

RESOLUTION NO. 50-99
(Adopted May 4, 1999)

**AUTHORIZING A SECOND AMENDMENT TO THE OPERATING AGREEMENT
BETWEEN ZEUM AND THE REDEVELOPMENT AGENCY
OF THE CITY AND COUNTY OF SAN FRANCISCO;
YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA**

BASIS FOR RESOLUTION

1. The Agency entered into an operating agreement with Zeum, a California non-profit public benefit corporation, (formerly known as the Yerba Buena Gardens Studio for Technology and the Arts) on July 1, 1997, to operate a Youth Arts and Education Center, Carousel and Children's Garden on Central Block 3 in the Yerba Buena Center Redevelopment Project Area.
2. On October 27, 1998, the Agency authorized a First Amendment to the operating agreement which adjusted the payment schedule of the annual contribution to Zeum to 40% prior to the beginning of the first quarter of the fiscal year, 30% prior to the second quarter, 20% prior to the beginning of the third quarter and 10% prior to the beginning of the fourth quarter.
3. The Agency desires to make certain other changes to the agreement: 1) to provide Zeum with a \$450,000 advance on future security, operation and maintenance (SOM); 2) to increase the funding reserve by \$25,000; 3) to increase the annual SOM funding in accordance with the Consumer Price Index; 4) to provide explicitly for Gardens food service operations as part of Zeum's programming responsibilities; 5) to indicate current days and hours of operations; 6) to provide an adjustment to Zeum's insurance requirements as they relate to the Carousel; and 7) to revise the Maintenance Matrix.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that, the Executive Director is authorized to execute a Second Amendment to the operating agreement with Zeum, to provide Zeum with a budget advance, increase the funding reserve by \$25,000 and allow for an annual increase in SOM funding in accordance with the Consumer Price Index; and make certain other changes to the agreement substantially in the form lodged with the Agency General Counsel and hereby approved, with such changes that hereafter become necessary which changes do not materially affect the substance of the Second Amendment, nor materially increase the obligations of the Agency.

APPROVED AS TO FORM:



Robert A. Firehock
Acting Agency General Counsel