

**JAPANTOWN TASK FORCE  
AD HOC JAPAN CENTER MALLS TECHNICAL COMMITTEE**

**AGENDA**

**MONDAY, OCTOBER 11, 2021**

**5:30 PM – VIA ZOOM MEETING**

**Committee Members Present:** Lori Yamauchi, Daryl Higashi, Roy Ikeda, Sandy Mori, Glynis Nakahara, Joyce Oishi

**Others Present:** Emily Nichols, Benh Nakajo, Rodney Chin, Karen Kai

**Staff Present:** None (due to the City holiday which is being observed by JTF staff)

**Call to Order:**

**I. Approval of September 13, 2021 minutes\***

A. It was moved by Glynis Nakahara and seconded by Sandy Mori to approve the minutes.

**II. Discussion of Japantown Better Neighborhoods Plan (BNP) (2009) Chapter 8 Japan Center Malls to identify relevant content for Strategic Plan for Japan Center Malls property**

A. The Ad-Hoc Committee is responsible for developing a strategic plan for desired future development of the mall blocks, spanning from Laguna to Fillmore streets, to place the community in a proactive position in working with property owners and the City, instead of simply reacting to proposals. The BNP offers a helpful framework to inform the strategic plan for the blocks.

1. The plan offers an opportunity to address not only the Japan Center Malls (3D property), but also the Kinokuniya building and the theaters property.
2. The committee met with all but three of the property owners of the malls blocks property, and it should include the property owners in its mailing list and future communications, including meeting notices and minutes. We don't want them to feel like we are ignoring them when each of them were willing to speak with us in the past.
3. It was suggested that we consider translating future communications in languages other than English, given that some of the property owners are more comfortable with Japanese or Korean.

B. Japan Center Malls Section from Better Neighborhoods Plan includes four key sections summarized in slides which were sent to the committee. The four sections included: Community Requirements for the Malls, Development Challenges, Financial Feasibility Study findings, and Recommendations/Strategies.

C. Community Requirements for future development of the Malls were discussed.

1. Among the requirements was the inclusion of affordable housing. As noted in the draft CHHESS document, affordable housing is still relevant today and is desperately needed in Japantown.
  - a) The question is whether it's exclusively affordable housing or a mixed market rate/affordable housing development.
  - b) Also, it was noted that the inclusion of workforce housing, which is technically affordable housing, in future residential development should be considered as an

emerging trend. Such workforce housing would serve the workers in Japantown, as opposed to workers in other parts of the City.

2. Another community requirement was to retain appropriate off-street parking.
    - a) If there are going to be significantly more residents in future development, there needs to be correlating transportation options besides off-street parking, since the city often forgets to plan for transportation.
  3. If future development involves tall structures and demolition/reinforcement, that will involve tearing up the Peace Plaza, which will be improved in the next few years.
- D. Financial Feasibility analyses were performed and findings included in the BNP. Such findings included: reconstruction of retail alone would not be financially feasible given the need to rebuild the garage, maximizing residential development and limiting retail space was the most feasible, and City participation in partial financing of the garage rebuild was needed.
- E. Recommendations / Strategies
1. Complete interior upgrades and minor exterior improvements in the short-term is a given that we will still focus on. This is the only implementable recommendation in this document.
    - a) All other recommendations depend on others' actions, and cannot be implemented by the community.
    - b) The feasibility of the actions is intertwined. For example, in order to support debt service for financing the garage rebuild, residential development would have to be maximized, and market rents would have to be charged for such residential development, which conflicts with the need for affordable housing.
  2. Complete rebuild of the malls should occur in the long-term. The property owners realize that the buildings need to be torn down and rebuilt because it's been over 50 years and the buildings are at the end of their useful lives.
    - a) No one wants to take the first step and say something because of the uncertain economic situation. Any developer is not going to say anything right now.
    - b) We can promote concepts about Japanese-oriented retail as the centerpiece of future development. But, the developer's philosophy will be key in moving forward. It will be challenging to get traction on these concepts.
    - c) It was noted that the garages are at the end of their useful lives and need to be rebuilt. However, the garage structure cannot physically support buildings taller than the existing mall buildings.
    - d) This presents a chicken-and-egg scenario in which the City won't commit to rebuilding the garage unless they know there is a feasible development of the malls, and the developer won't commit to development of the malls unless they know that the structural foundations of the garages needed to support mid-rise development will be constructed with financing from the City.
    - e) Securing City financing of the garage rebuild is extremely time consuming and complex.
  3. One solution to the problem of getting traction on community concepts is to get all of the critical and relevant parties to agree to retain the services of a developer. Such a developer would be tasked with coming up with a logical plan and a vision that considers the community requirements.
    - a) We need someone to create a scenario where everybody wins. The City could win because of new housing. The developer could win because of community

support which parlays into City support for changes in the massing and zoning.

All parties - the City, developer, community - want a win-win outcome.

4. A Public-Private Partnership (P3) seems to be the logical development mechanism for this property, which is a classic P3 scenario.
5. Debate on verticality of buildings.
  - a) Three scenarios were evaluated, with 55' base heights along Post and 75' - 85' base heights along Geary, two of which contemplated 250' tower or 150' tower at Geary & Webster. This compares to current 40' height limits along Post and 65' height limits along Geary. Some in the community did not want such heights, and rejected the BNP. It is unclear if the taller base heights or the tower heights were unacceptable to the community.
  - b) One committee member expressed preference that the podium building heights along Post not exceed 5 stories, although there could be additional stories set back above the podium height. This would minimize the shadow impacts on the Buchanan Mall.
  - c) Future building heights should be sensitive to and not block the sight lines to the Peace Pagoda. It was noted that as a Recreation and Parks Department property, the Peace Plaza is protected by City zoning, which requires that buildings not cast significant shadows on public open space. Further, the City will be investing \$25M in renovating the Peace Plaza, so future adjoining buildings should be sensitive to and compatible with the plaza/pagoda. A shadow study will be needed to determine the appropriate heights of buildings adjoining the Plaza.
  - d) It was noted that future development of the malls is not likely to be completed for 15 - 20 years, during which the renovated Peace Plaza will be enjoyed.
6. Other recommendations which are still relevant include:
  - a) City participation in development, and funding the garage rebuild (unless someone were to buy the garage from the City)
  - b) Retain existing retail businesses, through construction impact management and rent subsidies for qualifying businesses. (this should be a given in any future redevelopment of the malls, as opposed to being considered a public benefit)
  - c) Redesign retail to be outward facing
  - d) Inclusion of a minimum of 15% affordable housing (Since the BNP was developed, the City has required housing developers to include a minimum of 15% of affordable housing in their projects.)

It was noted that current City zoning allows for density and height bonuses for very low income housing, which is resulting in tall buildings in some projects. If very low income housing were proposed for the malls site and density bonuses were granted by the City, what would the building heights look like? Perhaps, there should be a maximum height inclusive of density bonuses which can be supported by the community.

Further, the CHHESS mentioned exploring the use of air rights (unused development potential within approved height limits) and transfer of development rights above Geary Boulevard to develop taller buildings on the malls blocks.
  - e) Create a fair and balanced public benefits package, including retention of affordable housing, improvements to Post Street. Other elements of a public benefits package proposed in the BNP are already underway or being planned,

such as the Peace Plaza redesign and improvements to the Buchanan Mall. A new Webster Street linear park recommended in the BNP should not be included. It was suggested that inclusion of potential community space in a public benefits package be considered. Also, a more robust and nuanced public benefits package should be considered.

7. Integrate Japanese-influenced design aesthetic in Redesign was recommended.
  - a) What is Japanese-influenced design?
  - b) There are multiple types of Japanese influence (ancient vs. modern Japan) so we need to have a conversation about what it actually means. The Japantown Design Guidelines which were approved in 2019 should be reviewed and possibly enhanced, to inform the integration of Japanese-influenced design in future development. The design guidelines struck a balance between prescription and openness to innovation and creativity. Glynis expressed interest in others' views about the guidelines, given her involvement in their development.
8. Properties excluded from feasibility study
  - a) Kinokuniya Building
  - b) Mar Living Trust
  - c) MKD Kabuki Center
  - d) Hotel Kabuki
  - e) Union Bank
  - f) Kyo & Ae Hee Lee

### **III. Prepare for November meeting with Assessor Joaquin Torres**

- A. Sandy and Lori will have a pre-meeting with Joaquin Torres to prepare.
- B. We want to know his thoughts about the future of the malls and how to work with the city to create a win/win. [Note: The November meeting has been cancelled.]

### **IV. Announcements**

- A. Sandy announced that Union Bank is being purchased by US Bank, who will take over ownership of the Union Bank property on the malls blocks.

### **V. General Public Comments**

- A. Karen K from the public believes that the Better Neighborhood Plans should not be used as a template for the new Strategic Plan
  1. She states that it was rejected for a reason, i.e. taller buildings.
  2. It was not voluntarily put through the community.
  3. It is out of scale and out of touch.
  4. Taller buildings will shade the Peace Plaza. It is extremely important that the Peace Pagoda not be hemmed in, and the public open space be protected.
  5. JCHESS tried to preserve the human scale and cultural integrity of Japantown and not make it more dense, as opposed to the BNP.
  6. Even though the City does not want off-street parking, the community needs to consider where the cars coming to large-scale development will go. Some amount of parking should be included.