

Commission on Community Investment and Infrastructure

RESOLUTION NO. 58-2014

Adopted July 15, 2014

AUTHORIZING A THIRD GRANT DISBURSEMENT AGREEMENT WITH THE MEXICAN MUSEUM, A CALIFORNIA 501 (C) (3) NON-PROFIT CHARITABLE CORPORATION (THE "MUSEUM"), IN AN AMOUNT NOT TO EXCEED \$1,030,881, FOR PREDEVELOPMENT WORK FOR A NEW MUSEUM FACILITY ASSOCIATED WITH A NEW MIXED-USE PROJECT ON A SITE THAT INCLUDES 706 MISSION STREET (ASSESSOR'S BLOCK 3706, LOT 93) AND SUCCESSOR AGENCY DISPOSITION PARCEL CB-1-MM (ASSESSOR'S BLOCK 3706, PORTION OF LOT 277), PURSUANT TO A DECEMBER 14, 2010 GRANT AGREEMENT BETWEEN THE MUSEUM AND THE SUCCESSOR AGENCY

WHEREAS, On December 14, 2010, the former San Francisco Redevelopment Agency ("RDA") authorized an Exclusive Negotiations Agreement (the "Museum ENA") and a Grant Agreement with The Mexican Museum, a California non-profit corporation (the "Museum"), for development of a new museum (the "Museum Space") associated with a planned mixed-use project on a site at Third and Mission Streets in the now-expired Yerba Buena Center Redevelopment Project Area (the "Project"); and,

WHEREAS, The Museum ENA sets forth the terms and conditions for negotiating the Museum's participation in the Project (the "Museum ENA"). The Grant Agreement requires the disbursement of approximately \$10.5 million for predevelopment and planning activities and the design and construction of tenant improvements for the Museum Space. The Grant Agreement requires the disbursement of this funding through one or more future grant disbursement agreements ("Grant Disbursement Agreements"). As legally binding and enforceable agreements that were executed prior to June 28, 2011, the Museum ENA and Grant Agreement are enforceable obligations that survived the RDA's dissolution; the Grant Disbursement Agreements are in compliance with the Grant Agreement; and,

WHEREAS, Two Grant Disbursement Agreements have been authorized. On January 17, 2012, the RDA Commission authorized a Grant Disbursement Agreement with the Museum in an amount not to exceed \$750,000 for predevelopment planning, staffing and consultant costs related to the Museum Space (the "First Grant Disbursement Agreement"). On April 15, 2013, the Successor Agency Commission, also known as the Commission on Community Investment and Infrastructure (the "Commission"), authorized a second Grant Disbursement Agreement in an amount not to exceed \$1,000,000 for continued predevelopment work (the "Second Grant Disbursement Agreement"). Per the Second Grant Disbursement Agreement, the Museum has submitted satisfactory evidence of the progress it has made over the last year, as well as appropriate documentation of how the grant funds were used to date; and,

WHEREAS, The Museum needs additional funds to continue its predevelopment effort and has submitted a third disbursement request in the amount of \$1,030,881 for continued predevelopment planning, staffing and consultant costs related to the Museum Space; and,

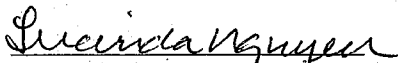
WHEREAS, Staff of the Office of Community Investment and Infrastructure ("OCII") is recommending approval of a new Grant Disbursement Agreement, which includes a budget for the use of the grant funds, the roles and responsibilities of each party, mechanisms for the disbursement of funds, default provisions, compliance with OCII policies, and a form of funding request, in an amount not to exceed \$1,030,881 million (the "Third Grant Disbursement Agreement"); and,

WHEREAS, Pursuant to the provisions of California State Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26"), as amended in part by California State Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484") (together, "Redevelopment Dissolution Law"), OCII, as the Successor Agency is able to enter into the Second Grant Disbursement Agreement because it is in compliance with the Grant Agreement, an "enforceable obligation" that existed prior to June 28, 2011, Cal. Health & Safety Code § 34177.3 (a); and,

WHEREAS, The Third Grant Disbursement Agreement will provide funding for planning and predevelopment work for the future construction of the Museum Space and thus is exempt from the California Environmental Quality Act ("CEQA") under Section 15262 of the State CEQA Guidelines because it is a planning study for possible future actions; now therefore, be it

RESOLVED, The Commission on Community Investment and Infrastructure finds and determines that the Executive Director is authorized to enter into a Third Grant Disbursement Agreement, substantially in the form approved by the City Attorney acting as counsel to OCII, with The Mexican Museum, a California nonprofit, in an amount not to exceed \$1,030,881, for predevelopment work for a new museum associated with a new mixed-use project on a site that includes 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 277) in the former Yerba Buena Center Redevelopment Project Area and furthermore is authorized to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of July 15, 2014.


Commission Secretary