RESOLUTION NO. 119-2004

Adopted October 5, 2004

AUTHORIZING A LOAN AGREEMENT WITH FOOD FOR SOUL, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, IN AN AMOUNT NOT TO EXCEED $1,700,000, FOR PREDEVELOPMENT EXPENSES, TENANT IMPROVEMENTS, AND EQUIPMENT PURCHASES, TO ESTABLISH A RESTAURANT/MUSIC LOUNGE IN THE MIXED-USE DEVELOPMENT AT AGENCY PARCEL 732-A IN THE FILLMORE JAZZ PRESERVATION DISTRICT; WESTERN ADDITION REDEVELOPMENT PROJECT AREA A-2

BASIS FOR RESOLUTION

1. The economic revitalization of the Fillmore Jazz Preservation District (the “Jazz District”) is a significant component of the Redevelopment Agency of the City and County of San Francisco’s (the “Agency”) completion of the Western Addition A-2 Redevelopment Plan (the “Redevelopment Plan”). The Jazz District is the area generally located along Fillmore Street between Post and McAllister Streets in the Western Addition Redevelopment Project Area A-2 (the “Project Area”).

2. As part of this revitalization effort, the Agency entered into a Disposition and Development Agreement dated May 18, 2004 (the “DDA”) with Fillmore Development Associates, LLC, a California limited liability company (“FDA”), for Agency Parcel 732-A (the “Site”) located in the Project Area. FDA agrees under the DDA to subdivide and improve the Site. The subdivision will yield three parcels: (1) an air rights parcel for retail/commercial uses (the “Commercial Parcel”); (2) an air rights parcel for residential condominiums (the “Housing Parcel”); and, (3) a land parcel for a public parking garage (the “Land and Parking Garage Parcel”).

3. The Commercial Parcel will be improved with approximately 40,550 gross square feet of entertainment-related retail/commercial uses. The Housing Parcel will be improved with 80 for-sale condominium units and associated parking. The Land and Parking Garage Parcel will be improved with an underground public parking garage for the commercial uses. FDA will integrate the three parcels and associated improvements into a single building.

4. Food for Soul, LLC, a California limited liability company (“FFS”), wants to establish and operate a restaurant/music lounge in the Jazz District (the “Restaurant”). It executed a May 11, 2003 letter of intent with FDA to lease approximately 6,318 square feet of the Commercial Space (the “Premises”), on the condition, among others, that the Agency loan it $1.7 million to fund
predevelopment expenses, tenant improvements, and equipment purchases for the Restaurant.

5. The Agency and FFS executed a term sheet dated October 21, 2003 for a proposed tenant improvement loan (the “Term Sheet”). FFS now desires to enter into a loan agreement with the Agency that will supersede the Term Sheet. The Agency has agreed to loan up to $1.7 million to FFS for predevelopment expenses, tenant improvements, and equipment purchases for the Restaurant.

6. FDA and FFS are negotiating a lease of the Premises. FFS wishes to secure the Agency funds prior to signing the lease for the Premises. The Agency and FFS have agreed to enter into the proposed loan agreement subject to its terms, conditions and covenants.

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 Loan Agreement with Food for Soul, LLC, a California limited liability company, for an amount not to exceed $1.7 million for predevelopment expenses, tenant improvements, and equipment purchases to establish a restaurant/music lounge in the mixed-use development at Agency Parcel 732-A in the Fillmore Jazz Preservation District; Western Addition Redevelopment Project Area A-2; and (2) any and all ancillary documents necessary to implement the Loan Agreement, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]

James B. Morales
Agency General Counsel