

# **Bond Case Briefs**

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## **California's New Law Creates Hybrid P3 Model to Build Civic Center.**

Legislation Gov. Jerry Brown signed Aug. 11 allows Long Beach, Calif., to combine elements of several types of public-private partnership agreements into a hybrid model to expedite the construction of the city's new civic center. The project's new buildings will include a seismically safe city hall, headquarters for the Port of Long Beach and the main city library. A park will be redesigned as well. Transit-oriented mixed-use developments, high-rise condominiums and retail shops also will be built on the almost 16-acre site, the city announced in a press release.

The law places sections of state and case law that apply to lease-leaseback public-private partnerships and design-bid-finance-operate-maintain (DBFOM) P3s into one section of state law that applies specifically to the civic center project. The law reduces the risk of the procurement method being legally challenged because, to date, it has been used only to develop infrastructure projects, not city hall buildings, according to the city.

The law also authorizes the private partner to lease or own all or part of the project for up to 50 years. Under existing law, private leasing or ownership of such projects expires after 35 years, the legislative counsel's digest of the law says.

The civic center project will create 3,700 jobs construction-related jobs; it also will bring the Port of Long Beach's headquarters back to the city's downtown and re-establish its waterfront presence after a year-long, temporary relocation a few miles outside the city, said Lori Ann Guzman, president of the Long Beach Board of Harbor Commissioners.

"Long Beach residents are closer to seeing significant revitalization and modernization in downtown" as a result of the new law, said Sen. Ricardo Lara, the bill's primary sponsor. "The civic center is at the core of Long Beach and the expansion project will benefit residents for years to come."

This project has been in the planning stages for some time. Two teams of developers presented proposed plans for the civic center to the city in October. In January, the Long Beach City Council selected a DBFOM team, led by Plenary Group, to negotiate the real estate and P3 terms of the civic center project.

The civic center is not Long Beach's first P3. The city used this procurement method to build its award-winning courthouse, which opened in 2013.

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