

RESOLUTION NO. 52-2002

Adopted March 19, 2002

AUTHORIZING A FIRST AMENDMENT TO THE PROPERTY MANAGEMENT AND LEASING AGREEMENT WITH JOHN STEWART COMPANY, A CALIFORNIA CORPORATION, TO INCREASE THE AUTHORIZED EXPENDITURES BY AN AMOUNT OF \$350,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$900,000 FOR REPAIRS, OPERATING AND ASSOCIATED COSTS FOR THE PLAZA HOTEL, 988-992 HOWARD STREET; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA


BASIS FOR RESOLUTION

1. On April 4, 2000, the Redevelopment Agency Commission authorized staff to negotiate with real property owners along the South of Market Sixth Street corridor for the acquisition of certain properties which had been identified as dilapidated properties and/or underutilized parcels with the intention of expanding the City's stock of affordable housing and revitalizing Sixth Street.
2. By Resolution No. 159-2000 dated August 22, 2000, the Redevelopment Agency's Commission authorized staff to enter into a purchase agreement with the owner of the Plaza Hotel property at 988-992 Howard Street pursuant to this Sixth Street acquisition strategy.
3. By Resolution No. 2-2001 dated January 19, 2002, the Agency authorized the Executive Director to enter into an Agreement with John Stewart Company, a San Francisco based property management firm, for the interim onsite management of the Plaza Hotel for a maximum term of twenty-four month prior to relocating the current tenants, and the demolishing the existing improvements as part of constructing and a new mixed-use development at the site and authorized expenditures not to exceed \$550,000 for cost of repairs and code compliance life/safety work at the property.
4. The Plaza Hotel is in need of additional repairs and is currently operating at a deficit.
5. To address the property's needs, Agency staff recommends the First Amendment to increase the expenditure authority be increased by \$350,000 to pay for necessary repairs and cover current and projected operating deficits at the property.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute a First Amendment to the Property Management and Leasing Agreement with John Stewart Company, a California corporation, to increase the authorized expenditures by an amount of \$350,000 for a total aggregate amount not to exceed \$900,000 for repairs, operating and associated costs for the Plaza Hotel, 988-992 Howard Street.

APPROVED AS TO FORM:



Bertha A. Ontiveros
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Agency General Counsel