

Presidio Trust Board of Directors Meeting
July 31, 2003
Minutes

Attending:

Don Fisher
Jennifer Hernandez (8:43 – 12:08)
Michael Heyman
Amy Meyer
Mary Murphy (9:56 – 12:45)
William K. Reilly (8:43 – 12:43)
Toby Rosenblatt

Steve Carp
Karen Cook
Hillary Gitelman
Harry Haigood
Tia Lombardi
Chandler McCoy (12:15 – 12:47)
Craig Middleton
Paul Osmundson
Steven Potts
Lynn Sedway (8:43 – 9:50)

Meeting called to order by Chairperson Rosenblatt at 8:43 a.m.

Actions taken:

- None.

Discussion items:

- The Sedway Group, a consultant retained by the Trust, reviewed the submittals received from the nine respondents to the Request for Qualifications (RFQ) for the Public Health Service Hospital. Sedway reviewed the qualifications and financial information submitted by the respondents, and Hillary Gitelman reviewed the conceptual plans. Ms. Sedway and Ms. Gitelman presented their analysis and recommendations.

Among the issues Sedway analyzed were preservation of historic resources, protection of natural resources, square footage of the proposed development, parking requirements, the amount of new construction, experience of teams members for the type of project proposed,

and outreach. Sedway also looked at how many organizations should be invited to submit more detailed proposals.

Ms. Gitelman analyzed the submittals based upon compatibility with the design guidelines outlined in the RFQ, the Presidio Trust Management Plan (PTMP), the Trust Act and the general objectives of the General Management Plan Amendment for the Presidio. She reported that the developers submitted a spectrum of conceptual approaches with most paying close attention to the design guidelines and all staying within the established square footage cap. All proposals would result in a less dense traffic flow than that authorized by the PTMP.

The Board discussed the proposals and various alternatives, including the possibility of renovating the hospital alone and tearing down the non-historic “wings,” the minimum rent requirement, and reducing the size of the project, observing that each alternative posed its own set of problems. Based upon Sedway’s, Trust staff’s, and its own analysis, the Board concluded that three candidates should submit further proposals. The Board directed Trust staff to circulate a draft Request for Proposals within two weeks for the Board’s review. The Board decided to reconvene within the next few weeks to decide which candidates will be invited to submit proposals.

Director Murphy was not present for the discussion.

- Craig Middleton presented the Executive Director’s Report. Mr. Middleton reported that:
 - The San Francisco Transportation Authority has reviewed several alternatives to reconfigure the Doyle Drive corridor. The Authority recently agreed to review an additional alternative that appears to have fewer environmental or other impacts and that is less costly; it is more parkway than freeway. This alternative was developed by the San Francisco Planning and Urban Research Association and has garnered support.
 - An archeological team from Stanford University recently uncovered an adobe foundation while performing a dig in the El Polin Spring area as part of the Tennessee Hollow Watershed Archaeology Project. The Project, sponsored by Stanford, the National Park Service and the Trust, is a five-year study, survey and excavation of the area.
 - Interviews for design teams for the Main Parade Ground area were conducted; Directors Rosenblatt, Fisher and Meyer, Ms. Gitelman, Tia Lombardi, Michael Boland and Mr. Middleton of the Trust, Brian O’Neill of the National Park Service, and Cathie Barner of the Golden Gate National Park Conservancy, participated. The evaluating team intends to short list three firms for further interviews.
 - 27 staff were laid off in June. The Trust worked with the Laborer’s International Union of North America in structuring the layoff process. The union commended the Trust on how the layoff was handled.
 - Expenses were reduced to \$38.4M instead of the \$36.5M originally projected because further reductions would have meant either eliminating some programs entirely or sacrificing maintenance of important assets.
 - Proposed projects for Fiscal Year 2004 include the Main Parade Ground design, the Storey Road and Kobbe Terrace residential rehabilitation, the Public Health Service Hospital development agreement and ground lease negotiation, the Lombard Gate entry

sequence design, the Washington Boulevard landscaping (Phase I of the Trails program), the Commissary occupancy; the remediation of Fill Site 6 and Disturbed Areas 1-4, and the completion of two scenic overlooks.

- Tia Lombardi reported on various upcoming free events hosted, in part, by the Trust, including several speakers, a teachers' night to discuss opportunities to use the Presidio as a resource for lower schools, a "Film in the Fog" outdoor movie screening, a walk from the Presidio to Mission Dolores, the Crissy Field Centennial of Aviation celebration, and Presidio house tours of the Kobbe neighborhood.
- Harry Haigood presented the financial analysis of the third quarter of Fiscal Year 2003. He reported that revenues are on track and that expenditures will be \$23M of the \$34M budgeted; a \$10.1M carry forward is projected. Maintenance costs for work performed on residential units in preparation for re-rental have increased because the amount and type of required work have changed from the past; the maintenance cycle for older units includes more expensive components such as flooring, appliances and mechanical systems. Mr. Haigood reported that residential revenue is on target.
- The Board directed staff to increase the environmental remediation budget by \$1,300,000.
- Harry Haigood presented highlights of the Fiscal Year 2004 budget and noted that the Finance and Audit Committee will discuss the proposed budget more fully at the September Committee meeting. Mr. Haigood projected that the revenue would remain flat, but on target, but cautioned that total inflows will be reduced significantly because the Treasury borrowing would be fully utilized in Fiscal Year 2003. Mr. Haigood projected operating expenses of \$38.4M for Fiscal Year 2004.
- Ms. Gitelman briefed the Board about recent interviews with six firms interested in working on the design of the Main Parade Ground. She discussed a strategy for "activating" the area through leasing, events and programming. Ms. Gitelman also outlined the concept for the transit center and ancillary site improvements.
- Chandler McCoy presented a site plan for 215 Lincoln Boulevard, the proposed transit center. Mr. McCoy reported that structural testing performed on the non-historic building revealed that it cannot be reused. By demolishing the building the Trust would be able to design a structure better suited to the contemplated uses of a city bus and Presidigo shuttle hub with restrooms, a small retail space, and a small meeting room which will double as an emergency operations center. The Board directed staff to coordinate the site plan with the upcoming design for the Main Parade Ground and to develop an integrated plan for the area.
- The Board discussed 211 Lincoln Boulevard, including the responses received to the Trust's recent offer to lease the building. The Board weighed the merits of a short-term lease and discussed the possibility of eventually raising the building if it provides a critical link between the Main Parade Ground area and Crissy Field.

- Mr. Middleton discussed the development of a Trust philanthropy program. He said that the types of projects appropriate for development with philanthropic funds likely would be projects that enhance the visitor experience, such as trails, overlooks, the forest, the Tennessee Hollow project, and the greening of the Main Parade Ground. Mr. Middleton reported that he has met regularly with Greg Moore, the Executive Director of the Golden Gate National Parks Conservancy, to discuss and refine how the Trust and the Conservancy could collaborate on Presidio fundraising. Mr. Middleton has also met with senior Conservancy staff. The Board directed Mr. Middleton to prepare a memorandum proposing details of a philanthropy plan.

Meeting adjourned by Chairperson Rosenblatt at 12:47 p.m.