



Date: April 22, 2016

To: Patrick H. West, City Manager *T.H.W.*

From: Mike Conway, Director, Economic and Property Development *MC*
John Gross, Director of Financial Management *JG*

For: Mayor and Members of the City Council

Subject: **Commercial and Financial Close – Final Numbers – Civic Center**

The Civic Center Project Agreement (Project Agreement) was executed Wednesday, April 20, 2016, and the transaction has “closed.” In December, the City Council authorized the City Manager to proceed with actions necessary to execute and implement the Project Agreement. Those actions have now been taken and the Project Agreement is in effect. The Early Works Agreement (EWA), which had allowed the Project to temporarily proceed, has expired. The City and Plenary Edgemoor Civic Center Partners, LLC (PECP), are now operating in accordance with the Project Agreement. The total additional cost of the EWA, was \$41,671, as expected. The remainder of the costs paid by the City under the EWA have been reimbursed by PECP.

The demolition of the old courthouse remains on schedule for the end of May. Groundbreaking for the new Civic Center is on schedule for June 2016. Occupancy is anticipated in June 2019.

There is also very good financial news. The annual service fee for the Civic Center has been locked-in with a \$228,395 savings from when the Project Agreement was approved in December 2015. The approved annual service fee was \$15,437,324, and the final service fee will now be \$15,208,929 (in FY 16 dollars). In addition, funding for the Project’s contingency and technology allowances was increased to better meet Project goals and objectives. None of the additional City Council authorized contingency for the annual payment (\$500,000) was utilized.

If you have any questions, please call Mike Conway at (562) 570-5282 or John Gross at (562) 570-6427.

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