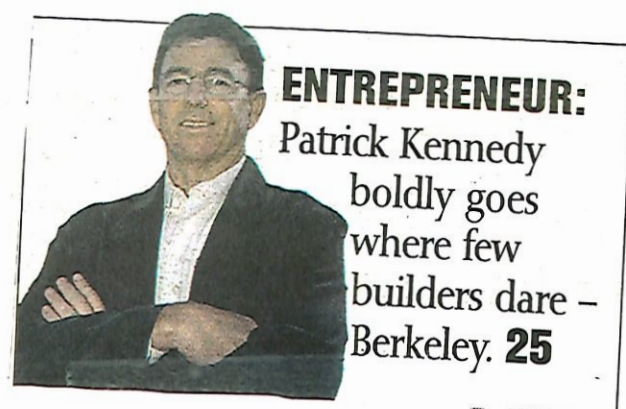


EAST BAY BUSINESS TIMES

SERVING THE GREATER EAST BAY REGION

FEBRUARY 4, 2005

Volume 7, Number 22 \$1.50



ENTREPRENEUR:
Patrick Kennedy
boldly goes
where few
builders dare -
Berkeley. **25**

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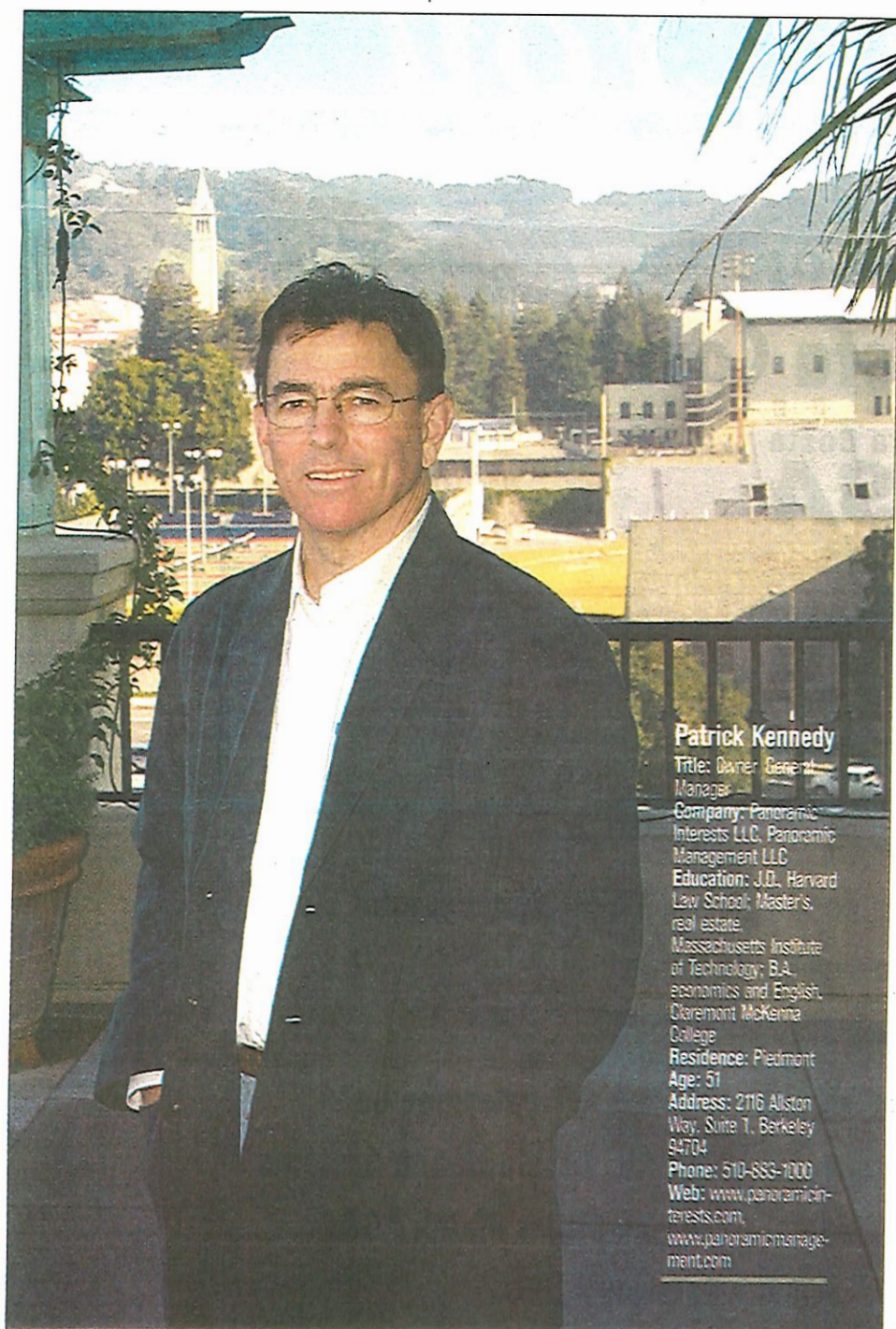
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Surviving the minefield

*Developer conquers labyrinthine politics
to bring Berkeley badly needed housing*



Patrick Kennedy

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STEPHANIE SECREST | EAST BAY BUSINESS TIMES

BY KATHERINE CONRAD

Nasty, bitter, unpredictable and expensive.

These are the words chosen by Patrick Kennedy to describe the development process in Berkeley, known as a graveyard for developers.

"It takes five years to get a project through the city's self-appointed class of activists. The approval process in Berkeley is a minefield, to put it mildly," he said. "A significant number of developers have concluded that it's just not worth the battle."

Kennedy is not one of them. For 15 years, the Danville

yard, which she used as a parking lot and charged for the privilege.

"It's hard to parody a city like Berkeley," Kennedy said ruefully. "It outdoes itself."

Protesters—or the forces of no, as Kennedy calls them—branded Kennedy's Gaia Building a "Stalinist monstrosity, a monument to civic corruption." The project, built in 2001, won an award from the Downtown Berkeley Association for excellence in design. It features rooftop views of UC-Berkeley's Campanile and brought 91 apartments, including 19 low-income units, to the housing-starved downtown.

native and his business, Panoramic Interests LLC, have hung in there. Partly because he lives 15 minutes away in a Piedmont fixer-upper he bought several years ago—and partly because he clearly enjoys what he is doing.

"There are very few cities where a small-time developer can make an impact," he noted. "In 10 years, we've developed 1,000 units."

One tactic that proved successful was befriending the disabled community and then making certain his proposed developments met the access requirements of the Americans with Disabilities Act. Kennedy, an early champion of smart growth, also established a rapport with environmentalists.

"I had the time and patience and willingness to engage in the political process," he said. "I tried to demonstrate to people who make the decisions on the City Council and Planning Commission that there is a crying need for housing."

That would appear to be common knowledge in the Bay Area. But Berkeley is... well, Berkeley.

Berkeley gave landmark status to a parking lot and a burned-down house. Berkeley declared a vacant lot a peacock sanctuary—even though peacocks are neither native to the region, nor welcome by most residents who had to put up with the noisy, dirty—albeit beautiful—birds.

One homeowner almost succeeded in blocking a townhouse development that she said would destroy the tranquility of her back-

Kennedy has garnered a shelf full of awards, including most recently from the American Institute of Architects, California Council, for his 35-unit Touriel Building. Another significant prize was the 1997 Spaulding Award from MIT Center for Real Estate.

Dave Fogarty, coordinator for the city's economic development department, has watched Kennedy's development trajectory since 1987. Fogarty says that the public is very divided on Kennedy. Either they love him or they hate him.

"My point of view is that Patrick Kennedy had the guts to really begin mixed-use development in Berkeley," Fogarty said. "Many, many developers took a look at the situation and the Draconian process to get approvals and the level of opposition and backed away. Patrick was not daunted."

Besides earning a living, Kennedy has another aim in mind: revitalizing the city's downtown. He supports two kinds of development: car-free housing that brings residents to the downtown core and parking structures that allow outlying residents to visit the city to enjoy its cultural richness.

"Berkeley's downtown is an underachieving area of the city. It's been woefully neglected," he said.

Fogarty is pleased with Kennedy's impact on downtown.

"There's no question that the revitalization of downtown Berkeley has depended on building apartments on the commercial corridors. Patrick has done that and the whole downtown has benefited enormously."

John Protopappas, a developer in Oakland, is another admirer of Kennedy.

"Patrick Kennedy is courageous to want to develop in the Bay Area, in Berkeley and to develop seven beautiful buildings," said Protopappas. "We need more people like him."

Kennedy, whose portfolio has focused on rental housing, believes it's time to bring market-rate housing to the downtown. High-density downtown market rate condominiums bring people with income to spend.

"There's huge demand for that housing. A large number of Berkeley residents are aging. They're empty nesters. They want to be able to leave their home and travel. They want homes that offer handicapped access."

"Downtown Berkeley could support 500 or 1,000 new high-end units."

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Key tactics

Mastered politics, got friendly with the disabled community and environmentalists, championed smart growth.

Major projects:

Berkeley Apartments, 58 units
Fine Arts Building, 166 units
Henry Court, 6 townhouses
Westside Place, 7 live/work lofts
Shattuck Lofts, 24 condominiums
University Lofts, 29 condos
Gaia Building, 91 units
ARTEch Building, 21 units
Acton Courts, 71 apartments
Bachenheimer Building, 44 units
Touriel Building, 35 units