



ART CENTER BUILDING

4060-4062 HOLLIS ST | EMERYVILLE, CA

ORTON DEVELOPMENT, INC.

In Response To: Art Center RFQ/P Response Phase II | June 29, 2018

Attachment 3

June 29, 2018



Dear Selection Panel Members,

Orton Development, Inc. (ODI) is pleased to submit its Phase II proposal for the Art Center Building at 4060 Hollis Street. This project provides an opportunity for ODI to continue our work supporting creative spaces and local artists in our company's home town of Emeryville.

After analyzing the City's Prior Capital Project (PCP), ODI has come to the conclusion that the PCP is not economically feasible. The PCP would require additional sources, principally fundraising, creating a substantial risk that the project is not completed and an additional burden on the theatre operator in the case that additional donations are secured.

In its place, ODI presents a project that is financially sustainable in both construction and operations. By focusing on the adaptive reuse of the existing building, ODI's proposed project will provide year-round meeting and event space and a permanent home for Emeryville's Celebration of the Arts. The development will bring arts and educational programming to Emeryville's diverse arts community, and will be completely supported by revenue from events and commercial spaces...

...

We look forward to the opportunity of working with the City of Emeryville and local artists and residents on the revitalization of the Emeryville Arts Center.

Thank you for your time and consideration.

Sincerely,

David Dial
Project Manager, Orton Development, Inc.

ddial@ortondevelopment.com
510 | 833.6250

Art Center Building RFP | Orton Development, Inc. | P: 510.428.0800 | www.ortondevelopment.com | June 29, 2018

Section D

Preliminary Proposals

OPTION 1 PRIOR CAPITAL PROJECT

Submit a narrative review of the design plans prepared for the Prior Capital Project, noting any modifications to the Prior Capital Project that would be required for successful operations. Include a discussion on financial feasibility, beginning with concept-level cost estimates for the Prior Capital Project and how these costs relate to capital funding gaps and/or anticipated operations funding gaps. Note that the project will require the payment of prevailing wages. Include a description of any proposed phasing of the project, and provide an estimated timeline for construction and leasing.

Orton Development does not believe the PCP is financially feasible and our recommended design therefore shows substantial changes. The PCP design raises the roofline without adding to the building square footage; provides over-the-top improvements such as new glass storefronts along the Hollis St. facade; and reduces the anticipated revenue from operations by providing large common areas and a too-large theater. ODI does not believe the project to be economically viable without additional public monies and possibly a subsidy from the City of Emeryville. See Section E for a more detailed critique of the PCP design.

Escalated to 2019 prices, we estimate the PCP will exceed \$20,000,000. With a total of \$11M available from the City of Emeryville, the project would require fundraising, additional debt or developer equity to bridge the gap of approximately \$9,500,000. The initial effort to make the PCP a reality in 2011 demonstrated the challenges of the project. Though the PCP was unsuccessful in 2011, it had many qualities which might have made it successful.

1. A Fundraising Feasibility study produced by Museum Management Consultants predicted the project could raise the money necessary to bridge the gap in funding for both construction and operations. The study identified a short list of individuals that expressed interest in supporting the project.
2. The PCP proposed a founding Board of Directors composed of community leaders capable of providing donations individually or on behalf of their companies or foundations. The Board members could use their cachet in Emeryville to solicit additional donations.
3. The board would be led by an experience Chair with extensive fundraising.

4. The PCP's proposed design appealed to local artists and the larger Emeryville community.

Despite the PCP's promise, the project ultimately failed. While the dissolution of Redevelopment agencies partially explained the project's failure, ODI believes there is a simpler explanation for why the project was not fully realized.

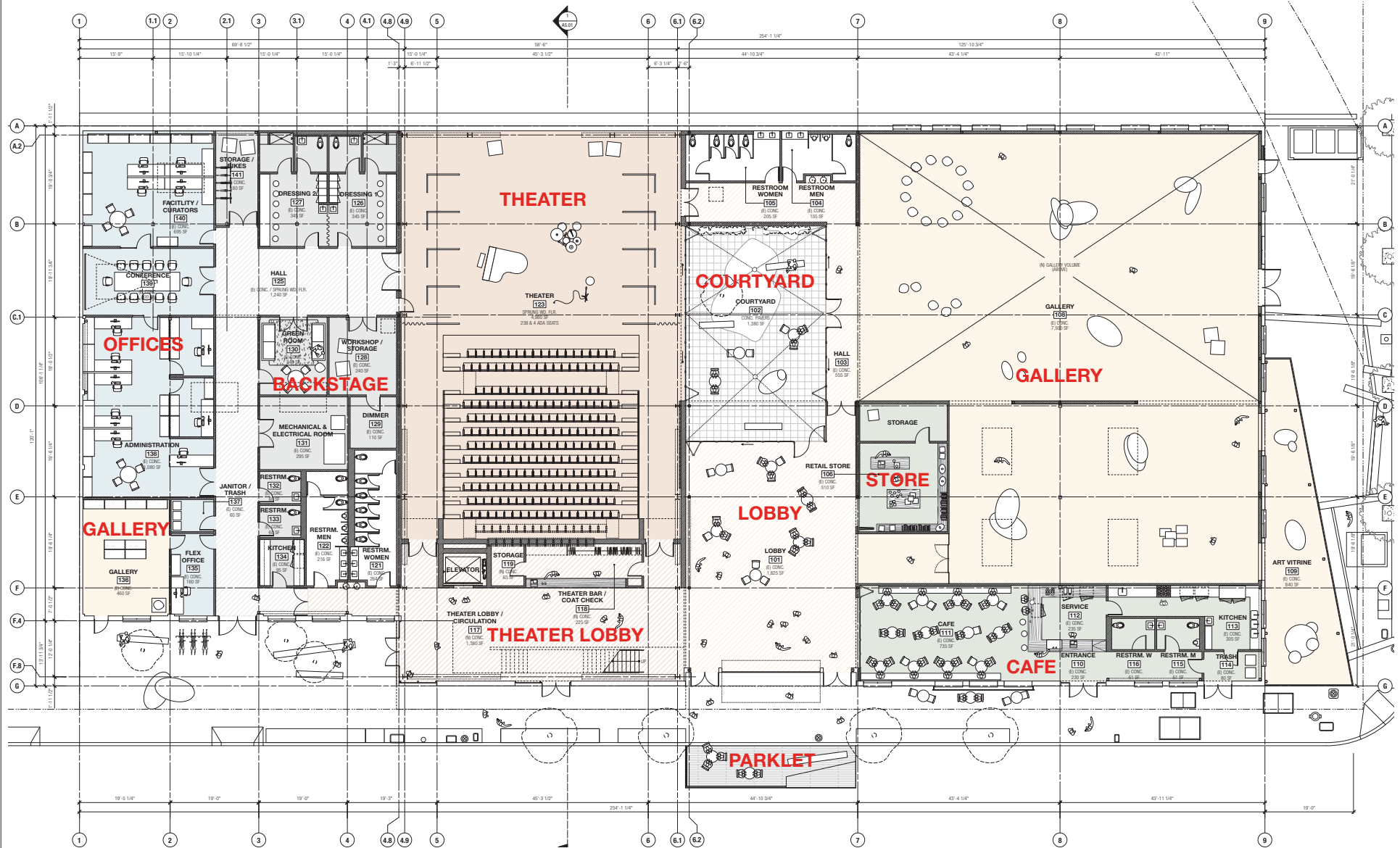
The 2011 proposal centered around the Emeryville Celebration of the Arts, a month-long event that's been a cornerstone of the community for 31 years. However, the proposed development put little focus on how operations would sustain themselves the other eleven months of the year. While Emeryville has a vibrant arts community, ODI does not believe there is enough demand for performances and exhibitions to support the project without supplementary year-round uses.

It is possible that, over time, the Emeryville Celebration grows organically, as the Berkeley Repertory Theater and other organizations have, and are able to utilize the entire facility as performance and event space. But without time to expand organically, a building of this size dedicated solely to performances will not be able to sustain itself operationally.

Needing a substantial fundraising requirement for both the capital project and annual operations places the project at significant financial risk – a risk the City is unwilling to guarantee. Therefore, ODI proposes a mixed-use development, with all uses consistent with the Current Capital Project campaign. ODI's proposed project will include gallery spaces, offices, a restaurant/café, and event spaces. No phasing of the project is proposed.

Please see Section G for a more in-depth discussion regarding costs and funding gaps related to the Prior Capital Project.

PRIOR CAPITAL PROJECT (JENSEN PLAN)



JENSEN

JENSEN ARCHITECTS
450 MARKET STREET
SAN FRANCISCO, CA 94102
415.774.8881
JENSEN-ARCHITECTS.COM

STAMP

CONSULTANTS

PROJECT

EMERYVILLE
CENTER FOR THE ARTS

4500 KALL STREET
EMERYVILLE, CALIFORNIA

ISSUES & REVISIONS

NO. 001

ISSUES & REVISIONS

SHEET

PROPOSED FLOOR PLANS

DATE: 05/11

DESIGNER: JENSEN

SCALE: 1/8" = 1'-0"

A2.11

PRIOR CAPITAL PROJECT (JENSEN PLAN)



EMERYVILLE CENTER FOR THE ARTS BIRDS EYE VIEW 09.22.2017 | 3

Attachment 3

Section E

Design

OPTION 1 PRIOR CAPITAL PROJECT

Provide information on any modifications to the Prior Capital Project required for feasibility. To the extent possible, indicate on a floor plan which users and activities are anticipated to take place in the project. Provide a conceptual level construction estimate for completion of the Prior Capital Project as outlined. Note that the project will require the payment of prevailing wages.

Significant modification of the Prior Capital Project would be required for feasibility.

Some ideas for reducing the Prior Capital Project's budget include:

Exterior

- Maintain the existing roofline
 - Removing the mezzanine level of the Theater
 - Removing the new, ptd metal panel structure over the existing barrel roof
 - Not new translucent polycarbonate cladding over the existing roof structure
 - No interior Courtyard
- Reduce exterior glazing
 - Remove and/or reduce aluminum and glass storefront system throughout facades
 - Reduce new fenestrations

Interior

- Theater
 - Reduce Theater FF&E through more economical seating options, lighting, and seating
 - Eliminate mezzanine, thereby eliminating the new elevator
- Reduce restroom facilities: shared restrooms among all uses
- Reduce common area space, which is approximately 22% of total space in the Jensen plan
- Choose more economical fixtures and finishes throughout project, especially for art studios/multipurpose rooms, where minimal finishes should be required.

Prior Capital Project Timeline

Not applicable. ODI is not pursuing developing the Prior Capital Project.

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OPTION 2 REVISED CAPITAL PROJECT

Provide a narrative description of a Revised Capital Project that fulfills the City's objectives of maximizing civic/community arts space, minimizing City subsidy for the project, and expedient completion of the project. Include a description of anticipated uses/users of the space (if known), the method of funding capital and operations, and management approach, as applicable. If commercial leasing is a component of the Revised Capital Project proposal, outline the marketing strategy for such uses and what types of activities are expected to market the space to desired users. Include a description of any proposed phasing of the project. Include an estimated timeline for construction and leasing.

Objectives & Key Elements for Revised Capital Project

- Minimize City subsidy while ensuring fiscal sustainability of operations.
- Maximize civic and arts uses at the facility
- Expedite completion of the project.
- Utilize robust community engagement in developing programming for the facility.
- Dedicated space for the 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.
- Flexible use space to serve as the City's Emergency Operations Center (EOC).

Project Overview

By redeveloping only within the existing building footprint, ODI will simplify the project and reduce its budget. ODI plans to deliver a financially sustainable project that requires no outside capital or fundraising.

A simplified Revised Capital Project (RCP) will help expedite the completion of the Emeryville Arts Center, providing a permanent home for local artists as well as gallery and event space for the annual Emeryville Celebration of the Arts as early as fourth quarter 2020.

Our design approach will rely on extensive discussions with local government officials, community members, artists, arts organizations, and anyone else who is interested in the Emeryville Arts Center's redevelopment. We listen to their ideas and concerns and, through the "need-finding" process, we are able to inform our design and programming.

Consistent with the community's input from the initial outreach event, we plan to create spaces for a wide range of uses. Commercial uses may include a small cafe and possibly additional retail. Rooms for classes, art studios, children's activities, seminars, meetings, and social gathering space will also be included. A 200-person variable form theatre and a large visual arts gallery would anchor the project. A new opening along the walkway shared with City Hall will help bring energy from the courtyard into the Arts Center.

The Arts Center will serve as the permanent home for the Emeryville Celebration of the Arts, which will utilize not only the building's theatre and gallery space but the entirety of the parking lot as well.

ODI will partner with a local existing or newly formed arts organization to manage the day-to-day operations. Operations of the Arts Center will be funded by revenue from commercial uses, activity space revenue, event/performance rental revenue, and possibly from an "endowment" funded through savings of the \$11,000,000 earmarked for the project.

Redevelopment & Construction

The redevelopment of the Emeryville Arts Center will be completed in a single phase and will be consistent with the California Existing Building Code.

The building will feature new or restored windows, doors, and exterior finishes. Additional skylights may be added to bring additional natural light into the space. Building systems will be modernized where possible and replaced where needed, including roof, electrical, mechanical, plumbing, and fire safety.

Use

Key to the program design will be the Emeryville Arts Center's partnering with a wide variety of local and national organizations to bring arts programming to the center. The objective is to work with a diverse set of organizations that have diverse audiences; these audiences blending to create the EAC's new audience. Visual Arts programming will come from a variety of sources, including guest curators, exhibits organized and curated by local arts organizations and traveling shows from national institutions. The result will be a program that is diverse in sources and is reflective of the interests, backgrounds and perspectives of Emeryville, the East Bay and Bay Area communities. Similarly, the programming of the theatre will initially depend upon musicians, theater companies and other performing artists that are developing an audience in the East Bay. The flexibility of the theatre space will allow a wide variety of small performances. A digital audio system will transform the room into a wide variety of spaces acoustically.

Many of the partnering organizations will bring students into the Emeryville Arts Center activating the space in the late afternoon and early evening hours. Discussions with organizations such as Chapter 510 & The Department of Make Believe, a youth writing organization based in Oakland, will add to visual arts offerings for young people in the classroom and studio space. It will also serve an under-served community in Emeryville. ODI may partner with Blue Bear School of Music, an organization that provides music lessons to children and adults throughout the day and evening. Their work will also focus on providing opportunity for youth in Emeryville that may not be able to afford music lessons.

Annually, the Emeryville Arts Center will host the Emeryville Celebration of the Arts. The EAC will provide a stable home for the festival and an opportunity to expand its audience even more. The Celebration of the Arts will be seen in the larger context of other shows occurring at the EAC.

Our goal is to provide a constant level of activity throughout the day and evening. ODI anticipates attracting patrons through the mix of food/retail, event and commercial business use of the facility.

Operations

ODI's David Dial, who has many years of experience working on making arts spaces a reality, will be the lead project manager. For the day-to-day operations of the EAC, ODI expects to partner with a local existing or newly formed arts organization. Annual proceeds from a modest "endowment," seeded by the invested savings from the initial project capital (if applicable), used in conjunction with commercial and event/performance revenue, will create a financially sustainable EAC.

OPTION 2 REVISED CAPITAL PROJECT

Provide a site plan, floor plans, elevations and two architectural renderings of the Revised Capital Project. Drawings may be conceptual-level. Indicate which proposed users use which spaces, and the activities anticipated in those spaces, if known. If phasing is proposed, include a diagram illustrating the phase construction proposal. Provide a construction estimate for completion of the Revised Capital Project. Note that the project will require the payment of prevailing wages.

Plant Construction provided an estimate (see Appendix A), which is incorporated into the pro forma (Section G). Speaking with our structural engineer, Michael Gemmill of Nabih Youssef Associates, he believes there may be significant savings in the seismic retrofit budgeted in the Plant pro forma. We have therefore included a “value engineered” bid in Section G that eliminates these costs and results in a project budget below \$11 million.

[illegible][illegible][illegible]



SOUTH ELEVATION (SCALE: 1"=20')





View of the Exterior Entry from



Flex Space and Reception Area | BEFORE

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View of the Interior Lobby

Client
CITY OF EMERYVILLE
CALIFORNIA

Developer
ORTON
DEVELOPMENT, INC.
1475 Powell Street, Suite 101, Emeryville, CA 94608
Tel: 510.428.0800 | Fax: 510.428.0802

Architect
MARCY WONG DONN LOGAN
ARCHITECTS
800 Bancroft Way #200 Berkeley, CA 94710
office@marcywongdonn.com Tel: 510. 843.0918

Consultants

Project
EMERYVILLE
ARTS
CENTER

ADAPTIVE REUSE &
NEW CONSTRUCTION

4060, HOLLIS STREET
EMERYVILLE, CA

Scale

Sheet Name
RENDERINGS

Architect's Project No. **0617**
Phase **CONCEPTUAL DESIGN**
Date **JUNE 25, 2018**
Drawn by **SW, PL**
Checked by **DL**
Sheet No. **A0.4**
Scale of Original Size - 11"x17" **NTS**

Flex Space and Reception Area | AFTER (Rendering)



Gallery and Theater Space | BEFORE

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View of the Interior Gallery

Gallery and Theater Space | AFTER (Rendering)

Client



Developer



1475 Powell Street, Suite 101, Emeryville, CA 94608
Tel: 510.428.0800 | Fax: 510.428.0802

Architect

MARCY WONG DONN LOGAN
ARCHITECTS
800 Bancroft Way #200, Berkeley, CA 94710
office@wongdlogan.com | Tel: 510.843.0916

Consultants

Project

EMERYVILLE
ARTS CENTER

ADAPTIVE REUSE &
NEW CONSTRUCTION

4060, HOLLIS STREET
EMERYVILLE, CA

Notes



Sheet Name

RENDERINGS

Architect's Project No. 0617
Phase CONCEPTUAL DESIGN
Date JUNE 25, 2018
Drawn by SW, PL
Checked by DL
Sheet No.

A0.5

Scale at Original Size - 11"x17" NTS

REVISED CAPITAL PROJECT TIMELINE

Step 1 (Second Quarter 2018)

ODI Officially kicks-off the “Great Listening Tour” including the mandatory community listening session.
ODI develops partnerships with local arts groups.

Step 2 (Third Quarter 2018)

ODI and the City of Emeryville execute an ERN and work to finalize a Term Sheet.
ODI begins due diligence and continues the “Great Listening Tour.”
City Council approves the Term Sheet.

Step 3 (Late Third Quarter 2018 - Fourth Quarter 2018)

Parties begin work to finalize an LDDA.
ODI begins entitlement work including CEQA work.
ODI completes due diligence and design drawings.

Step 4 (First Quarter 2019)

LDDA is finalized with City Council action.
ODI begins working towards final design and begins pre-leasing.

Step 5 (Second Quarter 2019)

ODI completes entitlement process.
All CEQA work is complete

Step 6 (Second Quarter 2019)

ODI and City close on ground lease.
ODI issued building permits, completes pre-leasing as required.
Construction begins.

Step 7 (First Quarter 2020)

ODI completes cold-shell construction.

Step 8 (Second Quarter 2020)

Tenant Improvements are complete.
Certificate of Occupancy is issued.

Step 9 (Third Quarter 2020)

Grand reopening of the Emeryville Arts Center.