You are watching a Live meeting of the Commission on Community Investment and Infrastructure
Please standby…
Extension and Transfer of 2010 Grant Agreement
The Mexican Museum
Yerba Buena Center
September 15, 2020
Project Background

The 706 Mission Street Project

• Development Program
  – 190 residential condominium units in 480 foot tower
  – Build out of cold shell of Museum Condo unit
  – Historical preservation of the Aronson Building
  – Ownership & operation of the Jessie Square Garage
706 Mission Project

• Last project in Yerba Buena Center cultural district
• OCII contributed land & Jessie Square garage
• Developer provides significant public benefits:
  – Repayment of bonds used to construct the Jessie Square improvements ($25 million)
  – Construction of core and shell of the Museum Space ($22.5 million)
  – Museum operating endowment ($5 million)
  – 28% Affordable Housing Fee ($18.6 million)
• Museum Space deeded to City and then leased to the Mexican Museum
• Mexican Museum responsible for design and construction of tenant improvements (approx. $6.8 million available from OCII)
706 Mission Project Status

- **Residential**
  Initial delivery of residential condos in September 2020

- **Museum Space**
  Developer completes core and shell of Cultural Condo in Fall 2020; ready to convey to CCSF-RED
The Mexican Museum Grant Agreement (2010)

- Anticipated loss of Former Agency’s funding authority with expiration of YBC Plan in January 2011
- OCII obligation to fund $10.56M for predevelopment & tenant improvements
- $3.78M committed or disbursed to date for predevelopment and public art façade screen
- $6.78M remaining for tenant improvements
- Expires after 10 years (December 14, 2020)
Preservation of Grant Funds

• COVID-19 pandemic has negatively impacted Museum’s schedule

• The Museum continues its capital fundraising and intends to submit at a future date a complete plan for the design, construction and funding of the Museum Space

• Request seeks to preserve the grant funds for build-out of the Museum space

• Request extension of grant term by one-year and authorization to transfer grant agreement to City
Grant Agreement

• Extension and transfer facilitate completion of the project, consistent with Dissolution Law

• Transfer is consistent with the City’s role under the PSA and as the future property owner and landlord to the Museum

• The completion and operation of the Museum:
  – contributes to the cultural vitality and diversity of the City and the Bay Area region
  – generates increased economic activity and associated tax revenues from patrons and visitors to the Museum
Next Steps

• **Sept 28, 2020**  Oversight Board action on extension and transfer to determine they are in the best interests of the taxing entities, consistent with Dissolution Law

• **October 2020**  Review by State Department of Finance (up to 100 days)