

1 [Finding of Fiscal Feasibility; Endorsement of Term Sheet; Exploratorium Project at Piers
2 15/17.]

3 **Resolution finding the proposed Exploratorium Project at Piers 15/17 fiscally feasible**
4 **pursuant to Administrative Code Chapter 29 and endorsing the Term Sheet between**
5 **The Exploratorium and the San Francisco Port Commission.**
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7 WHEREAS, The Exploratorium is a world-renowned museum and educational center,
8 providing access to, and information about, science, nature, art, and technology, and serving
9 more than 480,000 visitors annually, including teachers and children on field trips; and
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11 WHEREAS, The Exploratorium has been housed since its inception in 1969 at the
12 Palace of Fine Arts and over the past few years, with the support of the City, has been
13 engaged in an extensive search for a new site that will better meet its need to be located in a
14 more visible, accessible, transit-friendly location with sufficient capacity to meet its expanding
15 program and constituency and house its accessory functions such as exhibit development and
16 fabrication, administrative space, and ancillary restaurant and retail space; and,

17 WHEREAS, The San Francisco Port Commission ("Port") staff and The Exploratorium
18 have been in discussions regarding the possible lease ("Lease") of Pier 15, the Connector
19 Building and the Valley between Piers 15 and 17, and a portion of the east apron within the
20 Port's jurisdiction, with an option to expand into Pier 17, as further described in the Term
21 Sheet defined below ("Property") for development and historic rehabilitation by The
22 Exploratorium and for The Exploratorium's museum operations and ancillary uses ("Project");
23 and,

24 WHEREAS, On May 10, 2005, Port staff and The Exploratorium made an informational
25 presentation to the Port Commission outlining the development concept for the Project; and,

1 WHEREAS, On June 21, 2005, by Resolution No. 477-05, the Board of Supervisors
2 exempted the Lease from the competitive bidding policy set forth in Administrative Code
3 Section 2.6-1; and

4 WHEREAS, On February 28, 2006, by Resolution No. 06-13, the Port Commission
5 authorized the Executive Director of the Port to enter into an Exclusive Negotiation Agreement
6 ("ENA") with The Exploratorium; and

7 WHEREAS, On February 28, 2006, by Resolution No. 06-13, the Port Commission also
8 endorsed a term sheet that indicated the key financial provisions of the Lease which is to be
9 negotiated pursuant to the ENA ("Term Sheet"), and authorized and directed the Executive
10 Director of the Port to present the Term Sheet to the Board of Supervisors for its review and
11 endorsement; and

12 WHEREAS, On March 1, 2006, The Exploratorium and the Port executed an ENA with
13 the Term Sheet attached thereto setting forth the terms of the Lease and development
14 agreement under which The Exploratorium would lease and develop the Property; and

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

17 WHEREAS, The construction of the proposed Project will exceed \$25 million and under
18 the proposed terms of the Lease, the Port will pay for a portion of the substructure repairs at
19 Piers 15 and 17 by providing rent credits to The Exploratorium under the Lease; and

20 WHEREAS, Said rent credits will be in excess of \$1 million and therefore a portion of
21 the construction costs of the proposed Project will be paid from "public monies" as defined in
22 Chapter 29 of the Administrative Code; and

23 WHEREAS, The cost to construct the Project will exceed \$25 million and the proposed
24 structure of the Lease providing rent credits to The Exploratorium in excess of \$1 million will
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1 trigger review by the Board of Supervisors to determine the fiscal feasibility of this proposed
2 Project under Administrative Code Section 29.1; and

3 WHEREAS, Pursuant to Administrative Code Section 29.3, the Port and The
4 Exploratorium have submitted to the Board of Supervisors a general description of the Project,
5 the general purpose of the Project, and a fiscal plan; and

6 WHEREAS, Pursuant to Administrative Code Section 29.2, prior to submittal to the
7 Planning Department of an environmental evaluation application ("Environmental Application")
8 required under Administrative Code Chapter 31 and CEQA (as defined in Administrative Code
9 Section 29.1) related to the proposed Project, it is necessary to procure from the Board of
10 Supervisors a determination that the plan to undertake and implement the proposed Project is
11 fiscally feasible and responsible; and

12 WHEREAS, The Board of Supervisors has reviewed and considered the general
13 description of the Project, the general purpose of the Project, the fiscal plan and other
14 information submitted to it and has considered the direct and indirect financial benefits of the
15 Project to the City of San Francisco, the cost of construction, the available funding for the
16 Project, the long-term operating and maintenance costs of the Project and the debt load to be
17 carried by the Port; and

18 WHEREAS, The Board of Supervisors has reviewed and considered the terms for a
19 lease as set forth in the Term Sheet; now, therefore, be it

20 RESOLVED, That the Board of Supervisors finds that the plan to undertake and
21 implement the Project is fiscally feasible and responsible under San Francisco Administrative
22 Code Chapter 29; and be it

23 FURTHER RESOLVED, Pursuant to San Francisco Administrative Code Chapter 29,
24 the Environmental Application may now be filed with the Planning Department and the
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1 Planning Department may now undertake environmental review of the proposed Project as
2 required by Administrative Code Chapter 31 and CEQA; and be it

3 FURTHER RESOLVED, That the Board of Supervisors endorses the Term Sheet
4 between the Port and The Exploratorium dated March 1, 2006, attached to the ENA.

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