



Public-Private
Partnerships (P3s)

Your Valuable Real Estate: How to Keep It, How to Dispose of it, How to Make it Work.

Delivering state and local government revenue, operational facilities, and economic development

DECEMBER 2024



Team Introduction



Michael McShea

Executive Vice President & National Lead
CBRE Public Institutions & Education
Solutions

- Leads the PIES practice, providing strategic planning, development advisory, brokerage, and other real estate services.
- Collaborates with Lee Ann Korst on various projects, including a \$2 billion redevelopment initiative in Miami and asset inventory optimization for the State of South Carolina.
- Serves as a strategic advisor to various states and institutions, including the State of Florida, College of William & Mary, and the National Institutes of Health.
- Has worked with various cities on economic development.



Lee Ann Korst

Senior Vice President & Southeast Regional
Manager
CBRE Public Institutions & Education
Solutions

- Leads the public sector practice in the Southeastern US, overseeing project leadership and direction.
- Has experience in leading P3s for various public assets, including administrative headquarters, marinas, and golf courses.
- Provides strategic advice to state and local governments on portfolio optimization, revenue generation, and expense reduction.
- Held several leadership positions, including Director of Real Estate and Deputy Secretary at the Department of Management Services for the State of Florida.

Team Introduction



David L. Miller

Senior Counsel

Pillsbury Winthrop Shaw Pittman LLP

- Has structured and closed on public-private partnerships involving office buildings, high-rise biomedical laboratory facilities, military housing developments, transportation, transit-oriented development and telecommunications facilities and large mixed-use real estate developments.
- Represents government entities, private enterprises and international investors.
- Advises on financings, development projects, joint ventures and the purchase, sale and lease of all categories of U.S. real properties.
- Past chair of real estate legal opinion committees of American Bar Association Real Property, Trust and Estate Law Section and American College of Real Estate Lawyers.



Jessica Lee

Partner

Pillsbury Winthrop Shaw Pittman LLP

- Advises on complex commercial transactions, from public-private partnerships to multimillion-dollar construction financings.
- Assists U.S. and international clients on the acquisition and disposition, development, deal structuring, financing and leasing for a wide variety of projects.
- Has extensive array of experience in navigating complicated transactions, closing deals and managing risks for clients.
- Represents developers, borrowers, real estate investment trusts and commercial landlords and tenants.
- Has worked with David Miller on billions of dollars of public-private partnerships.



CBRE is the Global Leader in Commercial Real Estate Services and Investments

With services, insights and data that span every dimension of the industry, we create solutions for clients of every size, in every sector and across every geography.

The Global Market Leader

#138

2024 Fortune 500 Ranking

\$31.9B

2023 Company-Wide Revenue

\$8.5B

2023 Advisory Services Revenue

\$22.5B

2023 Global Outsourcing Revenue

100+

Countries where CBRE Serves Clients

115,000

Employees Globally

500+

Offices Globally

An Unparalleled Bench of Subject Matter Experts

- Government
- Office
- Healthcare
- Banking & Financial Services
- Energy, Oil & Gas
- Nonprofit
- Industrial
- Land
- Food & Beverage
- Sports & Leisure
- Retail
- Mixed Use
- Corporate
- Infrastructure & Public Enterprise
- Technology, Media & Telecommunications
- Life Sciences
- Aerospace & Aviation
- Corporate Capital Markets
- Land, Agriculture & Natural Resources
- Data Centers
- Automotive
- Education
- Law Firm
- Consumer Goods & Manufacturing



Public-Private Partnerships (P3s) Can Help

CBRE's Public Institutions & Education Solutions (PIES) team represents state and local governments to plan, market, structure, negotiate, and create contracts and documentation.

These projects leverage the value of publicly owned land to access the developer market to deliver commercial mixed-use development that benefits the community.

Plan

Site assessment, stakeholder engagement, market analysis, use types, financial modeling

Market

Engage developer market with world class materials to highlight unique features of the project

Structure

Evaluate various transaction structures and corresponding risks and benefits

Negotiate

Create competition for the project to extract maximum value and limit risk for our client

Contract & Documentation

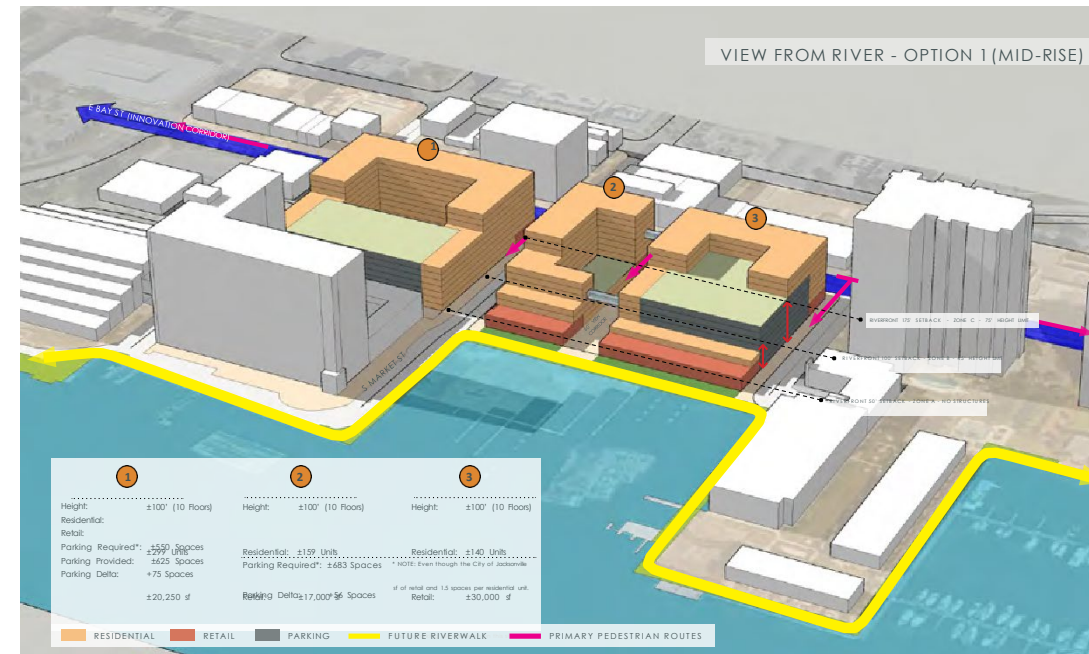
Create contracts and documentation regarding development plans and agreements

CBRE's PIES team represents its clients as their fiduciary to access developer expertise and private capital and deliver community-centric revitalization on publicly-owned assets

Development Advisory & P3s

Key Advantages - Government & Developer's Perspective

- Transfers risk from the public sector to a private sector partner
- Reduces public sector capital burden; generates revenue
- Allows public sector access to the best practices (construction, design, finance) and market knowledge of the private sector
- Allows for redevelopment / re-purposing of under- or non-performing assets
- Produces incremental cash flow, increased amenities and synergistic development
- Increases the chance for success and speed of project delivery
- Revenue can be directed to fund other critical priorities
- Ongoing maintenance by private partner can deter future capital expenditures and deferred maintenance
- Positive revenue impact to budget enables spending in other mission-critical areas



Parking Provided: ±739 Spaces parking was assumed to be 5 spaces per 1,000



Proven P3 Process

Challenges and Constraints

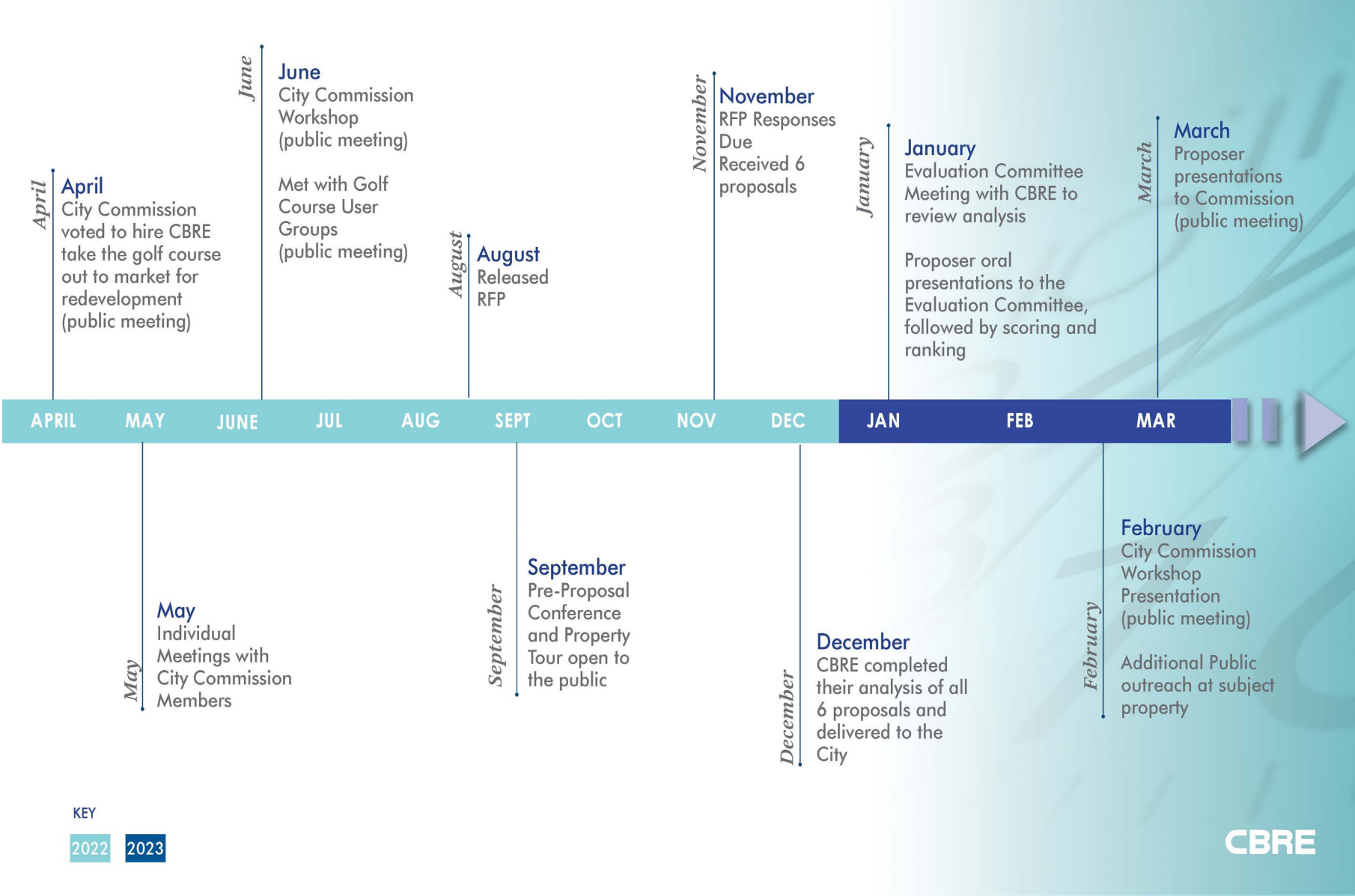


Our process has withstood media interest, bid protests, and passed voter referenda

City of Delray Beach Golf Course | REQUEST FOR PROPOSALS TIMELINE



Sample Timeline



KEY

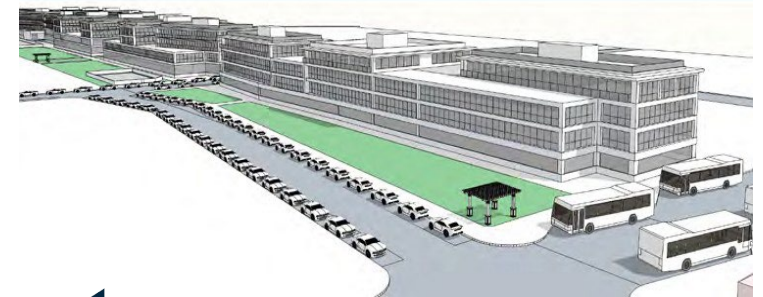
2022 2023



Due Diligence and Planning

Fully preparing and vetting the business case for any project by performing:

- **Highest and best use** analysis incorporating civic priorities
- **Massing and density studies** to determine site layouts, potential valuation, parking needs, and opportunities for affordable housing and other uses
- **Market analysis** and **financial modeling** to refine which parts of the project may pay for themselves versus which may require additional funding
- **Engagement with public and private stakeholders** to incorporate considerations and priorities



Development potential on site informs value and feasibility.

Proposal, Evaluation, Partner Selection

Understand the numbers

CBRE's Financial Consulting Group (FCG) provides sophisticated financial analysis unparalleled in the real estate industry. As your fiduciary, we provide clear analysis to guide a path forward.

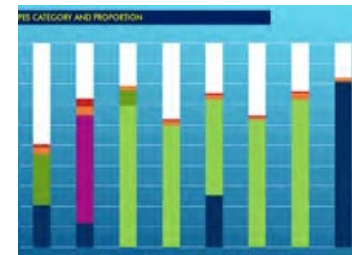
- Pro Forma Analysis
- Valuation Analysis
- Lease vs Own Analysis
- Offer Comparison
- Sale/Leaseback Analysis
- Cash Flow Analysis

Sample Financial Analysis

Break down the bids

- Upfront Planning
- Developer Proposal Analysis
- Design Coordination
- Construction Oversight
- Design & FF&E Management
- Cost Consultancy
- Business Transition & Move Management

Sample Analysis



Vetting developer assumptions to ensure project viability.



Transaction Negotiation and Documentation Implementation & Oversight

- **Technical assistance** with the negotiations of development agreement
- **Monitor** the design, entitlement and approval process and address any delays
- **Complete a design review** to ensure consistency with the development agreement
- **Compare developers' budget** and timing assumptions to CBRE's cost and schedule models
- **Actively monitor construction** with onsite inspections and report on progress
- **Field all requests** from the developer for changes in scope or schedule and advise owner on impacts and recommended resolution actions
- **Review commissioning** of the improvements, warranties and closeout of the project



Serving bedroom communities in primary, secondary, and tertiary cities seeking economic development and beneficial growth

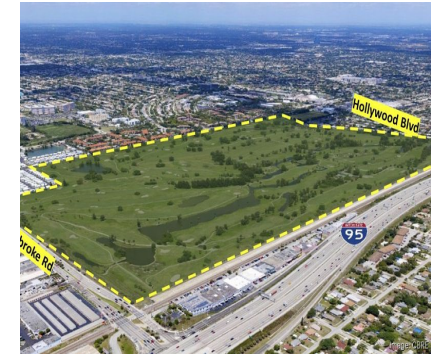
Sample Projects



Virginia Key Marina, FL - Real estate development advisory services for redevelopment of 8-acre marina



City of Indianapolis, IN - Real estate development and financial advisory services for redevelopment of Mass Ave



City of Hollywood, FL - Real estate development and advisory services for redevelopment of 250-acre Orangebrook Golf & Country Club



North County Transit District, CA - Development advisory and representation services for new mixed-use project at Oceanside Transit Center, San Diego



Dorchester County, SC - Real estate development and financial advisory services for redevelopment of historic 500 Main Street in downtown Summerville



City of Miami, FL - Real estate advisory services for several high-profile transactions including famed Virginia Key Marina

Pinellas County, FL

Challenge

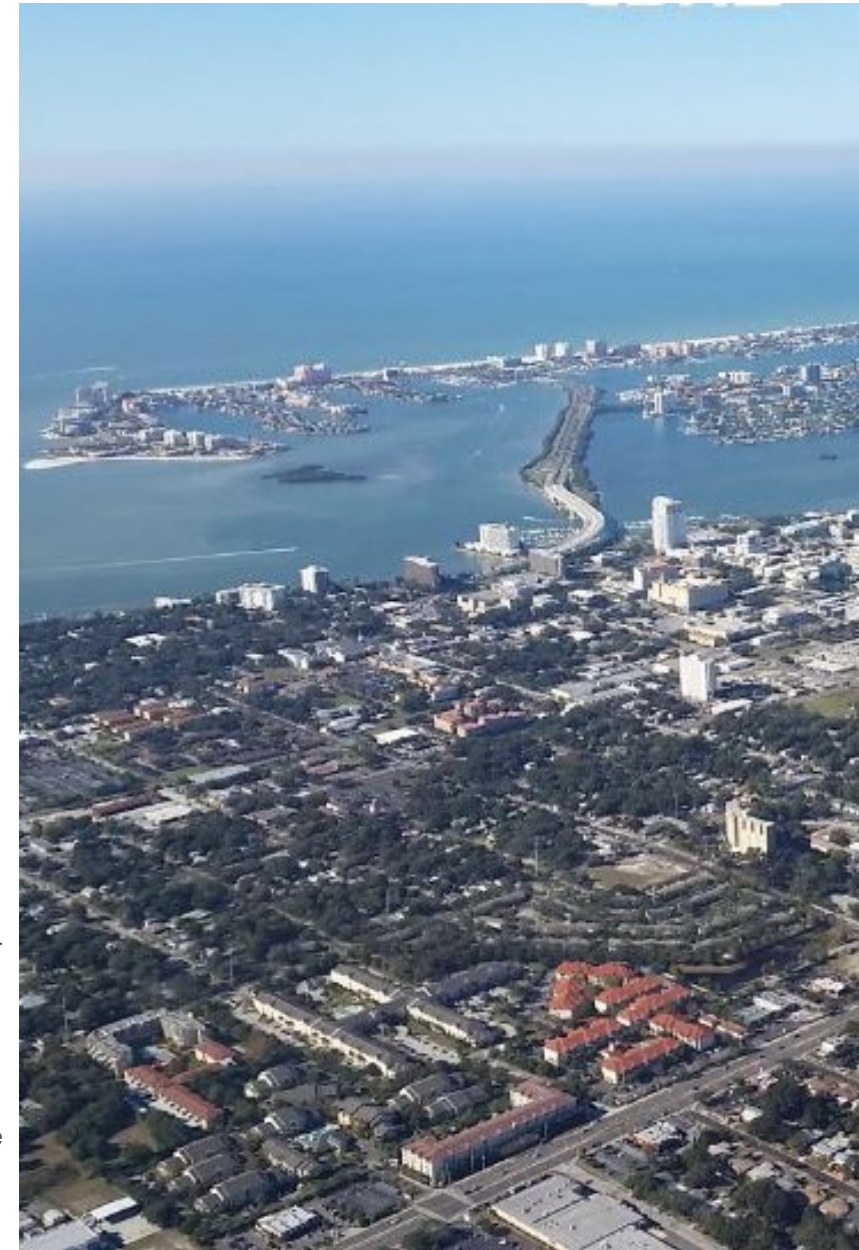
Pinellas County has embarked on a process of consolidating its administrative functions to improve its overall service delivery for citizens, work environment for employees, and operate more efficiently in the future. The County is currently operating from 14+ locations in downtown Clearwater in a collection of buildings that had been adapted to County use but were not originally intended as office buildings. The County was seeking CBRE's support with determining the value and development potential of its owned assets, while conducting a site selection and location intelligence analysis for the new consolidated location which would include courts, development services, and other administrative functions.

Solution

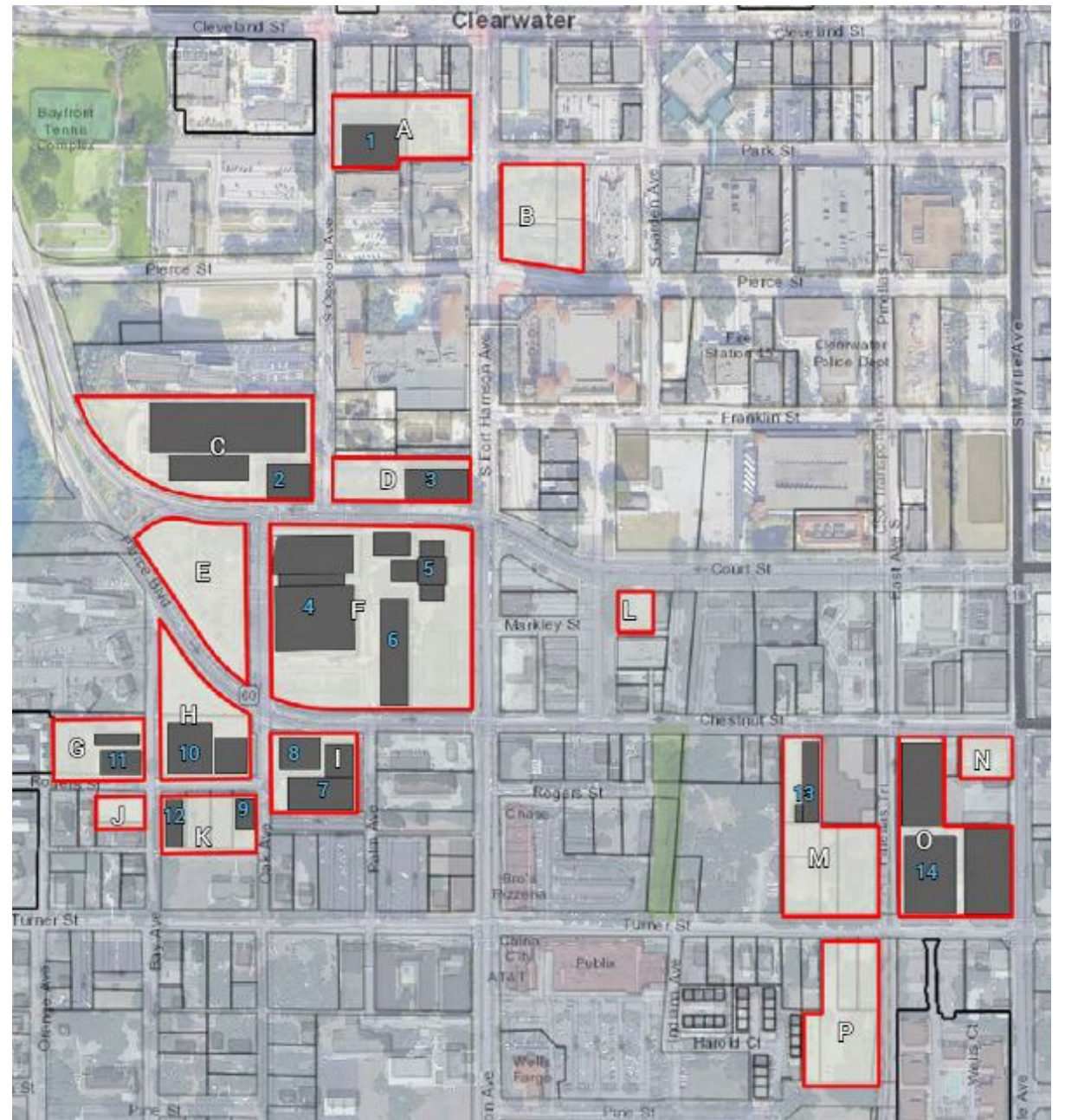
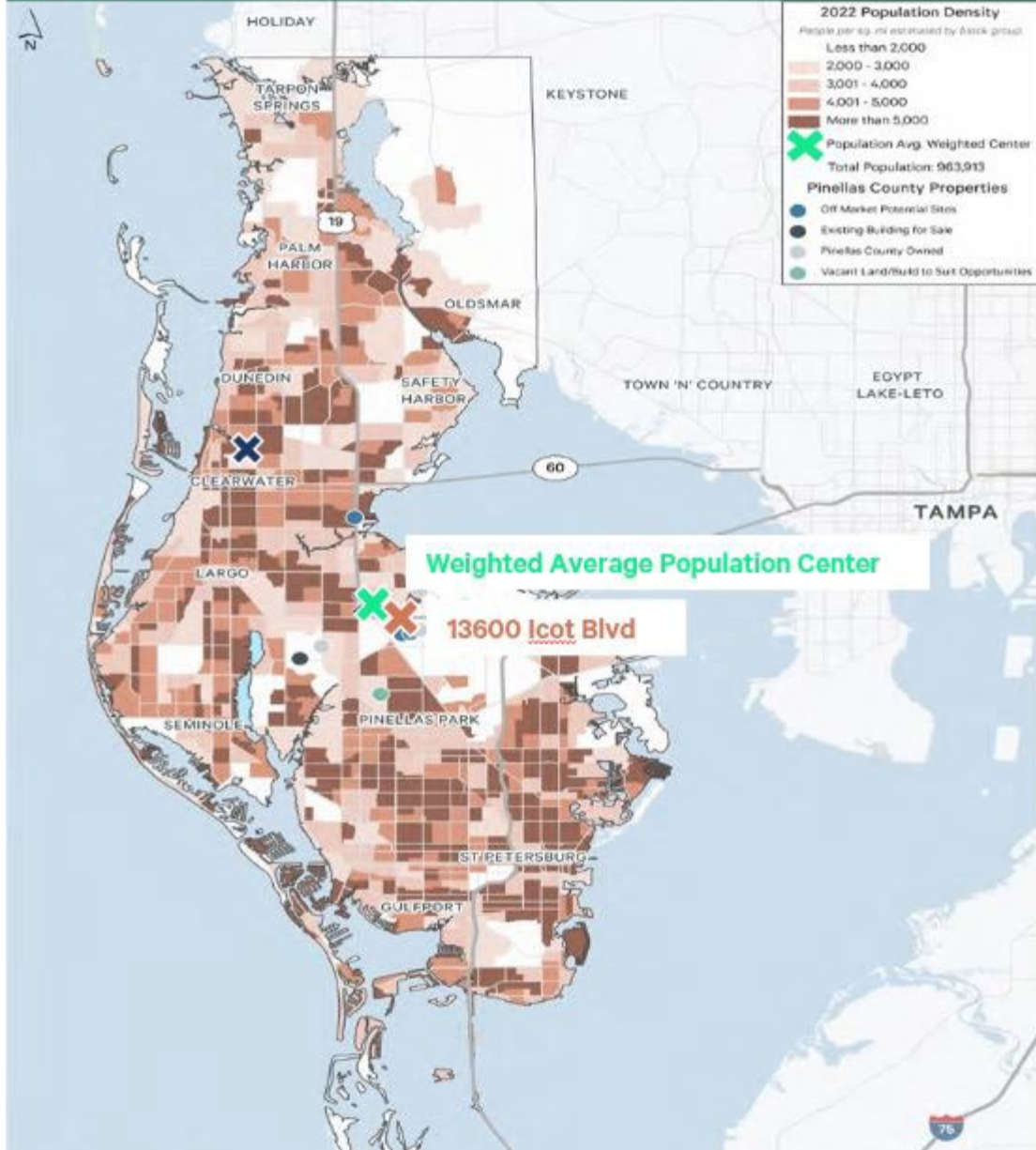
Using the County's site criteria (size, location, etc.), CBRE prepared a market analysis and survey, yielding 20 on and off market site opportunities. CBRE analyzed the relative population density throughout the county as a way to guide the County's site selection efforts, ensuring the future headquarters is located in a location convenient to most residents. In addition, CBRE analyzed the current commute times and environmental impact of these commute times based on the existing locations in downtown Clearwater. Based on space programming findings, CBRE prepared conceptual cost estimates for new construction of County facilities. The costs were based on benchmarked values sourced from similar and recently completed corporate and regulated utility office builds within Florida. The costs also include recently priced values for Indirect Costs including Builders Risk and General Liability, Furniture Fixtures & Equipment, and Other Costs. Next, CBRE estimated the amount of funding the County would need to generate to build the new facility based on the estimated costs and available revenue as a result of property sales and tax proceeds from redevelopment. The team provided estimates of development density, value, and property tax revenue assuming development on each parcel to be vacated and compared them with the conceptual cost estimates to provide the County with a range of likely funding needed for a new facility.

Result

CBRE represented the County in the acquisition of its desired property for the new headquarters and is currently working with the County and an architecture firm to update the estimates of space required and conduct Commissioner working sessions to incorporate further County goals into the new project.



Pinellas County Overview



City of Pompano Beach, FL

Challenge

The City of Pompano Beach, FL, and its Community Redevelopment Agency (CRA) have embarked on an ambitious plan to establish a more robust downtown area to stimulate economic development, enhance the area's competitiveness, and create a sense of place and identity for the City. The City and CRA have strategically designed a land assemblage of over 121 parcels totaling ± 75 acres, invested in drainage and site infrastructure, and are working on modifications to the traffic patterns in the area to improve safety and pedestrian access. The City and CRA sought CBRE's support in engaging appropriate development partners to deliver effective mixed uses on the properties, including a new City Hall facility, transit-oriented development, and retail and multifamily services.

Solution

CBRE has worked consultatively with the City and CRA to capture citizen feedback and desires for growth in the area, preparing a comprehensive developer solicitation and incorporating the significant amount of pre-development work the City has already completed. CBRE launched a global marketing campaign encompassing all 75 acres with highly customized marketing materials, including an Invitation to Negotiate, a property website, drone video, and media outreach.

Result

The offering received significant market interest, and CBRE was proud to deliver multiple competitive offers for the City's consideration. CBRE has been the City's full partner in the proposal evaluation and review process, providing detailed financial, construction, and feasibility analyses to support the City's evaluation team.

In October 2023, CBRE presented a side-by-side comparison of the developer proposals and was proud to achieve a 5-1 approval vote from City Commission to move forward with negotiations with the highest ranked offeror, a \$1.5B project.

The project will include a new City Hall and other civic uses in addition to office, hotel, retail, and residential space.

<https://cbre.ent.box.com/file/1470328904789?s=qsfgfykgnp1awq2t7wjeyut7vurthip>



KEY SERVICES

- Development Advisory & Disposition Services
- Consulting
- ITN Development
- Marketing
- Financial Analysis
- Constructability Analysis
- Economic Development

Thank you.



FOR MORE INFORMATION:

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CBRE

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