

AECOM



New Long Beach Courthouse Building Project

New Long Beach Court Building

Project Overview

- Courtrooms: 31
- Overall Square Footage: 529,000 SF
- Court Space: 380,000 SF
- County/Commercial Use: 105,000 SF
- Construction Cost: \$300 million, \$490 million total investment
- Start: January 2011
- Occupancy: August 2013



New Long Beach Court Building

Project Development

- First Performance Based Infrastructure Project in the United States
- Design – Build – Finance – Maintain for 35 years
- 11 Consortiums submitted Qualifications
- Five teams shortlisted for Interviews, three selected for final D/B/F/M competition
- Six month Competition Period with Multiple Proprietary meetings
- Additional time for Financial Clarifications
- Official Announcement of Selection of Long Beach Judicial Partners in June 2010
- Financial Close Occurred December 20, 2010

Project Overview

- ~31 month construction, 35 years operation
- Includes car park operation and commercial/retail leasing
- Strong public counterparties
 - AOC (State of California): PBI counterparty
 - LA County: major lease counterparty

New Long Beach Court Building

Site

- 6 Acre Site
- Includes renovation of existing parking structure
- Includes improvements to surrounding street frontages



Drive Toward a PPP Solution:

Existing Courthouse was in a state of disrepair

- *Portions of the ceilings in several courtrooms had fallen down*
- *The building had leaks, mold, and termite infestation*
- *Attorney interview areas were used to house “keep-always,” thus eliminating private areas for attorneys to interview criminal defendants*



KEY SPEAKERS

**Honorable Charles W. McCoy,
Presiding Judge Los Angeles
Superior Court**

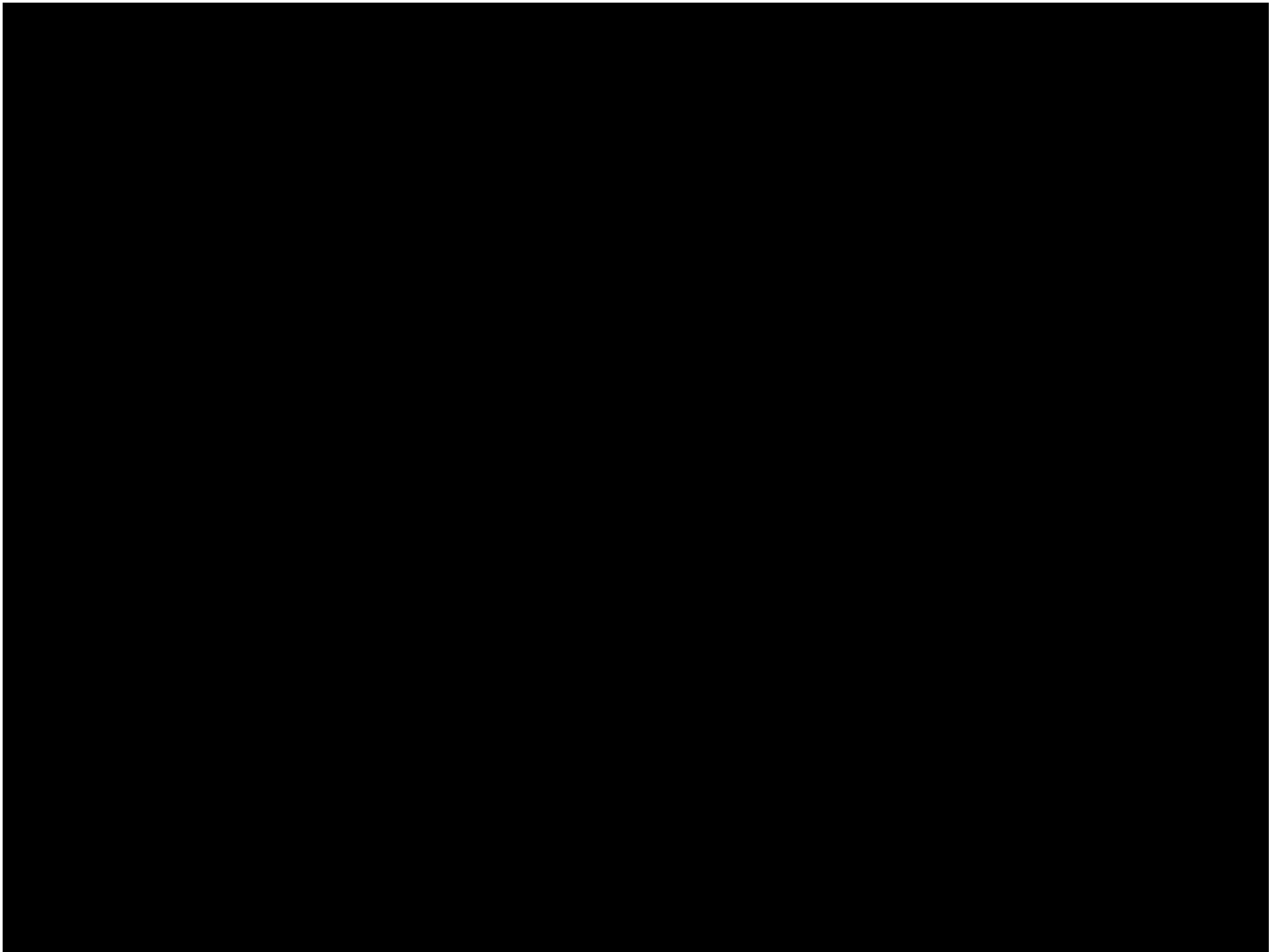


**Clifford Ham, AIA
Principal Architect, State of
California, Administrative Office
of the Courts**



Henry Pittner, AIA , AECOM







AOC Business Case Rationale

Greater Discipline

Risk Transfer

Competition

Single Point
of Contact

Third Party Income

Procurement
Efficiencies

Integrated Service

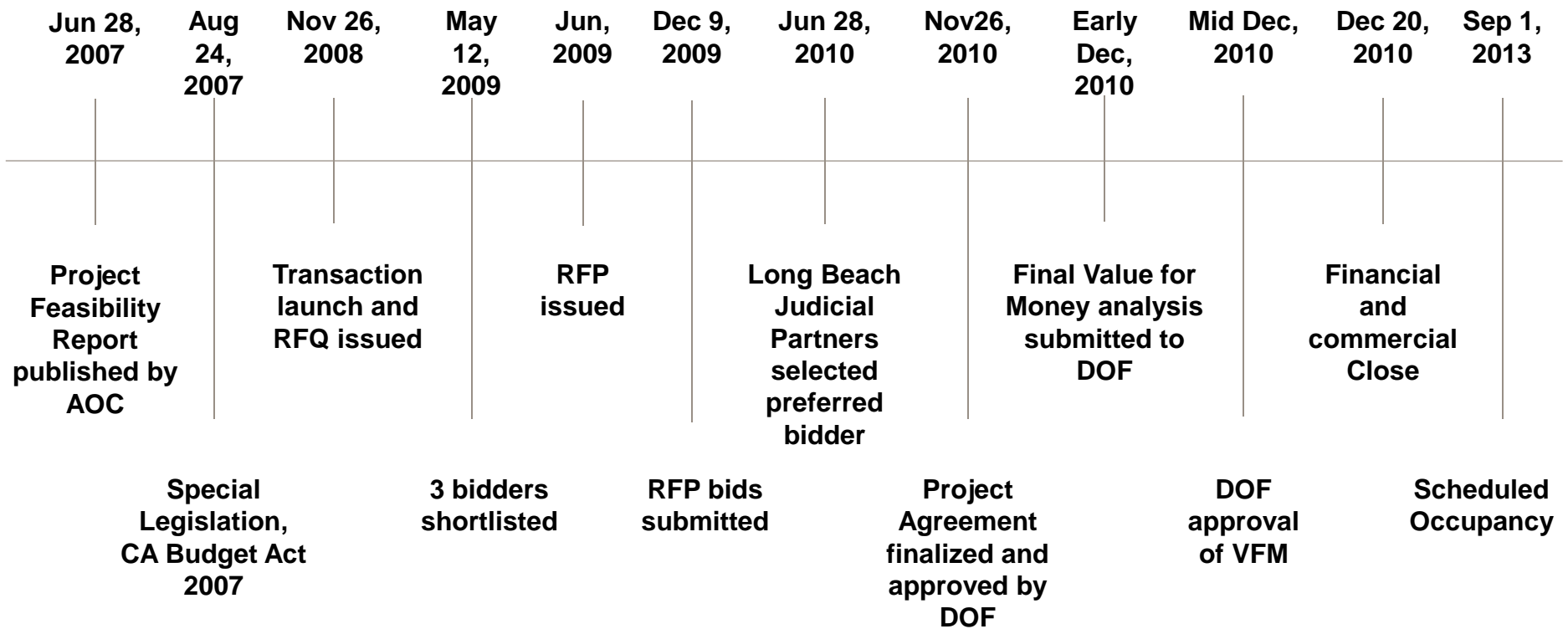
Payment Structure

Resources

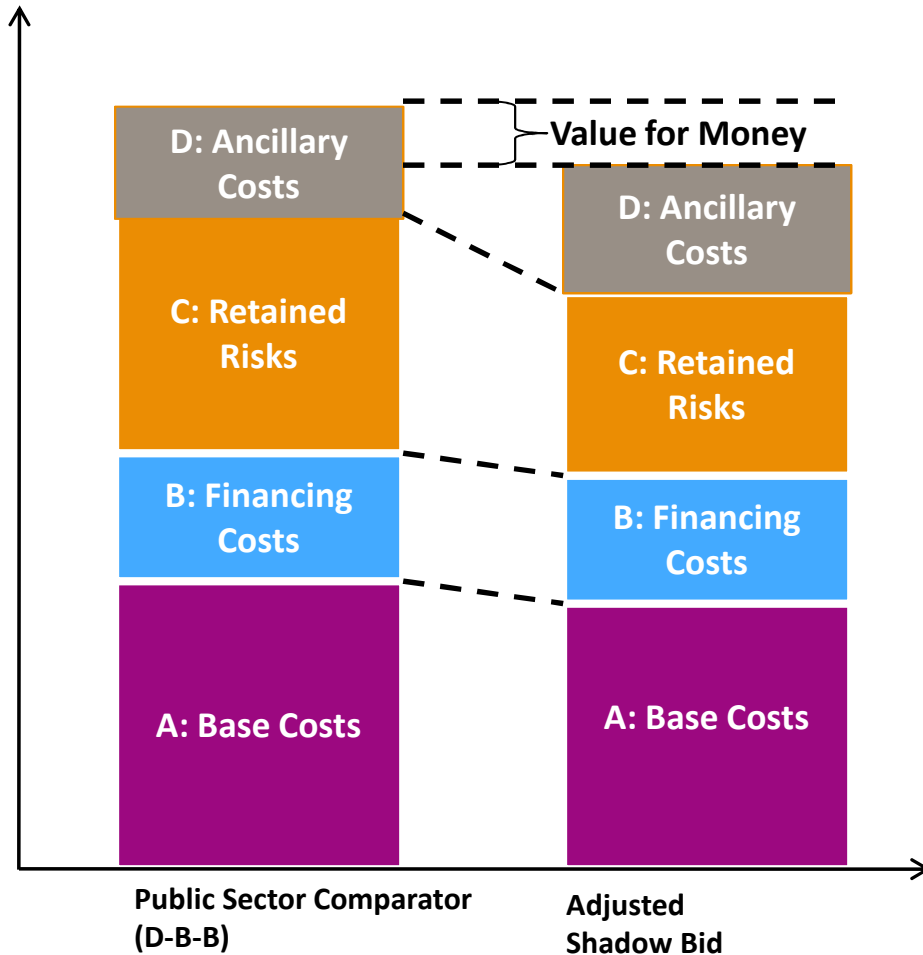
Benefits of PPP

- Provide government with significant leverage over private sector and transfer integration risk
- Switch from lowest construction costs to lowest lifecycle costs
- Create a culture of maintenance
- Create incentives for buildings' evolution

Project Timeline



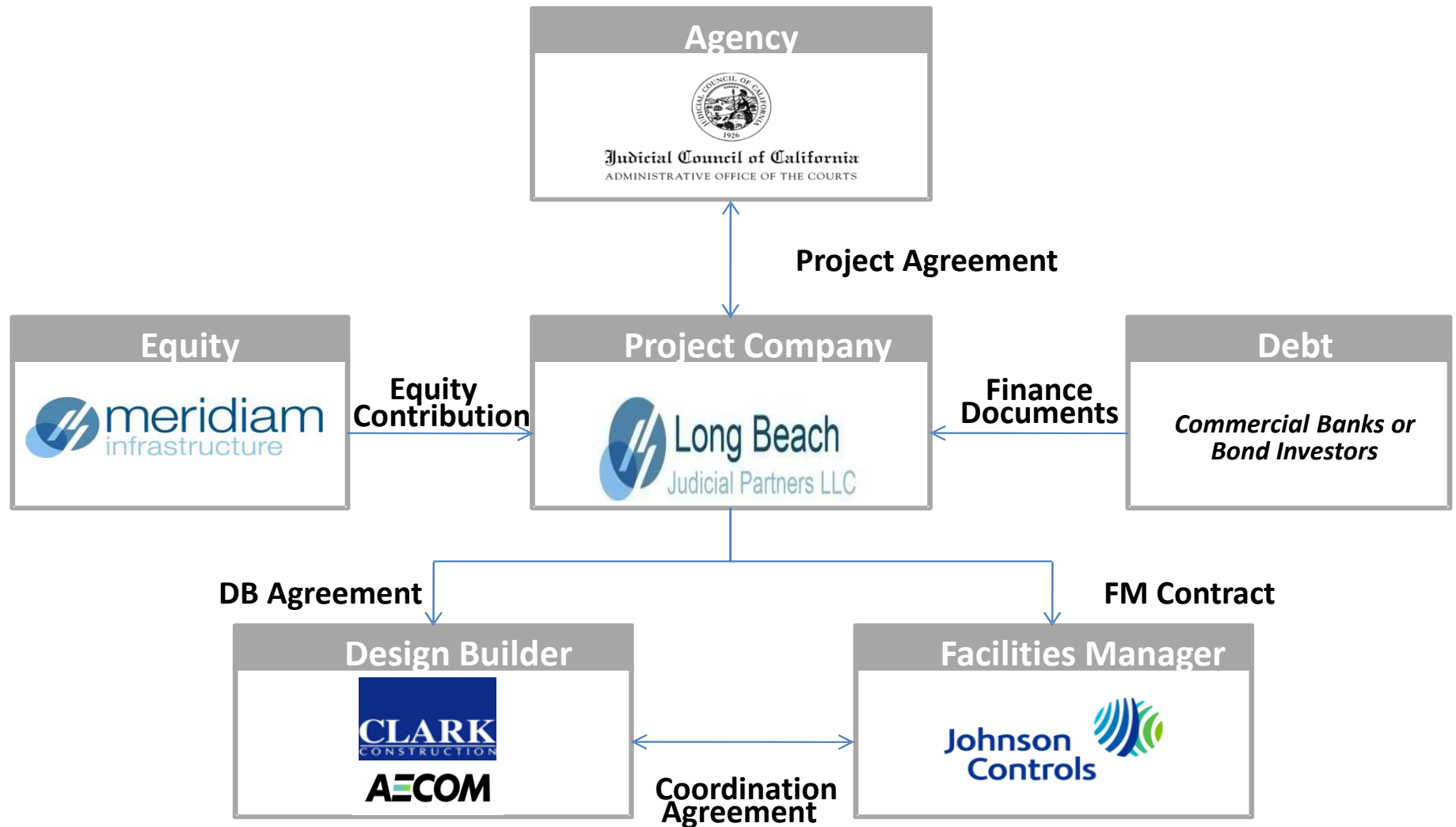
Where is Value for Money Generated?



Drivers of savings:

- Optimal allocation of risks
- Design and construction efficiencies
- Focus on whole life cycle costs
- Integrated planning and design
- Private sector management and control

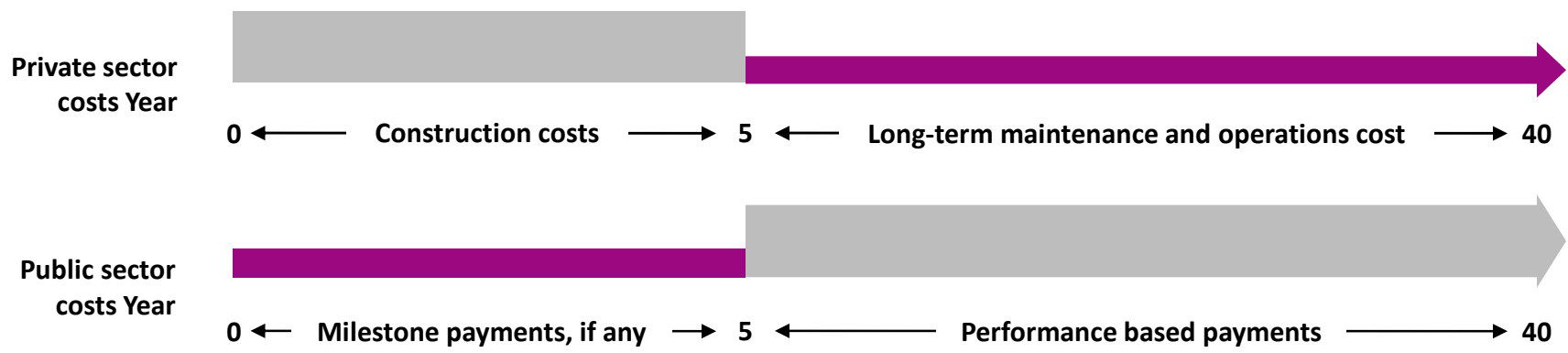
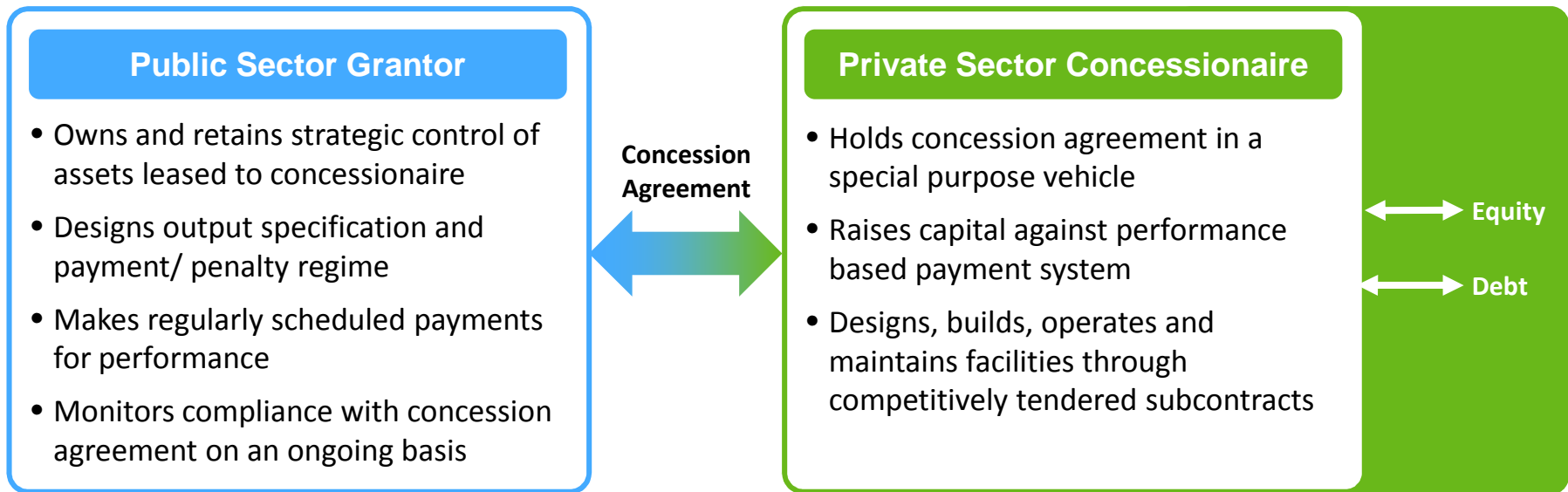
Project Parties and Structure



Availability Payments

- Public entity makes periodic, pre-established payments to private sector consortium in return for project delivery and performance
- Payments are made in accordance with availability of facility as well as quality of service provided
- Allows for flexibility in risk allocation
- Effective for projects lacking standalone financial feasibility (such as toll roads, parking garages, etc.), including schools
- Encourages private sector to plan and manage construction and maintenance program as efficiently as possible

Availability Payment Model



Availability Deduction Example

Availability Deduction Example

The project agreement includes a full schedule of values for unavailability deductions

Functional Unit	Linked Functional Unit	Deduction Value	# of Units	Sessions Unavailable	Total Deduction
Trial Courtrooms	✓	\$320	2	2	\$1,280
Courtroom Entry Vestibule	✓	\$133	2	2	\$532
Holding Cells between Courtrooms	✓	\$160	1	2	\$320
Interview Room @ Courtroom	✓	\$107	2	2	\$428
Video Remand Booth	✓	\$133	2	2	\$532
Courtroom Waiting Area	✓	\$80	1	2	\$160
Total Unavailability Deduction					\$3,252

Example: One courtroom holding area is unavailable for one full day (2 court sessions)

INVESTOR REWARDS

- Stable return profile based on strong counterparties
- Robust risk allocation and security packages
- First mover advantage in California P3 market
- Pathfinder project of national significance

Financing Package

- A bank group of six
- Senior debt provided \$442 million 7 year mini-perm facility:
 - Gearing ratio Debt to Equity 90:10;
- Consideration of alternative financing strategies including taxable and tax-exempt capital market solutions.