RESOLUTION NO. 163-2003

Adopted October 21, 2003

AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE: (1) A TERM SHEET AND AN EXTENSION OF THE THIRD AMENDED AND RESTATED EXCLUSIVE NEGOTIATIONS AGREEMENT, LEADING TO A DISPOSITION AND DEVELOPMENT AGREEMENT WITH FILLMORE DEVELOPMENT ASSOCIATES, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, FOR THE DISPOSITION AND DEVELOPMENT OF AGENCY PARCEL 732-A, LOCATED AT THE NORTHEAST CORNER OF FILLMORE AND EDDY STREETS; AND (2) RELATED TERM SHEETS FOR PROPOSED TENANT IMPROVEMENT LOANS TO A TO-BE-FORMED AFFILIATE OF YOSHI’S JAPANESE RESTAURANT, INC., A CALIFORNIA CORPORATION, AND FOOD FOR SOUL, LLC, A CALIFORNIA LIMITED LIABILITY CORPORATION, POTENTIAL TENANT OPERATORS ON AGENCY PARCEL 732-A;

BASIS FOR RESOLUTION

1. By Resolution No. 154-2002, adopted September 10, 2002, the Redevelopment Agency of the City and County of San Francisco (the “Agency”) authorized Exclusive Negotiations under certain terms and conditions with Fillmore Development Associates, LLC, a California limited liability company (“FDA”), for the disposition and development of Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets in the Western Addition Redevelopment Project Area A-2.

2. Subsequently, the Agency and FDA entered into an Exclusive Negotiations Agreement dated September 10, 2002 (the “ENA”), which required FDA, among other things, to meet specified performance benchmarks by certain dates in order for the exclusive negotiations to continue toward a disposition and development agreement (the “DDA”). By Resolution No. 4-2003, adopted February 11, 2003, the Agency authorized extension of the performance dates for the first and second ENA benchmarks, as set forth in the First Amended Terms and Conditions for Exclusive Negotiations as of February 11, 2003. As authorized in the ENA, the Executive Director granted further extensions administratively, as set forth in the Second Amended Terms and Conditions for Exclusive Negotiations dated as of May 7, 2003. By Resolution No. 143-2003, adopted September 16, 2003, the Commission further extended the negotiations period and established October 21, 2003, as the date for Commission consideration of a term sheet setting forth the principal terms and conditions to be incorporated into the DDA with FDA.
3. The Agency and FDA have agreed on the principal terms and conditions to be incorporated into the DDA, if approved, and these terms have been incorporated into a draft term sheet (the “FDA Term Sheet”).

4. In connection with its proposed development and in accordance with ENA requirements, FDA has entered into letters of intent with two potential tenants for the commercial component of its development, a to-be-formed affiliate of Yoshi’s Japanese Restaurant, Inc., a California corporation (“Yoshi’s”), which proposes to operate Yoshi’s Fillmore Jazz Club & Restaurant, and Food for Soul, LLC, a California limited liability corporation (“Food for Soul”), which proposes to operate a French West-Indo Soul Fusion restaurant. Each of these letters of intent is conditioned on Agency financing of tenant improvements. The Agency and Yoshi’s and the Agency and Food for Soul have agreed on the principal terms and conditions to be incorporated into loan documents, if approved, and these terms have been incorporated into draft term sheets (the “Club Term Sheet” and the “Restaurant Term Sheet,” respectively).

5. If the FDA Term Sheet, the Club Term Sheet and the Restaurant Term Sheet are approved, the ENA must be extended to January 30, 2004 to allow for the preparation and negotiation of the DDA and loan documents.

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: (1) a term sheet and extension of the Third Amended and Restated Exclusive Negotiations Agreement, leading to a Disposition and Development Agreement with Fillmore Development Associates, LLC, a California limited liability company, for the disposition and development of Agency Parcel 732-A, located at the northeast corner of Fillmore and Eddy Streets; and (2) related Term Sheets for proposed tenant improvement loans to a to-be-formed affiliate of Yoshi’s Japanese Restaurant, Inc., a California corporation, and Food for Soul, LLC, a California limited liability corporation, potential tenant operators on Agency Parcel 732-A, in the Western Addition Redevelopment Project Area A-2, in substantially the forms lodged with Agency General Counsel.

APPROVED AS TO FORM:

James B. Morales
Agency General Counsel