

Presidio Trust Board of Directors Meeting
March 8, 2011
Minutes

Attending:

Nancy Bechtle
David Grubb
Charlene Harvey
Bill Hambrecht
John Reynolds
Michael Shepherd
William Wilson, III

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

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

Actions taken:

- Approval of Minutes of February 7, 2011 (Resolution 11-7). By motion duly made and seconded. Vote: 7-0.
- Approval of Adoption of Revised Fiscal Year 2011 Budget Forecast and Revised Five-Year Construction Plan (Resolution 11-8). By motion duly made and seconded. Vote: 7-0.
- Approval of Construction Project – Baker Beach Apartments (Resolution 11-9). By motion duly made and seconded. Vote: 7-0.
- Approval of Construction Project – 640 Mason Street (Resolution 11-10). By motion duly made and seconded. Vote: 7-0.
- Approval of Construction Project – Fort Scott – 1201 Kinsey Street (Resolution 11-11). By motion duly made and seconded. Vote: 7-0.

Discussion items:

- Ms. Bechtle thanked the staff for their work on the Programmatic Agreement (PA) in connection with the Main Post Update to the Presidio Trust Management Plan (PTMP) and thanked the Board for its approval of the PA. Ms. Bechtle reviewed the agenda for the day's meeting and added that the Trust might receive a proposal for use of one of the Montgomery Street Barracks as a cooking school.
- Mr. Middleton reported that:
 - The appropriations climate in Washington D.C. is difficult. The Trust is consulting with the Office of Management and Budget, and since the government currently is being funded under a Continuing Resolution, the Trust's appropriations remain at the same level they were last fiscal year; appropriations will be prorated at the time a budget is passed. Mr. Middleton noted that under the Trust Act, next year is the final year for the Trust to receive appropriations. Mr. Middleton also reported that the Trust is continuing its discussions with the Department of the Treasury regarding the Trust's existing borrowings.
 - Non-residential leasing is relatively strong. The Trust has leased all of its space in the Public Health Service district; leasing 682 Schofield Road has been more challenging; and 101 Montgomery Street and 103 Montgomery Street are not yet ready to be leased.
 - In the Main Post area, the Main Parade greening is underway, fencing around the Officers' Club has been erected, the International Center to End Violence's rehabilitation of 100 Montgomery Street is scheduled to be completed this summer, and The Presidio Dance Theatre Academy will move from 1158 Gorgas Avenue to 386 Moraga Avenue. In response to Mr. Shepherd's question about the timing of the Main Parade greening project, Mr. Boland said that the construction will largely be completed by the end of July, but that much of the area will be fenced for several months more while the sod gets established.
 - The rebuild of Doyle Drive by Caltrans is basically on schedule, although one of the phases has been delayed for a couple of months.
 - The Trust received a favorable judgment in its dispute with Caltrans over the Mt. Lake cleanup.
 - Work on the coastal trail linking the World War II Monument to the Golden Gate Bridge will begin in the spring. Two scenic overlooks are planned, with work being funded principally by the Evelyn and Walter Haas Fund and the Bechtel Foundation.
 - The Quartermaster Reach project, involving stream restoration and wetland habitat creation from the Tennessee Hollow watershed to Crissy Marsh, has been planned and designed. Potential funding sources include Caltrans because the project will eliminate Caltrans' need to build an additional new storm drain system associated with the Doyle Drive rebuild project, and the San Francisco Airport Authority because the SFAA is in need of wetland mitigations to offset impacts associated with an upcoming airport expansion project. Mr. Grubb and Mr. Boland briefly discussed the use of culverts versus a bridge in the project design.
 - Mr. Middleton and Ms. Bechtle recently met with Paul Otellini, the CEO of Intel Corporation and a Presidio neighbor. Mr. Otellini suggested cost-effective ways in which

the Trust could reconfigure its computer system, and ways in which to enhance the visitor experience by employing the next generation of wireless technology. Mr. Middleton concluded that the Trust should opt for a 4G system rather than WiFi.

- The Board discussed the future of the Commissary building at 610 Mason Street and the best use for the desirable, iconic location. Mr. Middleton reminded the Board that the PTMP calls for museum or cultural use. The Board also discussed space and size considerations. Ms. Cook reviewed the Trust's Real Estate Policy as it pertains to the reasonable competition requirement of the Trust Act. She also outlined the Request for Qualifications and Request for Proposals processes. Following additional discussion, the Board directed staff to: reinforce the PTMP-identified use as the desired use of the site; work with other Presidio tenants for alternative locations for their future space needs; and issue a Request for Proposals for the location, including design guidelines and height limitations that are consistent with the PTMP.
- Mr. Middleton reported that over the last several months the Trust has been focusing on issues posed by the Baker Beach Apartments, including removal of some of the units for habitat restoration, deferred maintenance and the physical appearance of the units, revenue considerations, and costs. The apartments are located in an area designated as a recovery zone for the San Francisco Lessingia, a federally listed endangered plant. The Presidio is one of two places the plant is known to exist. Mr. Boland said that in the last several years the Presidio Lessingia habitat has increased from 13 acres to 32 acres, and that the plant count has increased from approximately 50 to over 175,000. Mr. Boland explained that the Trust is proposing to demolish 1566 Pershing Drive, a six-unit apartment building, and an adjacent ten-space carport both to restore additional natural habitat and in order to join two previously-restored areas into one, continuous zone. Mr. Wilson said that bathroom and kitchens in other Baker Beach units would be upgraded, that energy efficient windows would be installed, and that health and safety, seismic and other code work would be performed. The Board directed staff to engage in the necessary consultation to demolish the two structures.
- Mr. Middleton said that interest and enthusiasm has been building for the development of a service and leadership center in the Fort Scott district. The Board discussed the rehabilitation of 1201 Kinsey Street, the former headquarters of the district, to showcase a renovated building and to provide a tangible and symbolic ground-breaking for the rehabilitation of the district. The Board authorized Mr. Middleton to execute a non-binding letter of intent to lease a Fort Scott building.
- Mr. Middleton reported that the Trust is holding a \$2.8M appropriation from the Department of Defense to rehabilitate 640 Mason Street, the site where civilian Japanese-speaking Nisei worked to help break intercepted Japanese-coded messages during World War II. The National Japanese American Historical Society (NJAHS) has been developing plans for a center which tells the story, and the Trust is working with the NJAHS to plan for the eventual operation of the center.

- Mr. Rothman presented the proposed revised fiscal year 2011 budget forecast and revised five-year construction plan, noting that because of the timing of the Finance and Audit Committee meeting the revisions had not been reviewed by the Committee. Mr. Rothman reported that revenue and expenses were tracking very close to the prorated budget for the year.
- Executive Session: 10:20 – 11:09. The Board discussed Visitor Center location options.

Meeting adjourned by Chairperson Bechtle at 11:09 a.m.