

## RESOLUTION NO. 103-2003

*ADOPTED JUNE 24, 2003*

**AUTHORIZING 1) A MEMORANDUM OF UNDERSTANDING AND A PREDEVELOPMENT GRANT AGREEMENT WITH BINDLESTIFF STUDIO, AN UNINCORPORATED ORGANIZATION, IN AN AMOUNT NOT TO EXCEED \$140,390, FOR PREDEVELOPMENT ACTIVITIES ASSOCIATED WITH A NEW COMMUNITY THEATER AT THE PLAZA APARTMENTS, TO BE CONSTRUCTED AT 988-992 HOWARD STREET; AND 2) A FISCAL AGENT CONTRACT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A NONPROFIT PUBLIC BENEFIT CORPORATION, TO ACT AS FISCAL AGENT FOR BINDLESTIFF STUDIO; SOUTH OF MARKET EARTHQUAKE RECOVERY REDEVELOPMENT PROJECT AREA**

### **BASIS FOR RESOLUTION**

1. On June 11, 1990, the City's Board of Supervisors (the "Board") approved the South of Market Earthquake Recovery Redevelopment Plan (the "Redevelopment Plan") for the South of Market Earthquake Recovery Redevelopment Project Area (the "Project Area"). One of the goals in the Redevelopment Plan for the Project Area includes the retention of as many existing businesses as possible by engaging in redevelopment and rehabilitation activities and encouraging and assisting the cooperation and participation of owners, businesses, and public agencies.
2. On January 22, 2001, the Agency purchased the Plaza Hotel which is located at 988-992 Howard Street (the "Property") for the development of a mixed-use housing development (the "Plaza Apartments"). Located in the Project Area, the Plaza Hotel consists of 37 hotel rooms, five commercial spaces, and a theater space currently occupied by Bindlestiff Studio (the "Grantee").
3. On April 9, 2002, the Agency authorized its Executive Director to incorporate the Public Initiatives Development Corporation, a California nonprofit public benefit corporation ("PIDC"), and authorized a Cooperative Agreement between the Agency and PIDC that delegated to PIDC the ability to do direct development of the Plaza Apartments. PIDC is redeveloping the Property into a nine-story, mixed-use housing development, which will consist of 106 rental housing units for very low-income residents, ground floor commercial space and a new unfinished "warm shell space" to include a ground floor lobby area and a basement theater space ("New Theater Space") for the Grantee.

4. Since 1990, Grantee has been operating a small theater at the Property. It is currently occupying 2,000 square feet of theater space on the ground floor and 2,000 square feet of storage space in the basement area. Grantee wishes to occupy and operate an arts program at the New Theater Space at the redeveloped Plaza Apartments.
5. The Grantee wishes to enter into a Memorandum of Understanding that clarifies the roles and responsibilities of the Agency to construct the New Theater Space, and Grantee to fund the tenant improvements for the New Theater Space and develop its organizational capacity, prior to a lease with the Agency for the New Theater Space.
6. Grantee has also asked the Agency to provide a predevelopment grant in a total maximum amount not to exceed \$140,390 to enable Grantee to proceed with predevelopment activities for the New Theater Space and the development of Grantee's organizational capacity, including but not limited to, preparation of a long range fundraising plan for the tenant improvements and operation costs for the New Theater Space and implementation plan ("Grant Agreement"). Grantee has entered into a fiscal sponsorship memorandum of understanding with the Tenants and Owners Development Corporation, a California nonprofit public benefit corporation ("Fiscal Agent"), as its Fiscal Agent, and the Agency is also asked to enter into a separate Fiscal Agent Contract directly with the Fiscal Agent to administer the Grant Amount for Grantee.
7. The Agency budgeted \$300,000 in predevelopment and tenant improvement grant funds for the New Theater Space subject to appropriation of the Agency's fiscal year 2003-04 Budget by the Board. The Agency is able to advance the \$140,390 Grant Amount from a previously approved Agency budget line item. If the Board approves the Agency's Fiscal Year 2003-04 Budget, Agency staff expects to return to the Commission to request authorization to amend the Grant Agreement to provide an additional grant amount not to exceed \$159,610 to fund part of the tenant improvements for the New Theater Space, on a matching funds basis.

## **RESOLUTION**

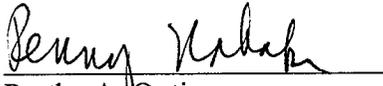
**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into the following documents, in substantially the form lodged with the Agency General Counsel:

- 1) a Memorandum of Understanding with Bindlestiff Studio, an unincorporated organization acting through its President and Managing Director; and
- 2) a Grant Agreement with Bindlestiff Studio, an unincorporated organization acting through its President and Managing Director, in a maximum amount not to exceed \$140,390 for predevelopment activities associated with a new community theater to be constructed at the Plaza Apartments, located at 988-992 Howard Street, such activities to be completed by June 30, 2004, subject to the Executive Director's

authority to extend certain performance requirements for a maximum period not to exceed six months, in accordance with the Grant Agreement; and

- 3) a Fiscal Agent Contract with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, to act as fiscal agent for Bindlestiff Studio, with regard to the Grant Agreement authorized by this Resolution..

**APPROVED AS TO FORM:**



Bertha A. Ontiveros  
Agency General Counsel