



CITY OF LONG BEACH

DEPARTMENT OF FINANCIAL MANAGEMENT

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April 21, 2017

Michael Palmieri, President
p3point
1450 Sproul Avenue
Napa, CA 94559

Michael:

I want to thank you for your invaluable services to the City during the 2013-2016 procurement of our Civic Center Public Private Partnership ("P3") project.

The approximately \$520 million project includes our 11-story 270,000 sq. foot city hall, the Port's 11-story 237,000 sq. foot headquarters, a two-story 92,000 sq. foot main library, a 73,000 sq. foot civic plaza, underground parking of 469 spaces, a central utility plant, a rooftop solar system and a revitalized city park of 4.9 acres.

As the City's P3 finance advisor, in the first 13 months working in the Arup consortium advising the City, or for the subsequent 18 months working directly as a consultant to me as the Finance Director, you quickly became a trusted advisor to me and the City, delivering thorough and valuable analysis, guidance and advice. You consistently provided insights not elsewhere available, and you were persistent in identifying many potential and actual issues over a broad range of subjects, sometimes extending beyond the directly financial areas.

Your role included contributing to the development of the RFP and the procurement process, evaluating various project legal and financial structures (P3, Lease Revenue Bonds, COPs, 63-20, 501c3), leading the City's financial and affordability analysis, and preparing the RFP financial evaluation criteria, leading the bid evaluation team on the financial components of the competitive bids, a wide spectrum of project component analysis, review and assessment of the project financing plan and financial model, development of the payment formula, providing content and comments on various staff presentations to the City Council, attending most design meetings and all deal structuring and financing meetings, assisting in contract negotiations (working closely with me and other City staff, the City attorney and outside counsel) and keeping me updated on project development aspects, costs, risks and alternatives.

You were tenacious when it came to protecting the City's interest and risk positions, especially during negotiations to try to get the best value and risk allocations possible for the City. By the time of financial close, your insights allowed the City to innovatively develop multiple financial structuring elements that provided millions of dollars of savings for the City.

It was very good to have you on the project and watching out for the City. Thank you for your contributions to our successful Civic Center project. They will have positive impacts to the City for decades to come.

Sincerely,

John Gross
Director of Financial Management