

# THE NEW LONG BEACH A VIBRANT CIVIC CENTER

December 9, 2014



**LBCCA**  
Long Beach CiviCore Alliance



# **NEW LONG BEACH CIVIC CENTER**

**TUESDAY, DECEMBER 9, 2014  
333 W. OCEAN BOULEVARD  
COUNCIL CHAMBER, 5:00 PM**



# LBCCA : Best Choice for Long Beach

## **Long Beach CiviCore Alliance**

- Largest PPP development team in the world
- True mixed use development experience (Over 5,000,000 SF of private development in LAX to Long Beach Market, over 75,000 residential units in last 10 years.)
- Savings of approximately \$250 million and a faster completion schedule
- Only plan to fully resolve the seismic concerns which are the primary reason for this project
- Project design remains flexible and can be adjusted to meet staff, Council and community priorities

**Staff recommendation raises several important questions that remain unanswered. The City Council and the public need the answers before deciding on a partner for the most significant project Long Beach will undertake for decades.**

# The 5 Big Questions

- 1. Why spend \$247,000,000 more than you need to? The PECP proposal costs \$4.5 million per year (\$247 million total) more than LBCCA.**
- 2. Why was team experience not considered or scored?**
- 3. Why select a project that still results in seismic safety concerns?**  
PECP's proposal does not provide any seismic upgrades to the Broadway garage for City staff
- 4. What happened to the \$12.6M promise?**  
In recommending the PECP proposal staff states they need to “**resolve financing issues...**” and “**possibly even increase** it's affordability limit from the \$12.6 million annual payment”.
- 5. How can the City select a materially non-responsive proposal?**  
The City's own report concluded that the PECP financial proposal does not meet the RFP requirements.

# Financial Proposal Responsiveness

- The staff report (page ES-2 paragraph 1.2.2) states the PECP without Port financial proposal does not meet RFP requirements and would be non-responsive.
- The staff report states that section 5.2.1 of the RFP gives the City latitude to determine responsiveness. However, under California law, a public entity may allow deviations from the requirements of an RFP only if the deviation is “inconsequential,” “insubstantial” or “immaterial.”

# Focus On Financing – The True Cost To The City

PECP proposal costs City and Port **\$247M more** than LBCCA.

**With Port scenario (Millions of Dollars)**

	LBCCA	PECP
City Annual Payment	\$12.1	\$12.6
Port Annual Payment	\$14.1	\$18.4
Total Payment	\$26.3	\$31

Sources: LBCCA proposal; City Staff presentation to BHC dated Oct 27, 2014; LBCCA calculations.

# Focus On Financing – The True Cost To The City

- That's \$4,000,000 LESS per year that could go to other services and improvement projects such as:



Proposed facility site plan

**Port payments for this project reduce the money available to the Tidelands Fund, used to fund major capital improvements in the City.**

# Focus On Financing – The True Cost To The City

**Selecting PECP today is a risky choice, LBCCA offers more equity “skin in the game” and greater certainty of completion**

- Balance sheet & equity investment are critical to the stability of the project
- The PECP project relies more on **debt** and less on the development teams own money
- Our project does not rely on the private development being complete to have fully functioning civic assets.



# Picking A Team, Not A Project



## Macquarie & Lend Lease

- Largest PPP development team in the world
- Global leader in complex mixed use development and urban regeneration.



## Continental Development Corporation, Mar Ventures, & Holland Partners



- Over 5,000,000 SF of private development in LAX to Long Beach Market
- 3,600,000 SF of residential development in Southern California.
- Offices in Long Beach



## ABM Management

- Only O&M operator that does not outsource core function, employs hundreds of long beach citizens , long term commitment to the facilities management business



## PCL

- Ranked #4 on ENRs top 400 contractors list and North Americas most prolific PPP design/builder.



## Fentress & Civitas

- Fentress Architects and CIVITAS have designed over 100 million SF of public projects worth over \$30 billion.



# Picking A Team, Not A Project

## With LBCCA you know who the quality of the Hotel, Residential, & Retail developers.

- LBCCA has the experience & the trusted relationships to bring the right partners to Long Beach.
  - Desirable tenants and operators will not risk working with a group that has limited experience and that they have never done business with before.

- LBCCA is bringing



- Our competitors do not have the appropriate mixed use development experience on their team.

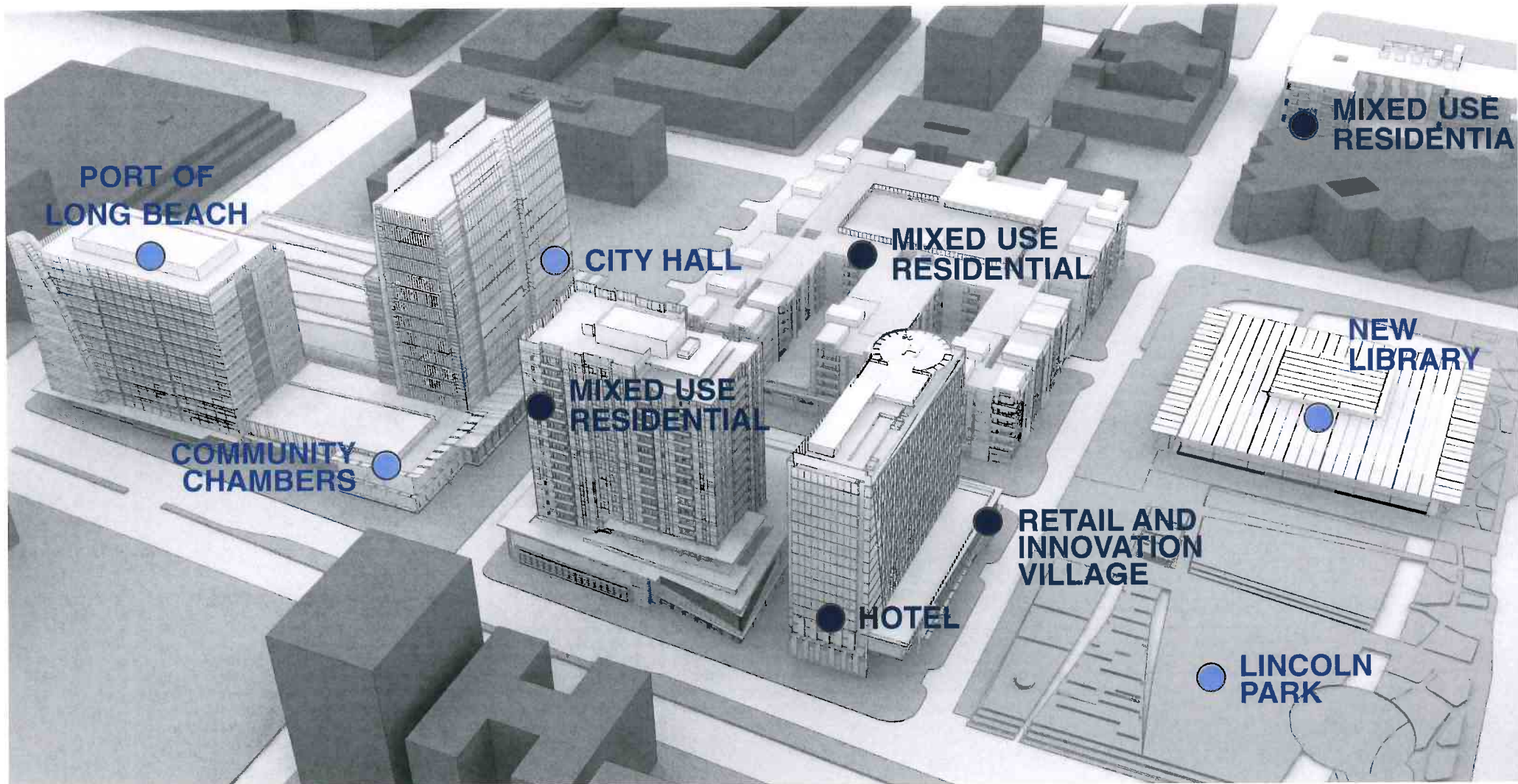
Who will deliver these essential components of the Downtown vision?

# Picking A Team, Not A Project

## Design Can Be Modified, Experience Cannot

- Why would Long Beach hand over the most complicated mixed-use PPP project to be developed in the United States to a team with limited mixed-use development experience and none in California?
- Both teams can deliver a civic building but the economic viability of our civic center and the future of downtown Long Beach requires that the selected team be able to execute its development plan, we market tested our development plan and our team members stand ready to take the financial risk and commit the funds to complete the private sector component of our civic center development

# Our Design Will Be Delivered



THE ALL NEW CIVIC CENTER – PUBLIC / PRIVATE SYNERGIES

**This is a once in a generation decision for Long Beach.**

**There are too many unanswered questions.**

**Please postpone the vote until the public has answers to these questions.**

