RESOLUTION NO. 79-2004

Adopted June 15, 2004

AUTHORIZING AN AMENDED AND RESTATE OPERATING AGREEMENT WITH THE YERBA BUENA CENTER FOR THE ARTS, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, WITH A FIRST EXTENDED TERM OF FIFTEEN YEARS IN AN AMOUNT NOT TO EXCEED $3,555,000 PER YEAR AND A TOTAL AGGREGATE AMOUNT NOT TO EXCEED $53,325,000 DURING SUCH FIRST EXTENDED TERM, PAYABLE FROM APPLICABLE LEASE REVENUES AND SUBJECT TO THE AVAILABILITY OF FUNDS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Pursuant to the Disposition and Development Agreement ("DDA") dated December 19, 1984 between the Redevelopment Agency of the City and County of San Francisco (the "Agency") and YBG Associates, the developer of what is now the Marriott Hotel, located at the northwest corner of Mission and Fourth Streets, the Agency agreed to build and to operate, maintain and provide security for the Yerba Buena Center gardens and cultural facilities.

2. The Agency subsequently entered into the Lease for the Yerba Buena Gardens Center Hotel dated August 26, 1986, to enable construction of the Marriott Hotel and related improvements on Central Blocks One and Two, located in the Project Area ("Marriott Lease"). Pursuant to the Marriott Lease, the Agency is obligated to deposit Net Rent proceeds (as defined in the Marriott Lease) into a separate account dedicated to the funding of Yerba Buena Gardens facilities, which includes the Yerba Buena Center for the Arts (the "Separate Account").

3. By Resolution No. 60-90, dated March 27, 1990, the Agency authorized an Operating Agreement ("Agreement") with Yerba Buena Center for the Arts, to operate the Theater and Galleries and Forum Building on Central Block 2 in the Yerba Buena Center Redevelopment Project Area, utilizing funds from the Separate Account.

4. The Agency now desires to authorize an Amended and Restated Operating Agreement with Yerba Buena Center for the Arts for a first Extended Term of fifteen years in an amount not to exceed $3,555,000 per year to be paid from the Separate Account, and a total aggregate amount not to exceed $53,325,000 during such extended term, except as such amounts may be adjusted pursuant to the Agreement, subject to the availability of funds.
5. In connection with the expiration of the Yerba Buena Center Redevelopment Plan, which is currently scheduled to occur on January 1, 2009, the Agency may assign its rights and obligations under the Amended and Restated Operating Agreement to the City and County of San Francisco or to another entity designated by the Agency.

6. Pursuant to its terms, the Amended and Restated Operating Agreement also provides for the extension of the initial term for additional Extended Terms of fifteen years upon mutual agreement and subject to a June 30, 2094 termination date.

RESOLUTION

ACCORDINGLY, IT IS RESOLVED by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to execute an Amended and Restated Operating Agreement with the Yerba Buena Center for the Arts, a California nonprofit public benefit corporation, substantially in the form lodged with the Agency General Counsel, to provide funds in an annual amount not to exceed $3,555,000 payable from the Separate Account, for a first Extended Term of fifteen years and a total aggregate amount not to exceed $53,325,000 during such first Extended Term, except as such amounts may be adjusted pursuant to the Agreement, subject to appropriation by the Board of Supervisors and the availability of funds in the Separate Account.

APPROVED AT TO FORM:

James B. Morales
Agency General Counsel