

SUNDAY SPOTLIGHT

# Builder rises above obstacles in Berkeley

By Alan Zibel  
BUSINESS WRITER

BERKELEY

**A**S A TEEN-AGER in suburban Danville, Patrick Kennedy would cut down signs advertising sprawling new tract home developments on former ranch land in the rolling hills of the East Bay.

Nowadays, Kennedy, 48, concedes that it's "sort of ironic" that he has become the most prominent — and controversial — developer in Berkeley. But far from becoming a builder of single-family houses by the thousands, Kennedy said he believes he has stayed true to his youthful ideals — by helping to revitalize downtown Berkeley with the construction of apartment buildings and condominiums.

Nonetheless, Kennedy's buildings in Berkeley upset some people as much as, or maybe more than, those new suburban houses that bothered Kennedy as a teen. One of Kennedy's harshest critics, Becky O'Malley of the city's Landmarks Preservation Committee, says Kennedy is like a "robber baron," living in Piedmont and constructing buildings that change the fabric of Berkeley.

For his part, Kennedy calls critics like O'Malley "cranks" who want to turn Berkeley into a "gated community" by preventing new buildings from being built.

"My critics are shrill and almost histrionic, and I think border more on the tragic than effective," Kennedy said in his sleek office on the rooftop of his new 91-unit Gaia Building on Allston Way in downtown Berkeley. Kennedy constantly rails against what he sees as Berkeley's hostility toward developers. Few developers will invest the time and emotional energy to guide a project to approval, he says.

"The city has been spectacularly successful in killing off development," Kennedy said.

With its Mission-tile roof and multiple terraces, the seven-story Gaia Building is a significant presence in the city's downtown. Critics say the building is too tall, while Kennedy says Berkeley residents tell him they like it. Kennedy took advantage of a provision in Berkeley's zoning laws that allowed the building to exceed the city's five-story height limit by two stories — if part of the building was devoted to cultural uses.

The building's bottom two floors, still under construction, are slated to become a 99-seat home for theater group Shotgun Players and offices for other cultural groups.

**At a glance**

**NAME:** Patrick Kennedy  
**AGE:** 48  
**PLACE OF BIRTH:** Estherville, Iowa  
**OCCUPATION:** Real estate developer  
**LOCATION:** Berkeley  
**COMPANY PHONE NUMBER:** (510) 883-1000  
**WEB SITE:** www.panoramalinterests.com  
**EDUCATION:** B.A. in Economics and English, Claremont Men's College; Master's in Real Estate Development, Massachusetts Institute of Technology; J.D. from Harvard Law School.  
**WORK HISTORY:** Contractor in Oregon, law clerk in Boston, research assistant at Boston Redevelopment Authority, real estate consultant and analyst for BART, real estate developer.  
**PERSONAL:** Lives in Piedmont with wife, one daughter.

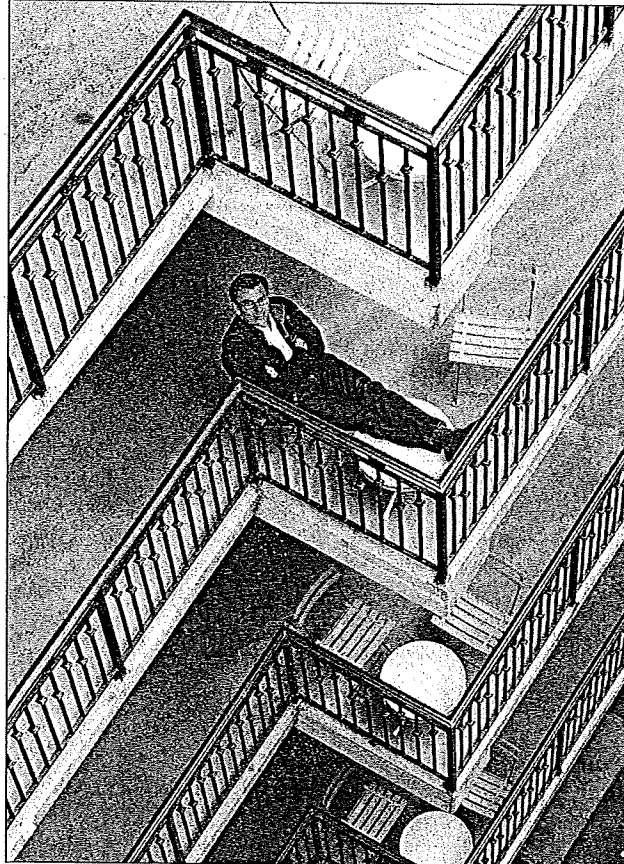
Kirk Peterson, the architect who designed the Gaia building, attributes Kennedy's status as a lightning rod for criticism to Berkeley's legendary, contentious politics. Peterson, who describes Kennedy as both "aggressive and abrasive" and "very smooth and charming," credits Kennedy for learning the city's zoning code and seeing untapped potential there.

"I think in another town, he might not be so controversial," Peterson said. "He's a character in Berkeley. I think he kind of likes that. It's probably fun."

While O'Malley says the building looks like "a combination between a gambling casino and a bathhouse," Kennedy says some Berkeley residents have asked him whether it's an old building that has been remodeled.

It's not cheap to live in the Gaia Building. Market-rate rooms are going for San Francisco-style rents: around \$1,600 for one-bedroom and \$2,500 for two-bedroom apartments. But the tenants, a large portion of whom are college students, do get to live in a new building with high-speed Internet connections, sunny common rooms, wrought-iron railings, rooftop terraces with sweeping views and a chess board with 30-inch chess pieces.

By Berkeley city mandate, 20 percent of the building's housing must be rented out at reduced rates to people who qualify for affordable



JOHN KIM — Staff

**BERKELEY DEVELOPER** Patrick Kennedy sits on a walkway in his 91-unit Gaia Building, which was finished in August. The building has high-speed Internet connections, sunny common rooms, wrought-iron railings, rooftop terraces and a chess board with 30-inch pieces.

housing. Those units rent for about \$670 for a one-bedroom and \$800 for a two-bedroom.

Most of Kennedy's projects are "mixed-use" buildings, combining ground-floor retail space and apartments. One 71-unit apartment building scheduled to begin construction in May near the North Berkeley BART station will have 8,000 square feet of retail space.

The 20-unit ARTech building on Milvia Street at Addison Way, now under construction, will include space for a nonprofit group that trains disabled people for computer industry jobs. It also will incorporate work from local artists on the outside, including a 6-foot copper salamander crawling up one facade.

"We wanted to give a boost to local amphibians," Kennedy joked.

There are four more mixed-use projects in the works for Kennedy. Two are on University Avenue and one on San Pablo Avenue, and range from 32 to 44 apartments.

But Kennedy's most dramatic new project is the 100-unit Fine Arts Building at Shattuck Avenue and Haste Street. His plan is to demolish the single-screen art-house theater and build a 100-unit Art Deco apartment building, a new 250-seat theater, a cafe and space for a nonprofit cinema society. Kennedy's plan is to have the theater's current operators continue to run it.

Kennedy came to Berkeley in 1986 to study for the California bar

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**Patrick Kennedy**  
Berkeley real estate developer

exam after his graduation from Harvard Law School. His brother lived in a rent-controlled apartment, where Kennedy crashed for free. After working for BART's real estate department for two years, Kennedy said he tried unsuccessfully to land a job with a Bay Area real estate development firm. He then decided to set out on his own as a developer, borrowing money from "friends, family and fools." His first project, six townhouses in North Berkeley, was completed in 1990.

For years, Berkeley wanted to attract mixed-use commercial and residential buildings to the city, said Berkeley Mayor Shirley Dean. But banks were unwilling to finance the developments. Kennedy "showed it could be done," she said.

Those close to Kennedy say he is adroit at figuring out how power works in Berkeley and drawing close to key decision-makers. Aligning his projects with the needs of arts and other nonprofit groups has been a crucial element of Kennedy's success.

"It certainly makes life easier if you have partners that have political power and a mission that is admired and supported by the public," Kennedy said.

But Berkeley City Council member Kriss Worthington said Kennedy has been too close to some City Council members.

"He's given enough money to politicians so that they will vote for his projects, whether they're legal or not," Worthington said.

Kennedy counters that he encourages "all of my friends and associates to support council members that share our progressive vision of the city."

"The thing about Patrick," said Patrick Dooley, artistic director of theater group Shotgun Players, "is he's able to get stuff done in Berkeley, which is unique."

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BUSINESS CALENDAR

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**NO!**

43 PUBLIC HEARINGS ARE NOT ENOUGH!

YES... MMM-HMM

Z Z Z

AFFORDABLE HOUSING FOR WHO?

BACK OFF

THIS IS ZONING WE'RE TALKING ABOUT HERE

IT'S NOT OVER UNTIL THE FAT LADY SITS

NO

PETITIONS

FOREVER

