



11/20/2025

AGENDA REPORT

PROPOSED ACTION: Ordinance: Approve and Authorize the Executive Director to Execute an Amendment No. 8 to the Lease with Yoshi's Japanese Restaurant, Inc. for the Premises Located at 510 Embarcadero West, Oakland, to Amend Various Rental Compensation Terms and Extend the Current Term Through December 31, 2035 with One, Mutual Options for a Five-Year Extension, at an Initial Monthly Minimum Rent of \$42,922, and Finding that the Proposed Action is Exempt Under the California Environmental Quality Act. (CRE)

Submitted By: Jonathan Veach, Chief Real Estate Officer; Kristi McKenney, Executive Director

Parties Involved:

Yoshi's Japanese Restaurant, Inc., Oakland, CA

Amount: \$4.9 million in Incremental Revenue over Existing Lease

EXECUTIVE SUMMARY: Yoshi's Japanese Restaurant, Inc. (Yoshi's) occupies approximately 17,277 square feet of restaurant and entertainment space located at 510 Embarcadero West in Jack London Square. The premises include one dedicated parking space in the Washington Street Garage and rooftop access for a Wi-Fi antenna. The proposed amendment will revise the current rent structure and extend the lease term through December 31, 2035, with one mutual option for a five-year extension. This action will allow the Port of Oakland (Port) to preserve a longstanding and regionally significant dining and entertainment anchor and ensure a continuous and stabilized revenue stream from a key tenant within Jack London Square.

BACKGROUND & ANALYSIS

The Port entered into an initial ten-year lease with Yoshi's Japanese Restaurant, Inc. in 1997 for the operation of a restaurant and jazz club at Jack London Square (Lease). Over the years, the Port has executed multiple amendments extending the lease term and adjusting various rental provisions. The current lease is set to expire on May 1, 2027.

Yoshi's has become internationally recognized as one of the premier destinations for live jazz and fine dining in the Bay Area. The venue features a 310-seat performance space with exceptional acoustics and production design, hosting world-renowned artists while also supporting emerging local talent and public school musicians. In recent years, Yoshi's has broadened its programming to include diverse genres beyond traditional jazz, appealing to a wide range of musical audiences and contributing to the cultural vibrancy of Jack London Square.

As a long-standing anchor tenant, Yoshi's contributes significantly to the vitality, visibility, and marketability of Jack London Square as a regional dining and entertainment destination drawing locals and visitors alike. Its presence reinforces the Port's broader

activation strategy for the Square and aligns with the Port's commitment to supporting diverse, community-oriented tenants.

In July 2025, Yoshi's approached the Port with a request for rent relief and a lease extension. After review of the tenant's financial statements, Port Staff determined that a short-term rent adjustment was warranted to align with current market conditions and to support continued operations. Yoshi's performance has been affected by broader economic challenges, including reduced discretionary spending, shifting consumer habits, and slower recovery in entertainment-driven restaurant venues.

To preserve this key anchor, Port Staff negotiated revised rental terms that provide Yoshi's with operational stability while ensuring the Port's long-term financial position remains favorable. The proposed amendment extends the lease through December 31, 2035, generating approximately \$4.9 million in incremental rent revenue over the current term. Under the amendment, Yoshi's will continue to pay percentage rent equal to nine percent (9%) of gross restaurant sales above the base rent, maintaining the Port's participation in future revenue growth. This amendment represents a proactive and balanced solution that stabilizes a cornerstone tenant while preserving and enhancing the Square's overall economic ecosystem. Table 1 shows the terms recommended.

Table 1
Term Summary

Description	Existing Lease	Proposed Amendment
Lease Term	5/17/2017 – 5/1/2027	12/1/2025 – 12/31/2035
Rents		
Restaurant	\$59,458.00 per month	\$42,922 per month
Parking Stall License	\$182 per month	\$0
Rooftop Antenna	\$196 per month	\$0
Rent Adjustments	3% annually	3% annually starting January 1, 2027
Percentage Rent	9% of gross sales for the restaurant	9% of gross sales for the restaurant
Option Term	N/A	One, five-year mutual option to extend term beyond December 31, 2035 at fair market value
Tenant Improvements Allowance	\$80,000	\$0
Security Deposit	Three Times' Minimum Rent	Three Times' Minimum Rent

OTHER FINDINGS AND PROVISIONS

ENVIRONMENTAL REVIEW

The proposed action was analyzed under the California Environmental Quality Act (CEQA) and was found to be:

- ☒ Categorically exempt under the following CEQA Guidelines Section:
15301 (Existing Facilities)
- ☐ "Common Sense" exemption under CEQA Guidelines Section 15061(b)(3).
- ☒ Other/Notes:

BUDGET

- ☐ Administrative (No Impact to Operating, Non-Operating, or Capital Budgets); OR
- ☒ Operating ☐ Non-Operating ☐ Capital

Analysis: The proposed amendment to the lease with Yoshi's will result in lower revenues in the amount of \$122,136 compared to budgeted revenues FY2026. The lease amendment will generate approximately \$4.9 million in incremental revenue over the existing Lease.

STAFFING

- ☒ No Anticipated Staffing Impact.
- ☐ Anticipated Change to Unbudgeted Headcount.
Reason:
- ☐ Other Anticipated Staffing Impact (e.g., Temp Help).
Reason:

MARITIME AND AVIATION PROJECT LABOR AGREEMENT (MAPLA):

Applies? No (Not Aviation or Maritime CIP Project) – proposed action is not covered work on Port's Capital Improvement Program in Aviation or Maritime areas above the threshold cost.

- ☐ Additional Notes:

LIVING WAGE (City Charter § 728):

Applies?

No (CRE) – proposed action entails tenancy outside of the Maritime or Aviation areas and therefore not subject to Living Wage requirements.

- ☐ Additional Notes:

SUSTAINABLE OPPORTUNITIES:

Applies? **No.**

GENERAL PLAN (City Charter § 727):

<u>Reason:</u> Tenant has not proposed any improvements for the leased property.	<u>Conformity Determination:</u> CRE – proposed action is within City of Oakland’s planning jurisdiction and appears to conform to the General Plan. Choose an item.
<u>STRATEGIC PLAN.</u> The proposed action would help the Port achieve the following goal(s) in the Port’s Strategic Plan: ☒ Capture Our Market and Grow the Economic Base ☐ Modernize and Upgrade Infrastructure ☐ Transition to Zero-Emissions and Build Climate Resilience ☒ Maximize Land Use Value and Revenues ☐ Workforce Training and Jobs Development ☐ Create Opportunities for Local Businesses and Community Economic Development	