

1 [Reaffirming and Restating Finding of Fiscal Feasibility for the revised Exploratorium Project
2 at Piers 15/17 and Finding of Lease Exemption from Competitive Bidding Policy; Endorsing
3 Amended and Restated Term Sheet;]

4 **Resolution reaffirming and restating the Board of Supervisor's prior findings that the**
5 **revised Exploratorium Project at Piers 15/17 is fiscally feasible and responsible**
6 **pursuant to Administrative Code Chapter 29 and is exempt from the competitive**
7 **bidding policy set forth in Administrative Code Section 2.6-1, and endorsing the**
8 **Amended and Restated Term Sheet between the Exploratorium and the San Francisco**
9 **Port Commission.**

10 WHEREAS, The Exploratorium is a world-renowned museum and educational center,
11 providing access to, and information about, science, nature, art, and technology, and serving
12 more than 480,000 visitors annually, including teachers and children on field trips; and

13 WHEREAS, The Exploratorium has been housed since its inception in 1969 at the
14 Palace of Fine Arts and over the past few years, with the support of the City, has been
15 engaged in an extensive search for a new site that will better meet its need to be located in a
16 more visible, accessible, transit-friendly location with sufficient capacity to meet its expanding
17 program and constituency and house its accessory functions such as exhibit development and
18 fabrication, administrative space, and ancillary restaurant and retail space; and,

19 WHEREAS, The Exploratorium desires to lease Pier 15 and Pier 17 on the San
20 Francisco waterfront under a long-term lease ("Lease") from the San Francisco Port
21 Commission ("Port") for the Exploratorium's museum and ancillary operations at Pier 15, with
22 the possibility of expanding the museum into Pier 17 in the future; and

23 WHEREAS, On June 21, 2005, by Resolution No. 477-05, the Exploratorium obtained
24 a waiver from the Board of Supervisors exempting the potential Lease of Pier 15, the
25 Connector Building and the Valley between Piers 15 and 17 and portions of the Pier 17

marginal wharf area ("Original Project") from the competitive bidding policy set forth in San Francisco Administrative Code Section 2.6-1; and

WHEREAS, On February 28, 2006, by Resolution No. 06-13, the Port approved the terms of an Exclusive Negotiation Agreement between the Exploratorium and the Port for the Original Project, and the Port approved the financial terms of the Lease for the Original Project, with an option to expand the leased premises into Pier 17 in the 17th year of the proposed Lease, which terms are set forth in the term sheet ("Original Term Sheet") that is on file with the Clerk of the Board of Supervisors in File No. 060825; and

WHEREAS, On July 25, 2006, by Resolution No. 446-06, the Board of Supervisors found that the Original Project was fiscally feasible and responsible pursuant to San Francisco Administrative Code Chapter 29 and endorsed the Original Term Sheet; and

WHEREAS, The estimated construction costs associated with the Original Project have increased significantly, from approximately \$97 million to \$175 million; and

WHEREAS, In light of the increased construction costs, the Port desires to add Pier 17, including a majority of the Pier 17 shed, the east apron and the south loading dock ("Pier 17 Areas"), to the initial premises and term of the proposed Lease, so that the Exploratorium may more easily address the increased construction costs and manage the expansion and relocation of its museum operations in the Northeastern Waterfront area as part of the initial Lease rather than waiting to expand into Pier 17 until the 17th year of the Lease; and

WHEREAS, On August 12, 2008, by Resolution No. 08-51, the Port approved of the addition of the Pier 17 Areas to the initial premises and term of the proposed Lease (the "Revised Project"), increased the rent credits granted on Pier 15 due to the increased development costs, amended other provisions, which terms are set forth in the Amended and Restated Exclusive Negotiation Agreement and in the Amended and Restated Term Sheet ("Amended Term Sheet"), and directed the Port's Executive Director to present the Amended

Term Sheet to the Board of Supervisors for its review and endorsement; and

WHEREAS, The Amended Term Sheet is on file with the Clerk of the Board of Supervisors in File No. 081414, which is hereby declared to be a part of this Resolution as if set forth fully herein; and

WHEREAS, By Resolution No. 477-05, the Board of Supervisors exempted the potential Lease for the Original Project from the competitive bidding policy set forth in San Francisco Administrative Code Section 2.6-1, in light of The Exploratorium's unique ability to provide a special cultural and educational opportunity for the people of the City and County of San Francisco, to reach out and provide educational resources and relevant services for children, to enhance the City's tourism industry, to further the various objectives of the Waterfront Land Use Plan and to facilitate the rehabilitation of historic Port property; and

WHEREAS, The findings of Resolution No. 477-05 also apply to the Revised Project, and, in addition the Revised Project will enhance the Exploratorium's proposed use by providing the Exploratorium with the flexibility to expand into the Pier 17 Areas at an earlier date, thereby increasing benefits to the public; and

WHEREAS, The Amended Term Sheet requires a finding of fiscal responsibility and feasibility in connection with the addition of the Pier 17 Areas to the initial premises and term of the proposed Lease and the increased rent credits granted on Pier 15; and

WHEREAS, By Resolution No. 446-06, the Board of Supervisors endorsed the Term Sheet for the Original Project and found the Original Project to be fiscally feasible and responsible after considering the Project's general description, general purpose and other information; and

WHEREAS, The findings of Resolution No. 446-06 continue to apply to the Revised Project because the addition of the Pier 17 Areas to the initial premises and term of the proposed Lease will either enhance or have no negative effect on the financial benefit that will

accrue to the City and the Port as a result of the Revised Project, and the additional rent credits granted for the Pier 15 substructure repair work will have no negative effect on the financial benefit that will accrue to the City; and

WHEREAS, In Resolution No. 446-06, the Board of Supervisors authorized the filing of an Environmental Application with the Planning Department pursuant to Administrative Code Chapter 29, and authorized the Planning Department to undertake environmental review of the Original Project as required by Administrative Code Chapter 31 and CEQA; and

WHEREAS, The Exploratorium and the Port of San Francisco have filed such application, the Planning Department is in the process of preparing a Draft Environmental Impact Report ("DEIR"), and the addition of the Pier 17 Areas do not materially affect the analysis and conclusions of the DEIR because the DEIR already conservatively assumes that the impacts of the expansion into the Pier 17 Areas will occur at the same time as the Original Project; and

WHEREAS, The Board of Supervisors has reviewed and considered the terms for a Lease for the Revised Project as set forth in the Amended Term Sheet; now, therefore, be it

RESOLVED, That the Board of Supervisors reaffirms the findings of Resolution No. 477-05 and determines that such findings apply to the Revised Project, exempts the potential Lease for the Revised Project from the competitive bidding policy set forth in San Francisco Administrative Code Section 2.6-1, and agrees that should the Port and the Exploratorium agree upon mutually acceptable terms for the Lease and development for the Revised Project, this Board of Supervisors shall not disapprove such proposed Lease solely on the basis that it does not satisfy the competitive bidding policy set forth in Administrative Code Section 2.6-1; and at the time this Board of Supervisors considers the proposed Lease, the Port shall provide this Board of Supervisors with adequate evidence that the Exploratorium will secure sufficient funding to complete construction of the Project; and be it

FURTHER RESOLVED, That the Board of Supervisors reaffirms the findings of Resolution No. 446-06 and determines that such findings apply to the Revised Project, and finds that the plan to undertake and implement the Revised Project is fiscally feasible and responsible under San Francisco Administrative Code Chapter 29; and be it

FURTHER RESOLVED, That the Board of Supervisors endorses the Amended Term Sheet between the Port and the Exploratorium dated August 12, 2008 attached to the Amended and Restated Exclusive Negotiation Agreement.



City and County of San Francisco

City Hall
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

Tails

Resolution

File Number: 081414

Date Passed:

Resolution reaffirming and restating the Board of Supervisor's prior findings that the revised Exploratorium Project at Piers 15/17 is fiscally feasible and responsible pursuant to Administrative Code Chapter 29 and is exempt from the competitive bidding policy set forth in Administrative Code Section 2.6-1, and endorsing the Amended and Restated Term Sheet between the Exploratorium and the San Francisco Port Commission.

December 9, 2008 Board of Supervisors — ADOPTED

Ayes: 11 - Alioto-Pier, Campos, Chu, Daly, Dufty, Elsbernd, Maxwell,
McGoldrick, Mirkarimi, Peskin, Sandoval

File No. 081414

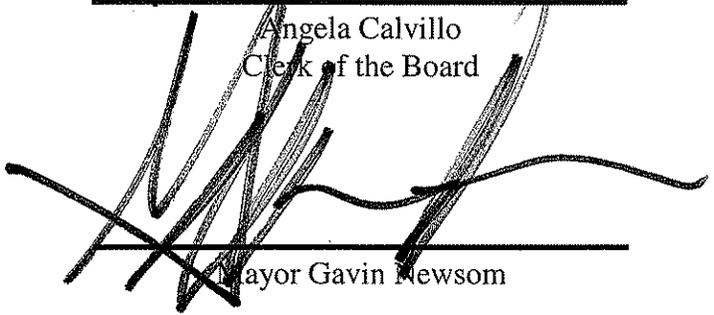
I hereby certify that the foregoing Resolution was ADOPTED on December 9, 2008 by the Board of Supervisors of the City and County of San Francisco.



Angela Calvillo
Clerk of the Board

12/16/2008

Date Approved



Mayor Gavin Newsom