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December 5, 2014

Ms. Kelley Kahn
City of Oakland
250 Frank H. Ogawa Plaza, Suite 3315
Oakland, CA 94612

RE: Proposal for the Rehabilitation and Adaptive Reuse of the Henry J. Kaiser
Convention Center

Dear Ms. Kahn:

The following pages outline the information requested in the "Orton Completeness Letter" dated November 25, 2014. If you have any questions, please don't hesitate to call me at 510.734.7605.

Sincerely,

A handwritten signature in black ink, appearing to read "James S. Madsen", with a stylized, looping flourish at the end.

James S. Madsen
Partner, Orton Development Inc.
510.734.7605
jmadsen@ortondevelopment.com

1.) Please provide additional information about the proposed uses you describe in your Project Narrative. Provide more detail about the nature of the office, flex, and food uses you envision and where they may exist in the building. Describe what is meant by "flex" uses.

The final space plan is subject to numerous inputs including:

- Community feedback
- CEQA and zoning
- Seismic analysis and existing building constraints
- Market conditions and leasing demand
- Historic review
- Construction costs
- Capital stack and cost of money

A successful rehab plan addresses all of the above. The plan naturally evolves over the course of the project as information comes in and conditions change.

Our approach is to reduce error and unknowns as much as possible early on in the process. Our goal is to avoid the famous trap that drives so many rehab projects over-budget: that “there are never enough resources to do it right, but there are always enough to do it twice.” Our goal is to gather all of the necessary information and to use our internal analytics and decades of experience to make sure we get it right the first time. Combining that discipline with good judgment in the field, informed by similar, completed projects, is the key to success in major rehabs.

Our process begins with what we call the “Great Listening Tour,” as described in the Project Narrative. Today, as always, communities care deeply about their historic resources. Making sure that we listen to all reasonable and legitimate concerns and ideas allows us to produce not only the best design, but also one that accords with community concerns, builds community support, and reduces opposition and friction. It also gives us an opportunity to build direct relationships with people in the community. We maintain those relationships over the course of the project, and after the project is complete.

Next, we develop a design based on extensive market knowledge and the results of the Great Listening Tour, that is also responsive to existing constraints such as zoning and historic. Our preference is to come up with a design that can be built with relative expediency; we seldom pursue plans that require years of entitlement work.

Once a preliminary design is in place, we bound construction costs to be sure the project works even in reasonably worst-case scenarios – for example, if market conditions soften.

Typically, this process leads to a design that maximizes infrastructure for a wide variety of uses. In essence, we "stretch the canvas" to create space that can accommodate a variety of tenants across a number of market conditions. The resulting space has all necessary life-safety and ADA upgrades, state-of-the-art telecom, communications, and other infrastructure, along with functional, beautiful floor plans that are utile and highly efficient.

With respect to use, the Calvin Simmons will be devoted to performance space and related ancillary uses, which will include concessions like food and beverage, which may operate independently and in conjunction with performances.

The arena will most likely become multi-level space that respects the historic nature of the building while solving seismic problems. There is also a chance that the arena could remain single story over basement, depending on further due diligence of building construction and tenants in the market.

Public amenities, such as food and beverage, could be located on either the ground or upper levels of the arena, and ideally would have both an indoor and an outdoor component. The design goal would be to provide much-needed amenities to the immediate community and to give people a reason to come into the building.

Describe what is meant by "flex" uses:

We don't like to predict what is going to happen at our buildings because we have learned that is virtually impossible to do accurately. What we can say, based on tremendous amount of experience, is that if you build stunning space that the market adores, a vibrant tenant mix will follow.

Flex space consolidates different kinds of business activities, accommodating modern tenants to create what we call the "Great American Workplace," allowing in-house design, testing, prototyping, manufacturing, wholesaling, office, and sales/retail under one roof. These efficient spaces create a community of shared resources and synergies, emphasizing wellness, resource sharing, IP safety, collaboration and community.

We believe that the lower levels may be suited toward a public-facing, maker-type tenant, with upper floors dedicated to office/flex use, subject to which tenants are in the market.

Ultimately, the final fit plan should accommodate a wide range of uses, move the project forward expeditiously, have a broad coalition of community support, and be economically viable and financeable.

2.) Schedule E. Please refine your Schedule E to provide rough estimates of the percent of work attributed to each consultant. Please make sure all consultants identified in the proposal are included.

The attached Schedule E is a best estimate. ODI believes in maximizing the employment of local, female, and minority-owned businesses, and will work closely with the City of Oakland to identify opportunities for Oakland businesses and local jobs as part of this project.

SCHEDULE E

PROJECT CONSULTANT TEAM LISTING

To be completed by prime consultants only.

Date 12.5.14



Note:
The consultant herewith must list all subconsultants regardless of tier and their respective percentages of the project work. No other subconsultants, other than those listed below shall be used without prior written approval by the City of Oakland. Provide all information listed and check the appropriate boxes. Firms must be certified with the City of Oakland in order to receive Local/Small Local Business Enterprise credits.

Company Name: Orton Development Inc.

Signed: James S. Madsen

Type of Work	Company Name	Address and City	Phone Number	% of Project Work	Dollar Amount	Subcontractor	Local (LBE)	Small Local (SLBE)	* Ethnicity	** Gender
Architect	Heller Manus	600 Montgomery St. San Francisco	(415) 247 - 1100	15.5	1,400,000				c	m
Structural Engineering	Nabih Youssef	650 California St. San Francisco	(415) 397 - 5213	4.5	400,000				o	m
Landscape Architect	Hood Design	3016 Filbert St. Oakland	(510) 595 - 0688	1.7	150,000		x	x	aa	m
Historic Preservation	Mueller Caulfield	339 15th St. Oakland	(510) 832 - 8560	3.4	300,000			x	c	f
Crowdfunding	Fundrise	519 Connecticut Ave Washington, DC	N/A	> 1	50,000				w	m
Sound Consultant	Meyer Sound	2832 San Pablo Ave Berkeley	(510) 486. 1166	1.1	100,000			x	c	f
Community Consultant	Oaklandish	1444 Broadway Oakland	(510) 251 - 9500	> 1	> 50,000			x	af	f

Attach additional page(s) if necessary.

Contractors are required to identify the ethnicity and gender of all listed firms majority owner. This information will be used for tracking purposes only.

* (AA=African American) (AI=Asian Indian) (AP=Asian Pacific) (C=Caucasian) (H=Hispanic) (NA=Native American) (O=Other) (NL=Not Listed)

** (M = Male) (F = Female)

(Revised as of 6/06)