

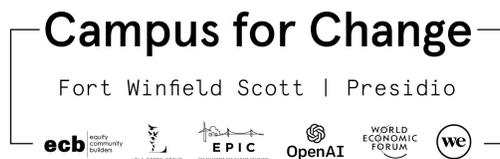
Campus for Change

Fort Winfield Scott | Presidio



Clarifying Questions
Public Copy

April 11, 2019



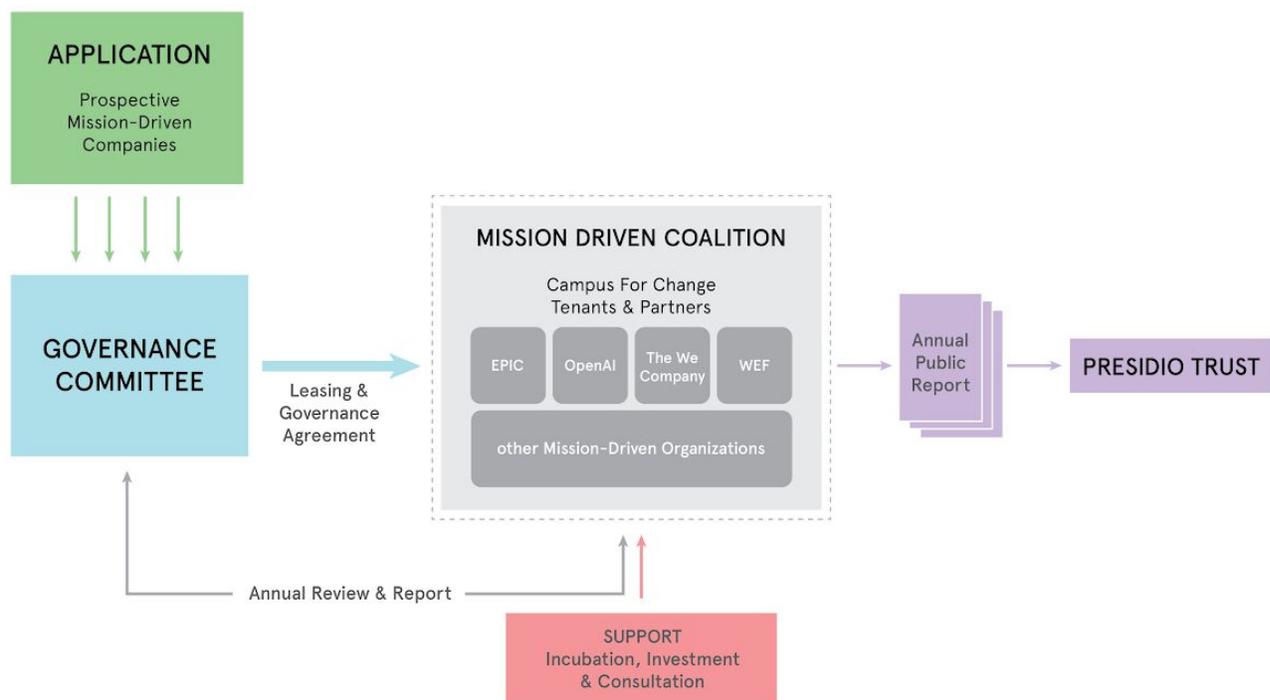
*Clarifying Questions to the
Fort Scott Campus for Change Proposal*

*Redacted Submission
Public Copy
April 11, 2019*

Mission Alignment

#1)

The Request for Concept Proposals (RCP) and the Request for Proposals (RFP) required a campus of mission-driven organizations focused on environmental and/or social issues. The proposal makes limited commitment to this requirement in the near-term and no clear commitment to this requirement long-term. Please explain your plan to ensure that the campus will be occupied by mission-driven organizations focused on environmental and/or social issues throughout the term of the lease. Specifically, what legal mechanisms (including specific use restrictions), strategies, and policies will you agree to use to assure the Presidio Trust that the tenants and subtenants are mission-driven throughout the term of the lease?



The Campus for Change team is committed to creating and maintaining a campus at Fort Scott that is fully occupied by mission-driven organizations focused on the most pressing environmental and social issues of our time. Upon completion, the Campus will be occupied by the major mission-driven tenants and uses:

- OpenAI will occupy nearly 100,000 square feet in 9 buildings with research focused on ensuring that safe artificial general intelligence is developed and that it benefits all of humanity.
- The World Economic Forum Centre for the Fourth Industrial Revolution will expand their existing operations at Fort Scott to occupy approximately 27,000 square feet in Buildings 1201 and 1202. The Centre will be a hub for global, multi stakeholder cooperation to develop policy frameworks and advance collaborations that accelerate the benefits of science and technology for society.

- EPIC and EPIC-affiliated organizations recruited to focus on climate solutions and the most pressing social issues of our time will occupy the remaining approximately 127,000 square feet in 9 buildings operated by WeWork.

The Campus for Change team intends to develop and adopt a Leasing and Governance Agreement and Governance Committee that will establish and oversee ongoing leasing and operating policies and procedures that will ensure that the Campus maintains its commitment to mission-driven organizations over the term of the lease.

It is anticipated that the focus of those mission-driven organizations will be in the areas of climate change, general artificial intelligence and the initiatives of the Center for the Fourth Industrial Revolution and that these areas will provide more than sufficient demand to fill all of the available space at Fort Scott. However, if additional space is available, or if demand changes over time, the Leasing and Governance Agreement will establish procedures and priorities for identifying and including additional mission-driven organizations focused on broader social issues as appropriate. We welcome the Presidio Trust's involvement in crafting the Leasing and Governance Agreement. We would also plan to issue an annual report, documenting the mix, mission, activities and accomplishments of the various organizations occupying the Campus for Change for review by the Trust and the larger community. These proposed processes are described in the organizational structure on page 2 and subject to finalization.

We would also anticipate that elements of the Leasing and Governance Agreement would be incorporated into the Master Lease with the Presidio Trust in the form of use restrictions and leasing procedures that would further ensure that Fort Scott remains committed to mission-driven organizations broadly focused on environmental and social issues.

#2)

A large portion of the space appears to be managed and leased by WeWork. For that space, how will WeWork ensure that it is utilized by mission-driven organizations? Specifically, it appears that a large percentage of this space will be allocated to "hot-desk space." What are the specific plans to ensure the hot-desk space will be utilized by be mission-driven organizations and/or individuals?

WeWork is committed to providing exceptional spaces within the Campus for Change and has committed to providing discounted desk prices to qualified mission-driven members at Fort Scott. WeWork expects to charge rents that are significantly lower than its San Francisco average desk prices. WeWork also recognizes that businesses come in all sizes and at different stages of maturity, and prides itself on providing flexible spaces where companies can grow. Hot desks generally make up a minority of WeWork spaces globally, and at Fort Scott, we expect a similar ratio. Most of the space will be allocated to companies with 2 or more employees and in private offices. Both the Hot Desk members and all other members will be held to the same mission-driven standards at Fort Scott, allowing companies as small as one person to be a part of our Campus for Change.

As a point of reference for WeWork's other commitments to mission-driven causes and partnering with cities and municipalities, WeWork has a current MOU with the City of San Jose whereby we provide good faith efforts to lease space at a discount to market rents for female and minority-owned businesses to help bridge the digital divide in Silicon Valley; a key priority of the City of San Jose and surrounding jurisdictions. We collectively plan to take this model to the next level at the Campus for Change, by using a framework to ensure we are filling the space with environmentally and socially focused mission-driven organizations.

WeWork and EPIC are finalizing a term sheet that specifies the mission-driven criteria to qualify for discounted rents and to qualify for renting space at Ft. Scott.

#3)

Did you perform a market analysis to determine the supportable rents to be charged? If yes, how did the market analysis consider the requirement for a campus of mission-driven organizations focused on environmental and/or social issues? If no, how do you know that rents at those levels will be affordable to mission-driven organizations?

The rental rates included in our proposal are based off of the following factors:

1. Equity Community Builders' experience leasing and operating similar facilities in the Presidio
2. Equity Community Builders' experience working with nonprofit and mission-driven organizations in San Francisco and the Bay Area, and
3. WeWork's knowledge of the San Francisco office market.

We have also studied projects such as the Thoreau Center, the David Brower Center in Berkeley and various buildings that cater to nonprofits in San Francisco.

Market rate rents have been assumed for the buildings occupied by OpenAI, WEF and approximately half of the buildings leased to WeWork for collaborative workspace for environmental and mission aligned organizations. The other buildings leased to WeWork assume a rent at a significant discount from market rate in order to offer affordable space for EPIC-affiliated nonprofit, startup and other organizations focused on climate solutions and other mission-driven uses that can not afford full market rate rents.

WeWork's platform for collaborative shared workspace also results in more affordable occupancy costs for tenants / members through more efficient workspace leased on a per desk and a membership basis that includes shared services, collaborative work space, private office space, and conference space. The discount on selected buildings referenced above, will allow WeWork, through EPIC, to offer meaningful per desk discounts. The remaining WeWork space is anticipated to be discounted significantly below comparable San Francisco WeWork locations, providing access to companies and individuals focused on climate solutions, social impact, and nonprofits. As part of our due diligence to confirm that these occupancy costs are supportable by environmental and mission-driven tenants, we compared the projected occupancy costs for tenants / members at the Campus for Change with more standard office space and rents, at both nonprofit / mission-driven and market rates. We then tested that analysis with selective prospective tenants.

The total occupancy cost under WeWork's collaborative workspace model compares favorably with occupancy costs for both typical discounted nonprofit and market rent rates. WeWork's flexible model also allows small and growing organizations flexible lease terms, so that they don't need to sign long-term lease commitments. Similarly, for non-local impact organizations that want to be a part of the Campus for Change, this model allows them to flexibly place employees at Fort Scott without the need for larger office commitments. This model assures that a diverse mix of mission-driven organizations and up to 2,000 employees can be accommodated at a range of occupancy cost supportable by these organizations.

#4)

We understand that since the submission of the proposal, OpenAI has created a for-profit entity, though the profit of investors will be capped. The Fort Scott campus is for mission-driven organizations. Please clarify which entity (OpenAI LP or OpenAI non-profit) will be located at Fort Winfield Scott? What legal mechanisms will you use to assure the Trust that OpenAI remains a mission-driven organization during their occupancy of the campus?

Both OpenAI, Inc. (the Nonprofit) and OpenAI L.P. will be located in the OpenAI portion of Fort Scott. OpenAI L.P. is controlled by the Nonprofit, which serves as its general partner, and is explicitly dedicated to advancing the Nonprofit's mission and the principles advanced in the OpenAI Charter (<https://openai.com/charter/>).

As explained during the announcement of OpenAI L.P. (<https://openai.com/blog/openai-lp/>), the mission comes first. The legal mechanism we use to ensure that OpenAI L.P. remains a mission-driven organization is that we explicitly wrote it in to the legal contracts governing the partnership and its employees and investors. All investors and employees sign agreements that OpenAI LP's obligation to the mission takes precedence over any obligation to generate a profit. The Limited Partnership Agreement (LPA) forming OpenAI LP, and the employee and investor paperwork, each contain a purple box highlighting that commitment:

IMPORTANT

The Partnership exists to advance OpenAI Inc's mission of ensuring that safe artificial general intelligence is developed and benefits all of humanity. The General Partner's duty to this mission and the principles advanced in the OpenAI Inc Charter take precedence over any obligation to generate a profit. The Partnership may never make a profit, and the General Partner is under no obligation to do so. The General Partner is free to re-invest any or all of the Operating Entity's (or the Partnership's) cash flow into research and development activities and/or related expenses without any obligation to the Limited Partners. See Section 6.4 of the Operating Entity's Limited Partnership Agreement for additional details.

Additionally, OpenAI L.P.'s commitment to the mission is explicitly reinforced throughout the LPA, including the following provisions:

2.3 *Purpose and Scope.* Within the meaning and for purposes of the Act, the purpose and scope of the Partnership shall be to:

(a) Use the principles expounded in the Non-Profit Charter to advance the Non-Profit's mission of pursuing (i) the creation, development and refinement of a safe artificial general intelligence – meaning a highly autonomous system that outperforms humans at most economically valuable work – ("AGI"); and (ii) the dissemination and distribution of the benefits of such AGI among all of humanity (collectively, the "Core Mission").

And:

6.4 Subordination of Partnership and Limited Partner Interests to Core Mission; Modification of Fiduciary Duties.

(a) NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, THE PARTNERS ACKNOWLEDGE AND AGREE THAT, AS DETERMINED BY THE GENERAL PARTNER IN ITS SOLE DISCRETION, THE INTERESTS OF THE PARTNERSHIP AND THE LIMITED PARTNERS SHALL BE SUBORDINATE TO THE CORE MISSION. UNDER NO CIRCUMSTANCES SHALL THE GENERAL PARTNER BE LIABLE TO THE PARTNERSHIP OR THE LIMITED PARTNERS IN CONSEQUENCE OF HAVING TAKEN ANY ACTION INTENDED TO FURTHER THE CORE MISSION, EVEN IF SUCH ACTION CONFLICTS WITH THE INTERESTS OF OR, ACTUALLY RESULTS IN ADVERSE CONSEQUENCES TO, THE PARTNERSHIP OR THE LIMITED PARTNERS. CORRESPONDINGLY, UNDER NO CIRCUMSTANCES SHALL THE GENERAL PARTNER BE LIABLE TO THE PARTNERSHIP OR THE LIMITED PARTNERS IN CONSEQUENCE OF FAILING OR DECLINING TO TAKE ACTION FOR THE BENEFIT OF THE PARTNERSHIP OR THE LIMITED PARTNERS IF SUCH LACK OF ACTION WAS INTENDED TO FURTHER THE CORE MISSION, EVEN IF THE PARTNERSHIP OR THE LIMITED PARTNERS SUFFER ADVERSE CONSEQUENCES IN CONNECTION THEREWITH. MOREOVER, THE DUTIES AND OBLIGATIONS OF THE GENERAL PARTNER ARISING UNDER THIS AGREEMENT OR OTHERWISE IN ITS CAPACITY AS SUCH SHALL BE SUBORDINATE TO THE EFFORTS OF THE GP RELATED PERSONS TO FULFILL THE CORE MISSION. NOTWITHSTANDING ANY PROVISION OF THIS AGREEMENT TO THE CONTRARY, NONE OF THE GENERAL PARTNER, ANY GP RELATED PERSON (AS DETERMINED WITHOUT REGARD TO THE SECOND SENTENCE OF THE DEFINITION OF GP RELATED PERSON SET FORTH IN SECTION 1.1), OR ANY AFFILIATE OR ASSOCIATE OF ANY OF THE FOREGOING, SHALL BE DEEMED TO HAVE VIOLATED ANY FIDUCIARY OR OTHER DUTY TO ANY PERSON IN CONSEQUENCE OF HAVING PLACED THE CORE MISSION AHEAD OF THE INTERESTS OF THE PARTNERSHIP OR THE LIMITED PARTNERS. Without limitation on the generality of the forgoing provisions of this Section 6.4(a), it is hereby acknowledged and agreed that the General Partner may cause the Partnership to take any of the following actions that the General Partner, reasonably and in good faith, determines could support or further the Core Mission:

And, in Section 6.4(b):

(iii) The Partnership operates in the context of the Core Mission, and that the achievement of the Core Mission is the principal purpose of the Partnership. Accordingly, the General Partner is authorized to cause the Partnership to engage in actions that may not be in the best economic interests of the Partnership, yet are determined by the General Partner to be necessary or advisable for achieving or furthering the Core Mission. Notwithstanding the foregoing, the General Partner shall not be

Accordingly, OpenAI L.P. is contractually bound to be a mission-driven organization.

Required Elements

#5)

In response to the RFCP, each of you individually indicated that you would pay for the Required Elements listed below. We continued to require that you pay for these elements in the RFP. In the combined response you appear to limit your commitment by capping the amount of money you will fund for these Required Elements. Please clarify.

Required Elements in the RFP:

- Fund the upgrade of the utility infrastructure that is needed to support the reuse of Fort Scott;
- Restore the parade ground;
- Create a safe, clear, and distinct entry at Lincoln Boulevard into Fort Scott; and
- Construct new surface parking lots.

An accurate cost-analysis of all the specific site and infrastructure needs, including existing infrastructure conditions, an examination of alternative utility and sustainability measures, and other aspects of the overall campus site and infrastructure improvements were clearly beyond the scope of work anticipated during the relatively brief RFP process. The RFP requested a narrative outlining our approach to analyzing the utility and infrastructure needs of the project, presumably in recognition of the complexity, time, and cost associated with this analysis. As a result, for the purposes of the development of our project budget, we assumed a total site improvement and infrastructure cost in arriving at the estimated total project costs. Based on our more detailed, but still preliminary, analysis of the building rehabilitation costs and projected operating revenues and expenses, we also believe that this estimate for site and infrastructure improvements is the maximum amount that the economics of the project will support.

We do anticipate that this amount will cover the basic requirements outlined in the RFP, including the restoration of the Parade Ground, the redefining of the entry to the campus at the Lincoln Boulevard, and the construction of new parking lots where indicated in the plans we submitted. The utilities will need much more examination, including the exploration of additional funding sources for various sustainability measures, and the use of a PPA (Power Purchase Agreement), or other form of financing for a microgrid or other forms of renewable energy.

We are also committed to an open door relationship with the Trust as we develop more detailed designs, cost estimates, and projections, and look for ways to reduce costs or fund additional site and infrastructure improvements within the criteria for financial feasibility.

#6)

The proposal also is not clear whether you are committed to funding the reorganization and expansion of the ballfields and construction of the multi-use trail, both of which were optional elements. Please clarify.

While we are cautiously optimistic that the site and infrastructure budget included in our proposal will cover the items outlined above, we are less confident that this budget will include the anticipated costs to improve the ball fields (which we received preliminary cost estimates for, and depend on turf options, lighting packages and other elements) and the multi use trail. We understand the importance of the ball fields to the many members of the public that use them, and to the Presidio Trust whose mission is to enhance the public realm and who receive rent for their use. As stated in the RFP response, we are committed to working with all stakeholders interested in improving the ball fields, but cannot commit to paying for those costs before a more detailed analysis is done on the site improvements that have a higher priority to the Fort Scott Campus for Change development (including the multi use trail, necessary for promoting alternative modes of transportation for the tenants / members at the C4C campus).

#7)

In response to the RFCP, each of you individually indicated that you would bear the cost of the rehabilitation of the building(s) that the U.S. Park Police will ultimately occupy (either at Fort Winfield Scott or elsewhere in the Presidio). We continued to require that you pay for these elements in the RFP that we issued. In the combined response you appear to be backing away from this commitment. Please clarify.

As stated above, in our development budget, we have carried all of the costs we believe the economics of the project can support. It should be noted that these economics are based on market rate rents for a majority of the entire campus while also providing a mission-driven tenant base, a core objective of both the Trust and our team. We are not confident that the overall project economics can support the costs for relocating the U.S. Park Police to an alternative location elsewhere in the Presidio, and therefore cannot commit to covering those costs at this time. We are, however, committed to working closely with the Trust, in a very open and transparent partnership as we explore the economics of the project in much greater detail. This includes detailed exploration and analysis of all revenue sources, project costs (including buildings, sites, and infrastructure), soft costs, and financing costs. If savings are found that allow us to provide some or all of the funding for the USPP relocation and other costs (e.g. ball fields), we will participate in those to the extent that the project economics can support them.

#8)

The RFCP and the RFP required the construction of a new transit center with public restrooms. In the proposal, the transit/welcoming center is sometimes referred to as a "future" project and sometimes referred to as part of the project. Please clarify.

We mistakenly labeled the Transit Center (A.K.A. Welcoming Center) as "Future" in the site plans shown on pages 16 and 22 of the main proposal. The Transit / Welcoming Center is in fact part of our development plan and a budget for a 1,500 SF building is included in our development budget.

#9)

The RFCP and RFP required the restoration and public access to the historic murals in Building 1216. You offered two options: to move the murals or to preserve them in place, which is our preferred choice. For this option, the proposal states that the "public would be provided access on a designated, but limited, annual basis due to operational security limitations of the 1216 tenant." Please describe what is intended by designated, but limited, annual basis.

We provided two options for the restoration and display of the murals in 1216 to demonstrate our willingness to support the various goals of the Presidio Trust, including providing access to the murals by the public. We anticipate that the question of appropriate access will be a longer discussion between the Trust and the C4C team, and hope to gain a better understanding of the specific goals and objectives relative to the murals, explore how to best achieve them, examine the tradeoffs between privacy concerns and public access, and review the issues related to location, given various constraints and access concerns. We are willing to explore all options to ensure the objectives of the Trust, the public, and the tenants / members are met.

Transportation to & from the Campus

#10)

Your proposal indicates that there will be approximately 2,570 people working at the campus, plus 1,150 daily guests and visitors to the organizations located there, which is double the number of people that we contemplated for Fort Scott. Your proposal assumes that 50% of the people traveling to and from the campus will use public transit. The Presidio's current transit mode-share is 34% and the expected transit mode-share for a project in transit-rich downtown San Francisco is also in the low-30% range. How will you achieve a transit mode-share of 50% at Fort Scott?

Population Calculations

The higher population figures provided in the Campus for Change proposal reflects the variety of space programming models and densities that each of the mission-driven tenant organizations intends to implement at Fort Scott.

Transit

The Fort Scott transportation planning brief responds to two fundamentals: there will be 2,570 employees working at the facility and only 450 parking spaces are available on site. As a result, the transportation program identifies the most reasonable transportation alternatives for employees and visitors to access Fort Scott.

Employees are predominantly assigned to public transit services, both PresidiGO and SF Muni, as well as Golden Gate Transit. It is important to note that Fort Scott is a short walk – similar to the walk that many BART passengers experience daily in downtown San Francisco – to Golden Gate's transit hub at the toll plaza, where multiple transit services are abundant and frequent. For employees from Marin (which currently represent 15% of Presidio employees), Fort Scott is a better transit experience than downtown San Francisco; the walk distance is similar, the walk will be better, and the overall trip will be shorter. For westside San Francisco employees (another 25% of Presidio employees), suggested improvements in Muni service will provide the transit capacity necessary to provide attractive service to Fort Scott. For San Francisco eastside residents, PresidiGO improvements will service their trips, and for East Bay residents (who are about 20% of Presidio employees), they are highly incentivized to use transit to avoid the congested Bay Bridge.

We also note that the Fort Scott proposal is consistent with revised policy guidance:

- The City & County of San Francisco last year eliminated all mandated parking requirements throughout the city, and, in fact, established parking maximums in some districts.
- The San Francisco Municipal Transportation Agency (SFMTA) has achieved a sustainable transportation mode share (combining walking, biking and transit) of 58% for all trips taken to, from or within San Francisco. We appreciate that transit's overall share is about 30-35%, but note that walking is also very high. At Fort Scott, we suggest that a much higher transit mode share can substitute for the walking share.

The Fort Scott transportation proposals embrace the City's objectives and expectations. A 50% transit mode split for employees is a reasonable and achievable target.

The proposal requires 50% of peak hour and peak period trips to use public transit; at other times, the mode split may vary. In the midday, especially with visitors, we expect that shared-ride and taxis will provide a larger number of trips than in the peak period.

Existing Conditions in downtown San Francisco

The comments suggest that downtown San Francisco's mode share is about 30%. We appreciate that a beta tool that analyzes trip generation for downtown projects does estimate a transit mode share for downtown employees in the 30+% range, however, it also estimates an equal number of people walking to work. However, our research indicates the following:

- 70,000 transit passengers delivered to downtown in the one-hour peak (25% of total downtown employment in 35% of the peak).
- In the East Bay to San Francisco corridor, transit carries more than 75% of all the peak hour trips (there are 40,000 total trips, with BART at about 25,000, AC and Ferries about 5,000, and about 10,000 in automobiles).

Transit is a viable option to compensate for the lack of automobile parking at Fort Scott, and the transportation program – prioritizing transit and alternative modes – is consistent with City, State and Presidio Trust goals.

Fort Scott Transportation Strategies

Strategies include the following:

Parking Management

The limited amount of parking will be actively managed as a limited economic resource that commands a high price.

- Parking management: Price parking at the appropriate market rate to achieve 85% utilization. Parking is currently set in the Presidio well below market rate, which encourages driving.
- Limit the availability of parking: Parking will need to be regulated as short-term parking or be priced similarly throughout the Presidio to avoid spill-over parking.

Transit Capacity Increases

- Increase transit capacity and service to provide a viable and attractive alternative to driving.

Increasing transit capacity on Muni and PresidiGo service is at the core of this strategy. This strategy requires operating additional buses and extending service to serve Fort Scott.

Existing Route/Service	Proposed Route/Service Changes	Hourly Seated Capacity
Muni 28 Local NB	No change	300
Muni 28 local SB	No change	300
Muni 28R	Extend the Muni Route 28R to Fort Scott, providing 10-minute service throughout the day and requiring an additional 12-13 vehicle hours daily.	300
Muni 29	Extend Muni Route 29 to Fort Scott - providing 10-minute service throughout the day and requiring an additional 15 vehicle hours daily.	300
PresidiGo	Extend the Downtown PresidiGo Shuttle to Fort Scott - requiring at least one additional bus in the peak.	100-200
Golden Gate Transit	No change (access from the GG Bridge toll plaza)	200-500
Total		1,500-1,900

With an employee population of about 2,600 and a likely peak hour demand of 1,300 trips, the proposed transit capacity can meet 100% of the travel demand, well in excess of the 50% assumed needs.

Active TDM Program

The Presidio Trust requires Fort Scott to embrace a Transportation Demand Management strategy and program. We intend to do so enthusiastically. We also appreciate that SFMTA/Muni requires evidence of commitment on behalf of the Fort Scott project. Our TDM plan does this by committing to:

- Offering commuter benefits and incentives to employees.
- Designing into the campus or on adjacent sites passenger-friendly and convenient bus stops and incorporating good operational design into the facility.
- Establishing market-based parking fees to provide the necessary funding to leverage additional resources to support the proposed service changes.
- In addition, we expect to work with the Presidio Trust to identify grant funding for the purchase of additional PresidiGo shuttles.

#11)

Even with a 50% transit mode share, the number of parking spaces the proposal provides does not appear to meet the need you forecasted. In your proposal, you indicate you will need 675 parking spaces but you provide only 450 spaces. Moreover, applying your predicted mode-share to the forecasted number of workers and visitors results in a need for 1,300-1,400 parking spaces. Please clarify. Please also explain what will happen to the parking demand and supply if the Convening Center is constructed.

The anticipated travel demand can be and will be met within the constraints of the parking supply.

The total number of parking demand includes turn-over based on the employee and visitor profiles anticipated for the site. Parking demand is based on both “single-occupancy” vehicles and also “carpools.” We define carpools as 3+ and vanpools, with an average occupancy of 4. Since some single occupancy vehicles are shared, we estimate their occupancy at 1.5. As a result, the employee demand for parking is as follows:

Single Occupancy (occupancy 1.5)	350
Carpool (occupancy 4.0)	50
TOTAL	400

This allows for 50 spaces to be used for visitors. We further assume that of the 50 visitor spaces, the average occupancy will be 2 and the turnover will be 2. Those other visitors who might be expected to drive will instead take Taxi/TNC, and transit or PresidioGo. The assumed visitor mode split is:

Taxi/TNC	36%
Muni 28&29	22%
Auto	17%
PresidioGo	15%
Bike	5%
Walk	4%

Convening Center Impacts

There are many reasons why the Convening Center was not included in our original proposal, despite widespread enthusiasm for ultimately including it in the program for the Campus for Change. As articulated elsewhere in the proposal, it is unclear what the specific operating assumptions would be, which in turn drive the ultimate building program, budget, financing

mechanisms, and of course as it relates to this question, what the specific transportation requirements might be. Specific transportation issues include the frequency of use, times of use and how that relates to other peak traffic times, the amount of people attending events at the Center and the percentages of people coming from off site vs. those working on campus, among others. These will all need to be discussed in the planning efforts related to the Convening Center, including how to replace any displaced parking by the construction of the Center. These design and planning efforts will need to occur in close communication and collaboration with the Presidio Trust.

Business Terms & Financials

#12)

The proposal requests a 99-year lease. What is the basis for a 99-year lease?

The need to create and maintain a campus at the scale of Fort Scott that is focused on the most pressing environmental and social issues of our time requires an extraordinary investment of organizational and financial resources. In order to attract and sustain that level of commitment, we need a place of permanence, where individuals and organizations will continue to invest in innovation and change.

The challenges of solving climate change through market-based climate solutions is a long term problem that we expect to be working on through at least the end of the 21st century. In the near-term, it will be necessary to establish an inflection in the current emissions trajectory, and set a new course which contains atmospheric carbon concentrations to within the current carbon budget. Yet, reducing carbon concentrations from current levels (410ppm) to levels that would reverse concentrations to pre-industrial levels of carbon (350ppm or lower) will take over a century of sustained carbon removal. This problem has been hundreds of years in the making and will take at least 100 years to reverse, using safe and natural methods. We seek to establish EPIC, as an anchor tenant and partner at the Campus, as synonymous with a space and place for monitoring climate progress and incubating and driving solutions appropriate to every phase of the solutions trajectory.

Additionally, the challenge and opportunities of artificial general intelligence and ensuring it is used for the benefit of humanity, promises to be at the forefront of the ethical development of technology throughout the 21st century. OpenAI is excited by the potential for AGI to help solve planetary-scale problems in areas where humanity is failing and there is no obvious solution today. However, we are also concerned about AGI's potential to cause rapid change, whether through machines pursuing goals misspecified by their operator, malicious humans subverting deployed systems, or an out-of-control economy that grows without resulting in improvements to human lives. Accordingly, having customized research and lab facilities along with space through which we can engage the public and global stakeholders will be critical to achieving our mission.

#13)

[Redacted]

#14)

Assuming the final entity will be an LLC or LLP, please explain who the managing entity will be, the scope of its authority to make decisions, and what financial contributions will be made by each team member. We understand that the final entity will be responsible for obtaining the debt. How will the entity secure that debt (both construction loan and refinancing) and what credit enhancements will be provided to the Trust and to the lender(s)? In the event of default on a loan, does the lender understand that the lender will be required to continue to accept the mission-specific provisions that will ensure that the campus remains occupied by mission-driven Tenants?

As indicated in our proposal, a new Joint Venture LLC will be formed to enter into the Master Lease with the Presidio Trust, secure the project financing, complete the improvements, and lease the completed buildings to tenants / members (OpenAI, WEF and WeWork). The Managing Member of that LLC will be a newly formed entity, referenced as the “Developer” in the proposal and the organizational diagram on Page 3 of Appendix 1, that will be comprised of Equity Community Builders, The We Company, The Lela Goren Group, and Tom Dinwoodie on behalf of EPIC. The Developer will have responsibility for day-to-day decisions during the lease negotiations, design, construction, and operating phases of the project.

Use limitations for mission-specific organizations will likely be of concern to lenders if those provisions are overly restrictive and unreasonably limit a lender’s ability to generate income from the property in the event of default. We will either need to broadly define the range of uses that qualify to maintain the mission-driven nature of the Campus for Change or have provisions whereby those restrictions are relaxed for lenders in the event of foreclosure.

#15)

We note that there are various financial documents that were required that were not submitted, such as financial statements for the Lela Goren Group and certain materials related to WeWork’s performance on loans, litigation and bankruptcy information. We are not requiring you to submit those now, but we reserve the right to require the submission of them at a later date.

We are eager to work on this project and are willing to cooperate with the Trust to demonstrate our legal and financial capability to do so.

DISCLAIMER: The Presidio Trust continues to accept no liability regarding any election to provide information, to proceed to incur costs, to forego other opportunities, or for any resulting projections or assumptions made by the Respondent. The Presidio Trust continues to reserve the right to decide whether to proceed further with the Respondent’s proposal for the Fort Winfield Scott Campus for Change and continues to reserve the right to determine satisfactory terms and conditions.