

## RESOLUTION NO. 5-2012

*Adopted January 17, 2012*

**AUTHORIZING A FIRST GRANT DISBURSEMENT AGREEMENT WITH THE MEXICAN MUSEUM, A CALIFORNIA NONPROFIT CORPORATION, IN AN AMOUNT NOT TO EXCEED \$750,000, FOR PREDEVELOPMENT WORK FOR A NEW MUSEUM ASSOCIATED WITH A NEW MIXED-USE PROJECT ON A SITE THAT INCLUDES 706 MISSION STREET (ASSESSOR'S BLOCK 3706, LOT 93) AND AGENCY DISPOSITION PARCEL CB-1-MM (ASSESSOR'S BLOCK 3706, PORTION OF LOT 277)**

### BASIS FOR RESOLUTION


1. On December 14, 2010, by Resolutions No. 156-2010 and 157-2010, the Redevelopment Agency of the City and County of San Francisco (the "Agency") authorized an Exclusive Negotiations Agreement and a Grant Agreement with The Mexican Museum, a California nonprofit corporation ("The Mexican Museum" or the "Museum"), for development of a new museum (the "Museum Space") associated with a planned mixed-use project on a site at Third and Mission Streets in the now-expired Yerba Buena Center Redevelopment Project Area (the "Project").
2. The Exclusive Negotiations Agreement sets forth the terms and conditions for negotiating the Museum's participation in the Project. The Grant Agreement requires the Agency to disburse approximately \$10.5 million of Agency funding for predevelopment and planning activities and the design and construction of tenant improvements for the Museum Space. The Grant Agreement stipulates that this funding is to be disbursed through one or more future grant disbursement agreements.
3. The Museum has submitted its first disbursement request in the amount of \$750,000 for predevelopment planning, staffing and consultant costs related to the Museum Space. Accordingly, staff is recommending approval of a First Grant Disbursement Agreement, which includes a budget for the use of the grant funds, the roles and responsibilities of each party, mechanisms for the disbursement of funds, default provisions, compliance with Agency policies, and a form of funding request.
4. Approval of the First Grant Disbursement Agreement, which triggers the disbursement of \$750,000 in grant funds to The Mexican Museum, is an "enforceable obligation" required under the Grant Agreement, and does not violate the restrictions on contracting set forth in Assembly Bill No. 1X 26 (Chapter 5, Statutes of 2011-12, First Extraordinary Session) ("AB 26"), codified in relevant part in California's Health and Safety Code Sections 34161 – 34168 and upheld by the California Supreme Court in California Redevelopment Assoc. v. Matosantos, No. S194861 (Dec. 29, 2011).

5. The proposed First Grant Disbursement Agreement will provide funding for planning and predevelopment work for the future construction of the Museum Space. The First Grant Disbursement Agreement is exempt from the California Environmental Quality Act ("CEQA") pursuant to Sections 15061(b)(3) and 15262 of the State CEQA Guidelines.

### RESOLUTION

**ACCORDINGLY, IT IS RESOLVED** by the Redevelopment Agency of the City and County of San Francisco that the Executive Director is authorized to enter into a First Grant Disbursement Agreement with The Mexican Museum, a California nonprofit corporation, in an amount not to exceed \$750,000, for predevelopment work for a new museum associated with a new mixed-use project on a site that includes 706 Mission Street (Assessor's Block 3706, Lot 93) and Agency disposition parcel CB-1-MM (Assessor's Block 3706, portion of Lot 277) in the former Yerba Buena Center Redevelopment Project Area, substantially in the form lodged with the Agency General Counsel, and furthermore is authorized to enter into any and all ancillary documents or take any additional actions necessary to consummate the transaction.

**APPROVED AS TO FORM:**

  
for \_\_\_\_\_  
James B. Morales  
Agency General Counsel