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REAL ESTATE

## SPECIAL COVERAGE: Real Estate

Despite a sagging market, California has seen some major real estate developments in the past year.



DUFFY

# Exploratorium

*Lawyer on museum deal explored all options, including rent credits, to land waterfront property.*

**I**t was a prime slice of virtually unused real estate on the San Francisco waterfront. But in November, Duffy closed a highly complex public-private partnership agreement with the Port of San Francisco allowing the city's world-renowned Exploratorium museum to lease the nearly century-old piers 15-17.

The museum is now in the midst of a \$220 million revamp of the crumbling piers to transform them into a state-of-the-art new home for its science, art and human perception exhibits.

The museum's new digs will feature a nine-acre, 230,000-square-foot campus on the Embarcadero, San Francisco's eastern waterfront. By 2013, the facility's educational activities are expected to be

united under one roof on Pier 15 with space for expansion to Pier 17 in the future. The museum now occupies much smaller quarters at the Palace of Fine Arts in the city's Marina District.

"This is a really big deal," said Duffy, who focuses on commercial real estate, land use and development. "It's a big advantage to city tourism and to the Exploratorium.

"The lease deal includes the Exploratorium getting rent credits on a portion of the property to help compensate for construction costs.

The process was far from easy, said Duffy, who led the negotiations on behalf of the museum and was assisted by colleagues who included Danna M. Kozerski, Tay C. Via and E. Vanessa Henlon.

Besides securing municipal approvals, Duffy and her team had to convince about a dozen government agencies to sign off on the project, including the San Francisco Bay Conservation and Development Commission and historic preservationists at the state and national levels.

Financing was particularly challenging, Kozerski said, because lenders had to be comfortable that the Exploratorium was meeting all of the regulatory conditions of the various agencies.

"It was quite complex," Duffy said of the process. "But it was really fun, and it's a great project. The Exploratorium deal puts \$220 million into the restoration and maintenance of a public resource, and the public gets a museum at one of the premier locations in the world."

— Jason W. Armstrong

<p><b>Pamela S. Duffy</b>  Coblentz, Patch, Duffy &amp; Bass LLP  San Francisco  <b>Cost of development:</b> \$220 million</p>
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