RESOLUTION NO. 149-2004

Adopted December 14, 2004

AUTHORIZING A FIRST AMENDMENT TO THE AGREEMENT FOR OPERATION OF A MUSEUM FACILITY WITH THE MUSEUM OF THE AFRICAN DIASPORA, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, TO CHANGE THE TERMS FOR AGENCY FUNDING OF OPERATIONS FOR THE MUSEUM TO BE LOCATED ON A PORTION OF PARCEL EB-2A ON THE SOUTH SIDE OF MISSION STREET BETWEEN NEW MONTGOMERY AND THIRD STREETS; YERBA BUENA CENTER REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. Pursuant to the May 1999 Disposition and Development Agreement between the Redevelopment Agency of the City and County of San Francisco (the “Agency”) and SF Museum Tower, LLC, a Delaware limited liability company (the “Developer”), as amended (the “DDA”), the Developer is constructing a mixed-use project on Parcel EB-2A in the Yerba Buena Center Redevelopment Project Area. The project, known as the St. Regis Museum Tower development, includes the core and shell of a three-story cultural facility (the “Cultural Component”).

2. The DDA requires the Developer to complete the Cultural Component and enter into a 99-year lease of the Cultural Component with a cultural tenant approved by the Agency. This cultural tenant is to use the Cultural Component for exhibits, events, and ancillary uses.

3. The Museum of the African Diaspora (“MoAD”), a California nonprofit public benefit corporation, has qualified for federal tax-exempt status under Internal Revenue Code 501(c)3. The Agency has approved MoAD as the Cultural Tenant for the Cultural Component.

4. In January 2004, MoAD and the Agency entered into an Agreement for the Operation of a Museum Facility (the “Operating Agreement”) to help support the ongoing operations of the museum. The Operating Agreement authorized a base level of financial support, starting in fiscal year 2003-2004, of $450,000 a year, with annual increases based on the consumer price index, subject to the appropriation of funds. The Operating Agreement term runs through January 2019.

5. Due to a restructuring of several of the Agency’s agreements with MoAD, the Agency desires to shorten the term of the Operating Agreement to end on June 30, 2016. The Agency also desires to change the Agency’s support payments by replacing the annual inflation-based adjustments with fixed annual support
payments of $500,000 per year through fiscal year 2014 and $400,000 per year for the final two years of the Operating Agreement, subject to the availability of funds. These changes will result in slightly higher payments to MoAD in the first few years of the museum's operations, and reduced funding as the organization becomes more self-sufficient. The aggregate amount of funds provided under the new payment schedule and shorter term will be approximately $2.7 million less than what was projected under the inflation-based formula.

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 First Amendment to the Agreement for Operation of a Museum Facility with the Museum of the African Diaspora, a California nonprofit public benefit corporation, to reallocate Agency funding to provide greater support for front-end construction and start-up costs; Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:

[Signature]
James B. Morales
Agency General Counsel