

Presidio Trust Board of Directors Meeting
September 18, 2008
Minutes

Attending:

Nancy Bechtle
Robert Burke
Nancy Conner
Curtis Feeny
David Grubb

Michael Boland
Steve Carp
Karen Cook
Jeff Deis
Tia Lombardi
Mollie Matull
Craig Middleton
Mike Rothman

Not Attending:

Michael Shepherd
William Wilson, III

Meeting called to order by Chairperson Grubb at 8:32 a.m.

Actions taken:

- Approval of Minutes of May 20, 2008, June 17, 2008, July 14, 2008, July 23, 2008 and August 26, 2008 (Resolution 08-20). By motion duly made and seconded. Vote: 5-0.
- Approval of Capital Project (Resolution 08-21). By motion duly made and seconded. Vote: 5-0.
- Approval of Adoption of Operating Budget for Fiscal Year 2009 (Resolution 08-22). By motion duly made and seconded. Vote: 5-0.
- Approval of Adoption of Five-Year Construction Plan (Resolution 08-23). By motion duly made and seconded. Vote: 5-0.

Discussion items:

- Craig Middleton reported that:
 - He will give the Board a monthly update with highlights of anticipated activities so that the Board has advance notice of important events.

- The Trust's outreach efforts in connection with El Polin Springs resulted in a Saturday hike attended by over 200 people.
 - Recent walks and tours of the Main Post area have been attended by over 1,500 people.
 - Work has started on the Andy Goldsworthy art installation located just inside the Arguello gate. In response to Mr. Feeny's question about the genesis of the project, Mr. Middleton explained that Mr. Goldsworthy had been walking through the Presidio and approached the Trust because he wanted to contribute to the park. Mr. Grubb asked whether the installation was consistent with the Trust's Art Policy and Mr. Middleton said that it was.
 - The Venet sculpture donated by Ned Topham would be moved to the Presidio soon. Mr. Grubb said that the cost of the move was funded by an anonymous donor.
 - An installation, "A Lover's Line thru the Presidio," will be in place for approximately one month. The installation is an audio program, that can be heard over a cell phone and that gives a historic context to some of the sights along Lover's Lane.
 - A new Crissy Field tenant, Planet Granite at 924 Mason Street, opened recently. Mr. Burke said that the opening was well-attended and that the West Crissy Field area was coming alive. Ms. Bechtle noted that parking is an issue at La Petit Baleen at 933 Mason Street.
 - The Disney Foundation will begin installing its exhibition in 104 Montgomery Street in January with an anticipated opening in summer 2009.
 - The Presidio will receive a San Francisco Beautiful award next month.
 - The Trust has been talking to the Fort Mason Foundation about the possibility of buying out the lease for the Herbst Exhibition Hall.
- Mr. Deis presented the Real Estate Committee report from its last meeting held on September 10, 2008. Mr. Deis reviewed the discussion the projects that the lease financing transaction would enable. Mr. Feeny said that the Committee discussed utilizing proceeds for projects with lower risk profiles.

Mr. Deis reported that staff updated the Committee on current discussions regarding the proposed use of 101 Montgomery Street by the CAMP project proponent.

Mr. Deis said that the proponents of an aviation museum are putting together a funding schedule for the Trust's review before the Trust will consider the proposal further. Mr. Burke asked whether the potential agreement would be an economic or programmatic plan. Mr. Middleton said that it would be both, although not as economically driven as some other recent leasing transactions. Mr. Feeny said that he would contact some of his business associates who might be able to provide a reference on the proposer.

- Ms. Conner presented the Park Projects and Programs Committee report from its meeting on September 10, 2008. She said that the Committee reviewed the plans for fiscal year 2009, including plans in the heritage, environmental protection, recreation and youth, and planning and transportation areas. Ms. Conner reported that the Committee recommended the commitment of funding for Phase III of the Presidio Promenade project. Ms. Conner said that the Trust had communicated to the Interfaith Center that their proposed columbarium concept was rejected and that the Trust would budget funds to upgrade the building. Mr.

Middleton said that he would speak with Paul Chaffee to discuss a new way of doing business and would suggest a management agreement to replace the current leasing arrangement.

- Mr. Feeny discussed the status of the financed lease transaction. He said that he shared the Finance and Audit Committee's concern about the high-fees and short-term nature of the terms under consideration and that the Trust should seek a longer-term, fixed rate transaction. Mr. Grubb asked whether the current financing group would back out if the Trust pursued other options. Mr. Burke said that he thought it important to communicate with the current financing group and be open and transparent about what the Trust was doing, and that the Trust would not move forward with another transaction without communicating with the first group. Mr. Rothman reported that he had been in touch with the group that might serve as the conduit and that he had advised them to hold off on further work until the Trust had more information.

Mr. Rothman presented the Fiscal Year 2009 budget and the Five-Year Construction Plan. The Board discussed the budget and anticipated projects. Mr. Rothman said that revisions likely would be necessary based upon the outcome of the Main Post planning process and the financed lease transaction status. Mr. Feeny said that it was important to be clear that operating expenses fund ongoing operations in the park and that capital expenses fund improvements. He said that deferred maintenance and infrastructure maintenance costs should be reflected in the Trust's financial planning documents. Ms. Conner said that just covering the current expenses of the Presidio would not result in a satisfying park. The Board discussed the dilapidated condition of the Presidio when the military left and the need to invest substantial amounts to address the decades of deferred maintenance. The Board noted that the Five-Year Construction Plan assumed a certain level of donations, appropriations, and proceeds from the financed lease transaction. Mr. Feeny asked for an update on the status of the environmental remediation at the next Board meeting, including the total spent to date and the amount of work outstanding.

- Ms. Bechtle asked about the status of the Thornburgh project. Mr. Deis responded that the Trust is close to agreeing to a letter of intent and that he hoped to have it completed by October.
- Executive Session: 9:44 – 10:30.

Meeting adjourned by Chairperson Grubb at 10:30 a.m.