

RESOLUTION NO. 49-2006

Adopted April 18, 2006

AUTHORIZING A FIRST AMENDMENT TO THE TENANT IMPROVEMENT LOAN AGREEMENT WITH POWELL'S PLACE, LLC, A CALIFORNIA LIMITED LIABILITY COMPANY, TO AMEND THE REPAYMENT SCHEDULES, IN CONNECTION WITH POWELL'S PLACE, LOCATED AT 1521 EDDY STREET; 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. On December 14, 2004, by Resolution No. 154-2004, the Agency Commission authorized a tenant improvement loan agreement (the "Agreement") in an amount not to exceed \$350,000.00 with Powell's Place, LLC, a California limited liability company ("Powell's Place") in connection with re-establishing a restaurant at 1521 Eddy Street (the "Business").
3. Powell's Place was opened in February 2005, and owing to unforeseen construction and additional payroll and other related expenses at the Business, the Mayor's Office of Community Development ("MOCD") provided an additional loan amount of \$250,000 for a total of \$500,000 to cover the additional expenses and provide additional working capital. At the end of January 31, 2006, a year after the business is opened, Powell's Place had a deficit of \$114,397 in its business operation and it was not able to make its first loan payment on February 1, 2006. Therefore, Powell's Place is requesting an extension to the commencement of repayment for twelve (12) months from February 1, 2006 to February 1, 2007 in order to build up its business and increase the business cash flow.
4. In addition, Powell's Place requested that the existing Promissory Note be cancelled and a new promissory note reflecting these changes be executed.
5. The Agency and Powell's Place now desire to amend the Agreement to extend the payment date from February 1, 2006 to February 1, 2007.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to:

- 1) extend the payment date from February 1, 2006 to February 1, 2007; and
- 2) execute any and all ancillary documents necessary to implement the first amendment to the Agreement with Powell's Place, a California limited liability company ("Powell's Place") in connection with re-establishing a restaurant at 1521 Eddy Street, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:



g.m. James B. Morales *4/12/06*
Agency General Counsel