

Presidio Trust Board of Directors Meeting
November 18, 2003
Minutes

Attending:

Don Fisher
Michael Heyman
Mary Murphy (8:39 – 10:10)
Toby Rosenblatt
William Wilson, III
Joseph Yew, Jr.

Michael Boland
Crickett Brien (10:16 – 11:47)
Steve Carp
Karen Cook
Hillary Gitelman
Harry Haigood
Tia Lombardi
Mollie Matull
Craig Middleton
Laurie Olin (10:16 – 11:47)
Paul Osmundson
Steven Potts

Not Attending:

Lydia Beebe

Meeting called to order by Chairperson Rosenblatt at 8:39 a.m.

Actions taken:

- Approval of Minutes of May 27, 2003, June 17, 2003, July 31, 2003 and August 26, 2003 meetings (Resolution 04-1). Vote: 5-0 (Yew abstained).
- Approval of Supplemental Standards of Conduct for Directors of the Presidio Trust (Resolution 04-2). Vote: 6-0.
- Approval of Adoption of Revised Budget for Fiscal Year 2004 (Resolution 04-3). Vote: 5-0 (Murphy not present for vote).

Discussion items:

- Karen Cook reported that Mary Murphy had disclosed that the law firm in which she is a partner, Farella Braun + Martel LLP, represents the John Stewart Company (JSCo). Ms. Murphy said that her firm's representation was unrelated to any Presidio activity and that she was in the process of obtaining information regarding her firm's billings to JSCo. JSCo has been the Trust's residential property manager and is one of three finalists selected to submit a detailed proposal for the rehabilitation and lease of the Public Health Service Hospital (PHSH). The Board directed Ms. Cook to obtain additional facts from Ms. Murphy and to consult with the Trust's ethics officer to assess whether Ms. Murphy had a conflict of interest and to determine the appropriate course of action under the Trust's Supplemental Standards of Conduct for Directors of the Presidio Trust and other laws and regulations applicable to Trust Directors.
- Craig Middleton reported that the Trust sent a draft default letter to the YMCA and that the Trust soon will send a formal version of the letter. The Trust sent the draft letter to enable the YMCA Board to discuss it at their upcoming meeting.
- Mr. Middleton discussed the Trust's philanthropy program, noting that the Trust will need money for key open space and recreational projects. Mr. Middleton reported that the Trust and the Golden Gate National Parks Conservancy (GGNPC) have agreed on a flexible partnership that will enable the Trust to work directly with potential donors while also partnering with the Conservancy on certain Trust projects. He expressed concern that the Trust not be in competition with the GGNPC for funds.

Michael Boland presented several projects identified as appropriate for donated funds. The principal focus of the identified projects and future philanthropically funded projects would be to make the Presidio more accessible to the public and to enhance the visitor experience with amenities/facilities geared to visitors. Mr. Boland noted that although the Presidio is now a park, it lacks many of the amenities common to parks such as restrooms, benches, picnic areas, well-designed trails, scenic overlooks and adequate recreational facilities. Ms. Murphy commented that most of the items outlined by Mr. Boland were geared for adults and that she wanted to ensure that sufficient programs were targeted for children and youth, including items such as playgrounds and ball fields. Don Fisher agreed.

Toby Rosenblatt announced that the Trust has received a philanthropic pledge to help fund the first phase of the trails program. Mr. Middleton reported that Congress is considering an additional \$1M appropriation for trails in fiscal year 2004. Mr. Rosenblatt noted that by design none of the projects identified as appropriate for the use of donated funds generate revenue; they are more quality of life projects. Mr. Rosenblatt reported that Mr. Middleton was interviewing consultants who are experts at soliciting "major gifts" and that the goal was to retain a consultant by early 2004.

Mr. Rosenblatt posed larger questions for the Board's consideration such as what kind of philanthropic program and organization would be appropriate for the Trust, what would the Board's participation be, whether the philanthropic duty should become part of a

committee's responsibility, and whether philanthropic considerations should become part of the Board's ongoing, routine business. Mike Heyman said that a skilled consultant was essential to help create a plan, the program and the organization it would require. Experts, consultants and brain-stormers would be necessary. Ms. Murphy and Mr. Fisher suggested names of some experts and suggested possible approaches, including a special purpose auxiliary organization to solicit donations and hiring a staff person to run the program.

The Board agreed that while it was important to maintain all improvements in the Presidio, it was crucial for the Trust to commit to maintaining improvements made with donated funds. Mr. Rosenblatt suggested that the Trust create a performance standard for maintenance of these projects. Mr. Fisher suggested that the Trust include ongoing maintenance as part of the project costs so that it could be considered in discussing an endowment with larger donors. He also raised the issue of donor recognition.

The Board directed (i) Mr. Boland to complete a cost and maintenance schedule for each of the identified projects and to continue to identify opportunities for donated funds, (ii) Mr. Middleton to continue interviewing candidates to assist the Trust in establishing an appropriate process and program, and (iii) Ms. Cook to investigate the possibility of creating an auxiliary organization to help solicit donations.

- Paul Osmundson reported that representatives of a prospective non-residential tenant had toured several Trust buildings offered for lease in the Main Post area to identify appropriate space. William Wilson and Messrs. Rosenblatt, Fisher and Osmundson discussed leasing options. The Board directed Mr. Osmundson to assemble packages with floor plans, proposed rent and other deal terms for the buildings in which the prospective tenant has expressed an interest. Mr. Rosenblatt will discuss the packages with the prospective tenant.
- Hillary Gitelman introduced Laurie Olin to the Board. The Olin Partnership of Philadelphia is under contract with the Trust to provide design services in connection with the Main Parade Ground area. Mr. Olin was provided with much information about the Main Parade Ground when he met with Trust staff yesterday.

Mr. Olin identified common elements in great public and urban spaces. Most began as something other than gathering places; they are actual spaces bounded by something, like great outdoor rooms; they look as good empty as full; they are beautiful in their own way; they engage one physically, sensually or emotionally; most people "do nothing" in the space; the character of the space depends upon what is going on around the edges of the space and what is going on at the very center of the space; structured, programmed activities in the space frequently relate to what is happening around the edges of the space – some activities require a lot of apparatus, other require none; many have features such as public art and water. Mr. Olin stressed that details matter a great deal. He also said that the design must pay equal attention to environmental, cultural and economic issues.

The Board discussed the key elements in any design, including achieving a tenant mix that would not result in a 9-5 environment, tying in the history of the Presidio, and parking.

Mr. Olin will return in January 2004 to suggest some approaches to the design and to discuss the next steps. The concept phase is anticipated to be completed in the spring, after which the Olin Partnership will be available to proceed with the schematic design. (This will require additional funding.)

- Mr. Osmundson presented the Real Estate leasing and development report. He reported that the Real Estate Committee recommended that the Trust publish a Request for Proposals (RFP) soliciting proposals for the lease of 100 Montgomery Street. The Board directed Mr. Osmundson to draft an RFP for 100 Montgomery Street. Mr. Osmundson also reported that the Real Estate Committee recommended that negotiations to lease 99 Montgomery Street to the Film Centre be reopened. The negotiations had been on hold for an extended period pending the completion of the Presidio Trust Management Plan. The Board directed Mr. Osmundson to reopen the negotiation for a limited period.
- Mr. Haigood presented a proposed revision to the Fiscal Year 2004 budget to reflect a capital allocation to the Storey Avenue residential rehabilitation project and other adjustments.

Meeting adjourned by Chairperson Rosenblatt at 11:47 a.m.