

RESOLUTION NO. 42-2009

Adopted May 5, 2009

AUTHORIZING A FIRST AMENDMENT TO THE PERSONAL SERVICES CONTRACT WITH THE PUCCINI GROUP, A CALIFORNIA CORPORATION, TO EXTEND THE CONTRACT TERM 12 MONTHS FROM MAY 5, 2009 TO MAY 30, 2010; TO AMEND THE SCOPE OF SERVICES TO PROVIDE STRATEGIC PLANS FOR FOUR RESTAURANTS PARTICIPATING IN THE AGENCY'S AMENDED REVOLVING LOAN PROGRAM; AND TO INCREASE THE CONTRACT AMOUNT BY \$210,000 FOR A TOTAL AGGREGATE AMOUNT NOT TO EXCEED \$235,000

BASIS FOR RESOLUTION

1. The Redevelopment Agency of the City and County of San Francisco (the "Agency") along with the Mayor's Fillmore Western Addition Economic Development Taskforce undertook the commercial revitalization of Lower Fillmore Street by establishing the area as a destination dining and entertainment district, "The Old Fillmore Jazz Preservation District" (the "District").
2. In the mid 1990s, the Agency launched several projects that together led to the creation of the District in the now former Western Addition Redevelopment Project Area A-2 by investing over \$15 million in a combination of small businesses, parking, and initial marketing activities. While these efforts have moved the District forward, the current economic crisis poses a real and credible threat that hampers the District's growth.
3. Due to the downturn in the economy and the lack of sufficient marketing of the District, several businesses which the Agency has made a significant financial investment, namely: Yoshi's Jazz Club & Restaurant, 1300 on Fillmore, Rassela's Jazz Club and Sheba Lounge (the "Fillmore Restaurants") requested additional Agency assistance in the form of loan restructuring and additional funding. On December 9, 2008, the Agency Commission by Resolution No. 146-2008 approved an amendment to the Fillmore Jazz Preservation District Revolving Loan Program to allow for additional tenant improvement funding and business assistance loans to businesses in the District.
4. On December 16, 2008, the Agency Commission authorized loans to the Fillmore Restaurants, with the condition that for a 12-month period following the fulfillment of the loan, each restaurant operation will submit quarterly Profit & Loss statements ("P&L") to the Agency. The Agency Commission further requested that a restaurant management consulting firm be retained by the Agency to review the P&L statements submitted by the restaurants; and to review the changes that they had made to ensure that all cost saving efforts are being undertaken to maximize operational efficiencies.

5. On February 4, 2009, the Agency entered into a sole source personal services contract (the "Contract") for \$25,000 with the Puccini Group (the "Contractor") to evaluate the Fillmore Restaurants' operational performance and efficiencies. The Contractor has subsequently provided Agency staff and the Fillmore Restaurants with a market and strategic report.
6. As a condition of making these significant loans, the Agency Commission required that the Fillmore Restaurants provide monthly financial statements to the Agency for its review for one year; as well as provide consulting services assistance and recommendations to aid the Fillmore Restaurants in achieving their financial goals.
7. The First Amendment to the Contract (the "First Amendment") will include strategic plans and monthly assessments and management of the Fillmore Restaurants' operational progress to May 30, 2010.
8. Both the original Contract and the First Amendment are exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section 15061(b)(3).

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a First Amendment to the personal services contract with the Puccini Group, a California corporation, to extend the Contract term for 12 months from May 5, 2009 to May 30, 2010; to amend the Scope of Services to provide strategic plans for four restaurants participating in the Agency's Amended Revolving Loan Program; and to increase the Contract amount by \$210,000 for a total aggregate amount not to exceed \$235,000.

APPROVED AS TO FORM:



for James B. Morales 4/29/09
Agency General Counsel