

sports arenas or underwriting major events. Most corporate sponsors tend to be large corporations, but small and mid-sized companies can potentially sponsor projects or events as well. As was described above, Bryant Park is partially funded through corporate sponsorship, which pay for a variety of programs and amenities in the Park, i.e. Pepsi who sponsors ping pong tables. Sponsorship differs from philanthropic giving by corporations in that sponsorship deals are often made over an extended period of time and are explicitly about advertising for the sponsor; whereas grants tend to be a one-time occurrence and are tied to a mission or goal.

relatively small. But depending on fund availability and community priorities, projects from the Civic Center could start to be programmed into the City's capital budget. This source is particularly appropriate for the Park and street improvements which have more limited financing options than the buildings.

City Revenues - In fiscal year 2020 the City of Berkeley had a total budget of \$197 million including both operating and capital funds . Although most of this money is programs for public safety (police and fire) and general government services, there are discretionary funds within any budget year that can be allocated by the City Council or the City Manager to cover some of the additional costs associated with implementing the Civic Center Vision, including but not limited to the necessary staff resources to continue to actively manage the implementation process, apply for grants, etc. This budget also includes a two-year capital improvement program, which is

6.2

Case Studies

The following case studies illustrate the funding and financings approaches to rehabilitating two publicly owned historic buildings and one park in the Bay Area. These demonstrate the many different ways that cities approach this process, and the ways in which the public sector can work with private and nonprofit partners to fund projects like the Veterans Memorial Building, Old City Hall, and the MLK Jr. Civic Center Park.

Building Case Studies

The two building case studies include the Geneva Car Barn and Powerhouse located in San Francisco and Oakland's Civic Auditorium. These two buildings are vastly different in their size, original purpose, community visibility, and extent of damage caused by the Loma Prieta earthquake. However, both buildings are being rehabilitated by mission-driven developers and will deliver significant community benefits related to arts

programming and non-profit use when completed.

Geneva Car Barn and Powerhouse

The Geneva Car Barn and Powerhouse (GCBPH) is in southern San Francisco near the Balboa Park BART station in what has historically been a working-class part of the City with few public amenities or community facilities. Built in 1901 to house San Francisco's first electric railroad, the GCBPH facility operated as part of the City's municipal rail system (MUNI) until 1989 when the Loma Prieta earthquake rendered the buildings in this complex unusable. The complex sat vacant for about ten years, at which time MUNI decided to demolish it. However, a passionate group of community members created the Friends of the Geneva Car Barn to protest the proposed demolition. The group successfully lobbied the Mayor's Office to save the Car Barn and Powerhouse, some of the only historic buildings in District 11, and hoped to find a community use for it.



← Geneva
Car Barn and
Powerhouse

Although the Friends group had successfully stopped the GCBPH demolition, the group lacked the political clout or social networks to raise the funds necessary to begin the process of rehabilitating this derelict set of buildings. After many successive rounds of outreach to elected officials and City staff, the project caught the interest of the San Francisco Recreation and Parks Department leadership who saw the building complex's potential to house arts-related job training programs in a neighborhood that lacked any significant community facilities. At that point, GCBPH ownership was transferred to the Recreation and Parks Department and an initial investment was made to stabilize the buildings so they would not continue to deteriorate.

At the same time the Friends group

received about \$1.5 million in predevelopment funding from the City to hire a full-time executive director who could move the project forward. The first step the new executive director took was to work with the community to establish a clear vision for the building and to run a design competition to select an architect who could prepare a preliminary design for the buildings' reuse. This design also became the basis for a preliminary construction cost estimate. Once a preliminary project cost was established, based on the buildings' future use and its current condition, the City also funded various studies necessary to continue to develop a funding and financing strategy for the rehabilitation. These additional studies included more detailed architectural drawings, a market consultant to evaluate the potential rents the building could achieve, and an

Funding Strategy

expert in working with both New Markets Tax Credits and Historic Tax Credits to evaluate whether the project could qualify for the credits, and approximately how much capital each of these sources could raise.

Eventually, the decision was made to split the rehabilitation project into two phases. The first phase would include on the 5,000 square foot Powerhouse building only. Cost estimates indicated that rehabilitating this building alone would cost approximately \$16 million dollars, and this amount could be financed using a range of sources. The Car Barn building costs were estimated to be in the \$40 million range, a price that was deemed infeasible to finance with available resources.

Establishing the focus on the Powerhouse building with clear project costs provided the basis for local politicians, including the district supervisor and State Assembly member Phil Ting, to help secure additional local and state funding so the project team could finally cobble together multiple funding sources to cover the project costs, that had, by this time, escalated to almost \$18 million (a cost of approximately \$3,500 per square foot).

Assembling the capital for the GCBPH project had been a long and arduous process and most of the work was done by one individual who played many roles over

the many years involved. This person, Nicole Avril, started as the executive director for the Friends group, she then held several different positions within the Recreation and Parks Department which enabled her to continue to both advocate for and work on the various predevelopment steps in making the project a reality. But the long-term plan was never for San Francisco to operate the Powerhouse building once it was renovated. The plan had always been to have a non-profit arts organization perform this function. Therefore, when the project was ready to move into the final phases of design and construction, the City issued a request for proposals and selected a development team that included the Community Arts Stabilization Trust (CAST) acting as the project's developer and master tenant, with Performing Arts Workshop as the main subtenant and building operator.

CAST is an organization dedicated to the mission of acquiring or controlling properties to sustain non-profit arts organizations in the Bay Area. As the developer, CAST was able to create the necessary financing structures and find the money necessary to fill in some final gaps in the project's funding. CAST will be responsible for managing the construction and long-term operation based on a 55-year lease. Because the capital sources for the project include grants or equity funding from sources requiring a relatively low interest rate,

CAST will be able to lease the space to Performance Arts Workshop and other subtenants at relatively low rental rates, which as a key goal throughout the project’s long development process.

This case study illustrates two key points. The first is that because the project had a clear arts-driven community-based mission, it was able to garner financial support from both political and philanthropic sources with aligned priorities. Second, it took many years and considerable investment on the part of the City of San Francisco to piece together the financing strategy for this project. One reason the project took so long was because successive planning and design steps were required to find a project that was financially feasible based on the relationship between the total project costs, the funding sources, and the project’s revenue stream. A second reason this project took so long was because it initially lacked a strong public champion and it was not until the District Supervisor became fully committed to the project that it became possible to leverage more local and state funding sources. It should also be noted that many extra costs and time were incurred because of the relative inexperience of the project team in dealing with these complex financing structures.

Selected Predevelopment Funding Sources

- City of San Francisco General

Obligation Bond: \$837,863

- Pro Bono services: design, construction estimate, tax credit consultant
- City operating budget to support staff time for the project

Geneva Barn Development Funding Sources

2000 CITY OF SF GO BOND	\$837,863
2012 CITY OF SF GO BOND (COMMUNITY OPPORTUNITY FUND)	\$3,000,000
STATE OF CA GENERAL FUND GRANT	\$3,500,000
CCSF GENERAL FUND	\$2,500,000
SUPERVISOR SAFAI - MAYOR’S BUDGET	\$200,000
CAST DEVELOPER CONTRIBUTION	\$1,000,000
GCBPH SF PARKS ALLIANCE ACCOUNT	\$35,612
HISTORIC PRESERVATION TAX CREDITS	\$1,842,967
NEW MARKETS TAX CREDITS	\$4,058,340
NEIGHBORHOOD ASSET ACTIVATION	\$306,000
SF REC AND PARKS CAPITAL BUDGET	\$226,610
TOTAL FUNDS	\$17,507,392

Geneva Barn Timeline

- 1901** Geneva Office Building and Car Barn built by San Francisco and San Mateo Electric Railway Company.
- 1903** A Powerhouse building is added to provide electricity to the streetcar line.
- 1944** The older streetcar company is absorbed by San Francisco Municipal Railroad (MUNI) and this site becomes the core for San Francisco's streetcar operation
- 1989** Loma Prieta earthquake renders the buildings unusable and they are abandoned.
- 1999** MUNI tries to demolish the Car Barn and Powerhouse, but the neighborhood gets the Mayor to intervene.
- 2002** Neighbors form the Friends of the Geneva Car Barn and Powerhouse to lobby the City for funds to renovate the building for community use.
- 2004** Building ownership is transferred from MUNI to the San Francisco Recreation and Parks Department. The office building stabilized and gets a new roof. Community members start working with the City to establish a youth center. City staff and elected officials start securing funding for the project from multiple sources.
- 2009** The City hires a staff person to manage the Car Barn project.

- 2010** The City hires an architect to work with the community and the state historic preservation office to create a plan for the Powerhouse's reuse only. The Car Barn is currently too expensive to reuse.
- 2017** City announces it has secured \$14 million in funds from various sources for the Powerhouse project and selects Performing Arts Workshop to operate the building. Community Arts Stabilization Trust (CAST) will act as project developer and master tenant.
- 2018** Renovation of the Powerhouse begins.
- 2020** Car Barn renovation plans still unclear.

Oakland Civic (Formerly Oakland Kaiser Auditorium)

The Oakland Civic was built in 1914 as a general-purpose entertainment venue and has been continuously owned and operated by the City of Oakland until it closed in 2006. At the time it closed, the building was operating at a loss and needed a major renovation. The City had made no significant investments in the facility since the mid-1980s when among other things, some basic seismic upgrades were made. Although the seismic upgrades were not extensive, they were enough to get the building through the Loma Prieta earthquake without any major damage. The building



← Oakland Civic (Formerly Oakland Kaiser Auditorium)

is situated on the south side of Oakland's downtown adjacent to Lake Merritt and encompasses about 214,000 square feet with a 1,900-seat theater, an arena, and several other large spaces for events.

After the Auditorium closed, the City of Oakland proposed a bond measure that would have paid to convert the building into the City's main library, but the voters rejected this proposal. The City also tried unsuccessfully to sell the building. Then, in 2015 the City issued Request for Proposals (RFP) to solicit proposals from developers who would take on the responsibility for financing, renovating and operating the building. After an outreach process involving approximately 500 developers, the City only received two viable proposals and Orton Development was selected. The City's RFP specified that Oakland was interested in seeing

an adaptive reuse for the building and identified a potential mix of public and private uses that could be included in the development program, such as cultural and office uses. But the final program was up to the developer to determine, subject to final approval from the City.

Future use and design constraints directly influenced the financing for the project. And the City did eventually stipulate an arts focus for the building, with a renovated theater and below-market rate rental space for arts nonprofits. The building's historic designation required that Orton retain much of the original arena structure, which cut down on the amount of office space feasible. To accommodate these constraints, Orton adjusted its interior design to a less expensive co-working design, in which market-rate office rents could still

Funding Strategy

subsidize the below-market rents.

One major boon to the project was no extra seismic costs necessary, as the essential retrofits from the 1980s were deemed acceptable, since the building was not undergoing a major change in use. The project team also created a unique governance structure, where the Calvin Simmons Theater will become a separate nonprofit entity to be funded primarily by corporate sponsorships and a capital campaign. From the time that Orton Development was selected as the developer until the company had a final development program, their financing in place, and had received final development approval from the City took about four years. As shown below, total construction costs are estimated at approximately \$67 million, or \$296 per square foot. Orton will enter into 99-year lease with the City for the building at a rent of \$1.0 per year. Rents from building occupants will be used to pay down both the debt and equity portions of the project financing. After both have been paid back, in 15-20 years if all goes according to plan, Orton will split the building proceeds with the City on a 50/50 basis.

The Oakland Civic case study is a stark contrast to the GCBPH project. Other than a relatively small contribution from former Redevelopment Agency funds, the City of Oakland made no major financial contribution to this project in terms of capital or staff support. Instead,

conducting the detailed predevelopment studies, engaging with community members and potential users, and assembling the appropriate funding and financing was solely the developer's responsibility. Despite moving forward more quickly than the GCBPH project, it still took four years and considerable developer resources. Although Orton is a "for-profit" developer, like CAST, the company is also mission driven with a strong commitment to adaptive reuse of historic buildings and supporting non-profit and community-based organizations. But, as was the case for the GCBPH project, the final funding/financing package was iterative and had to respond to many issues and constraints, not the least of which was the building's historic status and the preservation requirements mandated by the state historic preservation office (SHPO).

An additional consequence related to Orton's approach to funding, which included relying on an equity investment and some conventional bank financing is that the rent levels required to carry these costs are likely higher than they would have been had there been more grant money involved. On the other hand, the final development program will focus on non-profit and community-based tenants and will charge what are considered below market rents. Orton's original concept had been to provide high quality office space for technology related companies combined with non-profit

space. But the construction costs to improve the space for market rate office tenants were too high to make this work, causing Orton to adopt a less expensive rehabilitation approach, but also making it possible to charge lower rents.

Predevelopment Funding Sources

- Developer Equity

Oakland Civic Development Funding/Financing Sources	
CITY OF OAKLAND FORMER REDEVELOPMENT FUNDS	\$3,100,000
DEVELOPER EQUITY	\$10,000,000
NEW MARKETS TAX CREDITS	\$16,000,000
HISTORIC PRESERVATION TAX CREDITS	\$3,800,000
DEBT	\$8,800,000
CAPITAL CAMPAIGN	\$22,000,000
TOTAL FUNDS	\$63,700,000

Oakland Civic Timeline

- 1914** Oakland Civic Auditorium built as a general-purpose entertainment venue, owned and operated by the City of Oakland. The structure includes an arena, theater, banquet rooms, ballroom, lobby, and basement.
- 1984** \$15 million major renovation, including seismic work, renamed Henry J. Kaiser Convention Center.
- 2006** Auditorium closed by the city, as it was losing money. Voters rejected a \$148 million bond measure to convert the building into the main public library.
- 2005-12** City makes multiple attempts to sell the building for other uses.
- 2010** Peralta Community College District considers buying building for \$9 million, realizes it's too expensive to rehab for their purposes.
- 2011** City considers hiring a broker to market the property, but fee was too high.
- 2014** City issues a request for proposals, canvases over 500 developers, receives 2 viable proposals.
- 2015** City selects Orton Development, local for-profit developer with deep experience in adaptive building reuse.
- 2019** City Council approves final plans for project, call the Oakland Civic.
- 2020** Construction scheduled to begin.

Park Case Study

San Francisco Parks Alliance

The San Francisco Parks Alliance is an independent nonprofit that works closely with the City of San Francisco to “champion, transform and activate parks and public spaces.” The Alliance’s work includes building and operating parks/ public spaces, community greening programs that engage community members around greening their neighborhoods, and event programming in public spaces which the Alliance often does with other community partners. Functionally, the Alliance operates as a partnership with multiple city departments, including Recreation and Parks, Office of Economic and Workforce Development, Public Works, the Public Utilities Commission, and the Port of San Francisco. This partnership works because the Alliance is a private non-profit entity, and as such, is often able to complete projects more quickly than city agencies. The Alliance is not bound by the City’s procurement rules, allowing it to be more nimble in its approach to project delivery than the City can be. In addition, as a non-profit entity, the Alliance can do its own fund raising enabling the organization to secure donations or reimbursable grants from private funders or other sources that may not be available

to the City. These sources can then be used to close a final funding gap and enable a project to move forward more quickly.

The Alliance uses a large range of funding and financing structures on their projects, including leveraging strong relationships with private donors on a project by project basis, the ability to issue bonds (borrow money) that can be repaid from revenue generated by public parking garages and conventional bank loans. In 2019, the Alliance had an operating budget of approximately \$25 million, with only about 15 percent going to park development. Most of the Alliance’s expenditures (70 percent) are associated with its community partnerships. Almost 84 percent of the Alliance’s revenues come from individual, corporate, or philanthropic sources, while 16 percent come from government grants.

This case study demonstrates that in a large community, like San Francisco, there is enough philanthropic support to fund a large non-profit organization that supports the City’s parks and public spaces. There are other models for conservancies or other kinds of non-profit entities that support large parks or other major public facilities such as



← San Francisco Parks Alliance, Larsen Playground

Central Park in New York or the San Francisco Conservancy of Flowers. Unlike the San Francisco Parks Alliance, these conservancies typically operate a specific facility with its own operating budget which is primarily funded by entrance fees, individual and corporate memberships, grants, and other philanthropic sources. Such facilities tend to be large, iconic, and generate repeat visits from their membership base.

Case Study Key Findings

Funding And Financing

- Rehabilitating historic buildings is expensive, especially when seismic retrofits are required.
- There is often a long lead time involved in building reuse, which may necessitate public support for additional studies or plans and baseline building stabilization.
- Working through the rehabilitation costs and financing options is often an iterative process.
- Future uses and users of a building affect both the costs of rehabilitation and the array of funding sources available and feasible for rehabilitation.

Partnerships

- Dedicated city staff time can be essential to managing these projects especially during the predevelopment phase.
- Assembling the financing to rehabilitate historic buildings is extremely complex and typically requires working with a “private” developer (could be non-profit).
- There is a wide range of public-private partnership arrangements, each of which has different implications for the public partner.
- Under a partnership, a developer will require a long-term lease for the property so they can control the

building long enough to pay back their debt and equity.

- End-users are not always identified before developer selection, but cities can specify uses and governance structures in an RFP.
- Changing partners partway through a project inevitably leads to higher costs and a longer timeline.

Community Benefits

- The more grant or low-cost loan money a project can garner help to deliver lower rents for the project’s end users.
- Although activating publicly owned historic buildings can be an expensive proposition, and might not be “feasible” as a private real estate deal, restoring these buildings should be considered a major community benefit.
- Projects with an arts and culture orientation can draw significant support from philanthropic institutions for both grants and low-cost loans.

Parks

- Parks improvements are not funded through public-private partnerships because there is no dedicated funding source to pay back developer debt or equity. Nonprofit partners, however, can deliver both capital improvements and can operate the facility if there is sufficient capacity to raise the appropriate funds through user fees/ membership dues, public grants, and

philanthropic sources.

- Parks may be funded through philanthropy, but most philanthropic support comes from large corporate sponsors, or a few wealthy individual donors. Not all communities have sufficient philanthropic capacity to support a parks program.
- Nonprofit stewardship of a park can open up access to private grants and donors, while allowing the park to still be publicly owned.

Civic Center Vision Funding Strategy

The Civic Center Vision can be distilled into three primary project types requiring funding: buildings, the MLK Jr. Civic Center Park, and street/mobility improvements. These project types can be further disaggregated into smaller parts, such as by building, and into implementation phases including predevelopment, construction or project delivery, and ongoing operations and maintenance. It is impossible at this point to identify a specific funding/financing strategy for each individual project because there are still many decisions yet to be made about the scope, scale, and use for each project; and, future funding/financing approached will be directly linked to those more detailed decisions determining overall project direction. However, there are generally

typical funding sources associated with each project type and implementation phase as shown in Figure 1 (*see p. 188*). The sources and uses vary considerably by project type and phase, as is discussed below.

Although understanding these funding sources and their potential for implementing the Vision is important, the other essential components of this implementation process are strong public leadership and a robust structure for making the many incremental decisions required to advance these projects. Unlike a conventional area plan that a city might adopt to direct future investment in a particular location, this Vision focuses on an area dominated by public facilities and with a vision for future public use. Therefore, private market investment can not be relied upon to deliver the Vision's goals. Instead, the City of Berkeley will have to take an active and long-term role in project delivery. This is why this Implementation Plan includes a clear governance structure to make the necessary implementation decisions by being both strategic and opportunistic, while also ensuring transparency and community accountability.

Historic Buildings

Predevelopment – A key predevelopment decision for both historic buildings is the appropriate level of the seismic retrofit. These costs vary considerable

depending on each building's structural elements, the desired level of durability in the event of an earthquake, the trade-off of cost against future durability, and other factors discusses elsewhere in this Implementation Strategy. However, as the GCBPH case study illustrates, seismic costs can drive overall project costs above a sustainable level, given other funding sources. This suggests that the City should consider seeking funding just to pay for the retrofits. **One immediate potential funding source for seismic retrofits is a Housing Hazard Mitigation Grant. This source was discussed above. As of April 2020, these grants are available, and the initial application is due in June 2020. The City should give serious consideration as to completing this initial application now as it is not clear when this money would be available again, and there can be a multi-year lag between making an initial grant, being awarded the grant, and receiving the money.**

Generally, funding sources as well as project costs are driven by building uses. Therefore, the specific purpose and use of each building must be determined as part of the predevelopment process. This decision also determines who might develop the building; who would occupy the building and pay for the space; and what potential rent levels align with the potential future tenants. The predevelopment phase covers the costs

to conduct whatever process is necessary to arrive at these decisions, and to fund any additional more detailed design and/or feasibility studies. Funding sources that can cover these costs include T1-Bond money, and the City's own operating revenues. It is possible that there may be some other source of state grants or discretionary funds or federal grant funding, including from the National Endowment for the Arts, but these sources would need to be explored on a case by case basis.

The Veterans Memorial Building as cultural hub/art-oriented facility will both determine the appropriate level of the necessary seismic retrofit; and will make this project appealing to grants and philanthropic organizations, who are specifically in arts related projects. Participation from these groups can help lower overall development costs, and thus lower rents for the end-users who might be non-profits with low operating budgets, and thus requiring below market rental rates. Also, because tax credits could be an important funding source, this building would be a good candidate for a public-private partnership where a developer assembles the final funding/financing package, manages the construction, holds the master lease, and manages the building over the term of the lease. In considering who should be responsible for developing this building, it should be noted that assembling the necessary

funding/financing and managing a construction project of this size is a highly specialized process and should be undertaken either by the City whose Public Works Department has experience managing complex construction projects, or by a developer, not by an arts or non-profit organization who might be a tenant in the building, but lacks the experience or capacity to be a developer.

More detailed feasibility analysis is going to be required for the Old City Hall building to determine which option is the most feasible from a funding/financing perspective. On the one hand, if this building becomes a non-profit office space with some exhibition space, then some investigation would need to be done as to the level of philanthropic support for the proposed uses, the rent levels the potential users could pay, which might be higher than what small community arts organizations could pay, and what the total rehabilitations cost would be relative to the potential income stream. If the City is not going to occupy this building for its own uses or programs, then this building is another good candidate for a public-private partnership.

If the City decides to use the Old City Hall building for its own offices and for expanded meeting space, then the City would take on the full responsibility to fund, financing, develop, and operate the building. There are multiple financing scenarios the City could pursue for

this kind of improvement including but not limited to lease revenue bonds, certificates of participation, or a different form of privately led financing structure which would also be repaid through rent revenues or some kind of “availability payment” which is specified payment amount that the City agrees to pay out over time to pay back the financing “loan.” This kind of financing arrangement is also referred to as a public private partnership, or P3.

Each option has different costs and implications and the City would need to do a detailed study to determine the best solution. However, key benefits to borrowing against a future payment could include not requiring a public vote, as would be required for a bond to be secured against property tax revenues; this project would not divert money from other much needed capital improvement projects currently funded through some combination of infrastructure bonds and capital improvement budgeting,; and by consolidating City offices and meeting space into one building, the City might be able to reduce its current operating costs, even with the new facility. This same approach could be used if the decision is made to add new meeting space to the 2180 Milvia building. Another option is to issue a future infrastructure bond, like the T1 bond, which would be repaid based on property tax revenues. Such a bond would require a two-thirds majority voter approval.

Construction Costs – Because construction costs are tied to the building use and user, appropriate construction funds sources will be determined during each building's predevelopment phase. Again, it is important to note that certain sources, like tax credits and developer equity, are only available if a for-profit developer is involved. The City and other government entities could contribute funds to any of these projects through several sources, including grants, discretionary funds, and bond funds. These sources could be deployed with either a for-profit developer or if the City develops any of these buildings itself.

Operation and Maintenance – Each building's operating expenses should be covered by its tenants or users. If the buildings are occupied by non-profit organizations, these groups themselves often use grants and philanthropy to cover their own operating expenses. If the City were to occupy any new space as a result of the Vision Implementation, it would pay for the cost out of its own operating budget.

MLK Jr Civic Center Park Improvement

Predevelopment – Predevelopment activities related to the Park will include preparing a more detailed plan developing a construction cost estimate or estimates by construction phase if this is relevant. This phase could also be used to explore the extent to which there might be

sufficient philanthropic and/or corporate interest in supporting some kind of non-profit structure, like the San Francisco Parks Alliance, that could take on raising money to both improve and operate the Park. Big cities like San Francisco and New York clearly have used these models very successfully to address their parks and public space needs. Neighboring (and smaller) Oakland has a corporate community that is large enough to potentially support city activities. However, given that Berkeley's main employer is the University of California, it is unclear as to whether some kind of parks related non-profit would be viable, even if this organization were to take on managing and maintaining several other iconic Berkeley parks and other public landmarks such as the Rose Garden or the fountain at the Marin Circle.

However, because park improvements are very hard to fund because there is no revenue stream for repayment, the City is likely going to have to bear most or all of the Park's predevelopment costs through locally generated sources including future bond monies, City revenues, or other sources. Occasionally there are also parks related grants available at the regional or state level. For example, in 2008 the East Bay Regional Parks District had a bond measure (Measure WW) approved by the voters that, among other things, provided \$4.876 million in grant money to Berkeley. That money was used to pay for multiple improvements at

existing City parks.

It should be noted that some park/public space facilities, like the Hall of Flowers in San Francisco or Bryant Park in New York generate a significant revenue stream from renting out the facility for private events. However, to date, it has been the City of Berkeley's policy to charge only nominal rates for holding events at Civic Center Park. Whether this policy could or should change is another decision to be discussed as part of the predevelopment process for the Park.

Construction – If it is feasible to form some type of non-profit or conservancy to support Civic Center Park, then this entity will be leveraging grants and contributions from philanthropic sources, including individual donors for construction. Corporate sponsors might also be interested in supporting construction costs for certain park elements in exchange for advertising rights. Regional grant monies could also be used for Park construction if they are available. But the most likely sources to support Park construction are local bond proceeds and/or capital improvement program funds.

Operation and Maintenance – Civic Center Park is currently operated and maintained by the City's Parks, Recreation, and Waterfront Department. Funds for operation could be supplemented by establishing some form of area or district-based assessment district or

tax increment district. However, it is uncertain how much money such a district could generate unless Civic Center Park is included in a larger financing district that incorporates Downtown and/or a larger area of central Berkeley.

Street and Mobility Improvements

Predevelopment/Construction – The Downtown Streets and Open Space Improvement Plan (SOSIP) and the Berkeley Strategic Transportation (BeST) Plan already incorporate some level of planning for the major streets in the Civic Center Vision area. However, funding for further design is limited. Allocating additional resources to these projects will depend on whether there are funds available and if the City Council decides to prioritize Civic Center related projects over other projects. The BeST Plan already includes the Downtown area as a priority funding, and the SOSIP has established a development impact fee for projects in the Downtown area that can pay for street and open space improvements. Additional funding sources are identified in the BeST Plan.

Operation and Maintenance – Berkeley's public works department is responsible for street maintenance. If additional funds are required for this purpose in the future, street maintenance could be bundled with Park maintenance and included in a district-based funding program.

Figure 1: **Common Funding Sources by Project Type and Implementation Phase**

Project Type	Funding Sources			
	Public Agency Grants	Philanthropic Grants	Tax Credits	Rent Payments
Historic Building Rehabilitation				
Predevelopment	X			
Construction	X	X	X	X
Operation and Maintenance		X		X
MLK Jr. Civic Center Park Improvements				
Predevelopment	X	X		
Construction	X	X		
Operation and Maintenance*				
<i>*Includes programming</i>				
Street/Mobility Improvements				
Predevelopment	X			
Construction	X			
Operation and Maintenance*				

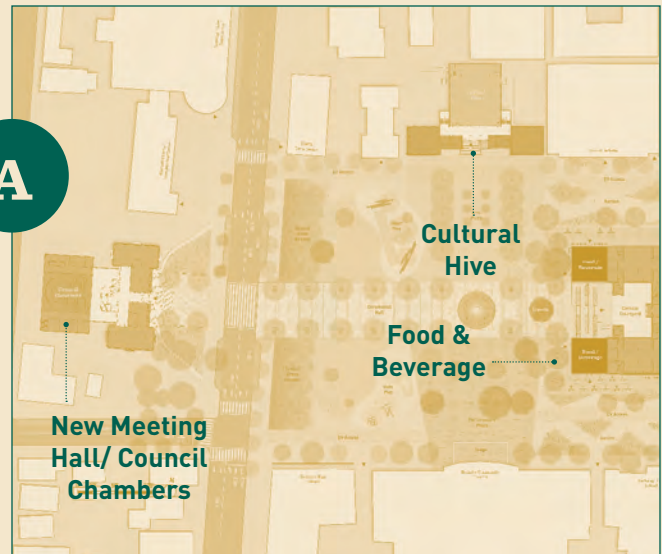
Developer Equity	Citywide Bond Money	Value Capture Mechanism	Corporate Sponsorships	City Revenues
	X			X
X	X			X
				X
	X			X
	X		X	X
		X	X	X
	X			X
	X			X
		X		X

6.3

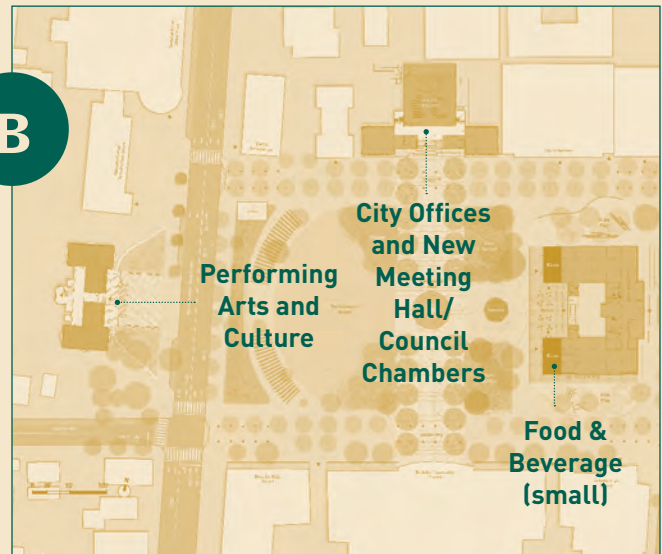
Cost Summary

A critical component of the cost plan is the level of seismic upgrade. Both Old City Hall and the Veterans Memorial Building were constructed prior to any real seismic building standards and must be seismically retrofitted. Two options have been considered for each building: a Basic Performance Objective for Existing Buildings (BPOE) scheme allows safe egress from the building and prevents the building from collapse during a seismic event, however, the building may incur damages that are exceedingly expensive to repair. An Immediate Occupancy (IO) scheme allows safe egress and provides enhanced protection to the building such that it could be reoccupied almost immediately following a seismic event. A BPOE retrofit scheme is very common for existing buildings and can accommodate any number of building uses. An IO scheme is typically undertaken for buildings that house “essential services,” such as hospitals and emergency services, that must remain open in the case of community crisis. Depending on selected use we recommend that further seismic studies are undertaken.

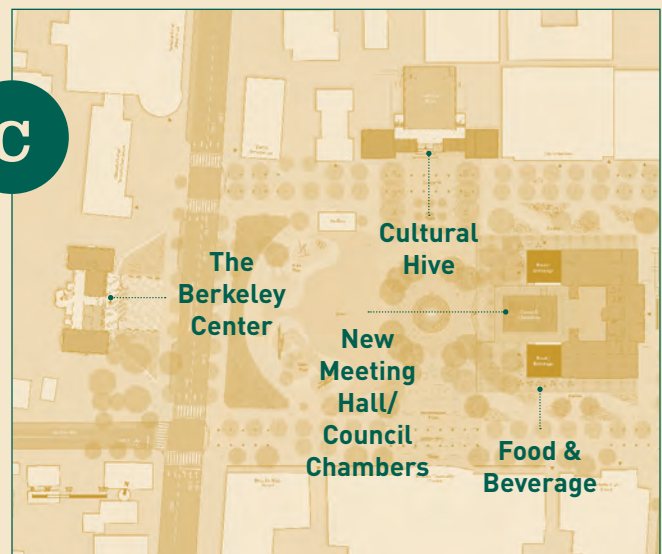
A



B



C



Summary of preliminary program cost plan

Option A:

Maudelle Shirek (IO): \$46,749,000

Veterans Memorial Building/ Cultural Hive (BPOE): \$21,381,000

2180 Milvia addition : \$3,373,000

Civic Center Park (all public realm including streets): \$8,183,000

Total: \$79,686,000

Excludes rooftop addition to VMB and new structure adjacent to the City Hall Annex

Summary of preliminary program cost plan

Option B:

Maudelle Shirek (BPOE): \$18,240,000

VMB (IO): \$64,983,000

2180 Milvia: \$1,840,000

Civic Center Park (all public realm including streets): \$7,506,000

Total: \$92,569,000

Excludes rooftop addition to VMB and new structure adjacent to the City Hall Annex

Summary of preliminary program cost plan

Option C:

Maudelle Shirek (BPOE): \$17,082,000

Veterans Memorial Building (BPOE): \$21,182,000

2180 Milvia: \$9,985,000

Civic Center Park (all public realm including streets): \$7,895,000

Total: \$56,144,000

Excludes rooftop addition to VMB and new structure adjacent to the City Hall Annex

Seismic costs reference the Seismic Evaluation report by IDA Structural Engineers, April 2019



Recommendations

Recommended Conceptual Design Option

The engagement and visioning process that led to the creation of the conceptual design plans has identified the main programs and features that need to be present in the new Civic Center.

The process has been instrumental in clarifying complex questions — such as what programs people want to see in Civic Center, and what kind of public realm will make Civic Center a real commons for all Berkeleyans.

The preferred conceptual design falls somewhere between option A and option C. One key topic of discussion is the location of the proposed new large meeting hall, large enough for council meetings (200+ seats). Option A, which shows such space as an addition to the Maudelle Shirek Building, and Option C, which explores a new volume connected to the west side of 2180 Milvia, facing the park — both had a lot of positive support. It's clear to the design team that both options present good opportunities, however, the extension of 2180 Milvia toward the park is the design team's recommendation.

The recommended concept, which is aligned with the Vision statement and with the community and stakeholders input, includes the following key components:

A new structure on the Park — Meeting Hall, Park Café and Restrooms

This new volume on the park will:

- Give the park a much needed active edge, a building right on the park
- Offer a home to new programs that will contribute to the activation of the park — a park café, restaurant and restrooms
- Enable the Council and other groups to meet (several meetings a week and late into the evening*) in a central location, without having to cross M.L.K. Jr Way
- Offer an opportunity for a contemporary architectural addition that complements the sensitive rehabilitation of important historic structures.

**In 2019 there were 67 council meeting dates (24 regular meetings, 43 special and work session meetings). To use the BUSD board room CoB currently pays \$91,200 (annually) or ~\$1,200 per use*

or about ~\$91,200(annually). More comprehensive engagement with the City Clerk’s office and other stakeholders will be needed to understand precise needs, as well as studying projected occupancy numbers and their effect of the activation of the public realm.

Veterans and Community Meeting Spaces at Civic Center

The Berkeley Historical Society and other tenants in a retrofitted Old City Hall

The Historical Society is a key tenant and we support their presence at Old City Hall. Additional tenants should extend or complement the historical and education mission of celebrating the history and stories of Berkeley. Spaces for indoor gatherings — such as receptions and talks, as well as exhibition spaces, will ensure the building is open to the public. Subject to programmatic needs and funding opportunities, the scenario of extending Old City Hall toward the west should be explored.



The Berkeley Cultural Hive at the Veterans Memorial Building

The Cultural Hive houses community meeting spaces, places for performing arts and arts education (after school programs for high schoolers, ballet classes, performances). It is a bridge between the Berkeley High School and the Arts District. A retrofitted auditorium, smaller performing arts studios and teaching spaces will mean more people and activity in the building. The idea of a rooftop addition, set back from the main façade, and a terrace, should be explored.

Meeting spaces for the Veterans groups and the community

Veterans groups should have access to one of the multi-purpose meeting rooms in the Veterans Memorial Building, granting them special access in perpetuity to use the space for meetings

Recommendations

and events. In our meetings with the two Veterans groups that currently use a space at the Veterans Memorial Building they expressed a desire to make use of the building and were open to the idea of sharing a space with other community groups.

A new landscape

The new landscape of Civic Center Park celebrates its history and includes bold, ambitious and people-centered moves to make the park more accessible, comfortable and used. The preferred design alternative considers the removal of the Giant Sequoia. Although the tree is a significant landscape feature of the park and has an important history, its current size means that it significantly blocks axial view and its location is incompatible with the full integration of a new meeting hall at 2180 Milvia. Careful consideration has been taken and several strategies have been identified to mitigate for the loss of this feature, including;

- Relocation of the tree elsewhere in the park or immediate context of the National Register District
- Preparing a Historic American

Landscape Survey (HALS) documentation for the Berkeley Civic Center National Historic Register District

- Planting clones that are propagated from this tree and grown in an appropriately qualified nursery with the intent of creating the next generation of the Giant Sequoia
- Repurposing wood from the tree to be respectfully used for fine furniture in the new Council Chambers

Refer to the Appendix for more details and mitigation recommendations.

Civic Center Park is a place for civic events — evening concerts, rallies and fairs; but also for the big days in one’s life — it’s where you take your wedding photo; and where everyday memories are made — lunch with friends on a sunny bench, meetings at the Farmers Market, laughs at the climbing structure, outdoor classrooms, picnics, birthday parties, tai chi, community gardening. The Turtle Fountain and other sculptures and public art will celebrate people and events that have contributed to Berkeley’s collective history.

Access point for Civic Support

All people should feel welcome in Civic

Green, Play, Food and Events at Civic Center



Center, therefore it is imperative to provide a physical space within the Civic Center area that helps connect the most vulnerable community members with the help they need — be it shelter, medical or other. Further studies are needed to assess the spatial requirement of this program and consider the scope and the appropriate location for these services.

Beyond the Old City Hall and the Veterans Memorial Building — The Civic Center Market

In collaboration with Berkeley High School and the Ecology Center, Berkeley’s celebration of locally-grown food as a cornerstone of local culture can be given a permanent home at Civic Center. This idea needs further study but the design team found strong support among educators, political leaders and public commenters for an all-week expansion of the Farmer’s Market. Possible locations might include a pavilion in Civic Center Park or the Berkeley’s Main Post Office building.

Inevitably the preferred vision goes beyond this project’s scope and includes other nearby buildings — including the Post Office as mentioned above — that should be considered during the next stages when developing a masterplan or precinct plan for Civic Center. Matters relating to the precise location, sizing and configuration of new programs should be further studied, alongside the seismic implications, detailed cost analysis and

projected occupancy numbers and their effect on the activation of the public realm. These studies will help further detail the conceptual option presented here, and inform the development of a precinct plan that is made up of different project tracks, phasing, and/or project groups (specifying what building projects goes with what public realm project, and how each project can be funded) — each with its own critical path.

See Chapter 8 — Implementation.

Summary of Preliminary Program Cost Plan — Option C

Maudelle Shirek (BPOE)	\$17,082,000
Veterans Memorial Building (BPOE)	\$21,182,000
2180 Milvia	\$9,985,000
Civic Center Park (all public realm including streets)	\$7,895,000
Total	\$56,144,000

Note: Excludes rooftop addition to the Veterans Memorial Building and the new structure adjacent to the City Hall Annex

Seismic costs reference the Seismic Evaluation report by IDA Structural Engineers, April 2019