

# Memorandum

**Date:** April 17, 2019  
**To:** Presidio Trust Board of Directors  
**From:** Jean S. Fraser, Chief Executive Officer  
**Re:** Preliminary Staff Recommendation of the Fort Scott Campus for Change Proposal

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## **Action Requested**

At the April 24 public meeting, you will hear a presentation from the team that submitted the Fort Scott Campus for Change proposal (Proposer).

Per your request, we have prepared this preliminary staff recommendation of the Fort Scott Campus for Change proposal (Proposal). A final staff recommendation will be issued after our review of the Proposer's presentation at the April 24 public meeting, public comments received in writing or provided at the April 24 meeting, and our environmental analysis, and prior to the May 23 public meeting when you are scheduled to consider your decision.

Staff have reviewed the Proposal as well as answers submitted by the Proposer in response to 15 clarifying questions we provided to the Proposer. We have assessed the Proposal against the project objectives and required elements stated in the Request for Concept Proposals (RFCP) and the Request for Proposals (RFP). We have preliminarily determined that the Proposal: (1) does not include all of the required elements, (2) the density of use is not supported by a viable transportation plan, and (3) the financing and business terms will not support a campus for mission-driven organizations.

## **Background**

As managers of the only national park site in the United States that must earn all its own revenue to maintain and operate the Park, the Presidio Trust uses the vast majority of the Presidio's buildings to earn revenue.

From the beginning of the park, planners hoped that Fort Winfield Scott might be used differently. Fort Winfield Scott's relative remoteness within the park led those planners to envision Fort Winfield Scott as its own, internally-focused area. The General Management Plan Amendment prepared by the National Park Service in 1994 stated that "Fort Scott would be used for conferences, applied research, and training" and "would establish programs focused

on solving global environmental problems and demonstrating principles of resource stewardship.” This theme was repeated in the 2002 Presidio Trust Management Plan (PTMP), the document the Trust created to replace NPS’s General Management Plan. The PTMP designated Fort Winfield Scott as a place for “contemplative retreat” for “organizations devoted to research, policy development, education, and related activities.”

Turning this hope into a reality has proven to be a significant challenge. The Presidio Trust has rehabilitated two of the barracks buildings at Fort Winfield Scott (buildings 1201 and 1202) and rented them to non-profit organizations. We could rehabilitate two more buildings there, but anything larger than that will require significant utility and site infrastructure upgrades. In addition, four of the buildings at Fort Scott are occupied by the United States Park Police (Park Police). They would have to be relocated to other buildings in the Presidio, which themselves would need to be rehabilitated. Finally, any significant increase in the number of people coming to Fort Winfield Scott requires the creation of a transit center, improved biking and walking paths, and an aggressive plan to get people to and from the campus without cars.

Based on our experience, we estimated that it will cost at least \$200 million to rehabilitate the buildings, restore the landscapes, bring the campus’ utility and other infrastructure up to modern standards, relocate the Park Police, and create the transportation infrastructure needed to accommodate more people coming to Fort Winfield Scott. Since the Presidio Trust’s limited funds are dedicated to other projects, we do not have the money at this time to contribute to the rehabilitation costs of Fort Winfield Scott. For these reasons, Fort Scott has not been developed by the Trust.

In 2018, however, we decided to see if there might be a “deep-pocketed do-gooder” willing to take on Fort Winfield Scott to create a campus of mission-driven organizations focused on environmental and/or social change. With the urging of the Fort Scott Advisory Council, we embarked on a two-step process to test the market to see if there was a person or organization willing to commit their resources to making Fort Winfield Scott a place dedicated to mission-driven organizations trying to change the world.

In January 2018, the Presidio Trust issued the RFCP to solicit interest from qualified organizations to rehabilitate Fort Winfield Scott as a campus for one or more mission-driven organizations focused on addressing the significant environmental and/or social challenges of our time. We included a number of required elements in the RFCP because we wanted to be upfront about the financial and operational challenges facing potential respondents.

We received nine concept proposals. We evaluated each one to see if they made the commitment to create a mission-driven campus, had the experience to take on a project the

scale of Fort Winfield Scott, and had the resources to fund the project including a commitment to fund all of the required elements. Ultimately, four teams were invited to move on to the next stage based on their commitment to fund the required elements and their assertion they had the funds and the desire to develop the campus according to the project objectives.

The RFP was issued in October 2018. In early 2019, the four teams informed us that they had consolidated into a one team, and on March 14 we received a single proposal. After reviewing the proposal, we issued clarifying questions to the team, to which they responded.

### **Preliminary Staff Recommendation**

Exhibit A summarizes our preliminary assessment of the proposal as evaluated against the project objectives and required elements. Details on our preliminary findings are listed below.

#### **The Proposal does not contain all of the Required Elements**

The RFP and RFP identified required elements that any proposer must include, such as site-wide utility upgrades and relocating the Park Police. The Presidio Trust does not have the funds for these items, so we were clear throughout the process that anyone wanting to develop Fort Winfield Scott would have to cover these costs. As shown in the attached chart, the Proposal does not contain funding for all of the required elements.

Instead, the Proposer is expecting the Presidio Trust to cover a significant portion of these costs while seeking to reap a financial return themselves. This is a non-starter for the Presidio Trust, since we do not have funds allocated for these expenses. Nor does it align with the spirit of the overall project, which was that the Presidio Trust would give up the opportunity to earn significant revenue from Fort Winfield Scott in exchange for the proposer taking on these costs and legally committing to making Fort Winfield Scott is a mission-driven campus.

#### **The Proposal does not provide for transit solutions that support a campus with so many people**

Fort Winfield Scott's relative remoteness and location in a national park is part of its appeal and part of its challenge. Any proposal for Fort Winfield Scott has to deal with the transportation challenges associated with its location.

The RFP required respondents to provide a plan for managing transportation to and from the campus. Today, we estimate there are 4,000 workers throughout the Presidio. The Proposal projects 2,570 workers at Fort Winfield Scott, an increase of 64% in the Presidio. The majority of those workers would come and go from their offices at Fort Winfield Scott during commute

hours. The proposal did not provide a feasible financial or operational solution for getting workers to and from the campus. Rather, the Proposal assumes that the Presidio Trust and the San Francisco Municipal Transportation Authority (aka MUNI) would cover the initial and ongoing costs of providing additional transit services required to support the high-density campus.

The Proposal does not ensure that Fort Winfield Scott will house mission-driven organizations over the long term

From the beginning of this process, the Presidio Trust sought an organization to transform Fort Winfield Scott into a campus of one or more mission-driven organizations focused on environmental and/or social change. The RFP asked the respondents to identify how they would ensure that the campus remain mission-driven over the long-term.

We have reviewed the proposed financing structure and business terms that the Proposer asked be kept confidential. The proposed financing structure and business terms do not ensure a long-term commitment to a campus of mission-driven organizations. Most importantly, the Proposer will not commit that the organizations housed at Fort Winfield Scott will be mission-driven throughout the term of the lease.

**Next Steps**

The RFCP, RFP, the Fort Scott Campus for Change proposal, the clarifying questions and the answers to the clarifying questions, and this preliminary staff recommendation have all been posted on the Presidio Trust's project website. The comment period for the proposal has been open since March 15. We will provide the written public comments received by April 23 to you at the April 24 public Board meeting. The Proposer will present their Proposal at the April 24 public Board meeting. You will also take public comment at the meeting.

You are scheduled to make your decision on the Fort Scott Campus for Change proposal at the May 23 public Board meeting.

<b>EXHIBIT A: Preliminary Staff Recommendation</b>		
Fort Winfield Scott RFP Fort Scott Campus for Change Proposal April 17, 2019		
<b>Project Objectives (RFCP and RFP)</b>	<b>Meets</b>	<b>Does Not Meet</b>
Establish Fort Scott as a campus for one or more mission-driven organizations focused on addressing the significant environmental and/or social challenges of our time		<b>X</b>
Rehabilitate Historic Resources	<b>X</b>	
Be a Model of Environmental Sustainability in Design, Construction, and Operation	<b>X</b>	
Enhance the Public Realm		<b>X</b>
Enhance the Park by supporting the Presidio Trust's Financial Sustainability		<b>X</b>
Deliver the Improvements Expediently	<b>X</b>	
<b>Required Elements (RFCP and RFP)</b>	<b>Meets</b>	<b>Does Not Meet</b>
1 Upgrade the utility infrastructure to support the reuse of the Fort Scott campus.		<b>X</b>
2 Rehabilitate Buildings 1203 to 1208, 1213, 1214, 1216 to 1221, 1224 to 1227, plus associated landscape and hardscape, in compliance with historic preservation requirements and to a minimum of LEED Silver Certification.	<b>X</b>	
3 Restore the culturally significant and ecologically rich Fort Scott parade ground.	<b>X</b> <sup>(1)</sup>	
4 Create a safe, clear, and distinct entrance from Lincoln Boulevard into Fort Scott including the construction of a new building for a transit center with public restrooms.	<b>X</b> <sup>(1)</sup>	
5 Temporarily or permanently relocate the United States Park Police. The respondent will bear the cost of the rehabilitation of the building(s) that the Park Police ultimately occupy.		<b>X</b>
6 Restore and make available to the public the historic murals in Building 1216.		<b>X</b>
7 Develop and operate food service (or ensure the operation by others) for Fort Scott tenants and the visiting public near the northern end of Fort Scott, ideally in Building 1208.	<b>X</b>	
8 Implement an intensive transportation demand management program to include mobility service options, such as ride share/taxi drop-off zones and space for car, scooter, and bike share vehicles. Construction of surface parking will be the responsibility of the respondent.		<b>X</b>
<b>Notes</b>		
(1) The proposal has identified these elements as part of their plan; however, they have provided limited detail and have capped the costs they are willing to commit to these elements. It is unclear which entity will be responsible for any cost in excess of the cap.		