

## RESOLUTION NO. 70-2006

*Adopted May 16, 2006*

**AUTHORIZING A THIRD AMENDMENT TO (1) THE MEMORANDUM OF UNDERSTANDING AND THE GRANT AGREEMENT WITH BINDLESTIFF STUDIO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AND (2) THE FISCAL AGENT CONTRACT WITH TENANTS AND OWNERS DEVELOPMENT CORPORATION, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, AS THE FISCAL AGENT FOR BINDLESTIFF STUDIO, TO EXTEND THEIR TERMS FROM DECEMBER 31, 2005 TO MAY 31, 2007, TO ENABLE ADDITIONAL PREDEVELOPMENT ACTIVITIES FOR A NEW COMMUNITY THEATER AT THE PLAZA APARTMENTS, 988-992 HOWARD STREET; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA**

### **BASIS FOR RESOLUTION**

1. On June 24, 2003, by Resolution No. 103-2003, the Commission authorized: 1) execution of a Memorandum of Understanding (the "MOU") and a predevelopment grant agreement (the "Grant Agreement") with Bindlestiff Studio ("Bindlestiff" or "Grantee"); and 2) a Fiscal Agent Contract with Tenant and Owners Development Corporation, a California nonprofit corporation ("TODCO"), to act as fiscal agent for the Agency's grant to Bindlestiff (the "Grant") in an amount not to exceed \$140,390 (the "Grant Amount").
2. On February 3, 2004, by Resolution No. 11-2004, the Commission authorized: 1) a First Amendment to the MOU and a First Amendment to the Grant Agreement to increase the Grant Amount by \$84,645 for a total aggregate amount not to exceed \$225,035, and to extend the agreement period from June 30, 2004 to June 30, 2005; and 2) a First Amendment to the Fiscal Agent Contract with TODCO.
3. On August 16, 2005, by Resolution No. 126-2005, the Commission authorized: 1) a Second Amendment to the MOU and the Grant Agreement to extend the agreement period from June 30, 2005 to December 31, 2005, and add several performance milestones; and 2) a Second Amendment to the Fiscal Agent Contract with TODCO.
4. The Grant is intended to enable Bindlestiff to hire professionals to assist in developing its organizational and fundraising capacity so that it can raise the funds necessary to complete the tenant improvements for the new theater space in the Plaza Apartments under construction at 988-992 Howard Street (the "New Theater Space") in the South of Market Redevelopment Project Area (the "Project Area"), and operate the New Theater Space once it has been completed.
5. The MOU, the Grant Agreement and the Fiscal Agent Contract expired on June 30, 2005. Bindlestiff has not been able to raise any of the capital funding necessary to complete the tenant improvements in the New Theater Space and it has failed to meet many of the other milestones outlined in the Grant Agreement.

Because it has not performed many of the required Grant tasks, Bindlestiff still has significant funds remaining from the Grant Amount.

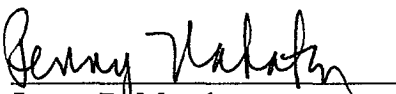
6. Bindlestiff has requested that the Agency again extend the period of the MOU, the Grant Agreement, and the Fiscal Agent Contract, this time to May 31, 2007, in order to allow Bindlestiff to continue its fundraising and organizational development over the next year.
7. Although Bindlestiff has only raised approximately \$35,000 in capital funding, Bindlestiff staff has achieved most of the milestones from the previous extension and been working more closely with Agency staff than in the past.
8. As part of its request for an extension, Bindlestiff has developed a new set of milestones for the proposed extension period. The milestones include the goal of raising \$210,000 in capital funding by May 2007, to which would be added a matching capital grant from the Agency, as provided in the Grant Agreement. Bindlestiff has requested that the maximum amount of this matching capital grant be increased from \$75,000 to \$100,000 by reallocating funds from the Grant that are no longer needed for organizational development. The milestones also include a commitment by Bindlestiff to engage in discussions with other groups about partnerships to help Bindlestiff raise capital funding in exchange for giving the other groups access to the New Theater Space during the daytime and possibly during the evening when Bindlestiff would not be using the New Theater Space.

### **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 the following documents, substantially in the form lodged with the Agency General Counsel:

- 1) a Third Amendment to the Memorandum of Understanding and Grant Agreement both with Bindlestiff Studio, a California nonprofit public benefit corporation, to extend the term from December 31, 2005 to May 31, 2007 to allow for additional development activities associated with a new community theater at the Plaza Apartments, 988-992 Howard Street; and
- 2) a Third Amendment to the Fiscal Agent Contract with Tenants and Owners Development Corporation, a California nonprofit public benefit corporation, as fiscal agent for Bindlestiff Studio, to extend the term from December 31, 2005 to May 31, 2007.

**APPROVED AS TO FORM:**

  
for James B. Morales  
Agency General Counsel