

RESOLUTION NO. 117-2007

Adopted October 16, 2007

AUTHORIZING A SECOND AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO INCREASE AGENCY FUNDING BY \$1 MILLION FOR OPERATIONS FOR THE MUSEUM LOCATED ON A PORTION OF PARCEL EB-2A; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Pursuant to the May 1999 Disposition and Development Agreement between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and SF Museum Tower, LLC, a Delaware limited liability company (the "Developer"), as amended (the "DDA"), the Developer constructed a mixed-use project on Parcel EB-2A in the Yerba Buena Center Redevelopment Project Area. The project, known as the St. Regis Museum Tower development, included the core and shell of the Museum of the African Diaspora ("MoAD").
2. The DDA required the Developer to complete the core and shell of MoAD and enter into a 99-year lease with the museum.
3. In January 2004, MoAD and the Agency entered into an Agreement for the Operation of a Museum Facility (the "Operating Agreement") to help support the ongoing operations of the museum. The Operating Agreement authorized a base level of financial support, starting in Fiscal Year 2003-2004, of \$450,000 a year, with annual increases based on the consumer price index, subject to the appropriation of funds. The Operating Agreement term runs through January 2019.
4. Due to a restructuring of several of the Agency's agreements with MoAD, the Agency amended the Operating Agreement on December 14, 2004, to shorten the term of the Operating Agreement to end on June 30, 2016. The Agency also changed the Agency's support payments by replacing the annual inflation-based adjustments with fixed annual support payments of \$500,000 per year through Fiscal Year 2014 and \$400,000 per year for the final two years of the Operating Agreement, subject to the availability of funds.
5. The Agency now desires to execute a Second Amendment to the Operating Agreement in order to provide an additional \$600,000 in Fiscal Year 2007-2008 and an additional \$400,000 in Fiscal Year 2008-2009.

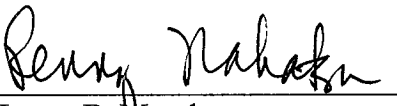
6. Agency approval of the Second Amendment would allow MoAD to continue museum operations and thereby continue to provide needed cultural resources in the Yerba Buena Center area and to the City and the general public. The normal operation of a facility for public gatherings, such as the MoAD museum facility, is exempt from the California Environmental Quality Act ("CEQA"), pursuant to CEQA Guidelines Section 15323.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized as follows:

- (1) to execute a Second Amendment to the Agreement for Operation of a Museum Facility with the Museum of the African Diaspora, a California nonprofit public benefit corporation, substantially in the form lodged with the Agency General Counsel, to provide an aggregate additional funding in the aggregate amount of \$1 million, subject to appropriation, of which \$600,000 is payable for Fiscal Year 2007-08 operations and \$400,000 is payable for Fiscal Year 2008-09 operations to assist such organization to achieve financial viability and sustainability; and
- (2) to implement the Agreement, as amended by the Second Amendment, in accordance with its terms.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel

for