

Presidio Trust Board of Directors Meeting
April 20, 2010
Minutes

Attending:

Nancy Bechtle
Robert Burke
Nancy Conner
Curtis Feeny
John Reynolds
Michael Shepherd
William Wilson, III

Josh Bagley (11:32 – 12:13)
Steve Carp
Karen Cook
Jeff Deis
Adam Engelskirchen (11:07 – 12:13)
Bart Ferrell
Mollie Matull
Craig Middleton
Mike Rothman
Joshua Steinberger (10:01 – 10:15)

Meeting called to order by Chairperson Bechtle at 8:33 a.m.

Actions taken:

- Approval of Minutes of February 23, 2010 (Resolution 10-15). By motion duly made and seconded. Vote: 7-0.
- Approval of Adoption of Revised Fiscal Year 2010 Budget Forecast and Revised Five-Year Construction Plan (Resolution 10-16). By motion duly made and seconded. Vote: 7-0.
- Approval of Construction Project – Portola Residential Landscaping (Resolution 10-17). By motion duly made and seconded. Vote: 7-0.
- Approval of Construction Project – Main Post Backbone & Electrical Reliability (Resolution 10-18). By motion duly made and seconded. Vote: 7-0.

- Approval of Identification of Mitigated Preferred Alternative for Final Supplemental Environmental Impact Statement for the Presidio Trust Management Plan Main Post Update (Resolution 10-19). By motion duly made and seconded. Vote: 7-0.

Discussion items:

- Ms. Bechtle reported that:
 - Three directors potentially will leave the Board soon. She asked for the continued input from those who might leave so that the Presidio and the Trust could benefit from their expertise and understanding of issues.
 - Both she and Mr. Middleton have spoken to several constituents in connection with a possible lodge. Mr. Reynolds said that the Board should discuss the lodge and how it might be operated. Mr. Wilson said that he thought a lodge was a good idea but that financing for such a development or rehabilitation was currently difficult to secure and that no operator has expressed an interest. Mr. Wilson also said that the Trust should not operate a lodge itself.
 - The Board had tentatively scheduled a public meeting for the following month. The Board discussed the content and format of its next public meeting, agreeing that the format of its last public meeting was well received by the public. The Board also agreed that inviting speakers to provide updates and presentations on key topics would be beneficial.
- Mr. Middleton reported that:
 - He recently attended a series of appropriations-related meetings in Washington D.C. and testified before the House Appropriations Subcommittee on Interior. He reported that the funding climate continues to be very tight. Mr. Middleton said that the Trust has a pending request for appropriations in fiscal year 2011. The Trust is making an additional request for funds to offset the accrued loss the Trust sustained by not receiving the benefit of the Treasury borrowing authorized under the Trust Act.
 - Conversations with representatives of the City of San Francisco regarding the provision of fire services to the Presidio and the cost of such services have been ongoing, and that conversations with representatives of the National Park Service (NPS) regarding the allocation of cost, have also been ongoing. Mr. Deis outlined some of the economic issues and other pros and cons of contracting with the City to provide fire services to the Presidio. Mr. Middleton said that it appeared that most of the current Presidio Fire Department personnel could be absorbed by a combination of the City, the NPS, the Trust, and, perhaps, other federal agencies.
 - The Rob Hill Campground is nearing completion and that the renovation is fantastic.
 - The San Francisco Board of Education has approved a ten-year lease of 387 Moraga Street between the Trust and the Child Development Center. Mr. Burke said that the Trust must ensure that the premises are well defined because of future plans in the area.
 - The rehabilitation of historic 1808 Wedemeyer Street received a LEED Gold certification.

- Mr. Rothman reported that the Trust performed well through March 2010 as measured against its financial targets. He noted that there had been better than anticipated performance in both residential and commercial leasing revenues. Mr. Rothman also reported that, because of a delay in rolling out the paid parking program, the parking revenue stream has been lower than expected. Expenditures are tracking as budgeted. In response to a question from Mr. Shepherd, Mr. Rothman said that the Trust is obliged to invest all of its cash with the United States Department of the Treasury. Mr. Feeny said that the Trust's balance sheet tells a healthy story. Mr. Rothman said that the healthy story is a result of the Trust's ability to grow revenues while it maintains careful expense control. Mr. Wilson commented that the Trust is still in a development mode but that in a few years this activity will taper off and the Trust will move into an operational mode and will need to change accordingly. Mr. Rothman reviewed the five-year construction plan.

- Mr. Middleton reported that the Trust is nearing agreement with Caltrans for the partial reimbursement of Trust staff time in connection with the Doyle Drive rebuild. Mr. Middleton reminded the Board that the Trust has been paying for all of its own staff time on the project and that Ms. Bechtle recently approved an allocation of an additional \$360K to continue funding Trust oversight time.

- In connection with park projects and programs, Mr. Middleton highlighted that:
 - The Trust received a \$1M gift from a neighbor to contribute to the restoration of El Polin Spring.
 - In the last few months, over two acres of historic forest were replanted at four sites. Recent construction activities necessitated the removal of hundreds of trees for the Doyle Drive project and for the remediation activities near Julius Kahn Playground; both sites will be replanted after construction has been completed.
 - *The Jews in Modern China* exhibit will run through May 16, 2010.
 - Many programs are ongoing or being developed, including a Main Post audio history tour, interpretive waysides along the Presidio Promenade, archaeological excavation and analysis of El Presidio, a digital archaeology initiative to make artifacts and data more accessible, a proposed *Wood Line* exhibit by Andy Goldsworthy, a series of temporary site-based art installations and associated programs focused on Presidio wildlife and ecological values, a host of natural resources projects, including invasive plant removal and wetland re-vegetation of various sites, trail construction and improvement, and participation in a city-wide environmental education forum to network with program providers.

Mr. Reynolds encouraged the Trust to submit some of its projects for consideration of American Society of Landscape Architects' awards.

- Mr. Shepherd reported that he, Nancy Bechtle, Craig Middleton and Trust staff had met with a group of leaders in the national and community service sector to discuss the potential of Fort Scott to advance the development of leadership capacity among service organizations. The discussions, while preliminary, were very useful and promising. Mr. Middleton described discussions that he has had with other federal agencies about service and volunteering-related uses at Fort Scott. Board members expressed their interest in taking

these conversations further and in analysis of the economics of Fort Scott and various programmatic ideas related to leadership training, expansion of volunteer programming and stewardship. The Board discussed possible roles for the Trust, potential government partners and funding opportunities. Mr. Middleton indicated that he would be presenting at the National Conference for Volunteering and Service in New York in June, and would continue discussions with leaders in the service sector.

- Mr. Middleton updated the Board on the status of the Main Post compliance process and the outcome of recent communication he has had with representatives of the NPS, the Advisory Council on Historic Preservation (ACHP), and the State Historic Preservation Officer (SHPO) in connection with the programmatic agreement on historic preservation. Mr. Middleton said that the few open issues involved process, not project parameters, and that the Trust was awaiting proposed language regarding design guidelines from the NPS and the SHPO, and proposed language for the relationship between two programmatic agreements from the ACHP.
- Ms. Cook reviewed the revised preferred alternative for the supplement to the revised supplemental environmental impact statement for the Main Post Update to the Presidio Trust Management Plan (PTMP). Ms. Cook reminded the Board that designating a preferred alternative does not constitute a decision. Rather, it is the mechanism by which the Trust identifies what it would like to do in the Main Post area. The Board discussed the process. The Board also discussed some of the language of the proposed preferred alternative, and upon recommendation from Mr. Reynolds, voted to approve Resolution 10-19 designating the preferred alternative for the Main Post Update to the PTMP, subject to language revision to be approved by the Board via fax vote.
- Mr. Wilson presented the Real Estate Committee report. Mr. Wilson reported that leasing in the West Crissy area has been going well. He also reported that the leasing of 103 Montgomery Street has stalled. Mr. Deis said that the Committee concluded that \$711K should be allocated for essential life/safety repairs at the Baker Beach apartments to be performed immediately, and that the Trust should assemble a team to review existing conditions at Baker Beach with a focus on larger maintenance and health/safety issues and improvements.
- Josh Bagley of the Trust, Stephen Farneth and Debbie Cooper of Architectural Resources Group, Stanford Hughes of Brayton & Hughes, and Bruce Hraba of Waterford Hotels and Inns joined the meeting (11:32 – 12:13) to discuss their preliminary analysis of the feasibility of converting 42 Moraga Avenue to lodging use. Trust staff had been directed to develop a proposal for a bed and breakfast at the site to be managed by an independent operator. Mr. Bagley explained that key objectives were to retain the existing floor plan as much as possible and to yield a breakeven or better net operating income. The Board discussed various floor plans, finishes, pricing and occupancy rates. The Board directed Mr. Bagley to continue with more detailed feasibility studies and to return to the Real Estate Committee in the next few weeks with additional information.

- Executive Session: 12:13 – 12:30.

Meeting adjourned by Chairperson Bechtle at 12:30 p.m.