

COMMISSION ON COMMUNITY INVESTMENT AND INFRASTRUCTURE

RESOLUTION NO. 22-2016

Adopted May 17, 2016

**AUTHORIZING THE EXECUTIVE DIRECTOR TO EXECUTE THE SIXTH
AMENDMENT TO GRANT AGREEMENT NO. 07-49-05947 AND THE FOURTH
AMENDMENT TO GRANT AGREEMENT NO. 07-49-06113 FROM THE US
DEPARTMENT OF COMMERCE’S ECONOMIC DEVELOPMENT
ADMINISTRATION FOR IMPLEMENTATION OF AN ARTS AND TECHNOLOGY
DISTRICT IN THE HUNTERS POINT SHIPYARD REDEVELOPMENT AREA;
HUNTERS POINT SHIPYARD PROJECT AREA**

WHEREAS, The Redevelopment Agency of the City and County of San Francisco (the “Former Agency”) received grant funding from the U.S. Department of Commerce’s, Economic Development Administration (“EDA”) for development at the Hunters Point Shipyard (“Shipyard”) through Grant Agreement No. 07-49-05947 (“EDA Grant #4”) in 2006 and Grant Agreement No. 07-49-06113 (“EDA Grant #5”) in 2007 (collectively, the “Grants”). Each grant requires a 10 percent local match of funds (“Local Match”). The grant amount for EDA #4 is \$4,222,223 and the grant amount for EDA #5 is \$5,066,667, for an aggregate amount of \$9,288,890, including the required a total Local Match of \$928,889. The source of funds for the Local Match is tax increment; and,

WHEREAS, Upon dissolution of the Former Agency, the Successor Agency of the Former Agency (commonly known as the Office of Community Investment and Infrastructure or “OCII”) assumed the obligations under the Grants; and,

WHEREAS, To date, OCII has expended approximately half of the Grants funding, so that the amount of funds remaining is \$2,169,723 for EDA Grant #4 and \$2,986,003 for EDA Grant #5 for a total of \$5,155,727, including the Local Match of \$515,572; and,

WHEREAS, The Grants must be used for planning activities, the development of architecture/engineering documents, and installation of improvements to the open space and buildings in the “Arts and Technology District” on the Hunters Point Shipyard (“Shipyard”). The Grants goals are to generate jobs, help retain existing jobs, and stimulate industrial and commercial growth in economically distressed areas; and,

WHEREAS, The Arts and Technology District is an important element of the redevelopment of the Shipyard, the conceptual goal of which is to attract job-producing and innovation-driven growth industries in the arts, creative, and science/technology sectors to locate on the Shipyard; and,

WHEREAS, The ultimate vision of the Arts and Technology District includes: a performing arts center; arts education, display and gallery space; other arts-related retail and services; 225,000 square feet of artists' studios; and 3 million square feet of space for research and development industries; and,

WHEREAS, Since the mid-1970's, artists have occupied studios in various buildings on the Shipyard, creating the largest artist enclave on the western seaboard. Through decades of planning efforts related to the Shipyard, the need to maintain the role of the artists in the future of the Shipyard has become a clear mandate from a variety of local, state and federal stakeholders; and,

WHEREAS, Delays in the environmental remediation program of the U.S. Navy at the Shipyard and the Former Agency's dissolution have delayed the implementation of the Arts and Technology District; and,

WHEREAS, To date, OCII has used EDA #4 and EDA #5 funds for: 1) Building 813 feasibility studies; 2) a Community Facilities Demonstration Building; and 3) installation of nine public art pieces in furtherance of the Shipyard's Cultural Historic Recognition Program; and,

WHEREAS, Under Redevelopment Agency dissolution law, the oversight board of a successor agency must approve the continuation of grants requiring a successor agency to provide a match greater than five percent (California Health and Safety Code 34180(e)). On October 12, 2012 the Oversight Board of the City and County of San Francisco ("Oversight Board") approved, by Resolution No. 14-2012 the continuation of the Grants for two years. The Grants earlier expiration date was extended from September 30, 2013 to September 30, 2015; and,

WHEREAS, In July 2015, OCII submitted, and the EDA approved in April 2016, a request to amend the Grants scope and extend the Grants term through March 30, 2018. The Oversight Board approved continued acceptance of the Grants and the Local Match through Resolution No. 2-2016 at its January 25, 2016 meeting, subject to Commission approval; and,

WHEREAS, Remaining grant funding of \$5,155,827 was slated to be used for improvements to Building 813 which is located on Parcel D-2. Parcel D-2's transfer from the Navy to OCII was delayed and did not occur until September 2015 and infrastructure to serve the building will not be completed for several years. In response, OCII proposed to reallocate funds to Building 101 which is located in OCII-owned Parcel A and has been in OCII control since 2005; and,

WHEREAS, The Grants will be used to address Building 101's extensive need for capital improvements and will pay for a fire sprinkler and fire alarm system, accessibility upgrades and the conversion of the existing auditorium into a multi-purpose room. Additional upgrades, which are subject to availability of funds, may include the addition of an elevator; and,

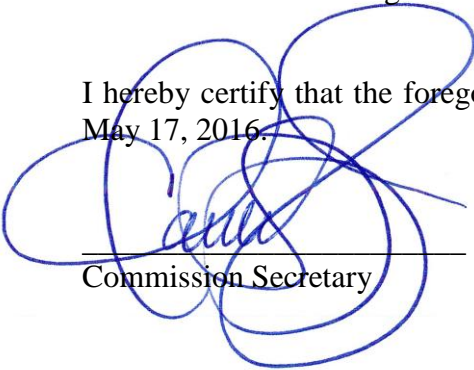
WHEREAS, OCII staff seeks Commission approval for amendments to the Grants; and,

WHEREAS, Authorizing a Sixth Amendment to grant agreement No. 07-49-05947, and a Fourth Amendment to grant agreement No. 07-49-06113, extending the term of each grant by two years will provide funding for Building 101 improvements that are exempt under the California Environmental Quality Act ("CEQA") Guidelines Sections 15061(b)(3), 15301(a) and 15301(d); and, now therefore, be it

RESOLVED, That the Executive Director is authorized to enter into a Sixth Amendment to EDA #4, reallocating grant funds from Building 813 to Building 101 and extending the term of that grant agreement by two years, through March 30, 2018; and, be it, further

RESOLVED, That the Executive Director is authorized to enter into a Fourth Amendment to EDA #5, reallocating grant funds from Building 813 to Building 101 and extending the term of that grant agreement by two years, through March 30, 2018.

I hereby certify that the foregoing resolution was adopted by the Commission at its meeting of May 17, 2016.



Commission Secretary