

Presidio Trust Board of Directors Meeting
March 16, 2006
Minutes

Attending:

Lydia Beebe
Robert Burke
Nancy Conner
Curtis Feeny
William Wilson, III
Joseph Yew, Jr.

Michael Boland
Karen Cook
Jeff Deis
Adam Engelskirchen (4:12 – 5:15)
Tia Lombardi
Mollie Matull
Craig Middleton
Mike Rothman

Not Attending:

David Grubb

Meeting called to order by Vice Chairperson Wilson at 4:12 p.m.

Actions taken:

- Approval of Minutes (Resolution 06-6). By motion duly made and seconded. Vote: 6-0.
- Approval of Mission and Values Statement of Presidio Green Initiative (Resolution 06-7). By motion duly made and seconded. Vote: 6-0.
- Adoption of Revised Budget or Fiscal Year 2006 (Resolution 06-8). By motion duly made and seconded. Vote: 6-0.
- Personnel Policy (Resolution 06-9). By motion duly made and seconded. Vote: 6-0.

Discussion items:

- Lydia Beebe presented the Finance and Audit Committee report. The Committee last met on February 3, 2006. Ms. Beebe reported that the financial results for the first quarter of Fiscal Year 2006 were substantially as planned. She also said that the Committee reviewed a status report by Louie & Wong, the CPA firm retained by the Trust to complete an internal controls

assessment. A partner from Grant Thornton, the Trust's external auditors, had attended the Committee meeting to review the Management Advisory Comment Letter with the Committee. Ms. Beebe further noted that the Committee had agreed with staff's recommendation that Grant Thornton remain as the Trust's external auditor for FY06.

- Jeff Deis presented the Real Estate Committee report. The Committee last met on March 2, 2006. Mr. Deis reported that the Committee reviewed projects in the pipeline that would require a budget adjustment, including Building 42 and Building 1808. The John Stewart Company, the Trust's residential property manager, is able to provide construction management services for the rehabilitation of the Wyman Terrace and 1330 Kobbe residential units pending the outcome of a financial analysis and final Board decision on the Public Health Service Hospital (PHSH) project.

Mr. Deis reported on the continuing discussions with the golf course operator regarding its intention to sell its leasehold interest. Mr. Deis said that the Trust has been consulting with golf course experts regarding the market conditions and investment requirements. A Trust consultant is performing a conditions assessment that will identify capital improvement requirements for the course. Craig Middleton suggested that the Board create an ad hoc committee to advise staff about golf course issues. The Board agreed and established the golf course Ad Hoc Committee comprised of Bill Wilson, Curtis Feeny and Dave Grubb. Mr. Deis will consult with the Committee as needed and then circulate recommendations to the full Board.

Mr. Deis reported that staff is working on proformas for Fort Scott to present to the Real Estate Committee. Bob Burke said that he believed that earlier Trust Boards wanted to wait to revitalize the Fort Scott area until the weak real estate market strengthened and until more of the park had been built out. He commented that it may be time to evaluate the area since the market is stronger and much of the park has been rehabilitated. Mr. Feeny indicated a preference for considering non-residential projects before residential projects.

Staff updated the Board on the status of the PSHH site. Staff is undertaking additional traffic analysis in completing the final Environmental Impact Statement. Mr. Middleton said that he had met with Supervisor Alioto-Pier and will be meeting with Supervisor McGoldrick. Mr. Middleton said that he will also consult with the Mayor's office and with Congressional representatives. He reported that the Richmond Presidio Neighbors group proposed to fund the tear down of Building 1801 and to create an endowment for the Trust's lost rent.

- Nancy Conner presented the Park Projects and Programs Committee report. The Committee last met on March 2, 2006. Ms. Conner reported that neighbors along Lyon Street want to have trees removed that block their view line. She said that there is a misconception that the Trust supports tree topping. Mr. Middleton explained the Trust's tree hazard assessment process and stated that those determined to be dangerous have been removed; safety is the first priority for tree removal. In many cases trees that historically were topped by the Army are those that are among the most hazardous. Ms. Conner said that the Trust needs to be very clear about its tree removal policy.

Ms. Conner reported that Kathryn Morelli had been hired as the development director for the Presidio Green philanthropic program. Ms. Morelli has been asked to attend Board meetings periodically to provide updates. Ms. Conner said that the Committee directed staff to make it clear in Trust communications with stakeholders in the Doyle Drive reconfiguration that the Trust's strong preference is for the parkway alternative. Ms. Conner announced that a workshop is scheduled for May 1, 2006 to address public use of the Presidio. The Trust plans to add historical information and signage to the Presidio landscape and to work with the National Park Service in educating the public. Ms. Conner reported that the Request for Proposals for ball fields had been released. Mr. Burke commented that the ball fields need to pay for themselves and that the Trust's philanthropic efforts should be focused on priorities other than the fields. Mr. Burke also said that the Trust's participation in rehabilitating 102 Montgomery Street to house the Visitors' Center and office uses was a good use of Trust funds.

- Mr. Middleton discussed the Trust's philanthropic program. He noted that the Trust is in an enviable position because it has the location, interest and donors to shape what kind of park the Presidio will be. Mr. Wilson said that the Trust has an opportunity and that now is the time to pursue it. Mr. Middleton said that some key donors are excited about progress in the Presidio and want to participate. He summarized the early activities of the philanthropic campaign. Mr. Burke asked about the Board's position on naming rights. The Trust does not yet have a policy on the issue. Mr. Wilson said that the Trust needed to move quickly in its campaign since other large philanthropic campaigns in the City were gearing up. Mr. Middleton reported that Ms. Morelli would begin work on April 3, 2006. Ms. Conner said that it would not be just a capital campaign, but a transformation of the Presidio with great programmatic elements. In addition, funds must be adequate to maintain the improvements once they are made. The Board requested that staff provide a map with the proposed campaign projects so they can understand the context of projects. The Board discussed the proposed Mission and Values Statement of the Presidio Green Initiative.
- Mike Rothman presented the proposed revised budget and explained the revisions.
- Ms. Beebe introduced the revised Personnel Policy. She said that the most recent revisions to an earlier draft have improved the substance and tone of the document. She commented that under the revised policy the Board would have input in senior staff salaries, not just the Executive Director's. In response to some Board concerns, Karen Cook said that the revised policy is a living document that may be revised as the Trust evolves. The Board discussed various aspects of the revised policy.
- Mr. Rothman distributed material in connection with Trust financing options. He reported that he and Mr. Middleton would meet with the Office of Management and Budget representatives next week about the feasibility of a leaseback structure for certain transactions. The Board discussed the advantages of such a structure, including the ability to accelerate the completion of renovations or new construction.

Executive Session: 6:07 – 6:27.

Meeting adjourned by Vice Chairperson Wilson at 6:27 p.m.