



# City of Emeryville

CALIFORNIA

## MEMORANDUM

**DATE:** September 2, 2025  
**TO:** LaTanya Bellow, City Manager  
**FROM:** Chadrick Smalley, Community Development Director  
**SUBJECT:** **Resolution Of The City Council Of The City Of Emeryville Authorizing The City Manager To Execute A Professional Services Contract With Community Counselling Service Co., LLC For Capital Fundraising Strategy Services For The Art Center Project For A Total Amount Not To Exceed \$97,500**

## RECOMMENDATION

Staff recommends that the City Council receive an update from staff on the Art Center Project and adopt the attached resolution authorizing the City Manager to execute a Professional Services Contract with Community Counselling Service Co. ("CCS") for capital fundraising strategy services in an amount not to exceed \$97,500.

## BACKGROUND

### Project History

In March 2006, the Emeryville Redevelopment Agency ("Agency") purchased 4060 Hollis Street, a property located immediately south of City Hall, northeast of the Hollis Street and 40th Street intersection. The property is 33,697 square feet and is almost completely occupied by a one-story brick building formerly occupied by the United Stamping Company. The Agency purchased this site for the purpose of adaptive reuse of the existing building to provide space for the annual Emeryville Celebration of the Arts Exhibition as well as year-round performing arts uses.

The Art Center is one of the City Council's priorities as identified in the City's Strategic Plan by the City Council on March 21, 2025. The Art Center is also prominently supported by the policies of the 2016 Public Art Master Plan and the 2017 Economic Development Strategic Plan.

From 2006 through 2020, several plans were advanced to implement the Art Center project. The most recent attempt culminated in a Lease Disposition and Development Agreement (LDDA) between the City and Orton Development Incorporated (ODI) which was executed in October 2020. The LDDA contained provisions intended to ensure the long-term financial viability of the Art Center, including a provision allowing for the termination of the LDDA if any of the conditions precedent to the lease were impossible to meet. During the course of implementing the LDDA, the City determined that the submittal of a Financing Plan with Development Costs less than \$12,900,000, as required by the conditions precedent to lease, was not possible. Accordingly, the City provided notice of termination of the LDDA on October 11, 2022.

### July 18, 2023, Study Session

On July 18, 2023, the City Council held a study session on options for next steps for the Art Center, where staff reviewed the project's history in detail and presented several options for proceeding.

The City Council provided directions to staff as follows:

The following project objectives were confirmed:

- Minimize City subsidy while ensuring fiscal sustainability of operations
- Maximize civic and community arts-based uses of the facility
- Expedite completion of the project
- Utilize robust community engagement in developing programming for the facility

The following project key elements were confirmed:

- Dedicated space for annual Emeryville Celebration of the Arts
- Dedicated and managed gallery space for local artists
- Flexible use space suitable for performing arts and other community events

The City Council supported implementation of the project through a “hybrid” implementation approach, where the City would contract for the design and construction of a building that met the minimum, immediate need of providing a suitable facility for the Emeryville Celebration of the Arts and to find a private operating partner later, however, the City Council also urged early and robust engagement of the community to ensure any building constructed through this method is responsive to the community's needs and not just a building shell, and to advance the discussion on operating models and organizations.

The City Council indicated openness to the potential for the project to utilize new construction rather than adaptive reuse of the existing unreinforced masonry building on the project site if this approach would improve financial feasibility of the project.

The City Council also directed staff to assemble a “task force” of individuals to advise staff and the Council on implementation of the project, particularly around operational models.

### February 20, 2024, Update

On February 20, 2024, the City Council was provided an update on the establishment of the Art Center Advisory Group (ACAG), which was appointed by the City Manager on December 18, 2023, and is comprised of the following individuals:

- Community Member: Jean Goldman
- Emeryville Celebration of the Arts Representative: Sharon Wilchar
- Performing Arts Focus: Nancy Karp
- Funding Focus: Frances Phillips

- Art Center Operations Focus: Holly Alonso, Archana Horsting, Jose R. Rivera

Since December 2023, the ACAG has met with staff and City consultants on several occasions to help inform the vision, implementation steps, and feasibility for the project.

Also on February 20, 2024, the City Council authorized the execution of a contract with consultants Art is Luv and Jean Johnstone Consulting (AIL/JJC) for advancement of the project through the performance of the following tasks:

- Review of background documentation (including prior studies, business plans, pro-forma financial statements, cost estimates, etc.)
- Conduct robust outreach to update prior visioning exercises and arrive at a current vision for the project that is responsive to community needs
- Engage and help form agenda topics for Advisory Group discussion, input and advice
- Evaluate the feasibility of reusing the existing building through architectural and structural subconsultants to determine the most efficient method of delivering a usable building
- Analyze operational funding and partnership models
- Develop a framework for organizational structure for operations

#### November 19, 2024, Study Session

On November 19, 2024, the City Council held a study session to receive an update on the project and provide staff direction considering the information gathered since the February 20, 2024, update. This information included an analysis of the feasibility of reusing the existing structure at 4060 Hollis as compared to new construction, which found that the costs of these two options are comparable, and that embodied carbon is also comparable when considering the operating period for the building. The analysis also noted that new construction provides for more flexibility to meet the operational needs of the uses anticipated for the art center.

Upon review of this information, the City Council affirmed the ACAG's recommendations and provided directions to staff as follows:

- Implement the project inclusive of all of the desired key elements (flexible gallery space, performing arts space, classrooms and support space) comprehensively, rather than utilizing a phased approach.
- Retain the services of a capital fundraising consultant to support the development of a funding strategy for the project.
- Advance the project as new construction, rather than adaptive reuse, and aim to retain or replicate certain architectural elements of the existing building in new construction.

This staff report serves as an update to the City Council on the Art Center Project and requests authorization to execute a contract with CCS for the development of a fundraising strategy.

## **DISCUSSION**

Since the November 19, 2024, study session, work on the Art Center Project has proceeded on two separate but related tasks: 1) AIL/JJC has completed a report on operational models, and 2) a procurement process for strategic fundraising services was completed.

### Operational Models Analysis

AIL/JJC's scope of work for advancement of the project included an analysis of operational funding and partnership models. The attached report on operational models (Attachment 1) was completed by AIL/JJC in coordination with the ACAG. The report includes a local arts market analysis, funding strategy recommendations, and operational partnership model recommendations that align with the Arts Center's mission and considering long-term sustainability.

The operational model recommended by AIL/JJC is a hybrid City-Nonprofit operational model that combines elements of city support and engagement with a nonprofit as the primary operator, managing programming and activities in the city-owned facility, enabling a mix of public oversight and private operational flexibility. The report finds this model opens multiple operating revenue streams and offers the highest financial feasibility for a long-running and stable arts organization.

However, the report also notes that if initial capital fundraising goals are found to be infeasible, then a public-private partnership model that includes a developer to provide financing may be necessary to complete the project.

Under the hybrid City-Nonprofit model, the operating partner arts organization is recommended to provide:

- Strong performing arts programming (27% of grant funding, the largest amount, targets the performing arts).
- Strong educational components (this is the source of 60% of earned revenue on average for arts and cultural organizations).
- Attractive spaces for year-round engagement and foot traffic to increase earned revenue as well as community support (i.e., cafe, gift shop, community events).

In summary, the analysis of operating models is consistent with the City Council's direction provided to staff at the July 18, 2023 study session to pursue a hybrid implementation model with a to-be-identified private operating partner, with additional analysis supporting that implementation pathway, and recommended characteristics of the partner organization.

With the completion of the operating model analysis, AIL/JJC's next task will be to develop a framework for the organizational structure for operations, using the recommended hybrid City-Nonprofit model. This work will necessarily be coordinated with the work of the fundraising strategy consultant, described below.

### Fundraising Consultant

To implement the recommendation of the ACAG and direction of the City Council to obtain the services of a fundraising consultant, staff developed a Request for Qualifications ("RFQ") for capital fundraising strategy consultants. On January 14, 2025, staff reviewed an outline for the RFQ with the ACAG. On February 5, 2025, the RFQ was issued with responses due February 21, 2025. The city received only one submittal by the deadline, and convened the ACAG on March 11, 2025, to recommend the RFQ be reissued, with outreach to additional firms and an extended response period. The ACAG agreed with staff's recommendation, noting that providing additional time for submittals may result in more firms responding.

The RFQ was reissued on March 11, 2025, with responses due May 9, 2025. The City received five responses to the reissued RFQ, which were evaluated by staff and AIL/JJC. On May 19, 2025, staff recommended selecting the top two scoring firms as finalists: Brakeley-Briscoe and CCS; and interviewing these two firms to better understand their qualifications. Staff and AIL/JJC conducted interviews on June 10, 2025. On June 17, 2025, the ACAG was convened and staff recommended selecting CCS for the capital fundraising strategy work, which was unanimously endorsed by the ACAG.

CCS was established in 1947. In the past year, CCS completed over 300 fundraising feasibility and planning studies and partnered with over 100 arts and culture institutions to enhance fundraising and execute capital campaigns. CCS' experience includes work with public agencies and public projects, including the City of San Francisco's India Basin Waterfront Initiative, and work with arts and cultural organizations, including Performing Arts Center Eastside in Seattle and the Denver Center for the Performing Arts.

The proposed scope of work for CCS includes the following elements:

- Onboarding and Immersion – CCS will meet with individuals connected to and knowledgeable of the Art Center Project to gather input on the preliminary case for support and perceived top prospects for contributors and evaluate campaign readiness
- Prospect Landscape Analysis – CCS will identify prospects, evaluate peer organizations to identify additional donors, map relationships between community leaders and new prospects, and prioritize prospects
- Engage Community Feedback – CCS will conduct strategic interviews and a survey to assess philanthropic interest in a campaign

Contract deliverables associated with these work elements include a detailed workplan, a background statement (or test case), study interview materials, electronic survey design and implementation, weekly progress reports, and interim and final reports that include

all findings from engagement and data analytics as well as detailed recommendations for next steps.

CCS' work is anticipated to take approximately four months to complete, and the negotiated fee for these services is \$97,500.

## **FISCAL IMPACT**

The current Capital Improvement Program includes the following appropriations for the Art Center: \$5,544,369 in General Capital funds (Fund 475), \$3,800,000 in retained Agency non-housing bond proceeds (Fund 479), \$1,423,775 developer contribution from Pixar Animation Studios, remaining from the \$2,000,000 originally pledged specifically for the project (Fund 473), and \$629 Major Maintenance funds (Fund 650). A total of \$10,768,773 is programmed for the project.

The proposed contract amount is not-to-exceed \$97,500 and the work is expected to be completed over the course of four months. The contract amount is proposed to be funded by General Capital funds (Fund 475) appropriated to the Art Center Project (Project No. 06466107).

## **STAFF COMMUNICATION WITH THE PUBLIC**

AIL/JJC have engaged with members of the public in conducting outreach on the project, and the ACAG has met on nine occasions since being established. On November 14, 2024, staff and AIL/JJC provided an update to the Public Art Committee. At its meeting on June 17, 2025, the ACAG recommended the selection of CCS as the fundraising consultant for the project.

## **CONCLUSION**

Staff recommends that the City Council adopt the attached resolution authorizing the City Manager to execute a Professional Services Contract with CCS for fundraising strategic services in an amount not to exceed \$97,500.

**APPROVED AND FORWARDED TO THE  
CITY COUNCIL OF THE CITY OF EMERYVILLE:**



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LaTanya Bellow, City Manager

**ATTACHMENTS**

- Attachment A – Operating Models Analysis
- Draft Resolution
  - Exhibit A – Professional Services Contract with CCS