

**BEN BARTLETT**

CITY COUNCILMEMBER, DISTRICT 3

CONSENT CALENDAR

November 3, 2022

To: Honorable Mayor and Members of the City Council  
 From: Councilmember Ben Bartlett, Mayor Jesse Arreguin,  
 Councilmember Sophie Hahn  
 Subject: Budget Referral: Commitment to La Peña Cultural Center

RECOMMENDATION

Refer to the AAO#1 Budget Process \$150,000 to support the recovery and renovations of La Peña Cultural Center, a cultural hub and historic community building space within the city of Berkeley.

BACKGROUND/CURRENT SITUATION

La Peña Cultural Center (La Peña) is a nonprofit 501(c)3 organization located in South Berkeley that has served as a multicultural hub for diasporic communities since 1975. La Peña uplifts underrepresented artists and art forms, promotes arts education, and supports community-led social justice movements. The word “Peña” refers to community gatherings centered around music, food, drink, and culture that foster dialogue around current issues. La Peña employs over 40 people, including teaching artists, sound engineers, light technicians and other event staff, administrative staff, interns, and contractors. Through this array of employment opportunities, La Peña focuses on creating job pipelines for its community, which includes many Berkeley residents of color. Through its tenant restaurant program, La Peña provides further job opportunities for small business entrepreneurs and restaurant workers. For the past 8 years, La Peña has leased its restaurant space to Los Cilantros, a family-owned restaurant spearheaded by Chef/Owner Dilsa Lugo, a West Berkeley resident for over a decade.

La Peña has reopened and revitalized its programming after closing during the COVID-19 pandemic. La Peña used the time it was closed to buckle down, dig deep, and improve its internal infrastructure to create a more resilient organization that can weather future storms. Due to this work, La Peña is in a period of recovery and growth; however, it has hit a roadblock in its reopening journey and is asking for the city’s support.

La Peña owns its 7,000-square-foot building, with four primary areas: the restaurant space, lounge, community room, and main theater. The building is quite old and in need of multi-phase repairs. La Peña successfully fundraised to update its roof in 2019. Since then, it has been fundraising for the next phase of critical repairs to bring its kitchen up to code. This phase also supports seismic retrofitting in the restaurant area to ensure the safety of the staff and patrons. If La Peña cannot break ground on this project this year, the negative economic impacts on La Peña, its employees, its tenant restaurant, its artists, and the community it serves will be disastrous. Not only would the inability to make repairs cause permanent layoffs of the Los Cilantros staff, but it would also force La Peña to substantially cut its programming. Such

decreases in programming would greatly lower the number of economic opportunities La Peña offers the hundreds of artists of color that teach and perform there.

Over the past year and a half, La Peña has organized a reputable project team consisting of an architect, a general contractor, and a project manager. La Peña has worked with the project team to build out its scope of work and budget to renovate the space. La Peña’s comprehensive budget for this project consists of professional fees, the general contractor’s scope of work, equipment costs, permit fees, soft costs and a 10% contingency. The total cost is broken down by category below for reference:

<b>La Peña Renovation - Cost Breakdown by Category</b>	
<b>Category</b>	<b>Cost</b>
General Contractor’s Bid	\$435,000
Equipment Costs	\$100,000
Soft Costs	\$36,500
Contingency	\$63,500
<b>Total</b>	<b>\$635,000</b>

La Peña has fundraised twice to keep up with the rising costs of supplies and labor due to COVID-19 and inflation. Thus far, La Peña has raised \$435,000 towards its necessary renovations and secured the permits to break ground this year. La Peña’s most recent bid came in this month at over 45% higher than the estimated amount just months ago, bringing the project cost to \$635,000. La Peña is working with a highly recommended general contractor in the area, Cookline, which specializes in building and renovating restaurants. Because La Peña is a nonprofit with limited resources, Cookline has compared the bids from multiple subcontractors and asked for discount rates or donated time when possible. Additionally, La Peña’s project manager, Bright Street, has reviewed and approved all bids, confirming that the rising costs align with the cost increases experienced throughout the construction industry. This \$635,000 bid is thus La Peña’s best offer and covers only the necessary work.

Having already raised \$435,000, La Peña has exhausted its fundraising sources for this project from its network of funders and donors, and is thus asking the City of Berkeley to contribute the remaining \$150,000. With the City’s aid, La Peña can begin the necessary repairs and thrive again in this post-pandemic environment.

RATIONALE FOR RECOMMENDATION

La Peña’s restaurant space is a critical revenue stream for the organization’s financial security. These renovations will ensure that La Peña can continue to fulfill its mission: operating a thriving restaurant space that employs Berkeley community members, primarily people of color and immigrants. La Peña is a family business that serves as a pipeline for young people to gain experience in the hospitality industry and grow their careers. Over the years, La Peña’s restaurant partners have worked in tandem with La Peña’s diverse multicultural programming to support the community and unite people in art, activism, and movement building. La Peña is a historic multicultural hub rooted in the Latinx diaspora and serves as a bridge-building and advocacy center. La Peña relies on its restaurant space to create a table where people can gather and break bread while attending events, dancing, enjoying live music, or learning at a lecture series.

In conclusion, these renovations must happen as soon as possible if La Peña is to operate at its full capacity and preserve a vital portion of its income. These renovations are necessary to maintain safety, comply with health codes, and ensure efficiency. They are not merely for beautification. These upgrades must be undergone to keep the restaurant operating and keep La Peña afloat. La Peña serves underrepresented communities in the Bay Area. By supporting this project, the City of Berkeley would be directly supporting those communities.

FINANCIAL IMPLICATIONS

\$150,000 from revenue allocations through the AAO#1 process.

ENVIRONMENTAL SUSTAINABILITY

Not applicable

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