Lincoln Park

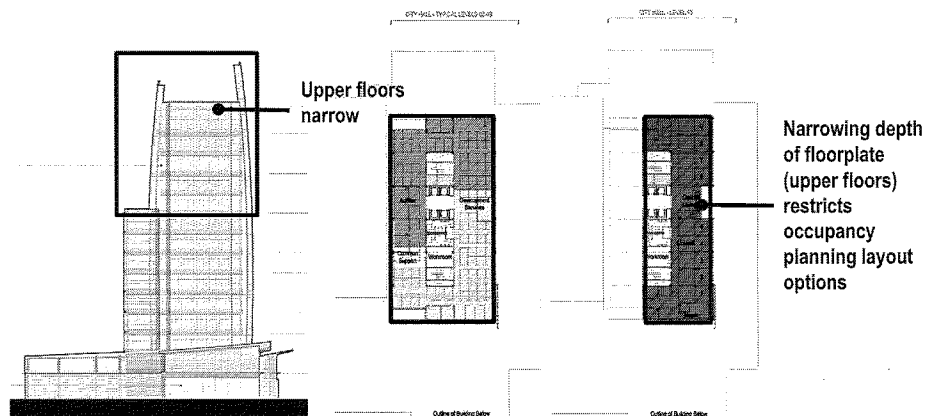
Aerial Perspectives – Architectural Design Response

Technical Evaluation

Floor Plate Efficiency & Occupancy Strategies



Floor Plate Efficiency & Occupancy Strategies



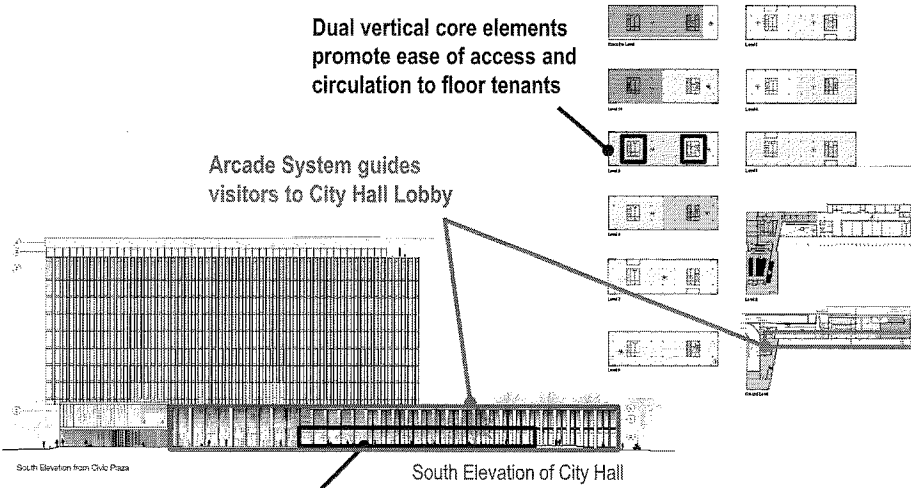
City Hall south elevation

City Hall: Typical Floor 1-9

City Hall: Typical Floor 9-13



Civic Center Evaluation: Technical



Pedestrian oriented service counters conveniently located within arcade

PECP City Hall Floor Plates, Building Cores, Service Counters

Technical Evaluation Facilities Management



Facilities Management

Category	Element	Criteria	Points	Port In		Port Out	
				LBCCA	PECP	LBCCA	PECP
Facilities Management							
	8 Management Approach	1	P/F	Pass	Pass	Pass	Pass
	9 Customer Service	1	5	5	5	5	5
	10 Human Resources	1	3	3	3	3	3
	11 Operations & Maintenance	1	5	5	5	5	5
	12 Operational Services	1	5	5	5	5	5
Total Points				5	18	18	18

Technical Evaluation Private Development

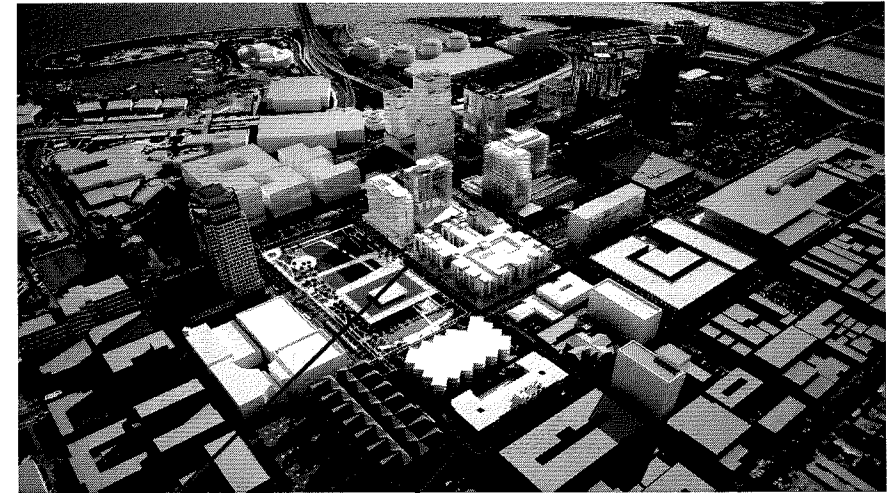


Private Development

Category	Element	Criteria	Points	Port In		Port Out	
				LBCCA	PECP	LBCCA	PECP
Private Development - Technical							
	13 Code/Regulatory	1	P/F	Pass	Pass	Pass	Pass
	14 Citywide Amenity	3	5	4	5	4	5
	15 Quality	1	3	2	3	2	3
	16 Sustainability	1	5	5	4	5	4
	17 Urban Form	8	30	19	28	18	28
Total Points		14	43	30	40	29	40



Private Development



Mid-Block Private Development

Private Development at 3rd St. & Pacific

Artist's Rendering

Private Development Scoring

LBCCA



Private Development



Mid-Block Private Development

Private Development at 3rd St. & Pacific

Artist's Rendering

Financial Evaluation

PECP



Financial Evaluation

Category	Element	Criteria	Points	Port In		Port Out	
				LBCCA	PECP	LBCCA	PECP
Financial-Public							
18	Financial Plan	2	25	20	18	16	12
19	Financial Model	2	15	12	12	12	12
20	Flow of Funds	1	P/F	Pass	Pass	Pass	Pass
21	Financial Documents	1	P/F	Pass	Pass	Pass	Pass
22	Timing/Phasing	1	10	9	8	9	8
23	Economic Impacts	1	P/F	Pass	Pass	Pass	Pass
Total Points				8	50	41	38

Financial Scoring - Public Development

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Financial Evaluation

Stress Test Runs		LBCCA	PECP
Project Costs	Increase in costs	\$29.6m increase can be absorbed (6.5%)	\$32.5m increase can be absorbed (6.3%)
Interest Rates	Increase in interest rates	71 bps increase can be absorbed	53 bps increase can be absorbed
Operating Costs	Increase in operating costs	21% increase can be absorbed	19% increase can be absorbed

Financial Base Case Stress Testing Results

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Financial Evaluation

Stress Test Runs		LBCCA	PECP
Project Costs	Increase in costs	\$20.m increase can be absorbed (4.4%)	\$30.0m increase can be absorbed (5.6%)
Interest Rates	Increase in interest rates	34 bps increase can be absorbed	42 bps increase can be absorbed
Operating Costs	Increase in operating costs	12% increase can be absorbed	19% increase can be absorbed

Financial Adjusted Case Stress Testing Results

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Financial Evaluation

	LBCCA			PECP
	Lease & O&M	Tax Sharing	Total	
2020	\$ 12.526	\$ 1.726	\$ 14.252	\$ 14.104
2025	\$ 14.692	\$ 1.952	\$ 16.644	\$ 16.528
2030	\$ 16.701	\$ 2.209	\$ 18.910	\$ 18.754
2035	\$ 19.128	\$ 2.499	\$ 21.627	\$ 21.433
2040	\$ 22.079	\$ 2.828	\$ 24.907	\$ 24.682
2045	\$ 25.695	\$ 3.199	\$ 28.894	\$ 28.652
2050	\$ 30.160	\$ 3.619	\$ 33.779	\$ 33.538
2055	\$ 35.713	\$ 4.095	\$ 39.808	\$ 39.597

Civic Center Financial Scoring

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Financial Evaluation

	CiviCore	Plenary Edgemoor	Difference
City Payments over 40 Years	\$ 1,023.245	\$ 1,037.000	\$ 13.755
Net Present Value at 5.5%	\$ 263.367	\$ 251.974	\$ (11.393)
Port Payments over 40 Years	\$ 656.784	\$ 858.090	\$ 201.31
Net Present Value at 5.5%	\$ 199.323	\$ 250.978	\$ 51.66
City & Port Payments over 40 Years	\$ 1,680.030	\$ 1,895.090	\$ 215.06
Net Present Value at 5.5%	\$ 462.690	\$ 502.950	\$ 40.26

Civic Center Financial Scoring

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Evaluation Results & Recommendation



Financial Evaluation

Category	Element	Criteria	Points	Port In		Port Out	
				LBCCA	PECP	LBCCA	PECP
Financial-Private	24 Market Assessment	1	10	7	8	7	8
	25 Financial Plan	1	10	8	9	8	9
	26 Contingency Plan	1	10	10	10	10	10
	27 Financial Model	1	5	4	2	3	2
	28 Timing/Phasing	1	3	3	3	3	3
	29 Economic Impacts	1	P/F	Pass	Pass	Pass	Pass
Total Points		6	38	32	32	31	32

Financial Scoring - Private Development

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Evaluation Results

Criteria Category	Potential Score	LBCCA Score	PECP Score
Administrative Proposal Scoring	N/A	Pass	Pass
Technical Proposal Scoring - Civic Center	118	83	107
Technical Proposal Scoring - Civic Center Facility Management	18	18	18
Technical Proposal Scoring - Private Development	43	30	40
Financial Proposal Scoring - Civic Center	50	41	38
Financial Proposal Scoring - Private Development	38	32	29
Total Proposal Score	267	204	232

Total Scoring - Port In Alternative

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Evaluation Results

Criteria Category	Potential Score	LBCCA Score	PECP Score
Administrative Proposal Scoring	N/A	Pass	Pass
Technical Proposal Scoring - Civic Center	110	73	100
Technical Proposal Scoring - Civic Center Facility Management	18	18	18
Technical Proposal Scoring - Private Development	43	29	40
Financial Proposal Scoring - Civic Center	50	37	32
Financial Proposal Scoring - Private Development	38	31	32
Total Proposal Score	259	188	222

Total Scoring - Port Out Alternative

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Next Steps



Evaluation Results

- **Recommendation:**
- PECP has a stronger technical design and approach to the project with a financial proposal that is sufficiently robust to meet the financing needs of the project within the financial limits set by the RFP.
- With the highest Total Proposal Score and the Best Value proposal, City Staff recommends selecting PECP as the Preferred Project Team for the new Long Beach Civic Center Project.

Total Scoring - Port Out Alternative

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Next Steps

- Execute an Exclusive Negotiation Agreement (ENA), Term Sheet and Global Executory Agreement between the City, the Project Team, and, in the Port-in alternative, the Harbor Department
- For the Port-In alternative, execute a Memorandum of Understanding with the Harbor Department
- Extend the contract with Arup North America Limited for five years and increase the contract authority by \$2.9 million, plus a 10% contingency



Next Steps

- Enter a contract for \$1.1 million, plus a 10% contingency, with Sheppard Mullin Richter & Hampton LLC for legal counsel
- Enter a contract for \$450,000, plus a 10% contingency, for third-party financial consultation
- Form one or more special purposes entities to issue bonds to finance the Project (which will not be an obligation of the City)
- Pursue special legislation if it will benefit the Project
- Appropriate \$4.6 million for the estimated City share of ENA costs
- Pay the \$500,000 stipend to the non-selected Project Team

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Next Steps

- The ENA between the City, the Project Team, and in the Port-In alternative, the BHC, requires the parties to negotiate exclusively to establish general technical and financial terms of the Project, together with allocation of risk
- The Term Sheet will flesh out those terms and risk allocations in a formal agreement between the parties, guiding the process through the entitlement period
- The Global Executory Agreement is the all-encompassing document that will govern the process of, and obligations of the parties to, negotiate, prepare and execute agreements enabling the lease/leaseback, conveyance of development rights for private development, and commercial and financial close

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MOU with the Harbor Department

- City and Harbor will need to execute an MOU that sets forth rights and obligations of both parties regarding the Harbor Department's permanent headquarters:
 - Access to the City's consultant contracts
 - Conduct value engineering to reduce scope and/or cost
 - Maintain design oversight
 - Analyze funding alternatives
 - Analyze maintenance and operations alternatives
 - Analyze parking alternatives
- The MOU is intended to bring the parties through the construction period
- Upon occupancy, a separate MOU addressing use and allocation of the shared space will likely be necessary

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Arup North America Ltd

- Arup has successfully concluded its existing contract for Phase I and Phase II
- Arup's proposed services for Phase III which includes :
 - Project Management including a workplan and schedule to ensure identification, coordination, tracking and completion of necessary tasks
 - Advisory Services including financial, commercial, and technical support to help the City manage risk, lead negotiations, and prepare the needed documents to reach commercial and financial close
 - Community Outreach Support including maintenance of the City's website, tracking of comments and surveys, monitoring and analyzing site traffic and participating in public and community meetings

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Sheppard Mullin Richter & Hampton

- Negotiation, preparation, revision and finalization of the legal documents necessary to achieve commercial and financial close:
 - Exclusive Negotiation Agreement
 - Term Sheet
 - Memorandum of Understanding
 - Global Executory Agreement
 - Closing Documents:
 - Concession Agreement
 - Ground Lease
 - Space Leases
 - Development Agreement for Private Development
- Creation of one or more special purpose non-profit entity for the purpose of issuing bonds
- Bond counsel

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Financial Management Consultant

- Financial consultant assistance from Michael M. Palmieri in regard to the following activities:
 - Perform as peer reviewer and attend all meetings through financial close
 - Assessing factors that may impact City finances, budget or risk
 - Provide advice and support with regard to development of the final financial plan, the financing entities and debt structuring
 - Assess and advise with regard to non-financial issues that may impact overall benefits, cost and risks of the Project

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Potential Special Legislation

- The City is confident that the legal framework underlying the deal structure is sound
- Should City staff determine there is a potential to reduce risk, and thereby improve the financing for the Project staff may seek to pursue special legislation

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Recommended Actions



Recommended Actions

- Confirm staff's recommendation of PECP as the preferred Project Team
- Authorize the City Manager to proceed with the next steps as detailed in the Council Letter
- Authorize the City Manager to enter a Memorandum of Understanding with the Harbor Department
- Authorize the new and extended contracts for consultant services
- Authorize the City Manager to pursue special legislation if it benefits the project
- Authorize the formation of one or more special purpose entities for the issuance of bonds
- Appropriate the needed funding

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Long Beach Civic Center

Evaluation of Proposals & Recommended Actions

December 9, 2014