

Business Concept for a National Center for Service Leadership at Fort Scott



May 28, 2010

**Prepared by
The Bridgespan Group**

PRE-DECISIONAL AND CONFIDENTIAL

Table of Contents

I.	Executive summary.....	1
II.	The opportunity.....	3
III.	Context for the development of Fort Scott.....	5
IV.	Program concept.....	7
V.	Phasing of development.....	11
VI.	Projected outputs and impact.....	13
VII.	Organizational implications.....	14
VIII.	Funding requirements.....	17
IX.	Funding strategies.....	19
X.	Proposed implementation milestones.....	23
XI.	Risks and mitigation strategies.....	24
XII.	Conclusion.....	25
Appendices		
Appendix A:	Site and building detail.....	26
Appendix B:	Staffing assumptions.....	27
Appendix C:	Non-staff cost assumptions.....	28
Appendix D:	Sample time-share allocations.....	29
Appendix E:	Sample outputs and impact.....	30
Appendix F:	Sample upfront funding portfolio.....	31
Appendix G:	Sample ongoing earned income portfolio.....	32

I. Executive summary

Since its inception, the Presidio Trust has been considering opportunities for Fort Scott, the last major undeveloped district within the Presidio. Fort Scott's grand Mission Revival architecture and its majestic setting on a bluff overlooking the Golden Gate Bridge make it, in many respects, the "jewel in the crown" of the Presidio—hence the Trust's desire to find a compelling purpose for the site. Now, the Trust may have found such a purpose: creating a national center for service leadership at the Fort Scott campus.

The idea of service to others is inextricably intertwined with the traditions of citizenship and community that have shaped this country over generations. Service to others has also been a central theme in the history of the Presidio. The concept being proposed for Fort Scott would draw upon and advance these traditions, both in the Bay Area and at the national level. The idea is to house a range of activities—all unified by a focus on service—at Fort Scott. Intensive training and service-learning sessions would build skills for the service sector's existing and future leaders; research and convenings would advance the impact and collective goals of the service sector; and space would be available for nonprofits and for-profits alike to use for conferences and ongoing service-related work.

In addition to overseeing the renovation of the facilities, the Presidio Trust would play three primary roles in carrying out this work, including:

- Identifying and engaging potential partners and organizations that could contribute to the vitality and impact of the development;
- Facilitating opportunities for meaningful interaction among participants at Fort Scott by introducing participants to one another and providing structured opportunities and well-crafted spaces that promote interaction; and
- Using its coordinating vantage point to identify the lessons learned and evolving needs of the service field and to share these observations broadly for the benefit of the sector—and the country as a whole.

To be sure, undertaking this concept would involve some uncertainties, challenges, and tradeoffs. The prospects for outside funding—from philanthropy, government, and earned income from participants—appear promising but still must be validated by "asks" in the market. What's more, the roles that the Trust envisions playing, at least initially, in orchestrating the programmatic work would take it into new territory and require it to develop new capabilities. And to fully explore the proposed concept, the Trust would need to hold off on pursuing other possibilities for Fort Scott for the next 2-3 years.

That said, several considerations (summarized here and elaborated more fully in the attached paper) suggest the Presidio Trust should proceed with the proposed three-year exploratory phase to more fully develop and assess the possibility for remaking Fort Scott as a national center for service leadership.

- ***This is a very ripe moment in time.*** President Obama and his administration have emphasized the importance of the service movement and indeed formally issued a "Call to Service." The landmark Edward M. Kennedy Serve America Act, which passed last year with strong bi-partisan support, increased the size of AmeriCorps from 75,000 to 250,000 members. Given the budgetary pressures that will persist on the public sector for the foreseeable future, it will be more important than ever to have a strong service sector to mobilize talent and resources across the country.
- ***There is a clear market need.*** A comprehensive needs assessment commissioned by the Trust and undertaken over the past year by field leaders Shirley Sagawa and Deborah

- ***Fort Scott is uniquely suited to host the proposed center.*** The 50+ service sector leaders interviewed for the needs assessment and participants in three focus groups concluded that Fort Scott would be an ideal home for a center focused on service. The physical appeal of Fort Scott and its location – within a national park beneath the Golden Gate Bridge and nested in an easily accessible urban center that boasts a vibrant civic community – would provide both a refuge and a wealth of opportunities for service-related training and learning. The broader geographic setting also connects Fort Scott to Silicon Valley and the spirit of innovation that pervades the Bay Area, potentially a critical component of the development.
- ***The Presidio Trust is uniquely positioned to orchestrate the work.*** Service sector leaders note that, for this center to have its envisioned impact, the orchestrating entity has to operate effectively across the public, nonprofit, and private sectors. This entity must be able to engage with all of these sectors (and should not exist wholly within one of them). The Trust's history as a unique governmental organization set up to work closely with the private and civic sectors position it superbly to identify and engage partners and mobilize resources in multiple sectors. The proposed concept also aligns with the Presidio's historical roots in military and national service, as well as with the emerging vision of developing the Presidio as a national park for the 21st century.
- ***The Trust can undertake the exploratory phase with limited financial commitment—and will retain options for other uses if the concept does not pan out.*** The concept would be explored in an initial phase lasting through FY 2013; if key milestones were met and circumstances warranted, it would then be fully implemented over the next several years. The primary goals for the exploratory phase would be to develop the program offerings and to cultivate and assess potential outside funding from different sources. The upfront costs to the Trust would be those associated with funding a small team of 2-4 people on its staff to undertake this work. Only one building renovation is currently planned for this period (assuming an anticipated appropriation comes through to cover the expense). Any other renovations undertaken at Fort Scott in the exploratory phase would be funded by early major gifts and/or contributions from incoming “anchor tenants.” The renovations would also be undertaken in such a way that would allow for future repurposing if that became necessary.
- ***Preliminary financial scenarios indicate that, over time, a multi-faceted funding model could marshal the resources required.*** To be clear, the proposed concept and the weaving together of funding streams from the public, private, and nonprofit sectors would be a new kind of undertaking; the availability of resources to support it remains to be seen. However, the initial funding scenarios developed in this assessment and shared with a group of “critical friends” that included leaders of prominent organizations, government agencies, and prominent fundraisers in the field suggest a sustainable funding model is certainly plausible. The exploratory phase would enable the Trust to test this funding model against the market.

To enable the proposed exploratory phase, the Presidio Trust Board would need to:

- **Refine and confirm the milestones** that the Board, leadership, and staff of the Trust will use to assess progress in developing the concept and to determine whether / how to proceed with full implementation;
- **Agree to underwrite start up staff costs** of about \$2 million through FY 2013;
- **Endorse and participate in outreach** to local and national funders and partners; and
- **Hold off on pursuing alternative approaches** to developing Fort Scott at least until the conclusion of the exploratory phase.

II. The opportunity

The Presidio of San Francisco is a cherished place in America with a rich history centered on service. The Presidio Trust's mission, "to preserve and enhance the Presidio as an enduring resource for the American public," is at the core of its efforts to complete the largest historic preservation project in the country. As part of this mission, the Trust is charged with both becoming financially self-sufficient and ensuring visitors to the park can gain a broader understanding of the Presidio and its place in American history.

Within the Presidio, Fort Scott was developed at the foot of the Golden Gate Bridge in 1912 to serve as a preeminent training facility for the Coastal Artillery division. The core of Fort Scott consists of 10 Spanish colonial barracks organized around a historic parade ground, now an extensive green space. Located on 20 acres, Fort Scott offers a commanding view of the Pacific Ocean and the Golden Gate. As the last large array of un-redeveloped buildings under the Trust's jurisdiction, Fort Scott represents a tremendous opportunity. The stately campus and magnificent views could inspire a bold, national purpose. Over the last year, the Trust has been exploring the potential to redevelop Fort Scott as a place that recalls and advances the idea of service that has defined the Presidio since its origins.

The emerging vision for Fort Scott is to make it a place where service sector leaders, practitioners, and researchers focused on the service sector come together to advance the public good. Fort Scott would provide an interactive space for strengthening the commitment and capacity of individuals and organizations to serve their communities. The confluence of participants from the nonprofit, corporate, and public sectors would also inspire new ideas around how service can be used to empower individuals, create more cohesive communities, and address some of the intractable problems facing the nation.

Fort Scott provides a unique opportunity to achieve this vision. Historically, the Presidio's roots are steeped in military and national service traditions. More recently, the Presidio has committed to environmental stewardship. The place thus embodies values that could be a tremendous asset in bringing together what we will term the "service sector" in a meaningful way that has not been accomplished to date. Fort Scott's location—within a national park beneath the Golden Gate Bridge and nestled in an easily accessible urban center that boasts a vibrant civic community—would provide both a refuge and a wealth of opportunities for service-related training and learning. What's more, the broader geographic setting connects Fort Scott to Silicon Valley and the spirit of innovation that pervades the Bay Area, which could be a critical component of the development. In sum, Fort Scott provides an impressive and symbolic setting that would be an attractive destination for leaders and participants in the service movement.

There are several factors that uniquely position the Trust to catalyze this effort as opposed to ceding the role to another institution. As part of its mission, the Trust has a responsibility to honor the Presidio's history and elevate its position in the eyes of the public, which aligns closely with the proposed vision for Fort Scott. With its unique mandate to create partnerships across the nonprofit, private, and government sectors, the Trust is itself a model for the desired cross-sector collaboration that is envisioned to take place at Fort Scott. The proposed vision also aligns with the Trust's intention of developing the Presidio as a national park for the 21st century which is reflected in the Trust's ongoing efforts and mix of activities. Finally, from an execution standpoint, the Trust has a proven track record of success when pursuing innovative approaches and implementing new ideas (e.g., receipt of an Award for Excellence from the Urban Land Institute to honor creative land use and planning within the Presidio Trust Management Plan).

Realizing the proposed vision for Fort Scott would require the Trust to play a multi-faceted role as an orchestrator in bringing the right partners to Fort Scott and coordinating their engagement with one another to facilitate cross-sector learning.

Specifically, the Trust would play three primary roles in realizing the vision for Fort Scott:

- **Identifying and engaging partners:** The Trust would identify the appropriate partners and organizations that would have a strong presence at Fort Scott and have the capacity to contribute to the vitality and impact of the proposed development.
- **Facilitating opportunities for meaningful interaction:** The Trust would introduce program participants and partnering organizations at Fort Scott to one another through structured opportunities and well-crafted spaces that promote interaction across the various sectors and groups participating.
- **Codifying learnings:** From its coordinating vantage point, the Trust would be well positioned to identify the lessons learned and evolving needs of the service field. It could thereby generate a feedback loop to share these observations more broadly for the benefit of the sector.

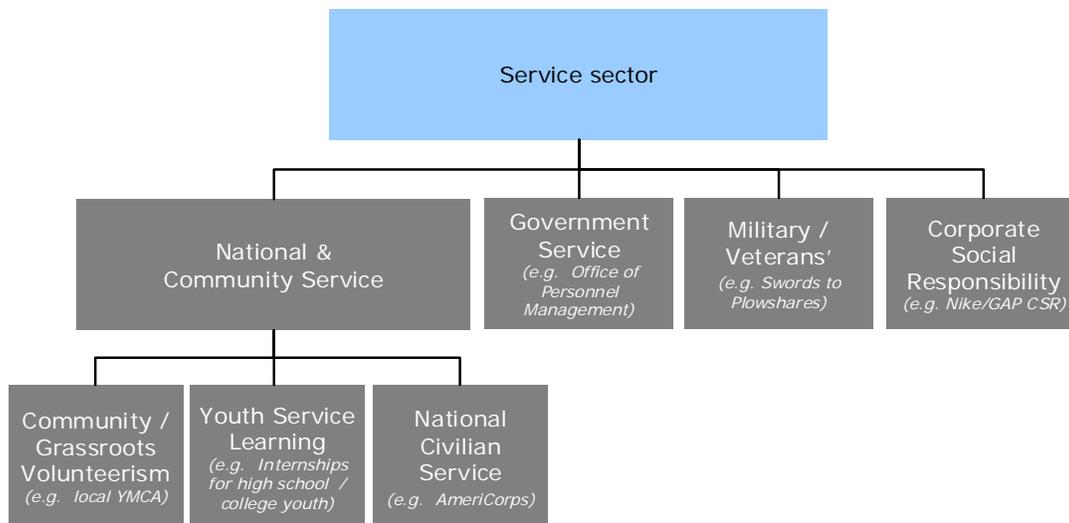
The Trust's leadership has also articulated some guiding principles for how it would play these roles. Specifically, as the Trust develops Fort Scott, the organization would:

- **Address unmet needs:** Programming must provide something new to the service sector—whether through satisfying currently unmet needs or allowing for increased cross-sector collaboration—while drawing on the symbolic Fort Scott location and the unique characteristics of the Trust outlined above.
- **Blend national and local impact:** Activities that occur at Fort Scott should have impact at the national level, but there should also be substantial benefits reaped at the local level with a positive impact on communities in the Bay Area.
- **Leverage partnerships effectively:** The Trust recognizes the need to collaborate strategically with experienced organizations in this space to offer the types of programs that would be most valued by the sector. Partnerships with organizations that cut across the nonprofit, government, and private sectors will be critical to encouraging cross-sector interaction and idea generation and to ultimately offering the types of programs that the service sector would most value.
- **Preserve flexibility:** The Trust would take a phased approach to renovating buildings at Fort Scott and scaling up programming so as to retain flexibility around the scope and extent of the development. This would allow the Trust to explore alternative avenues for redeveloping Fort Scott should the need arise.
- **Draw upon unique institutional and site assets:** The Trust would assume expanded responsibilities in the development and ongoing operation of Fort Scott. In so doing, it would take advantage of its unique position at the nexus of the nonprofit, government, and private sectors. The Trust would also draw on its past track record of executing on innovative ideas and approaches.

III. Context for the development of Fort Scott

The Trust's conception of the service sector encompasses a variety of people and organizations working to advance the common good. Under this definition, the service sector includes national and community service, government service, military/veterans' service, and corporate social responsibility (CSR). The Trust recognizes the potential for efforts within each of these areas to contribute and reinforce each other and thereby advance the service sector as a whole.

Exhibit 1: Definition of the service sector



To ensure the Fort Scott vision aligns with current trends and pressing needs within the service sector, the Trust engaged Shirley Sagawa and Deb Jospin, consultants with expertise in the national service movement and nonprofit management, to conduct a preliminary needs assessment. This work took the form of over 50 one-on-one interviews with leaders in the service field, as well as three focus groups.

Sagawa and Jospin found that the service field is poised for transformation due to the following shifts in the external environment:

- **Strong political support:** President Obama has pledged to make service a central cause of his presidency. This is accompanied by unprecedented bi-partisan support for the service movement. These factors led to the enactment of the Edward M. Kennedy Serve America Act, the first expansion of national service since AmeriCorps was created in 1994. "This legislation stands to take AmeriCorps from 75,000 members to a quarter million members while expanding other existing programs and creating new ones."¹
- **Perception of "service as a strategy":** Service is being increasingly perceived as a strategy for solving society's problems, ranging from energy conservation to poor performing schools. This is driving an expectation for service sector programs to focus on outcomes and to innovate in order to achieve greater impact.

¹ Jospin, Deborah and Sagawa, Shirley. "Fort Scott—Draft Program Plan," November 2009.

- **Potential for technology to strengthen existing efforts:** As with most other sectors, technology is reshaping the service sector. For example, within the field of volunteerism, technology is “changing the way people are recruited and organized—and presenting new ways to disseminate tools that allow people to perform service without necessarily reporting for duty at an organization.”²

The needs assessment conducted by Sagawa and Jospin also identified the primary gaps the service sector must address to achieve its full potential:

- **Leadership development:** Conversations with current service leaders pointed almost universally to a pressing need around developing the individuals who will lead service organizations—including nonprofit organizations, state service commissions, federal programs, and corporate volunteer programs—over the next half century.
- **Identification of best practices:** There is a dearth of knowledge within and about the service sector. Going forward, organizations within the sector need to better understand what ideas and approaches are most effective in order to continually improve their practices and offerings.
- **Cohesion of the service movement:** There is a lack of cohesion among service sector participants and the service movement at large. The service sector as broadly defined here is fairly disjointed; its participants need opportunities for greater collaboration and unification around a common cause.

Programming at Fort Scott would be designed to bridge these gaps and meet unique service sector needs that have not been comprehensively addressed to date.

² Ibid.

IV. Program components

A range of activities—all focused on service—would help to harness Fort Scott’s unique potential for impact in the service sector. Intensive training and service-learning sessions would help to build skills for the sector’s existing and future leaders; research and convenings would advance the sector’s impact and collective goals; and space would be available for nonprofits and for-profits alike to use for conferences and meetings.

Exhibit 2: Programming overview



Key activities

Training

Simply put, there is a need to train executive-level and emerging leaders in the public and nonprofit sectors.³ To address this need, the Trust could host its own training program, building off the success of prior training sessions held at the Presidio. Collaborating with three other partners, the Corporation for National and Community Service ran the National Service Leadership Institute (NSLI) at the Presidio from 1995 to 2004. The program reached tens of thousands of volunteers working under the various national service corps programs. Though discontinued because of a lack of federal funding, the program was quite successful while in operation. A 2006 study of NSLI participants showed that 100% of participants used what they learned within their local service communities, and 98% somewhat or strongly agreed that the program made them stronger leaders.

³ Tierney, Thomas. "The Leadership Deficit," *Stanford Social Innovation Review*, Summer 2006.

The Trust could leverage some of the NSLI training modules to offer an independent training program targeted at a broad range of executives. Already, the Trust is exploring opportunities to make use of the intellectual property from the program. The Trust could partner with a local university or hire experienced trainers to offer this type of training to supplement training programs administered by third-party organizations for their employees at Fort Scott.

Moreover, federal agencies such as the Office of Personnel Management (OPM), need to train thousands of GS-15 level federal employees per year—and have approached the Trust about building a campus at Fort Scott.

Nonprofit organizations also need additional training space. For example, from 2007 to 2010, Teach for America (TFA), grew nearly 50% in the number of teachers it sends out to the field. Every year, TFA trains its thousands of recent college graduates in an intensive, five-week-long residential program at sites across the country.

Teach for America recruits recent college graduates from all backgrounds and career interests to teach for two years in urban and rural public schools. TFA provides training and ongoing support to ensure their success as teachers in low-income communities. To date, TFA has sent more than 24,000 teachers into the field.

Service-learning

The sector also needs for opportunities for youth and young adults to engage in service-learning opportunities—that is, experiential education opportunities that combine academic curricula with community service. Fort Scott is well positioned to offer two types of service learning opportunities: one with a residential component, and another without.

- The AmeriCorps National Civilian Community Corps (NCCC) has already expressed an interest in a residential program for emerging leaders at Fort Scott.
- Sagawa and Jospin identified the potential for a residential “Semester of Service” program, in which university students engage in service-learning in the Bay Area community and engage with their peers in discussions about the service sector.
- Given the nation’s re-orientation toward service work, local school districts (e.g., San Francisco Unified School District) may be interested in piloting a non-residential service learning program for high school students to engage deeply in service. This would be an example of impact concentrated in the Bay Area.
- Existing Trust tenants serving youth and young adults may be interested in coordinating a service-learning program (e.g., First Graduate helps San Francisco students become the first in their families to graduate from college).

The AmeriCorps National Civilian Community Corps is a full-time, team-based residential program for men and women ages 18–24. Each year, NCCC engages teams in meaningful projects in communities across the United States. Service projects, which typically last 6–8 weeks, address critical needs related to natural and other disasters, infrastructure improvement, environmental stewardship and conservation, energy conservation, and urban and rural development.

The Park Service and the Golden Gate National Parks Conservancy—with expertise in promoting responsible stewardship of park land—could play key roles in creating and coordinating service-learning opportunities. The Trust may also be able to partner with National Service-Learning Clearinghouse (a program of the Corporation for National and Community Service and Learn and Serve America) to develop future service-learning initiatives.

Research

Given the need for identifying and codifying best practices within the service sector, research would be a key component of the activities at Fort Scott.

The Trust may be able to partner with Reimagining Service in this work. Reimagining Service is a community of leaders from the government, nonprofit, and corporate sectors seeking to increase the impact of volunteers and their ability to address our country's most pressing social issues. Already, Reimagining Service leaders have met to develop a strategy to address five key issues facing volunteerism and service. The Trust may be able to collaborate with Reimagining Service to advance shared goals.

More broadly, Fort Scott could host a research institute aimed at advancing learning within the sector through research, reflection on, and assessment of past innovations and by gathering emerging best practices. This institute would release multiple publications per year focused on the service sector with contributions coming from research fellows in residence. The institute would also convene key thinkers in the field annually, with the Trust inviting those at the forefront of the service field and hosting these annual conferences. The Trust may be able to partner with local research universities such as the University of California or Stanford to develop the research agenda; it may also be able to leverage existing public policy programs at these schools.

Meetings

Nonprofits and for-profits alike have a need for retreat and conference space. Fort Scott offers the opportunity to meet in a picturesque setting, located at the locus of the service sector. The Trust could offer executive housing and conference space for interested organizations. Nonprofit sector users could include direct service organizations with national networks seeking to convene leaders of different chapters from across the country or foundations gathering grantees together to share best practices. For-profit users could include corporations with strong CSR programs that are looking to conduct retreats. Participants at these convenings would interact with participants in other ongoing programming at Fort Scott as well.

Participant interaction

In line with its orchestrator role, the Trust would provide structured opportunities and spaces for interaction to ensure participants in the above activities engage with one another in fruitful ways. The Trust envisions this would result in the sharing of ideas across sectors, which would be one of the distinguishing features of Fort Scott. The Trust could schedule regular "learning sessions" across groups to share the activities and learnings from a particular program with others, likely focusing on topics of interest to particular audiences (e.g., leadership training participants sharing with service learning participants on how best to engage beneficiaries—a session that would likely draw from leaders' deep experiences in the service sector). The Trust would also include sufficient public and recreational space in the development to allow participants in various programs to mingle with one another.

Building requirements

The proposed activities for Fort Scott would require a mix of buildings to house programming services and establish administrative and functional support facilities. The current proposal is based on the initial needs assessment in the sagawa/jospin report; it would likely evolve as the Trust continues to engage with participants from the service sector. For now, the initial vision of Fort Scott includes seven main types of buildings:

- **Office space:** An office at the base of the Fort Scott horseshoe would house management staff and help the Trust fulfill its orchestrator role. Some office space would also be leased to on-site partner organizations or used to house the research program.
- **Executive-level lodging:** Three buildings would be dedicated to hotel-style housing units for senior-level executives participating in training programs, as well as for nonprofit and for-profit leaders attending conferences or convenings.
- **Youth/young professional dormitories and classrooms:** Three buildings would become dormitory-style housing units for junior-level staff participating in training and service learning programs.
- **Training/breakout space:** Two buildings would be converted into classroom and breakout space for training, service learning, and meeting participants.
- **Convening space:** One of the buildings would be renovated as a plenary facility to hold large numbers of participants for various conferences (e.g. conference organized by the research institute) and meetings (e.g. various events hosted by both for-profit and nonprofit organizations).
- **Support facilities:** A subset of smaller buildings would be renovated to provide infrastructural and storage support, overflow space, shared recreational use, and other support functions.
- **Restaurant/cafeteria/commons:** The Trust would build in space to encourage interaction among program participants (e.g., on-site dining/cafeteria facilities).

Space allocation

These various building types would be occupied by a broad range of tenants and users, from non-profit organizations to corporations to public agencies. Given that buildings would support multiple programs at different points in time, buildings would be used on a “time-share” basis. For example:

- Office space would be jointly used by the Trust, organizations on-site, the research institute, and third parties;
- Dormitories would be used by a mix of organizations serving youth and young adults;
- Executive housing would be shared by training programs for executives and by organizations using meeting space;
- Training and breakout space would be used by organizations coordinating training, by service-learning organizations and by organizations participating in meetings; and
- The restaurant and/or cafeteria would likely be managed by a third-party.

Please refer to Appendix D for additional detail on preliminary time-share assumptions.

V. Phasing of development

Recognizing that the full renovation of Fort Scott would require significant resources, as well as time to build partnerships and support, the Trust plans on developing Fort Scott in phases so as to retain flexibility and manage risks. To this end, The Trust would first launch a three-year exploratory phase to test the proposed concept and build some anchor partnerships. During this phase, Trust would establish checkpoints at the end of FY 2011 and at the three-year mark (end of FY 2013) to gauge progress in achieving an initial set of milestones in relation to Fort Scott. At each checkpoint, the Trust would consider whether to continue to build the development and/or ramp up program activities. If proposed milestones are not met, the Trust would have already identified potential ways of redirecting its efforts without incurring substantial additional costs. The Trust would take a similarly cautious approach when ramping up activities during the full implementation phase as described below.

Exploratory phase (FY 2011 – FY 2013)

The exploratory phase would be a period of learning and exploration to test the long-term viability of the proposed program concept for Fort Scott. The Trust would hold off on doing any large-scale building renovations unless and until funding is secured for them and would focus first on the renovation of a single building at the base of Fort Scott to function as an office and point of coordination for Fort Scott activities. The Trust expects to receive an appropriation for this initial renovation of Building 1201 and would only begin work on the building once federal funds are received. Any further rehabilitation of the site completed in this exploratory phase would be done on a “pay-as-you-go” basis in the event the Trust receives major gifts or upfront contributions from potential tenants that would finance the upfront investments required for these additional renovations.

From a programming standpoint, this phase would provide an opportunity for the Trust to develop initial partners and vet program design. The Trust would begin to cultivate relationships with possible partners and assess both their potential for impact and their ability to contribute financially to the overall development of Fort Scott. The Trust aims to secure at least two of these organizations as anchor tenants to build momentum around this idea. It would also look at opportunities to leverage existing relationships with the Park Service, the Conservancy, and current tenants of the Presidio to launch some non-residential service-learning programs that are aligned with the vision for Fort Scott but do not require a substantial upfront investment from the Trust.

In addition to further exploring the programmatic concept with potential partners, the Trust would also explore and build up philanthropic and public support for the concept during this initial phase. The Trust would need to secure some initial commitments during the next three years in order to embark on renovations of additional buildings at Fort Scott to support a broader range of programs going forward.

At the end of FY 2011, the Trust would assess efforts over the first 16 months to determine if momentum is building for the proposed concept. If this is not the case, the Trust would re-assess the types of partners being pursued and determine whether a smaller-scale set of activities at Fort Scott might be a better option. Assuming that the Trust continues its efforts after beyond this initial checkpoint, it would take stock of progress again at the end of the exploratory phase to determine if any course corrections are necessary. For example, if the amount of philanthropic and public contributions gathered far exceeds expectations and substantial partnerships have been developed, the Trust might proceed to renovate additional buildings at a faster pace. On the other hand, if fundraising and program development milestones are not met, the Trust may need to find alternatives for developing Fort Scott. To

that end, if any renovations are begun in the exploratory phase as a result of funding becoming available, the Trust will ensure they are approached in such a way that buildings can be repurposed for other activities in the future.

Full implementation (FY 2014 – FY 2020)

Assuming the Trust develops sufficient partnerships with program providers and funders during the exploratory phase, it will be well positioned to further develop Fort Scott after FY 2013. Specifically, the Trust would look to scale up training and service-learning programs and include residential components within this programming. In addition, the Trust would introduce convenings and research into the program mix as more buildings are developed to house participants. Over time, the Trust would become increasingly able to make observations and notice trends that might be relevant for the service field.

The rate at which the Trust ramps up this mix of activities and the extent to which the development is built out during the full implementation phase will depend on the level of interest from partners at the end of the exploratory phase. If, on one hand, there is a very high level of interest from program partners and the field more broadly, the Trust could conceivably develop Fort Scott to its full potential and repurpose all of the buildings in this space for the proposed types of programming. If, on the other hand, partner interest is sufficient but not extremely high, the Trust would engage in a partial redevelopment of Fort Scott to further this vision. In this scenario, the goal would be to reach at least a critical mass of programming and participants that still allows for the activities at Fort Scott to have an impact on the service sector at a national level. Ultimately, the goal for the end of this phase is to develop Fort Scott to the point where it attracts widespread recognition and could serve as a best practice model for creating greater cohesion across the service sector.

VI. Projected outputs and impact

Upon full build-out of Fort Scott, the Trust would reach individuals through a range of programming.

- Training sessions would hone individuals' ability to lead their organizations.
- Service-learning sessions would reinvigorate participants' commitment to service.
- Research would advance the sector's ability to undertake related work.
- Conferences and meetings would expose participants to a unique mix of service-related programming.

The Trust would use the exploratory phase to shape these programs and to set target numbers of participants for full implementation.

Preliminary estimates suggest that the Trust could directly reach ~8,000 individuals per year through its various programs. The below lays out these preliminary estimates of target outputs and impact, and these estimates would be further refined through the exploratory phase.

Exhibit 3: Potential annual impact estimates after full implementation

Program area	Potential estimated outputs	Estimated target impact
Training	<u>~2.5K leaders attend</u> ~2K from nat'l orgs or government ~0.5K from Bay Area organizations	Vast majority (percentage TBD) of persons trained report having improved skills to lead their organizations and undertake their service sector work
Service learning	<u>~1.5K students attend</u> ~200 from universities ~1K from Bay Area community	Vast majority (percentage TBD) of service learning participants report a renewed commitment to service in their lives
Research institute	4 publications released 1 annual conference, 200 attendees 5 fellows in residence	Substantial portion (percentage TBD) of service organizations in U.S. report having benefited from research arm at Fort Scott
Meeting space	<u>~4K individuals attend</u> ~3K from national organizations ~1K from Bay Area organizations	Substantial portion (percentage TBD) of attendees report a renewed commitment to service
Total outputs	~8K people cycle through Fort Scott	N/A

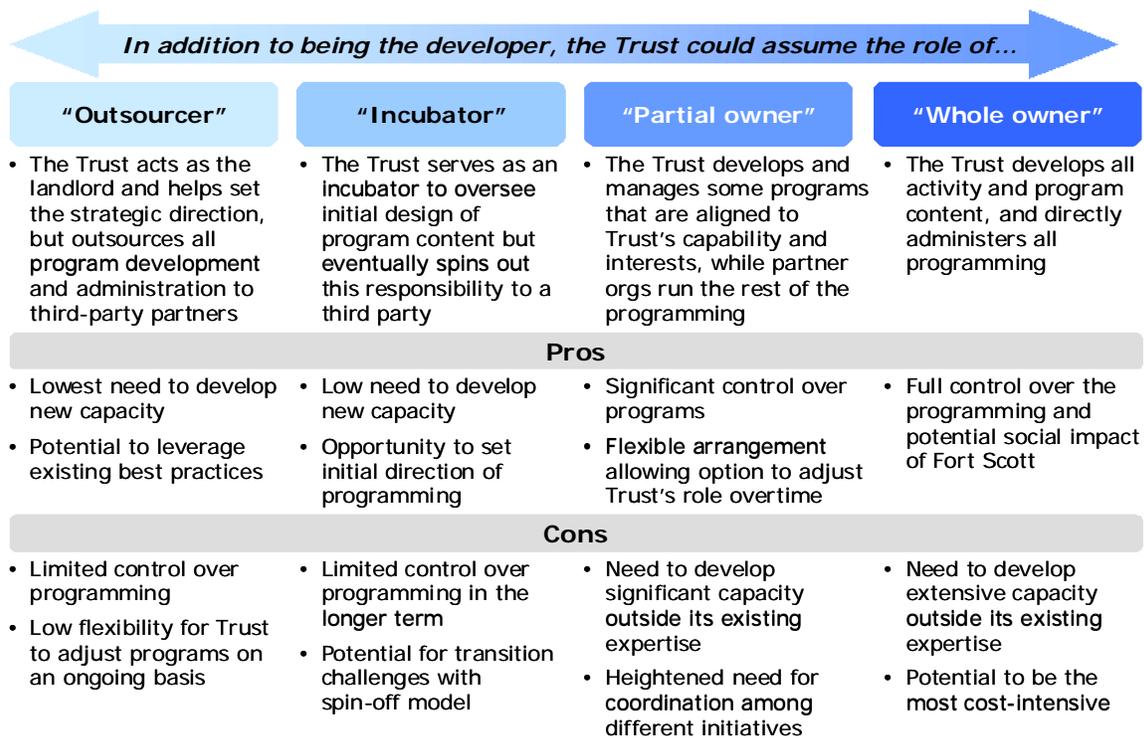
Note: Please see Appendix E for detailed assumptions behind impact projections.

VII. Organizational implications

Organization structure

In addition to renovating the physical space, the programming vision for Fort Scott calls for a re-conception of the Trust's role going forward in order to develop Fort Scott. To date, the Trust has excelled in infrastructural development and property management, but has had limited experience developing and delivering direct program services. The graphic below outlines the potential roles the Trust has considered in relation to Fort Scott and its level of involvement in the programmatic aspects of the development.

Exhibit 4: Potential roles for the Trust



Given these options, the current recommendation is for the Trust to pursue a "partial ownership" model, where the Trust would primarily play an orchestrator role with greater involvement in some components of programming (e.g., coordinating partners providing service learning opportunities, developing Trust-led training materials).

Key considerations for the Trust in deciding on the appropriate organizational structure include the extent to which the Trust will be able to influence programming, create a distinct brand, access a variety of funding sources, and manage risk related to the existing mandate for reaching financial self-sufficiency by 2013. On one hand, the Trust could manage the whole project internally to maximize control over programming (but remain constrained by the Trust's current legal and financial restrictions). On the other hand, the Trust could set up an independent nonprofit to manage Fort Scott that would allow for distinct branding and access to a greater variety of funding sources while ceding some control over ongoing programming at Fort Scott.

Our recommendation is to take an evolutionary approach to restructuring the organization with the eventual goal of creating an affiliated but organizationally separate nonprofit entity to manage Fort Scott. While we recognize that much of the work to be undertaken would require new capabilities and structures, we also know that vital planning work can begin immediately without formalizing new legal structures.

Specifically, in the exploratory phase the Trust could create a small department within the existing organization with staff dedicated to fundraising, alliance building, and program planning and piloting. Over time, this department could transition into a separate nonprofit with a distinct brand. The existing advisors and sponsors would serve as natural founding board members or leaders, along with other Trust-affiliated board members and senior leaders.

In addition to creating an independent and customizable brand, a separate nonprofit would give Fort Scott access to a variety of financial structures that are currently unavailable given the Trust's status as a government entity (e.g., program-related investments). Furthermore, spinning Fort Scott operations out of the Trust structure would isolate the new programming and renovation efforts from the Trust's existing financials, thus keeping the Trust confidently on the path of achieving self-sufficiency by 2013.

This evolutionary approach would enable the Trust to gather near-term support and concrete "wins" in a lower-risk, learning-based environment. The exploratory phase would also allow the Trust to reassess whether the evolution described above is a viable solution and what adjustments to the proposed approach may be required.

Required capabilities and functions

Several new capabilities would be required to effectively achieve the vision for Fort Scott. These functions could be built within a department of the Trust or within a separate organizational entity. Key new functions would include:

- **Management/coordination:** Oversight of the Fort Scott development implies the need for management staff focused exclusively on planning and coordinating the project. This function would also oversee the development of strategic partnerships.
- **Development and fundraising:** Given the significant funding gap that must be filled, fundraising would be a new capability required to access networks and explore different types of philanthropy to supplement program partners' upfront investment in Fort Scott from. The upfront funding requirement of over \$100 million implies the need for deep expertise in this area and a successful track record of orchestrating a national capital campaign.
- **Programming:** The increased focus on program coordination and delivery would require staff to oversee each activity area. The extent of this need would depend on the Trust's level of involvement in program delivery (e.g., if the Trust rolls out its own training module for executives, it would need staff with capabilities in this area).

Required partnerships and networks

Successful execution of this concept would require partnerships with and support from key individuals and leaders within the service sector. The Trust has identified the following types of groups as key to the development's success:

- **High-profile endorsers:** The Trust would seek public endorsement from a bi-partisan group of individuals who exemplify leadership at the national level. In addition to President Obama and/or other leaders of his administration, this group could include past presidents as well as other broadly recognized leaders who have emphasized service (e.g., Bill Clinton, George W. Bush, George H.W. Bush, John Kerry, John McCain, Colin Powell, Bill Bradley, etc).
- **Program advisors:** Recognizing the Trust would be venturing into new territory, it would be critical to solicit input from individuals with deep service sector experience. To this end, the Trust would form an advisory council to provide ongoing guidance as Fort Scott programming is developed. Potential members could include some of the “critical friends” the Trust has recently convened:
 - Deb Jospin and Shirley Sagawa—sagawa/jospin (consulting firm focused on creating strategic community partnerships)
 - Gretchen Van der Veer—Director of Leadership and Training, Corporation for National and Community Service
 - Karen Baker—Secretary of Service and Volunteering, CaliforniaVolunteers
 - Bobbi Silten—Chief Foundation Officer, Gap, Inc.
 - AnnMaura Connolly—Senior Vice President, City Year
- **Programming partners:** The Trust would have to develop relationships with a number of organizations to contribute to the overall programming portfolio at Fort Scott. Foremost among these is the Corporation for National and Community Service and its affiliates. Some of these programming partners would also serve as anchor tenants to build momentum for the development (e.g., National Civilian Community Corps, Office of Personnel Management, large national nonprofits with significant annual training needs).
- **Sector supporters:** The Trust would develop a targeted outreach plan to garner support from leaders within each of the sub-sectors included definition of the service sector. This would help to confirm the value of this concept and demonstrate its broad-based appeal to the field. Example target organizations representing the various sub-sectors are identified below:
 - National and community service—AmeriCorps, national and local YMCAs, City Year, Teach for America, community foundations serving local communities across the country such as the San Francisco Foundation.
 - Government service—Office of Social Innovation, Office for Civil Rights, Office of Personnel Management, state and local civil service departments.
 - Military/veterans’ service—Leaders from military service branches including the Army, Navy, Air Force, Marine Corps, Coast Guard; former generals; nonprofits serving military personnel or veterans such as Swords to Plowshares; military and veterans’ associations.
 - Corporate social responsibility (CSR)—National corporations with a strong CSR focus include Target, JP Morgan Chase, University of Phoenix; local Bay Area corporations with a similar focus include Wells Fargo, Google, HP, Gap, Inc.

VIII. Funding requirements

Achieving the ambitious vision for Fort Scott would require resources both to redevelop the physical infrastructure and to support and continuously improve ongoing programming at Fort Scott.

Exploratory phase

During the exploratory phase, the Trust would build a core team to oversee Fort Scott and develop key relationships required to build programs and secure funding. Resource requirements include:

- **Fort Scott Director:** The public face of the entire project, this individual should be a leader who already has credibility and relationships in the service community and can persuasively communicate the vision for Fort Scott and inspire others to join the effort. Supported by fundraising consultants, the Director would engage potential funders and partners to acquire the financial resources required for Fort Scott.
- **Program Manager:** This individual would begin the initial planning and design of the program mix at Fort Scott. Early work would include coordinating local service learning opportunities with the Park Service and Conservancy, as well as exploring the potential for a Trust-led executive training program. Longer term, the Program Manager could transition to lead one of the program areas or advance to a leadership role overseeing the breadth of proposed programs at Fort Scott.
- **Administrative Assistant:** This individual would provide logistical and operational support to the Fort Scott Director and Program Manager.
- **Development Consultant:** The Trust should retain consultant(s) with development expertise and connections to potential funders to support the Fort Scott Director until a full-time Development Director is hired.

The cumulative cost of these resources over the next three years would amount to approximately \$2 million. In addition, Building 1201, the southern-most building on the horseshoe, would be renovated in the near-term to house this team and serve as a Fort Scott office. Renovation of this building is estimated at around \$3 million, which is expected to be covered through special appropriations.⁴

Full implementation phase

Assuming the Trust proceeds with full development of Fort Scott, it would incur both upfront renovation costs and a combination of fixed ongoing costs and variable ongoing costs at steady-state as described below.

One-time renovation costs

These are the upfront costs required to renovate the buildings at Fort Scott and complete associated sitework. An estimated ~\$115 million one-time investment would be required to renovate 20 buildings (~\$100 million) and complete the surrounding sitework (~\$15 million).⁵ These renovation costs would only be undertaken if the Trust secures the necessary partnership

⁴ tbd Consultants report for Fort Scott redevelopment, March 2010.

⁵ Ibid.

commitments and funding—a key milestone to review at the FY 2013 checkpoint. Appendix A provides detail on building costs.

Fixed ongoing costs

These costs, incurred once full implementation is completed, would not vary significantly from year to year, as they would not depend on the number of program participants.

- **Facilities maintenance costs (~\$4 million per year):** These are resources estimated for basic maintenance and repair of the building facilities once they have been renovated. Cost projections assume \$12 per square foot across the 20 Fort Scott buildings to be renovated (~323,000 sq ft.).⁶
- **Program service and delivery costs (~\$2 million per year):** These are staff and non-staff expenses associated with general management of Fort Scott and programming coordination.
 - **General management and development:** At steady state, there could be a Director of Fort Scott to lead the overall project, a senior-level Development Director to drive the fundraising, a Facilities Manager to oversee ongoing operations of the development, and a few supporting associates focused on communications and operations. The initial stages of implementation will also likely require consultant support.
 - **Programming:** Current projections assume a manager for each program area and administrative/program associates to coordinate the work. Relative to other program areas, the training program offers the potential for the Trust to play a more active role in developing its own direct programming, implying the need for additional staff capacity for program delivery (e.g., trainers). A more senior staff member would also be required to manage the overall program portfolio and ensure the various programming activities complement each other.

Variable ongoing costs

The costs to support program operations could vary significantly each year based on the number of participants hosted at Fort Scott. These costs amount to approximately \$12 million per year and include staff and non-staff expenses for operating and maintaining the on-site venues to house and board participants. These cost projections are based on:

- Benchmarking per diem costs in the Bay Area hospitality market (about \$60 per person per day for room and board at hostels, and \$205 at hotels); and
- The estimated number of participants in all programming that includes a residential component (75,000 person-nights for dormitories and 35,000 person-nights for executive housing).

Our current assumption is that these costs would not be covered by the Trust but rather by a third-party facilities operator who would also enjoy associated revenues for room and board. Accounting for this assumption, the total costs the Trust would incur at steady state would consist of facilities maintenance and direct programming costs, estimated at a total of about \$6 million annually. See Appendices B and C for additional detail on cost assumptions.

⁶ tbd Consultants report for Fort Scott redevelopment, March 2010; Presidio Trust.

IX. Funding strategies

The challenge

The Fort Scott project presents a significant funding challenge in that a high upfront investment is required to renovate Fort Scott, but the majority of programming (and therefore benefits) would be delivered many years later. Moreover, as with most nonprofit and public work, substantial costs would be borne by individuals and institutions that are not direct beneficiaries. Given this and the magnitude of resources required to develop Fort Scott, the Trust would need to pursue a bold and multi-pronged approach to funding.

Potential funding sources

The Trust has identified three major funding sources to cover the upfront and ongoing costs. The mix of these sources will vary depending on the types of costs being covered.

Philanthropy

Philanthropy may provide a significant source of funding from high net worth individuals, foundations, and corporations. In the Bay Area alone, Forbes has identified 20 individuals with a net worth of over \$2 billion (includes founders and leaders of Google, Oracle, Schwab, and Intel), indicating that a handful of major gifts from wealthy individuals could be a very promising option for the Trust. At least 10 national foundations—including Gates, Atlantic, and Kellogg—have given at least \$10 million each to service-related causes from 2006 to 2009; at least seven foundations in the Bay Area—including Moore, Hewlett, and Haas, Jr.—have given at least \$2 million each in the same time period. Meanwhile, there are a number of corporations in the Bay Area with strong CSR programs, including Wells Fargo and Google (both of which donate at least \$100 million to philanthropic causes annually).

Google has set a goal of donating 1% of equity and yearly profits to philanthropy, which totaled over \$100M in FY2009. Charitable giving programs include a "Corporate Giving Council," which has supported K-12 education in the past) and a holiday gift program, which donated \$22M to charitable organizations across the world in FY2009. Google also has a "Community Affairs" initiative, which invests in local communities where Google has a presence. Google also has an employee matching program, in which the company matches employees' charitable donations.

Public funding

The Trust may have access to both federal appropriations and funding from other federal agencies. It is highly likely the Trust will be able to garner an appropriation for the renovation of an office for Fort Scott. What's more, multiple agencies—including NCCC and the U.S. Office of Personnel Management (OPM)—have approached the Trust hoping to collaborate on the Fort Scott project.

Third-party funding

The Trust may be able to solicit funding from for-profit and nonprofit organizations hoping to use training or office space at Fort Scott. And moving forward, the Trust would enjoy ongoing earned income from some of the ongoing activities at Fort Scott (e.g., training fees for Trust-led programming and leasing revenue for office or building space from interested service-related organizations).

Potential funding structures

The current legal structure of the Trust limits the degree to which it can take advantage of a broad range of potential funding structures. That said, if the entity managing Fort Scott were to

evolve into an independent nonprofit organization, a number of promising financial structures would be at that entity's disposal, such as:

- a. **Program-related investments** (PRIs) are investments made by foundations to support charitable activities that involve the potential return of capital within an established timeframe. PRIs essentially operate as low- to no-interest loans from foundations. These types of investments often function to jumpstart capital campaigns, which may be helpful for the Trust as it considers how best to fund the renovation of multiple buildings at Fort Scott.

PRI case study: Community School of Music and Arts

Founded in 1968, CSMA has grown to be one of the Bay Area's largest nonprofit providers of arts education programs, reaching 40,000+ people of all ages, skill levels, and economic means every year. In 2001, CSMA was evicted from temporarily rented space in a public school and needed \$8-9 million to purchase land and construct new buildings. CSMA had never before raised more than \$200,000 in capital campaigns, and donors were not offering sufficient funding to undertake the project. Packard stepped in with a \$2 million PRI in an effort to "kick start" the capital campaign. When CSMA leaders communicated Packard's commitment to other funders, hundreds of gifts soon followed, enabling CSMA to meet its goal.

- b. **Low-interest borrowing** would allow a separate nonprofit entity to access other forms of debt at low rates. In addition to being supported by the federal government via the Trust and appropriations, the entity's nonprofit status would likely make available low rates of interest unavailable to most organizations. Several commercial banks engage in community capital lending, to which this entity may have access given the appropriate legal structure.

Illustrative funding model

Following is a potential portfolio of funding sources to cover the upfront renovation and ongoing costs at Fort Scott. This potential portfolio is not a firm projection of the potential contribution from various revenue sources, but rather a projection of what the Trust could target. This portfolio is based on extrapolations from other funding models and assessments of what different types of activities different funders would be prepared to underwrite. For more detail on the underlying assumptions and data points in this potential portfolio, please refer to Appendices F and G.

This illustrative funding model assumes the Trust maintains its current legal structure; it does not account for the use of some of the alternative funding structures outlined above.

Covering upfront renovation costs

To cover the ~\$115 million upfront renovation cost, the Trust would primarily rely on philanthropic money, government appropriations, and co-investment by the organizations that would potentially use this space in the future (e.g., a mix of public, private, and nonprofit organizations). Given that the mix of potential users varies depending on the building type in question, each building type would likely have a different portfolio of potential funding sources.

- **Office space:** The Trust would likely be the sole investor for its own building focused on overall management of Fort Scott. It is anticipated that a federal appropriation would cover a large part of this cost. The proposed research institute would most likely be funded through various types of philanthropic funding. Given the potential for the institute to generate learnings that are broadly applicable to the service sector, foundations might be particularly willing to support this purpose. Other areas of office space occupied by third-party organizations would be structured as traditional leases.

- **Executive housing:** Current projections assume that a mix of different potential users would contribute to upfront renovation costs for executive housing / training space. Since a single organization is unlikely to operate trainings throughout the entire year, there is potential to draw a variety of operating partners to offer executive-level trainings throughout the year. As a result, the Trust could get some upfront investment from a mix of public organizations (e.g., OPM), non-profit organizations, as well as corporations who might be seeking training space. Given that the Trust might also be using these buildings to run its own brand of training for executives, it would need to supplement co-investment from partners with funding from individual donors, foundations, and government appropriations. Current projections assume potential users would cover 50% of upfront costs, with the remaining 50% coming from philanthropic and public funding sources.
- **Dormitories:** As with executive housing, there is potential to draw co-investment from various users of the dormitory buildings as well. In this case, the organizations contributing to upfront costs would likely include a mix of public entities (e.g., NCCC), nonprofit organizations, and educational institutions (e.g., Semester of Service). The Trust would need to supplement this co-investment from partners with funding from individual donors and foundations. Current projections assume potential users would cover 50% of upfront costs, with the remaining 50% coming from philanthropic and public funding sources.
- **Convening space:** As with the research institute, the convening space has the potential to draw together players from across the service sector to generate insights for the field at large and also encourage greater cohesion amongst these individuals and organizations. As a result, this upfront cost could be covered by philanthropy. In addition, given that there are some corporations interested in supporting the service sector and that there could be opportunities to use space for corporate events, there might be potential to draw upfront funding from CSR programs as well. Current projections assume foundations and individuals would cover 50% of upfront costs for these buildings, with the remaining 50% coming from corporations.
- **Training/breakout space:** This space would likely be funded by the same types of sources supporting executive housing, dorms, and meeting space given the overlap in potential users of the space.
- **Support buildings:** The Trust would most likely have to seek federal appropriations and philanthropic contributions to cover the cost of renovating support buildings. Current projections assume an even split between these two potential sources of funding.
- **Restaurant/cafeteria/commons:** The Trust would seek an appropriate third party to renovate space for a restaurant and/or cafeteria at Fort Scott.

Given the assumptions outlined for the various building types, this proposal assumes ~50% of total upfront costs would be covered by philanthropy, ~40% would be covered by public funding (including appropriations and funding from federal agencies), with the remaining ~10% contributed by third parties (e.g., organizations seeking office space).

City Year provides an example of a service organization that has developed a strong and diverse funding base. City Year aims to build democracy through citizen service, civic engagement, leadership development, and social entrepreneurship. Associated with AmeriCorps, the program offers 17- to 24-year-olds the opportunity to engage in 10 months of full-time community service. Reporting \$58M in operating revenue in 2009, City Year reports that 9% of its revenue comes from individuals, 16% from foundations, and 32% from corporations (including PepsiCo). An additional 34% comes from AmeriCorps and other government sources with the remainder coming from in-kind donations.

Covering ongoing costs

As with the coverage of upfront costs, the sources of funding to cover approximately \$6 million in annual fixed costs (expenses that do not depend on the participants housed on site) would comprise a mix of philanthropic, public, and third-party funding. In this case, however, the mix would be weighted more toward third-party funding, with the Trust relying on the following types of fees to cover ongoing costs:⁷

- **Training fees:** The Trust may be able to garner up to ~\$2 million in executive training revenue assuming it launches its own brand of training. Projected revenues are based on benchmarks of similar executive training programs and estimated numbers of annual participants and sessions.
- **Fees for renting meeting space:** A significant stream of revenue would come from renting out space to both for-profit and nonprofit organizations. Current projections assume that revenues could sum up to ~\$500,000.
- **Leasing revenue:** A small number of organizations would lease office space at Fort Scott under traditional leases. Current projections assume between \$500,000 and \$1 million would be received this way. To increase third party contributions, the Trust could increase the amount of space allocated for lease.

The third party sources described above do not include any lodging revenues from room and board given the assumption that a third-party would take on this role.

To bridge the remaining ~\$2-3 million gap with ongoing steady-state costs, the Trust may be able to access philanthropic and public funding. The Trust might be able to raise philanthropic funding equal to \$1-2 million annually to support service learning programs and ~\$1 million to support research-related work given the potential for broad-based benefits to the sector from these efforts. In addition, the Trust would continue to explore the potential for federal appropriations for particular avenues of work (e.g., ongoing appropriations to support training for federal employees or service learning programs with a national audience).

Assuming this mix of ongoing revenue streams, the Trust should be able to raise \$5-6 million at steady state, allowing it to cover ongoing programming costs. Given that earned income streams would not be available during the early years, however, the Trust would have to cover the initial costs of developing the core staffing team during the exploratory phase either from internal funds or by raising philanthropic money.

For additional detail on the assumptions, data points, and benchmarks behind ongoing revenue projections, please refer to Appendix G.

⁷ Revenues estimates are all based on a capacity utilization of 60-70% for dorms and executive housing, which are primary drivers of revenue. This estimate is drawn from the high end of occupancy in U.S. hotels in recent years.

X. Proposed implementation milestones

The table below proposes some high-level milestones to guide the Trust’s work during the exploratory phase. These milestones will help the Trust leadership and board gauge whether to continue with the development of Fort Scott or scale back the effort as needed.

Areas of focus	FY 10	FY 11		FY12	FY 13
	Q4	Q1/Q2	Q3/Q4		
Leadership and fundraising	<ul style="list-style-type: none"> * Launch process to hire Fort Scott Director to lead overall planning and development efforts * Launch process to retain fundraising consultant to support Fort Scott Director 	<ul style="list-style-type: none"> * Hire Fort Scott Dir. * Retain fundraising consultant * Develop capital campaign strategy to raise private funds * Develop legislative funding strategy to draw public funds * Secure funding for initial local service learning work 	<ul style="list-style-type: none"> * Secure \$3-5 million in private contributions from target foundations/ individuals * Assess potential for receiving government appropriations 	<ul style="list-style-type: none"> * Secure 2-3 major gifts totaling \$10-20 million * Secure \$5 million in government appropriations * Refine capital campaign and legislative funding strategies as required 	<ul style="list-style-type: none"> * Secure additional \$15-20 million in major gifts * Secure \$5 million in government appropriations * Develop longer-term fundraising strategy to carry out future work
Program design and delivery	<ul style="list-style-type: none"> * Secure Park Service and Conservancy support for service learning programs * Identify other potential partners located in the Presidio 	<ul style="list-style-type: none"> * Hire Program Director to design program plan * Identify priority list of tenants aligned with program plan * Continue assessing market demand for Trust-led training * Convene Advisory Council to provide input on program plan 	<ul style="list-style-type: none"> * Get commitments from 2-3 anchor tenants from priority list (e.g., NCCC, OPM) * Get Advisory Council input on draft training materials * Decide whether Trust will launch training 	<ul style="list-style-type: none"> * Get commitments from an additional 3-5 program operational partners or building tenants * Develop first cut at training materials for Trust-led training if the market need is identified 	<ul style="list-style-type: none"> * Get commitments from another 5-10 program operational partners or building tenants * Complete materials for Trust-led training * Complete market analysis of potential space users for convenings
Site development	<ul style="list-style-type: none"> * Start planning renovation of Fort Scott Office (1201) 	<ul style="list-style-type: none"> * Continue renovations for Fort Scott office 	<ul style="list-style-type: none"> * Complete renovation of Fort Scott office 	<ul style="list-style-type: none"> * Start renovating additional buildings based on extent of tenant commitments 	<ul style="list-style-type: none"> * Continue renovations * Develop plan for future building renovations
Networking and external communications	<ul style="list-style-type: none"> * Share and confirm concept with Park Service and the Conservancy * Begin developing marketing materials for outreach efforts 	<ul style="list-style-type: none"> * Develop working relationships and external MOUs with Corporation and Reimagining Service * Begin securing endorsements 	<ul style="list-style-type: none"> * Secure 2-3 endorsements from national leaders and sector supporters 	<ul style="list-style-type: none"> * Announce endorsements from national leaders and large group of sector supporters 	<ul style="list-style-type: none"> * Get endorsements from 1-2 more marquee names, 100 more sector supporters * Refine marketing and outreach materials for future build-out as needed
Organization and internal communications	<ul style="list-style-type: none"> * Get Board approval for exploratory phase * Identify Board members to support outreach efforts 	<ul style="list-style-type: none"> * Define reporting structure among initial Fort Scott staff hires * Provide semi-annual update to Board 	<ul style="list-style-type: none"> * Hire Admin Assistant * Provide semi-annual updates to Board 	<ul style="list-style-type: none"> * Provide semi-annual updates to Board * Assess longer-term org. options for Fort Scott 	<ul style="list-style-type: none"> * Provide semi-annual updates to Board * Decide on future org. structure for Fort Scott

XI. Risks and mitigation strategies

Given the magnitude of this undertaking, there are several risks the Trust should be mindful of in relation to Fort Scott. Following are key risks that could impede successful implementation of this vision along with some potential mitigation strategies.

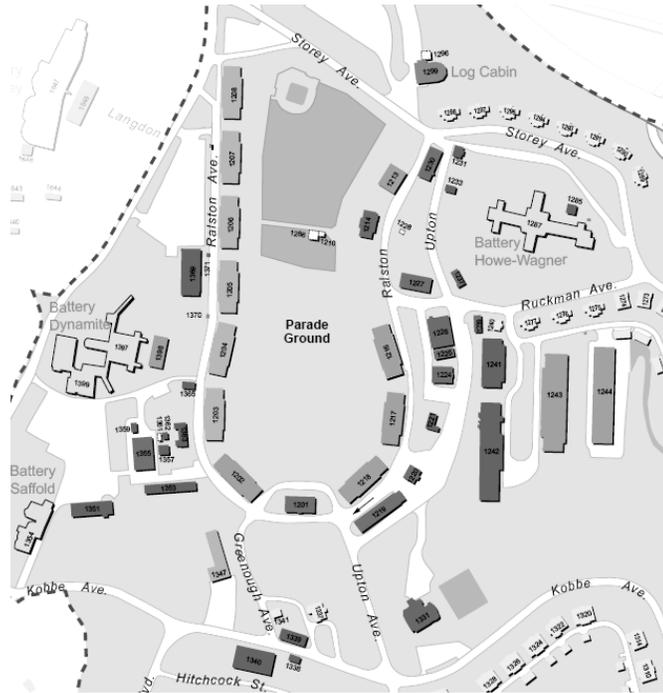
- **Inability to bridge funding gap:** The upfront renovation costs for Fort Scott are significant and the Trust may not be able to raise the large amount of funding required to renovate all proposed buildings at Fort Scott. The proposed exploratory phase would allow the Trust to gauge potential funding sources before investing significantly in building renovation. If the Trust does launch any earlier renovations, it would approach redevelopment in a flexible manner that allows buildings to be repurposed for other uses (e.g., converting proposed executive housing into residential housing) as needed. Additionally, the Trust would continually reassess the extent to which additional buildings are required and be open to opportunities to generate impact without incurring significant upfront investment (e.g., exploring non-residential service learning programs).
- **Insufficient demand from the field:** The Trust may not be able to attract enough partners to set up programming at Fort Scott or gather sufficient participants for activities that are coordinated by the Trust itself. The exploratory phase will be essential for protecting against this risk, as the Trust would set milestones around identifying a few anchor tenants who could be instrumental in signaling early interest and catalyzing participation from other organizations and individuals. The milestones around garnering marquee support and endorsements from across the field should also help build excitement about the program concept and ensure demand increases over time. Finally, the Trust would not pursue building renovations without first ensuring market demand for any given activity (e.g., trainings for executives, convenings) and this would further reduce exposure to fluctuations in demand.
- **Pushback from local stakeholders:** Previous large-scale projects undertaken by the Trust have typically elicited a range of reactions from local community members. Since the Trust has not yet broached these ideas with the local community, it is hard to predict the reaction to this concept. In sharing the idea more broadly, it will be vital for the Trust to emphasize the potential for lasting impact and also reiterate the potential benefits to the local community. The Trust has also identified potential partnership opportunities with the Park Service and the Golden Gate National Parks Conservancy around collaborating on non-residential service learning opportunities, which should help build a compelling case for the local community.
- **Organizational risk:** In the immediate term, the Trust would hire only a small group of new staff to focus on developing Fort Scott—allowing the Trust to retain overall control over this effort. If the Trust decides to create a new organizational entity in the longer term, it may face transition challenges in undertaking this evolution. To facilitate a smooth transition, the Trust would first need to conduct due diligence to understand how other organizations have conducted similar spin-offs successfully and agree on a desired long-term organization structure at the end of the exploratory phase. The Trust could also use the exploratory phase to assess the ability of initial Fort Scott hires to lead this transition and would make staffing adjustments as needed.

XII. Conclusion

In sum, Fort Scott presents a tremendous opportunity to meet pressing unmet needs in the service sector, and in the process, to help transform the role service plays in our nation and communities. This is a unique place and moment in time to address these needs, and the Trust is well positioned to assume a leadership role. While the implementation of the idea presents challenges both in terms of the funding that will be required and the uncertainty in terms of the types of partners that might be willing to participate, the potential for the Trust to achieve lasting impact at both the national and local levels is unparalleled.

If the Trust is successful in realizing the proposed vision, by 2020, Fort Scott would be broadly recognized as a place where leaders, practitioners, and researchers focused on the service sector come together to advance the public good. Over the next 10 years, the mix of programming at Fort Scott would bring together thousands of nonprofit, government, and corporate leaders for training, engage thousands of youth and young adults in a variety of service learning projects, and spark a national conversation about service through a range of research and conferences. By the time the development is completed, Fort Scott would attract widespread recognition and serve as a best practice model for creating greater cohesion across the service sector. The Trust would then have achieved the vision of transforming Fort Scott into a national center for service leadership, thereby continuing the legacy of service in the Presidio.

Appendix A: Site and building detail



Building	Potential spatial use	Size (square foot)	Projected renovation cost
1201	Office (incl. museum)	11,005	\$3,205,000
1227	Support	7,860	\$2,248,000
1220	Support	3,948	\$1,635,000
1202	Executive housing	23,500	\$7,030,000
1216	Executive housing	19,776	\$6,012,000
1218	Dorms	23,500	\$7,205,000
1217	Training/breakout space	19,629	\$5,967,000
1226	Meeting space	16,431	\$6,045,000
1331	Restaurant	7,111	\$3,392,000
1203	Training/breakout space	23,500	\$7,030,000
1204	Executive housing	23,500	\$7,030,000
1205	Dorms	23,500	\$7,030,000
1206	Dorms	23,500	\$6,645,000
1207	Office	23,500	\$8,817,000
1214	Support	8,836	\$3,050,000
1219	Support	18,022	\$4,926,000
1347	Office	10,868	\$3,332,000
1208	Office/classroom	23,500	\$6,700,000
1224	Support	6,889	\$2,555,000
1230	Support	4,590	\$1,743,000
TOTAL		322,965 sq ft	\$98,208,000

Appendix B: Staffing assumptions

Exploratory phase staff

Full-time staff	Director of Fort Scott	• \$160K base salary
	Program Manager	• \$90K base salary
	Administrative Assistant	• \$48K base salary
Contract staff	Fundraising and Development Consultant	• \$200K (\$50K/month for equivalent of four months)
Total full-time staff: 3		Total annual costs: ~500K

Potential additional staff to build out program (to be hired in the future as appropriate)

General management	Program Director	• \$120K base salary
	Communication/External Affairs Associate	• \$65K base salary
	Facilities Manager	• \$100K base salary
Training	Training Associate #1	• \$65K base salary
	Training Associate #2	• \$65K base salary
	Contract/part-time trainers	• \$270K (\$90K each, 3 at steady state)
Service learning	Service Learning Program Manager	• \$90K base salary
	Service Learning Associate	• \$65K base salary
Convenings	Events Manager	• \$90K base salary
	Events Associate	• \$65K base salary
Research	Research Manager	• \$120K base salary
	Research Associate	• \$65K base salary
Contract staff	Research fellow stipend	• \$90K (\$15K each, 6 at steady state)
	Additional consultant support	• \$50K a month
Total full-time staff: 14		Total annual costs: ~\$1.3M

Appendix C: Non-staff cost assumptions

Category	Cost type	Cost components	Estimated cost (per unit)	Estimated units	Estimated costs (total)	Source
Facilities maintenance	Basic upkeep of renovated buildings	All-included costs for maintenance and repair	\$12 per square foot	322,965 sq ft	~\$3M	Conversations with Presidio Trust
Direct program services	Non-staff programming expenses	Miscellaneous supplies and support costs	Non-staff at 30% of staff costs	~ 15 full-time program staff, plus part-time contractors See staff assumptions for details	~\$400K	Bridgespan analysis, based on conversations with Presidio Trust
Program operations support	Youth/young adult dorms	Assumes \$15 a person/day for food and \$45 a person/day for lodging	\$60 per use	~75K person-days*	~\$5M	Lodging: Double-occupancy hostels per person per night revenue ~\$60 (YMCA hotel in the Bay Area, www.bayymca.org and www.ymcasf.org); assuming 5% profit margin, 20% marketing cost and basic maintenance cost (Bain and Company estimates) gives operating cost estimate ~\$45/use Food: \$15 a day for costs of preparing three basic, shared meals
	Executive-level room and board (for both researchers and executive trainees)	Assumes \$30 a person/day for food; and \$175 a person/day for lodging	\$205 per use	~35K person-days**	~\$7M	Lodging: Mid-market San Francisco hotel per person per night revenue ~\$250 (benchmark: Kimpton Harbor Court Hotel, www.harborcourthotel.com); assuming 10% profit margin, 20% marketing cost and basic maintenance cost (Bain and Company estimates) gives operating cost estimate ~\$175/use Food: \$30 a day for costs of preparing three shared meals

* We assume that each building will house 100 persons and that these buildings will have a 60-70% occupancy rate. "Person-days" means there are 3 buildings X 100 persons per building X 365 days per day X 70% occupancy rate = ~75K "person-days."

** We assume that each building will house 50 persons and that these buildings will have a 60-70% occupancy rate. "Person-days" means there are 3 buildings X 50 persons per building X 365 days per day X 60% occupancy rate = ~35K "person-days."

Appendix D: Sample time-share allocations

Building usage at steady state

Building type	Number of buildings (total square footage)	Potential user	Relative usage (approximate)
Office space	4 (69K square feet)	• Trust office	25%
		• Research institute	25%
		• Organizations on-site	25%
		• Third parties	25%
Dorms*	3 (71K square feet)	• Service corps groups – AmeriCorps VISTA – NCCC	50%
		• Service learning programs – “Semester of Service” – SF Unified	25%
		• Nat’l nonprofits providing large-scale trainings for youth/ young adults – TFA	25%
Executive housing**	3 (67K square feet)	• Conference attendees	40%
		• OPM	50%
		• Trust	10%
Training/breakout space	2 (43K square feet)	• Executive-level trainees	25%
		• Youth/young adult trainees and service learning participants	50%
		• For-profit organizations (meetings)	12.5%
		• Nonprofit organizations (meetings)	12.5%
Meeting space	1 (16K square feet)	• For-profit organizations (meetings)	40%
		• Nonprofit organizations (meetings)	40%
		• Executive-level trainees	10%
		• Youth/young adult trainees and service learning participants	10%
Restaurant	1 (7K square feet)	• Third-party restaurateur	100%
Support buildings	6 (50K square feet)	• Trust	100%

* We assume that each building will house 100 persons and that these buildings will have a 60-70% occupancy rate. In “person-days,” this means that there are 3 buildings X 100 persons per building X 365 days per day X 70% occupancy rate = ~75K “person-days.”

** We assume that each building will house 50 persons and that these buildings will have a 60-70% occupancy rate. In “person-days,” this means that there are 3 buildings X 50 persons per building X 365 days per day X 60% occupancy rate = ~35K “person-days.”

Appendix E: Sample outputs and impact

Program area	Sub-program area	Audience	Frequency of sessions	Attendees per session	Estimated annual attendees	Rationale	Target annual impact
Training	Training for youth/young adults	Service corps trainees	2	300*	600	<ul style="list-style-type: none"> NCCC voiced these needs to the Trust 	Vast majority (percentage TBD) of persons trained report having improved skills to lead their organizations and undertake their work in the sector
		Nonprofit trainees	2	300	600	<ul style="list-style-type: none"> TFA trains 8 groups of ~700 corps members every summer during 5-week training; Fort Scott would host some of these members, as space is available 	
	Training for executive-level persons	Trust trainees	10	60	600	<ul style="list-style-type: none"> NSLI reached ~1,000 trainees per year via 5-day training sessions 	
		OPM trainees	10	80	800	<ul style="list-style-type: none"> Length and frequency of sessions modeled on existing training schedule for GS-15 federal employees 	
Service learning	N/A	Housed attendees	2	100	200	<ul style="list-style-type: none"> "Semester of Service" would require three months' time to run; two sessions would operate per year 	Vast majority (percentage TBD) of service learning participants report a renewed commitment to service in their lives
		Non-housed attendees**	10	120	1,200	<ul style="list-style-type: none"> Sessions would reach ~5% of SF Unified high school students per year Would build on existing Trust programs that reach ~100 persons per year 	
Research conferences	N/A	Conference attendees	1	200	200	<ul style="list-style-type: none"> Fort Scott will convene "big thinkers" in the service field once per year 	Substantial portion (percentage TBD) of service organizations in U.S. report having benefitted from research arm at Fort Scott
Meetings	N/A	For-profits	100	20	2,000	<ul style="list-style-type: none"> For-profits will use space approximately half of year 	Substantial portion (percentage TBD) of attendees report a renewed commitment to service
	N/A	Nonprofits	100	20	2,000	<ul style="list-style-type: none"> Nonprofits will use space approximately half of year 	
Total					~8,000		

*60 of these trainees would also live at Fort Scott for entire year.

** These attendees will not be a cost or revenue driver; assumption is that partners (e.g., Parks Conservancy) would run this programming.

Note: This analysis assumes that dorms/training space and executive housing/training space have a 60-70% occupancy rate,

Appendix F: Sample upfront funding portfolio

Building type	Potential users	Potential upfront funding sources	Rationale for upfront funding source
Office space for Fort Scott	<ul style="list-style-type: none"> Trust 	<ul style="list-style-type: none"> 100% federal appropriations 	<ul style="list-style-type: none"> Already secured by Trust
Other office space	<ul style="list-style-type: none"> Organizations on-site Third parties 	<ul style="list-style-type: none"> 25% funding from nonprofit tenants and 75% funding from for-profit tenants 	<ul style="list-style-type: none"> Tenants have incentive to invest: will enjoy decreased/minimal rental payments going into future
Research institute	<ul style="list-style-type: none"> Research fellows 	<ul style="list-style-type: none"> Mix of philanthropic funding from individuals, foundations, and corporations 	<ul style="list-style-type: none"> Philanthropy landscape indicates funding available for service work <ul style="list-style-type: none"> Bridgespan receives grants of \$1M+ annually to fund its knowledge work Fed'l gov't has interest in renovating historic site and creating center for service <ul style="list-style-type: none"> Federal agencies have already approached Trust with interest in Fort Scott project
Dorms	<ul style="list-style-type: none"> Nat'l nonprofits providing large-scale trainings for youth and young adults <ul style="list-style-type: none"> TFA Service corps groups <ul style="list-style-type: none"> AmeriCorps VISTA NCCC Service learning programs <ul style="list-style-type: none"> "Semester of Service" SF Unified 	<ul style="list-style-type: none"> 50% funding from potential users Remaining 50% from individual donors, foundation grants, federal appropriations 	<ul style="list-style-type: none"> Larger nat'l nonprofits appear to have need <ul style="list-style-type: none"> TFA growing at ~10% per year, reaching ~4K teachers trained in 2010 Philanthropy landscape indicates funding available for service work Fed'l gov't has interest in renovating historic site and creating center for service <ul style="list-style-type: none"> Federal agencies have already approached Trust with interest in Fort Scott project
Executive housing	<ul style="list-style-type: none"> Corporations OPM Trust 	<ul style="list-style-type: none"> 50% funding from OPM and potential corporate users Remaining 50% from individual donors, foundation grants, federal appropriations 	<ul style="list-style-type: none"> OPM has need to train thousands of GS-15 employees annually; large corporations have need to train thousands of executives annually Philanthropy landscape indicates funding available for service work Fed'l gov't has interest in renovating historic site and creating center for service <ul style="list-style-type: none"> Federal agencies have already approached Trust with interest in Fort Scott project
Classrooms/breakout space	<ul style="list-style-type: none"> Above organizations using dorms and executive housing 	<ul style="list-style-type: none"> As above for users of dorms and executive housing 	<ul style="list-style-type: none"> As above for users of dorms and executive housing
Meeting space	<ul style="list-style-type: none"> Conference attendees 	<ul style="list-style-type: none"> 50% CSR programs 50% individual donors 	<ul style="list-style-type: none"> Large corporations have need for conference space Philanthropy landscape indicates funding available for service work
Restaurant	<ul style="list-style-type: none"> Third-party restaurateur 	<ul style="list-style-type: none"> 100% third-party funding 	<ul style="list-style-type: none"> Given number of persons at Fort Scott, restaurant may be lucrative business for third-party
Support buildings	<ul style="list-style-type: none"> Trust 	<ul style="list-style-type: none"> 50% federal appropriations 50% philanthropy 	<ul style="list-style-type: none"> Philanthropy landscape indicates funding available for service work

Appendix G: Sample ongoing earned income portfolio

Earned income accruing to Trust

Program area	Sub-program area	Audience	Frequency of sessions	Attendees per session	Days each session lasts	Per diem revenue per attendee	Rationale
Training	Training for youth/young adults	Service corps trainees	N/A	N/A	N/A	N/A	N/A
		Nonprofit trainees	N/A	N/A	N/A	N/A	N/A
	Training for executive-level persons	Trust trainees	10	60	5	\$700	<ul style="list-style-type: none"> • NSLI reached ~1K trainees per year via 5-day training sessions • Trainees will pay \$5K total per week for training, including room and board (~50% of what Stanford Graduate School of Business and National Hispana Leadership Institute charge for executive training)
		OPM trainees	N/A	N/A	N/A	N/A	N/A
Service learning	N/A	Attendees	N/A	N/A	N/A	N/A	N/A
Research conferences	N/A	Conference attendees	N/A	N/A	N/A	N/A	N/A
Convenings	N/A	For-profits	20	100	2	\$50	<ul style="list-style-type: none"> • Attendees will pay \$50 per diem for conference fee
	N/A	Nonprofits	20	100	2	\$50	<ul style="list-style-type: none"> • Attendees will pay \$50 per diem for conference fee
Leasing revenue	N/A	Lessees	2	N/A	N/A	\$0.5M - \$1.0M per year	<ul style="list-style-type: none"> • Trust rents office space at ~\$30 per square foot per year • Buildings range from 10K-20K square feet

Earned income accruing to third parties

Program area	Sub-program area	Audience	Frequency of sessions	Attendees per session	Days each session lasts	Per diem revenue per attendee	Rationale
Training	Training for youth/young adults	Service corps trainees	2	300*	28* (4 weeks)	\$90	<ul style="list-style-type: none"> As per NCCC needs voiced to the Trust Corps members will pay \$60 for dorms (comparable to YMCA), \$30 for food
		Nonprofit trainees	2	300	35 (5 weeks)	\$90	<ul style="list-style-type: none"> TFA trains 8 groups of ~700 corps members every summer during 5-week training; Fort Scott would be able to host portion of these members, as space is available Corps members will pay \$60 for dorms (comparable to YMCA) and \$30 for food
	Training for executive-level persons	Trust trainees	10	60	5	\$300	<ul style="list-style-type: none"> NSLI reached ~1000 trainees per year via 5-day training sessions Trainees will pay \$250 for executive housing (aligned with SF hotel prices), \$50 for food
		OPM trainees	80	10	28 (4 weeks)	\$300	<ul style="list-style-type: none"> Length and frequency of sessions modeled on existing training schedule for GS 15 federal employees Trainees will pay \$250 for executive housing (aligned with SF hotel prices) and \$50 for food
Service learning	N/A	Attendees	2	100	84 (3 mos.)	\$90	<ul style="list-style-type: none"> "Semester of Service" would require three months' time to run; two sessions would operate per year Corps members will pay \$60 for dorms (comparable to YMCA), \$30 for food
Research conferences	N/A	Conference attendees	1	200	2	\$300	<ul style="list-style-type: none"> Fort Scott will convene "big thinkers" in the service field one time per year Attendees will pay \$250 for executive housing (aligned with SF prices) and \$50 for food
Convenings	N/A	For-profits	20	100	2	\$300	<ul style="list-style-type: none"> For-profits will use space approximately 50% of year Attendees will pay \$250 for executive housing (aligned with SF hotel prices), \$50 for food
	N/A	Nonprofits	20	100	2	\$205	<ul style="list-style-type: none"> Nonprofits will use space approximately 50% of year Attendees will pay \$175 for discounted executive housing (aligned with SF hotel prices), \$30 for discounted food
Leasing revenue	N/A	Lessees	N/A	N/A	N/A	N/A	N/A

*60 of these trainees would also live at Fort Scott for entire year.