



**Date:** October 11, 2013  
**To:** Patrick H. West, City Manager   
**From:** Michael P. Conway, Director of Business & Property Development   
**For:** Mayor and Members of the City Council  
**Subject:** Civic Center Request For Qualifications

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At its meeting on February 12, 2013, City Council directed staff to update the seismic analysis for City Hall through either a peer review or new seismic study. Given the original study was performed in 2005 and newer established criteria that assess building performance during a seismic event now exist, staff commissioned a new seismic study. The conclusions confirm the precarious stability of City Hall and the extensive renovations necessary to retrofit the building to survive a significant earthquake. Staff will be presenting more details and will provide more information related to the new seismic study at the Council meeting on October 22, 2013.

With the recent success of the Deukmejian Courthouse as a premier example, the City now has an opportunity to mirror this success and analyze a financing structure for a new Civic Center. While maintaining approximately the same annual expense to operate the current Civic Center and off-site leases, including standard CPI increases, there currently exists, in this extremely low interest rate environment, a unique, and possibly short-lived, possibility to partner with a private developer to design, build, finance, operate and maintain a new Civic Center for approximately 35 years. This will not only provide the City with a safe working environment, but will also allow the City to operate more efficiently, cohesively and cost-effectively. This will also allow the City to accurately budget for the long-range maintenance of the Civic Center.

The effort to pursue a development partner for a new Civic Center through the release of an RFP does not foreclose consideration of a seismically retrofitted and upgraded City Hall. Importantly, the RFP responses will provide a basis for comparison to a renovation and upgraded "base case." At that time, City Council can then determine the best course of action. Without a comparative financial analysis of a performance based, life cycle alternative, City Council will not have the full spectrum of information necessary to render such an important decision.

With this concept in mind, on February 12, 2013, City Council authorized staff to release a Request for Qualifications (RFQ) for the development, construction and operation of a new Civic Center. Staff released the RFQ on April 26, 2013 with a closing date of July 26, 2013. Staff received submissions from seven respondent teams, all of whom were interviewed on August 28 and August 29, 2013.

The RFQ responses were thoroughly reviewed and rated on responsiveness to the elements of the RFQ, which detailed, among other things, public projects of a

similar size and nature, experience in availability payment financing and Performance Based Infrastructure projects, and experience in incorporating facilities management objectives into project design and development.

Additionally, all respondent teams were interviewed. In the oral interview process, each team was scored on twelve questions related to financing, design and development, community engagement, maintenance and operations, presentation, synergy and rapport, and functional representation. The interview panel consisted of the Assistant City Manager, the Directors of Development Services, Library Services and Business & Property Development, the City's Debt Manager and the Chief Financial Officer and Acting Chief Harbor Engineer from the Harbor Department. Additionally, the services of Jones Lang LaSalle, a leading real estate services provider to public sector agencies, were enlisted for evaluation and due diligence support to review the quality and responsiveness of both RFQ submissions and in analyzing the responses and dynamics during the panel interviews.

While all the respondent teams were extremely impressive, three stood out unanimously to the panel and the consultant team as the top candidates to proceed to the Short List of RFQ Respondents. The proposed Short List of RFQ Respondents is:

|                       | <b>Long Beach CiviCore Alliance (Macquarie)</b>               | <b>Plenary-Edgemoor Civic Partners</b>              | <b>Related</b>   |
|-----------------------|---|---|--|
| <b>Headquarters</b>   | Vancouver, BC   | Costa Mesa, CA                                      | Irvine, CA   |
| <b>Equity Partner</b> | Lend Lease/Mar Ventures/Continental Development               | Plenary Group/Edgemoor Infrastructure & Real Estate | Related  |
| <b>Finance</b>        | Macquarie/BOA   | DeLaRosa  | Citi/David Taussig and Associates  |
| <b>Design</b>         | Fentress lead, Civitas, Pamela Burton & Co., NYA, P2S and RBF | SOM lead, HMC, KSMA, Syska, GGN and BDG             | Pei Cobb Freed & Partners lead, LPA Architects, Rios Clementi Hale Studios and Studio One Eleven |
| <b>Construction</b>   | Lend Lease/PCL  | Clark Construction                                  | Griffin  |
| <b>FM Teammate</b>    | ABM/Mar Ventures/Continental Development                      | Johnson Controls                                    | Roy Jorgensen Associates   |

Attached is a matrix that provides a summary of each selected team's experience in Performance Based Infrastructure (PBI), and Public-Private Partnership (PPP)

projects, and strengths related to architecture, engineering, construction, finance and facilities maintenance.

Staff will be recommending that the re-visioning process continue to the stage that a comparative analysis between the seismic renovation and code required upgrade "base case" scenario can be compared to a performance-based, life cycle approach to a new Civic Center. Should City Council direct staff to prepare and issue a Request for Proposals (RFP) to design, build, finance, operate and maintain a new Civic Center, the RFP will be issued to the Short List of RFQ Respondents.

If you have any questions, please contact Mike Conway at 570-5282.

PW:MC:mb

Attachment

cc: Charles Parkin, City Attorney  
Al Moro, Acting Executive Director-Harbor Department  
Suzanne Frick, Assistant City Manager  
Reginald Harrison, Deputy City Manager  
Tom Modica, Deputy City Manager  
Ara Maloyan, Director of Public Works  
John Gross, Director of Financial Management  
Jyl Marden, Assistant to the City Manager

ATTACHMENT

|  | <b>Long Beach CiviCore Alliance (Macquarie)</b>  | <b>Plenary-Edgemoor Civic Partners</b>   | <b>Related</b>   |
|--|--|--|--|
| ● PBI Case Studies                                 | DoD Military Housing Program; Royal Adelaide PPP Hospital  | Melbourne Convention Centre; Long Beach Courthouse; Disraeli Bridges; Archives of Ontario; Niagara Health System; Thunder Bay Court House            | Building 16 Orange County  |
| ● PPP Case Studies                                 | Above as well as BC Hospital; Darling Quarter; Sydney International Convention Exhibition and Entertainment District; Military Entrance Processing Station                                 | Above as well as Route 28 Corridor Improvements; GMU Engineering Bldg; UCSF Sandler Neurosciences Center   | Above as well as Grand Avenue in Los Angeles and Hudson Yards in Manhattan   |
| ● Performance-based payment mechanisms             | DoD Military Housing Program; Royal Adelaide PPP Hospital; Sydney International Convention Exhibition and Entertainment District   | All PBI cases listed above have performance-based payment mechanisms.  |  |
| ● Engineering & Design Capabilities                | Fentress leading team that also includes Civitas, Pamela Burton & Co., NYA, P2S and RBF; Skilled multidisciplinary team with above average experience in complex and large scale projects. | SOM led team which also includes HMC, KSMA, Syska, GGN and BDG; Capable team of varied strengths. Good experience in urban Civic Center Development. | Pei Cobb Freed & Partners lead team that also includes LPA Architects, Rios Clementi Hale Studios and Studio One Eleven; Good experience through teaming for urban Civic Center Development. |
| ● Urban Civic Center campus development experience | Clark County Gov. Center; Oakland Civic Plaza; Jefferson County Gov. Center; N. Las Vegas City Hall; Sacramento City Hall; N.  | San Francisco Civic Center; UCSF Neurosciences Ctr; New US Courthouse - Los Angeles; Millennium Park Master Plan; Good urban Civic Center            | Century Plaza Development; US Courthouse - Boston, MA; Watsonville Civic Center; Chino Hills Gov. Ctr; San Marcos Town Center; Nokia Plaza; Good urban Civic Ctr Development                 |

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|---|---|--|--|
|   | Embarcadero; Calaberas Civic Ctr.; Above average Civic Center development experience.                             | Development experience.  | experience.  |
| ● Providing financing for similar projects within specified time frame. | Macquarie and Lend Lease along with Bank of America as bond underwriter.  | Plenary-Edgemoor (Phil Dreaver) with De Las Rosa & Co. a local investment bank as bond underwriter.  | Related California, Griffin Structures and Citi Financial advisors as bond underwriter and David Taussig & Associates as NMTC specialists. |
| ● Ability to provide financing for the Project                          | Macquire will lead the team as financial advisor with Bank of America Merrill Lynch as a tax exempt specialist.   | The financing team is able to provide financing execution. Plenary has significant experience in securing P3 related financing. DLR has above average experience providing tax exempt financing. | The financing team is able to provide financing execution with City as bond underwriter. Adequate access to capital markets.               |
| ● Construction Capabilities & Infrastructure                            | Construction capabilities demonstrated in numerous case studies   | Construction capabilities demonstrated in numerous case studies  | Construction capabilities demonstrated in numerous case studies  |
| ● Relevant Case Studies   | The Respondent has provided numerous local and regional civic case studies, which demonstrate strong performance. | The Respondent has provided numerous local and regional civic case studies, which demonstrate strong performance.  | The Respondent has provided numerous local and regional civic case studies, which demonstrate strong performance.                          |

