



**JAPANTOWN TASK FORCE**  
**AD HOC JAPAN CENTER MALLS TECHNICAL COMMITTEE**  
AGENDA  
MONDAY, DECEMBER 13, 2021  
**5:30 PM – VIA ZOOM MEETING**

**Committee Members Present:** Daryl Higashi, Grace Horikiri, Roy Ikeda, Richard Jue, Sandy Mori, Glynis Nakahara, Beau Simon, Lori Yamauchi.

**Others Present:** Emily Nichols, Benh Nakajo.

**Staff Present:** Steve Nakajo, Susie Kagami, Melissa Nihei Bailey, Lauren Nosaka

**Call to Order:** The meeting was called to order at 5:31 pm.

**I. Approval of October 11, 2021 minutes**

A. Approval of the minutes was moved by Beau Simon, seconded by Glynis Nakahara and passed unanimously.

**II. Updates on Covenant Committee (led by Sandy Mori)**

A. Covenants Committee is co-chaired by Robert Sakai and Diane Matsuda (previously led by Paul Osaki). It consists of 12 members, who are representatives from different Japantown organizations. The purpose of the committee is to review the covenants agreements which apply to the Japan Center Malls.

1. Each member was asked to commit to the committee by showing up to meetings. Currently we are awaiting replies from the members.
2. The intention of the committee is to relook at the covenants document and decide if there should be additions, subtractions or modifications of the document.
3. Joseph Daneshgar, head of 3D Investments (owner of the Japan Center Malls), requested a smaller committee to meet with him on a regular basis to discuss the future of the Malls..
  - a) This committee consists of Steve Nakajo, Paul Osaki, Rich Hashimoto, Sandy Mori, Allen Okamoto - all of whom Joseph has known for the past 16 years.
  - b) The purpose of this group is to have ongoing conversations with Joseph.
  - c) Joseph wants to know what components Japantown wants addressed in future development of the Malls. The generic topics the committee want to raise include: housing, Peace Plaza, and others.
  - d) The committee will also discuss with Joseph 3D's potential interest in buying the garage from MTA, if MTA is interested in selling it.
4. The Covenants Committee will be in communication with the Ad-Hoc Committee concerning future development of the Malls.

**III. Report on Sandy Mori and Lori Yamauchi's conversation with Assessor Joaquin Torres**

A. Sandy Mori and Lori Yamauchi met with Assessor Joaquin Torres re: the Japan Center Malls properties and his role in future development of the properties.

B. Assessor Torres spoke to the need for the Japantown community to look at the JCHES (2013) and its proposals for Japantown development, and to make direct asks of the City, in particular the Mayor's Office of Economic and Workforce Development and the Planning department.

C. Sandy and Lori also raised the possibility of using tax-increment financing to fund public improvements in Japantown.

1. Could there be a way to redirect property tax revenue away from the City's General Fund and toward improvements in Japantown?
  2. To clarify, this would not involve an additional tax on property owners, but it would redirect taxes that property owners already pay to the City to specifically help out Japantown.
  3. Daryl said that this strategy has previously worked before for redevelopment projects. He indicated that this is not just up to Assessor Torres, but would require the Board of Supervisors and the Mayor to weigh in on the use of this strategy in the future.
- D. Assessor Torres has a history with the development of Japantown (in his previous role as Director of the Mayor's Office of Economic and Workforce Development), so he will try his best, in his assessor role, to figure out and where he could help Japantown.
- E. It was decided to postpone Assessor Torres's meeting with the committee until we have a clearer idea of what we want him to speak to. Committee members were asked to let Lori know what they want to hear from the assessor, so she can advise him in advance.

IV. **Discussion of Japantown Cultural Heritage and Economic Sustainability Strategy (2013) excerpts re: Japan Center Malls (led by Lori Yamauchi)**

- A. JCHESS was a strategy to preserve and promote Japantown's cultural heritage, commercial and retail district, residences and community-based institutions and its physical environment. It laid out the vision for Japantown and identified areas of concern.
1. JCHESS was created by the community. It was approved by the community and endorsed by the board of supervisors.
- B. The JCHESS laid out challenges faced by the Japan Center.
1. Lack of modern amenities and not designed for retail use
  2. Signification renovation or reconstruction needed
  3. Disruption by renovation/rebuild could force businesses to close
  4. Rent and Parking prices likely to increase if rebuild occurred.
  5. Aging buildings and need for more visitors/shoppers/residents
  6. Improved Japan Center could draw more visitors/shoppers/residents
  7. Inward-facing physical design is shortcoming and obstacle to long-term viability/appeal
  8. Garage needs an upgrade. If the Malls are rehabbed or rebuilt, garage needs rebuild.
    - a) If the garage was closed temporarily then businesses could suffer due to lack of parking.
- C. JCHESS recommended the establishment of the Japantown Neighborhood Commercial District zoning, but did not recommend changes to the 50 foot height limit. Committee discussion of the height limit: The Better Neighborhoods Plan proposed 150' to 250' height limits for the Malls property, but they were rejected by some in the community.
1. Since the JCHESS, the City established a policy which allows height bonuses for affordable housing projects.
  2. Does the CHHESS recommend changes in the 50' height limit? Should that be discussed? CHHESS did not recommend changes to the zoning.
  3. Steve felt that the 50 ft. height restrictions are not realistic for development.
  4. Glynis felt that revisiting the zoning is warranted, but needs to be looked at holistically.
  5. Richard asked if there was a way to work with the supervisor to amend the height limits. Daryl felt that increasing height limits is very complicated and requires a general environmental assessment. The City is giving high priority to transit-oriented development along the Geary transit corridor.
- D. JCHESS recommended a Strategic Plan for the Japan Center Malls, to include:.
1. Ways to increase visibility and access from the outside
  2. Ways to support an appropriate tenant mix
  3. Ways to incorporate space for community organizations
  4. Determine if improvements can occur within existing facilities or in new construction
  5. Consider structural integrity of the garage, phasing of improvements, how to support and

reintegrate displaced businesses, and how to share maintenance/marketing costs

E. Benefits of Strategic Plan

1. Improve competitiveness of malls to increase business viability, attract more visitors and solidify its role as a hub for the Japanese community.
2. Improve attractiveness and appearance.
3. Create more space for community activities.

F. Other Recommendations

1. Negotiate Community Benefits Agreements with major new developments, including: Living wage requirements for employees, local hiring agreements, job training and/or placement programs, affordable housing or retail space, community space, green building practices, child care facilities, traffic mitigation.
2. Create Community Land Trust
  - a) To acquire/facilitate preservation of targeted properties and place long-term control with the community.
  - b) Referenced Seifel Inc's 2011 **Economic Analysis of Japan Center by a Community Land Trust**, which identified ways to enhance the economic viability of the Japan Center.
  - c) Committee members discussed this idea.
    - (1) Beau thought that the Community Land Trust is an interesting component that could be looked at further; was it shared with 3D or other property owners of the malls properties, or was it just discussed internally? How much traction would this idea have?
    - (2) Sandy stated that the Community Land Trust is not fully understood by many members so it is difficult for the members and public to realize what it can do.
    - (3) Glynis indicated that in theory, there was a lot of interest, but it was unprecedented at the time.
    - (4) Daryl shared that there have been real examples in San Francisco where a community land trust has gone through the whole process of assessing, financing, and buying properties. However, these were for one-off sites for buildings where tenants were being evicted. He stressed that these were all specific situations and mainly for housing. How would a community land trust concept be used for a mixed use site as large as the Japan Center?
    - (5) The CHHESS document recommended a Community Development Corporation, Community Land Trust or a Community Investment Fund as mechanisms for community land stewardship and control. JTF staff invited Little Tokyo Services Corporation and Chinatown Community Development Center to speak at a community land panel earlier in 2021, at which the land trust idea was broached.
    - (6) Steve mentioned that JTF staff looked at the reality of the CDC/CLT/CIF concepts. A Community Investment Fund idea came up when the Benkyodo property owners stated their intent to sell, and the Nakamoto Building (where Super Mira is located) was put up for sale.
3. Implement Invest in Neighborhoods (INN)
  - a) Foster job creation and economic development.

V. **Announcements**

- A. Lori acknowledged and thanked Steve Nakajo for his participation in the meeting, as he steps down from being Executive Director of JTF. Steve expressed his gratitude for the opportunity to work at JTF with others in the collective family of JTF colleagues. He acknowledged that there is much work to be done.

VI. **General Public Comments**

There were no general public comments.

The meeting was adjourned at 6:35 pm.