

RESOLUTION NO. 56-2010

Adopted May 18, 2010

AUTHORIZING A THIRD AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO RESTRUCTURE THE SCHEDULE OF PAYMENTS FOR OPERATIONS OF THE MUSEUM LOCATED ON A PORTION OF PARCEL EB-2A IN ORDER TO PROVIDE AN ADDITIONAL \$250,000 IN FISCAL YEAR 2009-2010 AND AN ADDITIONAL \$150,000 IN FISCAL YEAR 2010-2011; 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 "First Amendment"). The First Amendment to the Operating Agreement 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. On October 16, 2007, the Agency executed a Second Amendment to the Operating Agreement in order to provide additional funding in the aggregate amount of \$1 million, of which \$600,000 is payable in Fiscal Year 2007-2008 and \$400,000 is payable in Fiscal Year 2008-2009.
6. The Agency now desires to execute a Third Amendment to the Operating Agreement (the "Third Amendment") in order to restructure the payment schedule to MoAD to provide an additional \$250,000 in Fiscal Year 2009-2011 and an additional \$150,000 in Fiscal Year 2010-2011 and to shorten the term of the Operating Agreement to end on June 30, 2015.
7. The Third Amendment will 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. Approval of the Third Amendment is an Agency administrative activity that would not have any direct physical effects on the environment and is not a "Project" as defined in the California Environmental Quality Act Guidelines Section 15378(b)(5).

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 Third 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 additional funding in the aggregate amount of \$400,000, subject to appropriation, of which \$250,000 is payable in Fiscal Year 2009-2010 and \$150,000 is payable in Fiscal Year 2010-2011 to assist such organization to achieve financial viability and sustainability; and
- (2) to implement the Operating Agreement, as amended by the Third Amendment, in accordance with its terms.

APPROVED AS TO FORM:



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James B. Morales
Agency General Counsel