

RESOLUTION NO. 91-2009

Adopted August 4, 2009

AUTHORIZING A LOAN AGREEMENT WITH BINDLESTIFF STUDIO, A CALIFORNIA NONPROFIT PUBLIC BENEFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$52,000, FOR ORGANIZATIONAL DEVELOPMENT AND CONSTRUCTION MANAGEMENT ASSOCIATED WITH THE TENANT IMPROVEMENTS FOR THE NEW THEATER SPACE IN THE PLAZA APARTMENTS; SOUTH OF MARKET REDEVELOPMENT PROJECT AREA

BASIS FOR RESOLUTION

1. In June 2003, the Redevelopment Agency of the City and County of San Francisco ("Agency") approved a Grant Agreement with Bindlestiff Studio, a California nonprofit public benefit corporation ("Bindlestiff"), that provided Bindlestiff with funding for organizational development, architectural services and fundraising consultants so that Bindlestiff could prepare architectural plans and raise the funds necessary to complete the tenant improvements for a theater space in the Plaza Apartments ("New Theater Space") located at 988-992 Howard Street in the South of Market Redevelopment Project Area.
2. The Grant Agreement, which was extended at Bindlestiff's request, expired in 2007 and Bindlestiff was unable to raise any funds. However, the architectural plans are nearly complete and in order to move the project forward the Agency has included funding in its approved annual budgets for the entire cost of the tenant improvements.
3. Because the Agency is proposing to fund the entire cost of the tenant improvements, Agency staff and Bindlestiff have agreed that the New Theater Space, when completed, will be available for rental by other groups approximately 50 percent of the time. In addition, because Bindlestiff's failure to raise any funds has raised questions about its ability to operate the New Theater Space successfully, Bindlestiff has agreed to partner with Thick Description ("Thick"), an established theater manager with a facility in the Potrero Hill neighborhood. Thick will act as the property manager for the New Theater Space for at least the initial two years of the lease with Plaza Apartment Associates, Limited Partnership (the "Partnership"), the owner of the Plaza Apartments. Both of these requirements are contained in a Memorandum of Understanding between Bindlestiff and Thick ("MOU"), which has been reviewed and approved by Agency staff. The MOU is required as a condition of a proposed Loan Agreement between the Agency and Bindlestiff ("Loan Agreement").

4. In advance of the construction of the tenant improvements and the completion of the New Theater Space, Bindlestiff requires a small amount of funding for organizational development and construction management. Bindlestiff will be using Thick as a sub-contractor to complete the scope of work under the Loan Agreement, which is also described in the MOU. Bindlestiff and Thick will each have a budget of \$26,000 for their scopes of work, for a total not-to-exceed amount of \$52,000 (“Loan”).
5. The scope of work under the Loan Agreement includes assisting with construction management, strategic planning, organizational capacity building, and planning for facility management, marketing, and budgeting. Bindlestiff and Thick will work together as described in the MOU and the funds in the Loan Agreement will allow them to complete the work necessary in order to prepare for the opening of the New Theater Space after the tenant improvements are completed.
6. The Loan will be forgiven over 15 years, during which time all of the requirements of the MOU will remain in effect, including the requirement that the New Theater Space be available for rental by other groups about 50 percent of the time. After the 15-year period has ended, the requirements of the MOU will no longer be enforced. If Bindlestiff wishes to cancel the requirements of the MOU before the 15-year period has ended, it must repay the remaining Loan amount plus 50 percent of the cost of the tenant improvements for the New Theater Space.
7. The Loan Agreement allows Bindlestiff to proceed with assisting in strategic planning, organizational development, and construction management activities. Such activities would not independently result in a physical change in the environment, and are exempt from the California Environmental Quality Act (“CEQA”) pursuant to CEQA Guidelines Sections 15262 and 15061(b)(3).

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 Loan Agreement with Bindlestiff Studio, a California nonprofit public benefit corporation, in an amount not to exceed \$52,000, for organizational development and construction management associated with the tenant improvements for the new theater space in the Plaza Apartments; South of Market Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel.

APPROVED AS TO FORM:


James B. Morales
Agency General Counsel