RESOLUTION NO. 88-2004

Adopted July 20, 2004

AUTHORIZING A NINTH AMENDMENT TO THE OPERATING AGREEMENT WITH ZEUM, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO ADJUST THE LEVEL OF ANNUAL OPERATING SUPPORT AND MAKE CERTAIN OTHER CHANGES; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. By Resolution No. 123-97, dated July 1, 1997, the Redevelopment Agency of the City and County of San Francisco ("Agency"), authorized an Operating Agreement ("Agreement") with Zeum, to operate a Youth Arts and Education Center, Carousel, and Children's Garden on Central Block 3 in the Yerba Buena Center Redevelopment Project Area. The Agreement provides that the Agency provide $500,000 in annual contributions.

2. On October 27, 1998 by Resolution No. 221-98, the Agency authorized a First Amendment to the Agreement which adjusted the payment schedule of the annual contribution to Zeum.

3. On May 4, 1999 by Resolution No. 50-99, the Agency authorized a Second Amendment to the Agreement which provided Zeum with a $450,000 advance on the total annual contribution for the purpose of Zeum's security, operations and maintenance and revised certain other terms to the Agreement.

4. On May 23, 2000 by Resolution No. 76-2000, the Agency authorized a Third Amendment to the Agreement which provided Zeum with a $200,000 advance on the total annual contribution for the purpose of Zeum's security, operations and maintenance.

5. On March 6, 2001 by Resolution No. 41-2001, the Agency authorized a Fourth Amendment to the Agreement which provided Zeum with a $260,000 advance on the total annual contribution for the purpose of Zeum's security, operations and maintenance.

6. On November 13, 2001 by Resolution No. 196-2001, the Agency authorized a Fifth Amendment to the Agreement which provided Zeum with a $90,000 increase to their Fiscal Year 2001-2002 total annual contribution for the purpose of funding increased costs associated with its leadership transition and an Executive Director search.
7. On January 29, 2002 by Resolution No. 12-2002, the Agency authorized a Sixth Amendment to the Agreement which provided Zeum with a $200,000 increase to their Fiscal Year 2001-2002 annual contribution for the purpose of Zeum’s security, operations and maintenance.

8. On July 9, 2002 by Resolution No. 130-2002, the Agency authorized a Seventh Amendment to the Agreement which provided Zeum with a $200,000 increase to their Fiscal Year 2002-2003 annual contribution for the purpose of Zeum’s security, operations and maintenance.

9. On April 6, 2004 by Resolution No. 38-2004, the Agency deferred repayment of the $91,000 portion of previous advances to Zeum which was due in Fiscal Year 2003-04 and provided for repayment of the entire $910,000 in previous advances by pro-rata reductions of the Agency’s quarterly funding amounts over the next nine years starting in Fiscal Year 2004-05.

10. The Agency now desires to amend the Agreement through a Ninth Amendment to remove the consumer price index-based increases in the Agency contribution; to provide for repayment of advances of $910,000 to Zeum by capping Zeum’s funding level at $600,000 over the next nine years beginning in Fiscal Year 2004-05; to provide for possible changes to the Agency contribution in Fiscal Year 2013-14, and every five years thereafter, subject to Agency approval in consideration of Zeum’s need for support and the Agency’s ability to provide support in consideration of its sources of funding and its other Yerba Buena Gardens obligations; to adjust the reserve requirements; and to adjust the insurance requirements.

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 a Ninth Amendment to the Operating Agreement with Zeum, a California nonprofit public benefit corporation, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel