



# CITY OF LONG BEACH

# R-19

TECHNOLOGY AND INNOVATION DEPARTMENT

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March 20, 2018

HONORABLE MAYOR AND CITY COUNCIL  
City of Long Beach  
California

## RECOMMENDATION:

Authorize the City Manager, or designee, to execute the necessary documents to amend Contract No. 34242 with Plenary Properties Long Beach, LLC, of Los Angeles, CA, for Civic Center technology infrastructure, in an amount not to exceed \$7,050,000;

Authorize the City Manager, or designee, to execute multiple lease-purchase agreements, and related financing documents, with Banc of America Public Capital Corporation, of Scottsdale, AZ, for the financing of Civic Center technology infrastructure, in an aggregate amount not to exceed \$8,476,000 including principal, interest, and escrow fees, payable over a term not to exceed 15 years; and,

Increase appropriations in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) by \$454,000, offset by charges to user departments and funds. (Citywide)

## DISCUSSION

City Council approval is requested to amend Contract No. 34242 with Plenary Properties Long Beach, LLC (Plenary), of Los Angeles, CA, in an amount not to exceed \$7,050,000, for the purchase and installation of Civic Center technology infrastructure, including the City's data center, cellular communications, cameras, broadcast systems, and audio/video equipment. This Civic Center technology infrastructure need was included in the equipment category of the critical technology infrastructure needs presentation to City Council on December 5, 2017.

On December 9, 2014, the City Council selected Plenary to construct, operate, and maintain the new Civic Center. Therefore, Plenary is in the best position to purchase and install this technology infrastructure. The design and equipment costs were extensively evaluated by a team of construction, engineering, design, and technology consultants to ensure the solutions were consistent with the Civic Center design and were competitively priced.

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City Council approval is also requested to execute lease-purchase agreements with terms not to exceed 15 years through the City's Master Lease Agreement with Banc of America Public Capital Corporation for the financing of the Civic Center technology infrastructure. The debt service and/or combined lifecycle costs will be approximately \$1,089,000 a year.

This matter was reviewed by Deputy City Attorney Amy R. Webber on February 28, 2018 and by Budget Analysis Officer Julissa José-Murray on March 1, 2018.

TIMING CONSIDERATIONS

City Council action is requested on March 20, 2018, to ensure these acquisitions and installation services for the new Civic Center project can be made in a timely manner.

FISCAL IMPACT

The total contract authority with Plenary for the purchase of these critical needs will not exceed \$7,050,000. The total amount to be paid to Banc of America under the lease-purchase agreements will not exceed \$8,476,000 including principal, interest, and escrow fees. Lease payments will be made over a term not to exceed 15 years. The aggregate annual lease payments plus lifecycle (equipment replacement) is not expected to exceed \$1,089,000. Depending on each equipment type, the equipment may be replaced at end of life (lifecycle costs) by renewing the equipment loans and continuing the debt service indefinitely, by building lifecycle costs into the Civic Center monthly payment, or by accumulating cash for equipment replacement, whichever of those options is deemed in the best interests of the City. If equipment replacement is not paid through debt service renewal, the actual annual costs could be different from the approximately \$1,089,000 in a particular year. However, the total debt service and lifecycle costs should remain equivalent, in present value, to the \$1,089,000 annually.

As the FY 18 portion of the debt services cost is unbudgeted, an appropriation increase of \$454,000 in the General Services Fund (IS 385) in the Technology and Innovation Department (TI) is included in the recommendation, offset by charges to user departments and funds via the annual Technology and Innovation MOU. The debt service costs for future years will be built into the FY 19 General Services Fund budget and charged out to user departments, which is consistent with the critical technology infrastructure needs funding plan. There is no local job impact associated with this recommendation.

Respectfully submitted,



LEA ERIKSEN  
INTERIM DIRECTOR OF TECHNOLOGY AND INNOVATION



CRAIG BECK  
DIRECTOR OF PUBLIC WORKS



JOHN GROSS  
DIRECTOR OF FINANCIAL MANAGEMENT

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APPROVED:



PATRICK H. WEST  
CITY MANAGER