

JAPANTOWN TASK FORCE
AD HOC JAPAN CENTER MALLS TECHNICAL COMMITTEE

AGENDA

Monday, March 8, 2021

5:30 PM – VIA ZOOM MEETING

Committee Members Present: Daryl Higashi, Grace Horikiri, Roy Ikeda, Sandy Mori, Glynis Nakahara, Joyce Oishi, Beau Simon, Kenta Takamori, Lori Yamauchi

Others Present: Melissa Bailey Nihei, Jeremy Chan, Lucy Fisher, Tomo Hirai, Karen Kai, Alice Kawahatsu, Leslee Kurihara, Andy Mo, Benh Nakajo, Hilary Nakano, Elena Nielsen, Steven Santa Maria, Derek Tahara, Kiyomi Takeda, Sheridan Tatsuno, Yuka Walton

Staff Present: Susie Kagami, Steve Nakajo, Lauren Nosaka, Brandon Quan

A. Call to Order

- a. We have a new member on the JTF staff, Susie Kagami. She has been around Japantown a lot due to her kid attending school in the neighborhood. This has helped her find a love for community building and grassroots fundraising. She was on staff at JCCNC in Oakland and most recently the Executive Director for the Asian American Women's Art Association. She is excited to do what she can to further Japantown's stability in this time.

B. Informational Order (Lead by Roy)

- a. 3D is an LLC run by an Iranian family. They own and operate retail properties, including one of the Hawaiian Islands and San Diego.
- b. We spoke with two people, Joseph Daneshgar and Faraz Daneshgar, who represented the buyer in the negotiations.

(At this point forward, Roy will refer to the Covenants documents. The file is attached for you to follow along. See Attachment A.)

- c. The first section is called Recitals, which serves the purpose of establishing a factual background for the covenants and the importance of the malls to San Francisco and Japantown.
- d. The City of San Francisco is an intended third-party beneficiary. This allows the city to step in on Kintetsu's behalf to enforce the covenants agreement if 3D does not comply with its duties.

(At this point, Roy goes over the 9 covenants in Article 1 of the covenants agreement. See Attachment A)

C. Q&A portion (questions were answered by Roy)

Q: What is the special meaning of the date May 16, 2021?

A: The Covenants agreement was signed and dated on May 16, 2006. Section (1) of Article 1 requires 3D to remain the owner of the malls for not less than 15 years from that date. So, May 16, 2021, is the first day they are allowed to sell the malls.

Q: If 3D were to sell the malls, is there anything in the Covenant that binds the new owners to the agreement?

A: No, there is nothing that binds the new owners to comply with the Covenants agreement. 3D and the new owners would have to negotiate a new agreement with the same or new covenants.

Q: Since the Covenants agreement has 3 parties, Kintetsu, San Francisco, and 3D. Is there any way we can get a community entity represented in those documents?

A: There are a couple legal approaches we could take to accomplish this. At the time the property was sold, Kintetsu was very cooperative, so if something were to happen and Kintetsu was put in a position to enforce the covenants agreement, I think they would do so with input from the community. However, strictly speaking, the community does not have a seat at the table in any negotiations with 3D.

D. Final points from committee members

- a. The main point of concern is 3D selling the property after the date in May and not entering into an agreement to require the new owners to comply with similar covenants.
- b. A source of leverage that we have with 3D is to argue that Kintetsu could file a lawsuit against 3D for being out of compliance with one or more covenants in Article 1 of the Covenants agreement.
- c. We need to be mindful that there is no reason for 3D to extend the Covenants agreement to the new owners as it could lower the sale price without any direct benefits to 3D or the new owners.

E. Public Comments

NEXT MEETING

Next Ad Hoc committee meeting will be held on April 12 via zoom.

ADJOURN: 6:38PM