RESOLUTION NO. 6-2004

Adopted January 20, 2004

AUTHORIZING (1) AN OPERATING AGREEMENT WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN INITIAL AMOUNT NOT TO EXCEED $450,000 PER YEAR AND AN AGGREGATE AMOUNT OF $6,750,000 AS ADJUSTED BY CONSUMER PRICE INDEX CHANGES, SUBJECT TO APPROPRIATION, FOR A PERIOD OF NO MORE THAN FIFTEEN YEARS, AND (2) CONSENTING TO THE LEASE BY THE SF MUSEUM TOWER LLC, A DELAWARE LIMITED LIABILITY COMPANY, AS LANDLORD, TO THE MUSEUM OF THE AFRICAN DIASPORA, AS TENANT, OF THE CULTURAL COMPONENT IN THE ST. REGIS MUSEUM TOWER DEVELOPMENT UNDER CONSTRUCTION ON A PORTION OF PARCEL EB-2A AT THE SOUTHEAST CORNER OF THIRD AND MISSION STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Pursuant to the Disposition and Development Agreement executed with SF Museum Tower LLC, a Delaware limited liability company ("Developer"), as amended (the "DDA"), the Developer is constructing a mixed-use project on Parcel EB-2A that includes the Core and Shell of a cultural facility on three levels of the St. Regis Museum Tower development (the "Cultural Component"), for lease to a Cultural Tenant for use for exhibits, events and ancillary uses.

2. The Agency desires to assist in establishing an African American Museum located at the St. Regis Museum Tower development on Parcel EB-2A in the Yerba Buena Center Redevelopment Project Area.

3. The Museum of the African Diaspora ("MoAD") is a California nonprofit public benefit corporation which has qualified for federal tax-exempt status under Internal Revenue Code 501(c)3.

4. The DDA requires the Developer to complete the Core and Shell of the Cultural Component and to enter into a 99-year lease of the Cultural Component, in accordance with the DDA, to a Cultural Tenant approved by the Agency.

5. MoAD and the Developer are negotiating the terms of a Cultural Center Lease pertaining to the Cultural Component and have asked the Agency to approve the designation of MoAD as the tenant under the proposed Cultural Center Lease pursuant to the terms of the DDA.
6. MoAD has also asked the Agency to enter into an Operating Agreement to support the installation of the tenant improvements and operation by MoAD of a museum facility in the Cultural Component, in a base amount of no more than $450,000 a year, to be adjusted each year by changes in the Consumer Price Index, for a period of no more than fifteen years, subject to appropriation.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to take the following actions:

(1) Execute a consent to a Cultural Center Lease of the Cultural Component for a 99-year term by and between the SF Museum Tower LLC, a Delaware limited liability company, as landlord, and The Museum of the African Diaspora, a California nonprofit public benefit corporation ("MoAD"), as tenant, subject to the Executive Director’s determination that such Cultural Center Lease is consistent with and subordinate to the Disposition and Development Agreement with SF Museum Tower LLC and the Agency General Counsel’s approval as to the form of the Cultural Center Lease; and

(2) Execute an Operating Agreement with the Museum of the African Diaspora, a California non-profit public benefit corporation, substantially in the form lodged with the Agency General Counsel, to provide funds in a base annual amount not to exceed $450,000, which amount shall be adjusted each year in accordance with Consumer Price Index changes, for a maximum period of fifteen years, subject to the availability of funds and appropriation.

APPROVED AT TO FORM:

[Signature]
James B. Morales
Agency General Counsel