



# CITY OF LONG BEACH

DEPARTMENT OF ECONOMIC AND PROPERTY DEVELOPMENT

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July 13, 2016

## Letter of Recommendation for Michael Palmieri

As Director of Economic and Property Development of the City of Long Beach, I was the lead staff member for the City of Long Beach, responsible for the development and procurement of our \$520 million new Long Beach Civic Center Public Private Partnership ("P3") Project from 2010-2016. The project is designed for high seismic resiliency, is targeted for LEED gold or better and facilitates a reinvigorated downtown with: (1) 11-story 270,000 sqft City Hall, (2) 11-story 237,000 sqft Port Headquarters, (3) two-story 92,000 sqft Main Library, (4) 73,000 sqft Civic Plaza, (5) underground parking of 469 spaces, (6) Central Utility Plant, (7) three-rooftop solar system providing up to 25% of Project energy needs, (8) a revitalized City park of 4.9 acres, (9) a plan for future mixed-use development with up to 580 residential units, retail space and up to 200 hotel rooms, and (10) increased employment, additional tax revenues, and new residents.

For the period from RFP kickoff in 2013 to selection of Preferred Bidder in 2014, Michael Palmieri was a consultant to the lead advisor to the city on the project, the Arup advisor consortium (including HOK, BAE Urban Economics, MBI). In 2014, the city conducted a public competitive tender seeking a lead P3 financial advisor to the city on the project, while retaining the Arup advisory consortium. Eight complying submittals were received and after interviewing a shortlist of three firms, Michael was selected and approved by City Council. As lead P3 financial advisor to the city, Michael reported to the director of finance and the treasurer, and continued to work closely and successfully with me, all the other city departments, Arup and other consultants. Michael's role included contributing to the development of the RFP and procurement process, evaluating various project legal and financial structures, leading the city's financial and affordability analysis, and preparing financial evaluation criteria; he also guided the bid evaluation team on the financial components of the competitive bids from both the Macquarie-led consortium and Plenary-led (winning) consortium, including co-developer Edgemoor Infrastructure and Real Estate, operating service provider Johnson Controls, general contractor Clark Construction, and lead designer Skidmore Owings & Merrill.

Michael has consistently been reliable, providing clear analysis and presentations, advice and explanations, from the big picture to the smallest detail, to help city staff, including myself, make well-informed decisions for the project as it developed. He was tenacious when it came to protecting the city's interest and risk positions, fighting hard with the Plenary consortium during negotiations to try to get the best value and risk allocations possible for the city. Most critically, he provided assistance on project analysis, formulation of the payment mechanism and contract negotiations (working closely with me, the city attorney and outside counsel), providing content and comments on staff presentations to the City Council, while keeping the city updated on risks and alternatives. By financial close, Michael's efforts helped to achieve annual payments that were less than the annual limits for the project approved by City Council in December 2015, while providing double the size of contingency funds and innovatively developing multiple financial structuring elements that provided a combination of one-time and life-time savings for the city of over \$3 million dollars.

Additionally, Michael has been a pleasure to work with during this process, providing sound insight, demonstrating keen intelligence and delivering a tireless work effort, while offering attention to detail, excellent written and oral communication, advanced interpersonal skills, and highly innovative ideas. He became a trusted advisor to me and the City, delivering thorough and on-point analysis, guidance and advice. I recommend to anyone considering a large infrastructure project, especially a P3, to add Michael to their team. His proven expertise, experience and value-added intangibles are, without doubt, indispensable to success.

Sincerely,

  
Michael P. Conway, Director  
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