Summary of Accomplishments and Expenditures
From The Mexican Museum
To The Successor Agency to the Redevelopment Agency of the
City and County of San Francisco
June 30, 2014

This document serves as a progress report on activities related to the current 2013-2014 Scope of Services Agreement between the Successor Agency and The Mexican Museum (“Museum”) for the development of the 706 Mission Street Residential Tower and Mexican Museum Project (The Project). The Museum continues to achieve success within the community as it broadens its base of support through concerted public relations and fund development activities designed to sustain museum operations now and in the future while concurrently moving forward with the design development and preparing for the construction phase for the new state of the art museum facilities.

The Museum has engaged in strengthening its capacity through Board Development which has resulted in a strong working Board of Trustees with seven new members with diverse backgrounds with an emphasis in finance, non-profit, and fund development expertise as well as with strong community ties. The Board is being led wisely and effectively through its Board Chair, Andrew M. Kluger. A key trustee that has re-engaged with the Museum is Ann Rockefeller Roberts who periodically flies from the East Coast to San Francisco to actively participate in the Board meetings. Ms. Rockefeller Roberts’ family donated a significant portion of the Nelson A. Rockefeller popular art collection to the Museum, and they have been a constant financial supporter of the Museum. Ms. Rockefeller Roberts is now the chair of the Board Governance Committee. As part of the Board Development, new standing committees have been created for more efficient oversight of the overall Museum operations, which include the Audit, Board Governance, Capital Campaign, Fund Development, Investment, and, the Communications and Community Engagement Committee, respectively. (See Attachment “A” for a current Board of Trustees roster and its standing committees.)

In addition, two new Advisory Boards have been developed, namely The International Advisory Board (see Attachment “B”), and, The Arts and Letter Council (see Attachment “C”) – the latter being chaired by Dr. Guadalupe Rivera (Diego Rivera’s daughter) and actor Edward James Olmos. The two Advisory Boards consist of over 100 highly distinguished and respected individuals with diverse backgrounds who now serve as local, state, national and international Ambassadors for the Mexican Museum. Most recently, in the month of June, the President of Mexico, the honorable Enrique Pena Nieto has pledged his support and is lending his name to the Mexican Museum – both as an institution and to the new building project.

The Museum received the fourth allocation from the 2013 Scope of Services agreement in the amount of $250,000.00 on May 29, 2014 for a total grant disbursement of $1,000,000. These resources have supported the following project needs as stated in the 2013-2014 Scope of Services budget: staffing and consultants related to the implementation of the Museum’s predevelopment plan for The Project;

1 The Museum’s Quarterly Report for the period of April 1, 2014 to June 30, 2014 to OCII staff for is due by July 15, 2014. Therefore, the expenses included in this Progress Report do not include the fourth allocation, which was disbursed on May 29, 2014. The Museum will submit its Quarterly Report for this period, including the accounting for the fourth allocation, prior to requesting any additional funding under the Third Grant Disbursement Agreement.
administration and planning activities; financial management; Phase 2 of the Collections Assessment, Conservation and Cataloguing project in preparation for the move from Fort Mason Center to 706 Mission Street; Fund-development for museum sustainability and the Capital and Endowment Campaign; and, legal and outreach services. The Museum had to move some of the funding from the Collections and Fund Development Categories into the other scope of work categories to address a shift in priorities during the 18 month grant period with a crux of those funds being re-allocated to the new building project technical consultants (i.e. architects, project manager and design engineers) as the project began to move in full force with the design of the building and the planning for the space planning, business plan, and strategic planning for the new building – these latter activities are more fully reported in Section 6 below.

The Building Committee has been working diligently and in earnest for well over a year and has made significant progress in advancing the conceptual design of the prospective new cultural facility – future home of the Museum. In the past year, through the Building Committee chaired by Alfredo Pedroza and Olga Millan-Howells great strides have been made in the design development, the space planning, development of the business and strategic plan as more fully set forth below.

In brief, the deliverables that are being presented to the Successor Agency staff and its Commission in this report and at the upcoming public hearing, shall include, but not be limited to, a draft of the Space Programming (see Attachment “D”), the Business Plan (see Attachment “E”), and the Strategic Plan (see Attachment “F”). In addition, a presentation of the Conceptual Design for the new building will be presented at the July 15, 2014 Successor Agency Commission meeting, as well as a presentation of the 96 page high quality publication on the permanent collection of the Museum.

(1) Administration of and planning for the 706 Mission Street Residential Tower and Mexican Museum Project, consistent with the Museum’s approved Predevelopment Plan. Mr. David J. de la Torre, Director of the Museum, continues to provide primary oversight for the administrative aspects of the 706 Mission Street Project. In concert with managing the Museum’s operations and programs at Fort Mason Center, Mr. de la Torre dedicates 25% of his time towards administration of the 706 Mission Street Project including financial management (5%), collections assessment (5%) and fund-raising activities (15%).

The Director works with and administers to the Museum’s Board of Trustees and committees of the Board including Finance, Building, Collections and Fund Development in order to achieve The Project’s goals and objectives. More specifically, in recent months these activities have included Board development including recruiting, interviewing and approval of seven new Trustees, administering to the Board of Trustees and Standing Committees of the Board including Finance, Fund Development and Special Events, participation in the strategic planning process for space utilization in the new building, donor cultivation, program development, grant procurement, writing and production of major donor solicitation collaterals including a high quality 96-page book on the Museum’s permanent collections, executive search for fund development consultants and staffing, membership program development, audit oversight, audience development, public relations and overseeing the ongoing inventory of the permanent collections. Mr. de la Torre also administers funds from the California Cultural and Historical Endowment associated with The Project.

Mr. de la Torre is assisted administratively by Ms. Marlena Cannon de Mendez, Assistant to the Director and Ms. Lillianna Maria Torres, Administrative Assistant.
EXHIBIT A

David J. de la Torre, Director (at 25%)
Marlena Cannon, Assistant to the Director
Lillianna Torres, Administrative Assistant

**Budget:** $98,900
**Expenses through March 30, 2014:** $130,465
**Balance:** ($31,565). This is a reflection of staff payroll increases, insurance increases, and increase in facility fees.

(2) **Financial Management of the 706 Mission Street and Residential Tower and Mexican Museum Project.** For financial management activities, Mr. de la Torre is assisted by Mr. Hugo Delgado, Bookkeeper/CPA. Mr. Delgado provides monthly financial statements, reconciles all grant expenditures with quarterly reports and generates annual reports for the reconciliation of all grant expenditures.

David J. de la Torre, Director (at 5%)
Hugo Delgado, CPA

**Budget:** $44,500
**Expenses through March 30, 2014:** $57,096
**Variance:** ($12,596). This is attributed to additional time spent on addressing 2011-2012 audit related questions and assisting with getting the 2013 audit underway.

(3) **Collections Assessment, Conservation and Cataloguing Plan in preparation for the move from Fort Mason Center to 706 Mission Street.** De la Torre is responsible for overseeing the Collections Inventory & Assessment Project (CIA). He is assisted by Associate Registrars, Christine Osborne and Wendy Niles, who continue to work diligently and with precision on the CIA project. An important component of the CIA, imaging the collection and making it accessible on line is being achieved through the launching of our new web site.

The 1\textsuperscript{st} Phase of the Collections Inventory and Assessment Project (CIA), inventorying all objects on site at Fort Mason Center as well as Atthowe Fine Arts, has been completed. The 2\textsuperscript{nd} Phase of the CIA is nearing completion and the 3\textsuperscript{rd} phase, reconciling all original registration donor records with each object recorded in the data base has begun. The first layer of information included in the data base includes: (1) catalog identification; (2) basic condition and conservation assessments; and, (3) digital images. This component of the Collections Assessment project is expected to be completed by December 31, 2014.

CIA statistics as of May 30, 2014:

- number of objects reviewed in 2012: 9,119
- number of objects reviewed in 2013 (1/7/13-12/20/13): 4,257
- number of objects reviewed in 2014: 1019
- Total number of objects reviewed during CIA: 14,395
- Total number of records in database: 15,444
Total of images taken during CIA: 15,236
Total number of objects fully reconciled: 461

Total number of objects with reconciliation in progress: 459

Achievements of the CIA:

- All objects and artifacts in storage at Fort Mason Center have been inventoried.
- All objects at Atthowe Fine Art Services have been inventoried.
- Objects stored off site at Ship Art International are almost completely inventoried.
- Imaging of the permanent collection continues with more objects available for public relations purposes and access on the museum’s web site.
- The Museum’s on-line collection numbering approximately 400 objects is being launched this summer; we will continue to expand this feature of our web site so as to continue to make the collection accessible to a wider audience.
- The inventory project has made the entire collection more accessible for object loans and special exhibitions to benefit the public.
- As the inventory nears completion, questions on the housing of the collection in the new building are beginning to become clearer.

David J. de la Torre (5%)
Christine Osborn, Associate Registrar I
Wendy Niles, Associate Registrar II
Bernard Arias, Consulting Web Designer
Ship Art/Atthowe Fine Arts Services Access to the Collections

Budget: $185,500
Expenses through March 30, 2014: $175,531
Balance: $9,969. The Museum has incurred an additional $31,567.00 in expenses under this category for the period of April through June of 2014 and has paid invoices totaling this amount. This was attributed to an increase in staff time needed and increases in both offsite and onsite storage fees.

(4) Fund-development for sustainability and capital campaign for 706 Mission Street Project.
David de la Torre dedicates 15% of his time to fund-raising for the 706 Mission Street Project. He has been assisted by professional grant writers; fund development and public relations consultants.

Working with the consultants, Board Development Committee and Board of Trustees, development activities during this period have included grant writing, donor solicitation, membership development, executive and staff search, vetting of individual and institutional donor prospects and numerous public relations and cultivation activities on site at the museum and at special events in the community.

2014 accomplishments (partial listing):
• Capital Campaign naming commitment for the Nelson A. Rockefeller Gallery
• Capital Campaign naming commitment for the Diego Rivera Gallery
• Capital Campaign naming commitment by Christopher M. Jeffries and Sean Jeffries
• Reengagement of Ann Rockefeller Roberts as active member of the Board of Trustees
• Recruitment of seven new Board members including individuals with seasoned non-profit, finance and fundraising skills: Miguel Bustos, Alfredo Pedroza, Chris Bishko, Safa Rashtchy, Olga Milan-Howells and Sandra Acevedo Hanns
• Production of 96-page high quality publication on the Museum’s permanent collection with endorsements and quotes from Edward James Olmos, Dione Warwick, Ann Rockefeller Roberts, Dr. Amalia Mesa Bains, Dr. Tomás Ybarra-Frausto, Eduardo Diaz, Dr. Gilberto Cardenes, among others.
• Established diplomatic recognition for the Museum’s building project and cultural exchange programs with the President of Mexico, key cabinet secretaries and the Rector of The Universidad Nacional Autónoma de México (UNAM) (National Autonomous University of Mexico) following week-long meetings with the Chair of the Board, Andrew Kluger
• Establishment of Arts & Letters Council with Dr. Guadalupe Rivera (Diego Rivera’s daughter) and Edward James Olmos serving as co-chairs and consisting of over 60 national and international artists and scholars including Juana Alicia, Isabel Allende, Enrique Chagoya, Lorraine Garcia-Nakata, Rupert Garcia, Matt Gonzalez, Ester Hernandez, Carmen Lomas Garza, Linda Lucero, Amalia Mesa-Bains, Malaquias Montoya, Viviana Paredes, Irene Perez, Michael Rios, Peter Rodriguez, Adriana Williams, René Yañez, among others.
• Establishment of an International Advisory Board with over 50 national and international members with expertise in cultural affairs, business and government including Rosario Anaya, Willie Brown, John L. Burton, Mario P. Diaz, Isabel Duron, Maria Echaveste, Chris Iglesias, Cruz Reynoso, Helen L. Sause, Olga Talamante, among others.
• Reestablished Museum member donor base with over 200 members and growing.
• Formed Builders’ Society for naming opportunity in new building with over 50 members
• Received grant support from: California Cultural and Historical Endowment (CCHE), Chronicle Books, Fleishhacker Foundation, Koret Foundation, Millennium Partners, Rockefeller Philanthropy Advisors, Union Bank Foundation, Wells Fargo Foundation
• Organized three special exhibitions at Fort Mason Center and USF attracting over 4,000 participants
• Launched private and public in-house and outreach school tour and art making activities for students, teachers and special interest groups attracting over 2,500 participants including the following: Arden Middle School; CLA (California Lawyers for the Arts); Drew School; Grayson Charter School; Juma Ventures; San Francisco University High School; Seven Tepees Youth Program; Tree Frog Treks and YMCA
• Obtained national and international media coverage for the Museum and its building project
• Expanded FREE Family Sunday art making events for children and adults held on festival days including Cinco de Mayo, Mexican Independence Day, El Dia de los Muertos and Holiday Toy celebration
• Made permanent collection more accessible through re-design of Museum web site
• Established partnership with the University of San Francisco (USF) for special exhibitions and student internships including Rockefeller Folk Art project and a major sculpture exhibition from the permanent collection featuring the work of Armando Amaya, Felipe Casteñeda, José Luis Cuevas, Jorge Duron, Byron Galvez, Gunther Gerzo, Manuel Neri and Francisco Zuñiga.

• Made collection available for loans and special exhibitions to the Oakland Museum of California and the Santa Cruz Museum of Art and History

• Reestablished Museum Store, La Tienda, as destination point

• Raised $196,000 in unrestricted revenue and over $130,000 in in-kind contributions during the first two quarters of 2014

David J. de la Torre, Director (at 15%)
Development Director
Fundraising Counsel
Familiarization Campaign and Readiness Phase/Cultivation
Public Relations Consultant
Printing/Collaterals/Supplies

**Budget:** $191,100

**Expenses through March 30, 2014:** $106,725

**Balance:** $84,375. The Museum has spent the sum of $17,826.00 for the period of April through June of 2014 in this category and will be submitting approval of this amount in the fourth quarterly report.

(5) **Legal and Outreach Services**

Mr. Victor Marquez and the Marquez Law Group continue to provide legal and outreach services for the 706 Mission Street project. These activities have included: (1) serving on the steering committee to work with AECOM on the space programming, business plan and strategic planning efforts for the new building at Yerba Buena Gardens; (2) leading efforts to forge a formal relationship with the San Francisco Arts Commission; (3) take the leadership role in negotiating a 99 year long term lease on behalf of the Mexican Museum for the new cultural facility at Yerba Buena Gardens; (4) take leadership in bringing together the various stakeholders, including, but not limited to the Department of Real Estate, the Arts Commission, the Successor Agency, and Millennium Partners to proceed with both the lease agreement but also with support for additional Bond Financing for financing the FF&Es and Tenant Improvements for the cultural facility for the Museum; (5) working with the Finance Committee of the Museum to work on the operating pro-forma and budgets impacting the predevelopment activities for the new cultural facility component; 4) attending building committee meetings and advising the Board of Trustees on an array of issues relating to the new building project; and, (5) overseeing the letters of intent for the various design consultants for the new Building Project; and (6) assisting in the cultivation of potential donors.

The Marquez Law Group

**Budget:** $80,000.00

**Expenses through March 30, 2014:** $117,421
Balance: ($37,421). The lease negotiations for the cultural space, CCHE contract compliance, additional vendor contract drafting and review, personnel concerns, and advice and counsel on the 2011-2012 audit process led to a greater increase in need for legal services. Also, the original budget was for a 12 month period but the actual expenditures reflect a period covering an 18 month period. There have been a significant amount of legal in-kind services donated by The Marquez Law Group in an effort to keep legal costs down for the overall project, in the sum of over $75,000.00 for the 2013-2014 grant period.

6) New Building Technical Team – Project Manager, Architect of Record, Museum Planner, Program Planner, and Design MEPs

The Mexican Museum’s Building Committee serves as the sub-group of the Museum’s Board of Trustees to oversee the development of the design for the New Mexican Museum. The Project Manager who was hired in January of 2013 serves as the administrator for the Building Committee. The Building Committee Co-Chairs Pedroza and Millan-Howells, respectively, report back to the Board of Trustees on a regular basis and the Building Committee makes recommendations to the full board as the project meets critical milestones and/or faces challenges requiring a full board decision.

A top priority of the Building Committee was to assemble a top notch local design team that would support the Lead Designer, TEN Arquitectos. Over the past year and a half, the Building Committee led the selection through a highly competitive public process of Requests for Qualifications coupled with Requests for Proposals. The following top notch team was selected amongst an incredibly highly qualified pool of professionals who responded to the Museum’s RFQs and RFPs. The selection was coordinated with George Bridges, the Contract Compliance Officer of the Successor Agency, to ensure compliance with a balance of local LBE, MBE/ WBE with a focus on assembling a diverse team, which resulted in the following team of professional to date:

- Project Manager (Greg Johnson)
- Architect of Record (Joint Venture of A+D Architects and Pfau & Long Architects)
- Programming Consultant (Matt Dawson)
- Business & Strategic Planning Consultants (AECOM)
- Design Consultant-MEP Engineer (Engineering 350)
- Design Consultant-Structural Engineer (KPFF + Rivera Consulting Group)
- Design Consultant-Façade Consultant (Front Inc and Loisos + Ubbelohde)
- Design Consultant-Lighting Consultant (ARUP and Loisos + Ubbelohde)
- Design Consultant-Code Consultant (Fire Consultants)
- Design Consultant-LEED/Sustainability Cons. (Environmental Building Strategies)

In addition to these direct selections, the Building Committee has worked closely with the Project Manager for the following activities:

- Reviewing of all consultant RFQ and RFP submittals
- Selection of the MEP, Structural, Code, Lighting, Façade, Cost consultants
- On-going participation in the weekly or bi-weekly project meetings;
Constant contact and coordination with the Project Manager on a daily basis;

On-going participation in the development of the project schedules, preliminary budgets and cash-flow projections;

On-going participation or leading of the workshops with the Programming, Strategic and Business planning consultants;

Regular reporting and meeting with other board committees, including the finance committee to assist the full board in the management of the museum design expenses;

Regular coordination with the Museum’s General Counsel who is leading the collective efforts of the project entitlements, including, the EIR certification, Bond Financing, Negotiation of the Purchase and Sale Agreement through the Successor Agency, legal coordination with project developer (Millennium Partners), and Negotiations of the long term 99 year lease between the Mexican Museum and the San Francisco Department of Real Estate in collaboration with the Arts Commission and the City Attorneys’ Office.

The Building Committee has played an integral and key role in providing oversight and managing the accomplishments over the past year and a half of the overall progress in the predevelopment activities for the new cultural facility project. The Museum has recently completed the internal milestone of the 50% conceptual design package, which was presented to the full board during their recent Board of Trustees meeting on June 26, 2014. The design package has been comprehensively developed in conjunction with the preparation of the Business, Strategic and Space Programming plans, thus, reflecting a well defined and integration of these essential and critical planning tools to ensure the short term and long term successes of the Mexican Museum. The latter planning had a significant focus on the visitor experience to ensure the creation of a dynamic world class museum that will become a local, national and international destination with the objective of making the institution a self sufficient operation.

The Museum is nearing the completion of the Conceptual Design and will quickly dive into the Schematic Design phase followed by the Design Development to keep pace with the predevelopment phases of the base tower being developed by Handel Architects. Tremendous coordination has taken place between the Museum’s technical professionals and Handel over the past year and it is expected to ramp up in the remainder of 2014 with the goal of having the Construction Documents for the Museum finalized in the Spring of 2015, and thereby be ready to undertake on a timely basis the tenant improvement once the Core & Shell is turned over to the Museum by Millennium Partners.

The Building Committee works closely with the overall Board of Trustees and understands the importance of meeting the design development milestones to provide the necessary tools to the Board’s Capital Campaign and Endowment Campaign Team, and the Fund Development Committee, to empower them with the necessary tools to raise the necessary funds to complete the build out of the cultural space (FF&Es and Tenant Improvements); to grow the necessary Endowment to operate the new cultural facility; and to raise programmatic and operational dollars. Today, the Board and the Building Committee are well poised through a strong Board and Standing Committees to be able to reach success in all three equally critical areas of the project and the institution.
In sum, the Project Manager has actively staffed the Building Committee; the Design Architect in collaboration with the Local Architect of Record has led the Conceptual Design development; and AECOM has worked as the Museum’s consultant to do the Space Programming, the Business Plan, and the Strategic Plan for the new building project. Attached to this report, please find a draft of the Space Programming Plan (see Attachment “D”), the Business Plan (see Attachment “E”), and the Strategic Plan (see Attachment “F”).

The following key workshops were held as part of the Strategic Planning, Business Planning, and Space Programming Meetings:

**December 16th, 2013**
Client visioning session
Members of the Mexican Museum Board

**February 25th, 2014**
Workshop #1
Members of the Mexican Museum Board

**March 4, 2014**
Meeting with Enrique Norton

**March 6th, 2014**
Space Programming Meeting
Andy Kluger and Alfredo Pedroza

**April 2nd, 2014**
Workshop #2
Members of the Mexican Museum Board and architectural team

**May 9, 2014**
Workshop #3: Strategic Planning Presentation
Mexican Museum Board

**May 22, 2014**
Mexican Museum Board Building Committee Meeting

**June 23rd, 2014**
Final Presentation and Review Meeting with Architects
Members of the Mexican Museum Board and architectural team

Design Architect, Architect of Record, Museum Planner, Program Planner, Business and Strategic Plan Consultants, and Design MEPs

**Budget**: $573,222
**Expenses through March 30, 2014**: $282,114
**Balance**: $291,108. The Museum has approximately $148,046 of invoices related to the technical team that will be submitted to OCII with its next quarterly report.