

**Presidio Trust Board of Directors Meeting**  
**July 27, 2017**  
**Minutes**

**Attending Board Members:**

Lynne Benioff (via teleconference)  
Paula Collins  
William Grayson  
John Keker  
Mark Pincus  
Janet Reilly  
John Reynolds

**Participating Staff Members:**

Joshua Bagley  
Michael Boland  
Carla Carvalho-DeGraff  
Jean Fraser  
Nancy J. Koch  
Mollie Matull  
Sherri Schilling

Chairperson Keker called the meeting to order at 8:06am.

**Actions taken:**

- Approved: Minutes of May 25, 2017 Board Meeting and July 7, 2017 Telephonic Board Meeting.
- Approved: FY18 operating budget and 5-year capital plan (FY18-FY22).
- Approved: Residential property management contract award.
- Approved: Amendment of Article IV, Sec. 15 of Bylaws (Chair's ex-officio status on Board Committees).
- Approved: Board Committee assignments.

## **Discussion items:**

### Approval of May 25, 2017 and July 7, 2017 Minutes

Upon motion duly made and seconded, the Board unanimously approved the revised version of minutes for the May 25, 2017 Board Meeting and July 7, 2017 Telephonic Board Meeting attached hereto as Exhibit A1.

### CEO Report

Ms. Fraser updated the Board on progress against our goals: being visited and loved by all; being a model environmental steward; and being a model of operational excellence and financial sustainability. She highlighted the Presidio Visitor Center which has had over 60,000 visitors, surpassing all expectations. The Exclusion exhibit in the Officers' Club also attracts visitors to the park who may not otherwise visit. As part of our long range plan to ensure that the Presidio Forest remains healthy for years to come, reforestation efforts will continue in the Park Stand area in August. Finally, the Trust received a clean audit review from the Office of Government Ethics.

### Approval of fiscal year 2018 operating budget and five-year capital plan

Ms. Carvalho-DeGraff presented the proposed fiscal year 2018 operating budget and five-year capital plan covering fiscal years 2018-2022. At its June 20 and July 20, 2017 meetings, the Finance and Real Estate Committee reviewed these proposals along with significant supporting materials. Based upon those reviews, the Committee expressed support for approval of both budgets. Directors asked questions concerning how maintenance expenses impact net operating income, requesting an amendment to the budget presentation documents to have the maintenance expenses reflected in the operating expenses. Then, upon motion duly made and seconded, the Board unanimously approved the fiscal year 2018 operating budget and five-year capital plan as attached hereto as Exhibits B1 and C1.

### Approval of residential property management contract award.

Pursuant to the Presidio Trust's Procurement Policy, Ms. Fraser sought approval to award a contract to John Stewart Company for management of the Presidio's residential portfolio beginning in October of this year. This spring, following issuance of a Request for Proposals (RFP), three companies bid for this contract. After reviewing the proposals and interviewing the proposers, the RFP evaluation panel recommended awarding the contract to the John Stewart Company. The Finance and Real Estate Committee expressed support for selecting John Stewart Company's after considering the matter at its July 20, 2017 meeting. After discussion, and upon motion duly made and seconded, the Board unanimously approved the staff's recommendation to award residential property management contract to John Stewart Company on terms substantially similar to those reflected in the pre-read materials.

### Approval of amendment of Article IV, Sec. 15 of Bylaws.

Ms. Koch presented a proposed change to Article Four, Section 15 of the Presidio Trust's Bylaws which would make the Chairperson an ex officio member on all Board committee with voting

rights but without impacting quorum calculations. This proposed amendment would enhance the information flow between committees and between the committees and the full Board. Uniformity of practice would also be enhanced by this amendment. After discussion, and upon motion duly made and seconded, the Board unanimously approved the amendment reflected on Exhibit D1 to Article Four, Section 15 of the Presidio Trust's Bylaws.

Approval of board committee assignments.

The Board considered the membership of the Board committees. After discussion, and upon motion duly made and seconded, the Board unanimously approved the board committee assignments attached hereto as Exhibit E1.

Presentation on the operational excellence initiative

Ms. Fraser discussed the operational excellence initiative. She presented areas of strength and opportunities for improvement in the context of the newly adopted strategic goals for the Trust. She noted that staff are creative and motivated, but are challenged with processes and systems that need improvement. Ms. Fraser reflected on the need to streamline processes so the creativity of the staff can be unleashed to improve our park services, structures and amenities for our visitors and tenants. That work will formally begin this fall with the creation of a new Operational Excellence department.

Doyle Drive Project Dispute: Attorney Client Privileged Briefing

General Counsel Koch updated the Board on the Doyle Drive Project dispute.

Executive Session.

Directors did not meet in Executive Session.

The meeting was adjourned by Chairperson Keker at 10:07 a.m.

## Exhibit A1

### Presidio Trust Board of Directors Meeting May 25, 2017 Minutes

#### **Attending Board Members:**

Lynne Benioff (Recused during Fort Scott matters)  
Paula Collins  
William Grayson  
John Keker  
Mark Pincus  
Janet Reilly  
John Reynolds

#### **Participating Staff Members:**

Carla Armstrong  
Michael Boland  
Kelly Dallmann  
Jean Fraser  
Fran Gonek  
Nancy J. Koch  
Sherri Schilling  
Josh Bagley (Participated only for Fort Scott/Thornburgh matters)  
Dave Smith (Participated only for Fort Scott Advisory Committee matter)

#### **Guests Attending:**

Lenny Mendonca, Senior Fellow, Presidio Institute (Participated only for Federal Advisory Council Report)  
Greg Moore, Executive Director, Golden Gate National Parks Conservancy (Participated only for discussion of Tunnel Tops Project)  
Toby Rosenblatt, Chair, Federal Advisory Council (Participated only for Federal Advisory Council Report)

Chairperson Keker called the meeting to order at 8:04am.

#### **Actions taken:**

- William Grayson sworn in as new Board Member.
- Approved: Minutes of April 24, 2017 Telephonic Board Meeting.

- Approved: Solicitation Process for Fort Scott Development.
- Approved: Thornburgh/West Letterman Development Plan.
- Approved: Delegation of authority to Chairperson Keker regarding Doyle Drive dispute.
- Approved: Mission Statement and Strategic Goals.
- Revoked: Educational Tenant Policy
- Approved: New Budget Policy

**Discussion items:**

After Mr. Grayson took the oath of office to become a Trust Director, Chairperson Keker and Ms. Fraser both recognized Ms. Collins for her service as Board Chair. Ms. Collins had resigned from that position on 24 April 2017 to promote organizational stability and continuity. She will continue to serve on the Tunnel Tops Project Committee and to Chair the Finance and Real Estate Committee. Ms. Collins has dedicated significant time, effort and skill to leading the Board during her term. She expressed gratitude to her fellow directors and to staff for their contributions to the Trust.

Approval of 24 April 2017 Minutes.

Upon motion duly made and seconded, the Board unanimously approved the revised version of minutes for the 24 April 2017 Board meeting attached hereto as Exhibit A.

Presentation of Presidio Institute Federal Advisory Council Report.

Ms. Benioff recused herself from this matter. Mr. Rosenblatt presented a report entitled “Fort Winfield Scott: Reactivating a Legacy of Service” which had been prepared by the Presidio Institute Federal Advisory Council. The report, which follows four years of investigation by the Council, describes Fort Scott as the last un-redeveloped area managed by the Presidio Trust. It is comprised of 19 historic buildings and 272,000 square feet of interior space overlooking the Golden Gate Bridge. The report recommends transforming Fort Scott into a “...hub for social innovation that will enable problem solvers from around the world to come together and forge courageous solutions for the greatest challenges of our time.” The Council encourages the Trust to curate a dynamic environment at Fort Scott to promote a culture of innovation with multi-use buildings, meeting and training space, accommodations, support services and people flowing in and out for varying lengths of time. To fully renovate the campus, as recommended by the Council, would cost an estimated \$150 - \$200 million and take at least three years of construction. The Council predicted a high level of interest among potential funding sources given the prevailing economic and political climates.

On behalf of the Board, Mr. Kecker commended the Council on the quality of its work and thanked them for their service. Directors then questioned Messrs. Rosenblatt, Mendonca and Smith about various elements of the report.

Approve 2-Part Solicitation Process for Development of Fort Scott.

Ms. Benioff recused herself from this discussion. Ms. Fraser and Mr. Bagley presented a staff recommendation to follow a two-step solicitation process for development of Fort Scott. Developing Fort Scott would require both significant funds and staff resources to succeed, potentially to the detriment of advancing other Trust projects and priorities. The Presidio Institute Federal Advisory Council predicted that significant interest and funds from outside sources would be available. Staff recommended testing the validity of the Council's conclusion by following a two-step solicitation process for identifying qualified and interested developers. In the first step, the Trust would issue a request for concepts describing the opportunity and ask interested parties to submit development concepts along with information about their financial wherewithal. If qualified respondents submit proposals that are attractive to the Trust, the Trust will solicit formal proposals and enter negotiations for a long-term master development agreement. If qualified respondents do not emerge, the Trust likely will defer development of Fort Scott.

Mr. Bagley described the mandatory elements of the request for concept proposal that would be required of interested parties including a new transit center, an entrance to Fort Scott from Lincoln Boulevard, rehabilitation of several buildings constituting about 242,000 square feet in accordance with historic preservation standards and LEED Silver environmental standards, and ensuring food service open to the public and tenants. He further identified some optional concept elements. Ms. Fraser explained the schedule for preparing the concept proposal request, seeking public input and then seeking approval from the Board.

After discussion, and upon motion duly made and seconded, the Board unanimously approved staff's recommendation to follow a two-step solicitation process for development of Fort Scott.

Approve Thornburgh/West Letterman Development Plan.

Mr. Bagley presented the Thornburgh/West Letterman Development Plan. The proposed mixed-use plan elements would include new affordable and market rate residential units, an active business community and improved pedestrian and bicycle access. Staff believes this proposed development plan is consistent with the Presidio Trust Management Plan, financially feasible, and supports the Trust's strategic goals. The Finance and Real Estate Committee previously considered details of this Plan and supports the proposal. After discussion, and upon motion duly made and seconded, the Board unanimously approved the mixed-use development plan for the Thornburgh/West Letterman area as presented. Upon staff's suggestion, the Board deferred making a determination of when to proceed with this development effort at least until such time as the Fort Scott RFP process is complete.

Tunnel Tops Project Status.

Mr. Moore joined the meeting to present information concerning fundraising for the Tunnel Tops project. Projected project design and construction costs are estimated at \$100 million. The campaign to raise the required funds is well underway thanks, in part, to the significant efforts of Director Benioff. Approximately 50% of the funds already have been pledged; Mr. Moore described the prospective donor pool as robust. Still, the project will face a cash flow challenge due to the lagging timing of pledge payments compared to construction costs. Mr. Moore led a discussion concerning potential mechanisms for managing the cash flow challenge and potential risks faced by the project. Then, Mr. Boland summarized ongoing interactions with the State Historic Preservation Office and the National Park Service concerning historic preservation compliance issues.

Doyle Drive Project Dispute: Attorney Client Privileged Briefing.

Ms. Koch updated the Board on the Doyle Drive Project dispute.

Approve New Strategic Goals.

Ms. Fraser sought approval for new Strategic Goals designed to help the Trust focus its spending and work plans around a relatively small and measurable set of core goals. The proposal reflected input from the public, key stakeholders, plus Trust staff. These groups all broadly agreed about the nature of the proposed strategic goals. Ms. Fraser noted that the metrics used to measure progress against each of the proposed goals would be further developed and changed over time. Further, Ms. Fraser noted that goal #1 would focus on the Presidio as a whole, not just Area B.

Ms. Fraser also presented an updated proposed Mission statement which explicitly incorporates the Trust's collaborative relationship with the National Parks Service and the Golden Gate National Parks Conservancy.

After discussion, and upon motion duly made and seconded, the Board approved the Mission statement and Strategic Goals in the form attached hereto as Exhibit B.

Approve Committee Appointments.

The Board deferred discussion of this item.

Other Business.

Ms. Fraser updated the Board on current events around the Park.

Executive Session.

Directors did not meet in Executive Session.

Meeting adjourned by Chairperson Keker at 12:10pm.

**Exhibit A**

**Presidio Trust Board of Directors Meeting  
Via Teleconference  
April 24, 2017  
Minutes (Revised)**

**Attending Board Members:**

Lynne Benioff  
Paula Collins  
John Keker  
Nicola Miner  
Mark Pincus  
Janet Reilly  
John Reynolds

**Participating Staff Members:**

Carla Armstrong  
Michael Boland  
Jean Fraser  
Fran Gonek  
Nancy J. Koch  
Mollie Matull  
Sherri Schilling

Chairperson Collins called the teleconference meeting to order at 10:00 a.m.

**Actions taken:**

- Approval of Minutes of March 23, 2017. Vote: 7-0.
- Approval of Bylaws. Vote: 7-0.
- Approval of Real Estate Policy. Vote: 7-0.
- Approval of Procurement Policy. Vote: 7-0.
- Approval of Personnel Policy. Vote: 7-0.
- Election of John Keker to be Board Chairperson. Vote: 7-0.
- Election of Janet Reilly to be Board Vice Chairperson. Vote: 7-0.

**Discussion items:**

Approval of Bylaws

The Board considered an amendment to the bylaws to replace Article 4, Section 3 relating to the Election of Officers as recommended by the Governance & Human Resources Committee.

The board discussed the recommendation and asked questions. Thereafter, a motion to approve the Bylaws amendment was made and duly seconded. The Board unanimously voted to approve the amendment attached hereto as Exhibit A.

#### Approval of Real Estate Policy

The Board considered a new comprehensive Real Estate Policy as recommended by the Governance & Human Resources Committee. Two separate policies relating to short and long term non-residential real estate transactions were merged into one policy that also covers residential real estate transactions. The board discussed the recommendation and asked questions. Thereafter, a motion to approve the Real Estate Policy was made and duly seconded. The Board unanimously voted to approve the Real Estate Policy attached hereto as Exhibit B.

#### Approval of Procurement Policy

The Board considered an amended Procurement Policy as recommended by the Governance & Human Resources Committee. The board discussed the recommendation and asked questions. Thereafter, a motion to approve the Procurement Policy was made and duly seconded. The Board unanimously voted to approve the amendment attached hereto as Exhibit C.

#### Approval of Personnel Policy

The Board considered an amended Personnel Policy as recommended by the Governance & Human Resources Committee. The board discussed the recommendation and asked questions. Thereafter, a motion to approve the amended Personnel Policy was made and duly seconded. The Board unanimously voted to approve the amendment attached hereto as Exhibit D.

#### Election of Chairperson and Vice Chairperson

Ms. Collins resigned from her position as Chairperson. Motions were made and duly seconded to appoint Vice Chairperson Keker to the position of Chairperson and to appoint Director Janet Reilly to the position of Vice Chairperson. Both motions were unanimously approved.

#### Other business

The board held an attorney-client privileged discussion led by counsel regarding disputes related to the Doyle Drive project.

Chairperson Keker adjourned the meeting at 10:39 a.m.

## Exhibit B



### Strategic Goals

#### Mission of the Presidio Trust

In partnership with the National Park Service and the Golden Gate National Parks Conservancy, and at no cost to taxpayers, the Presidio Trust brings alive the unique historic, natural, and recreational assets of the Presidio for the inspiration, education, health, and enjoyment of all people.

---

#### Goal #1

The Presidio will be visited and loved by all.

---

#### Goal #2

The Presidio will be a model of environmental stewardship.

---

#### Goal #3

The Presidio Trust will be a model of operational excellence and financial sustainability.

**Presidio Trust Board of Directors Meeting**  
**Via Teleconference**  
**July 7, 2017**  
**Minutes**

**Attending Board Members:**

Lynne Benioff  
Paula Collins  
William Grayson  
John Keker  
Mark Pincus  
Janet Reilly  
John Reynolds

**Participating Staff Members:**

Jean Fraser  
Michael Boland  
Kathryn Inglin  
Nancy J. Koch  
Jody Sanford

The Presidio Trust Board of Directors met via telephone conference on July 7, 2017. Chairperson John Keker called the meeting to order at approximately 2:00 p.m. after confirming that all participants could hear one another.

**Actions Taken:** None.

**Discussion Items:**

Doyle Drive Dispute

The Board received a privileged briefing from, and under the supervision of, Trust General Counsel Koch concerning the Doyle Drive dispute. Directors asked a variety of questions relating to that matter.

Chairperson Keker adjourned the meeting at approximately 3:30 p.m.

## Exhibit B1

| THE PRESIDIO TRUST<br>FY 2018 OPERATING BUDGET<br>PRESENTED JULY 27, 2017 | FY 2017         |                    | FY 2018         |              | (5)   |
|---|-----------------|--------------------|-----------------|--------------|---|
|   | (1)             | (2)                | (3)             | (4)          |   |
| (Dollars in Thousands)  | APPROVED BUDGET | JUL BUDGET FY 2018 | Y17 \$\$ CHANGE | Y17 % CHANGE | NOTES   |
| 1 Operating Income and Expenses by Category                               |                 |                    |                 |              |   |
| 2 Residential Revenue   | 58,771          | 60,214             | 1,444           | 2%           | Assumes flat renewals, reasonable estimate of new lease increases. We see slight softening in the residential market; currently, renewals are pricing flat.   |
| 3 Non-Residential Revenue   | 27,368          | 28,779             | 1,412           | 5%           | Non-Residential continues to remain strong and show growth. There is a diversification in the portfolio between long and short term leases that contributes to the growth.  |
| 4 Service District Charges  | 7,703           | 8,021              | 318             | 4%           | SDC is a cost recovery and increases approximately 2.1% annually to stay in line with increases in costs. The remainder of the increase is due to additional tenants paying SDC, and reflects the strength of the non-residential portfolio.  |
| 5 Total Real Estate Revenue   | 93,841          | 97,015             | 3,174           | 3%           |   |
| 6 Real Estate Expenses  | (18,767)        | (18,225)           | 541             | (3%)         | Decrease from FY17 to FY18 related to a move of building maintenance funding from capital to operating in FY17 only. Includes allocation for work on maintenance schedules of \$300K.   |
| 7 Net Real Estate Income  | 75,074          | 78,790             | 3,715           | 5%           |   |
| 8   |                 |                    |                 |              |   |
| 9 Hospitality Revenue   | 23,500          | 25,620             | 2,120           | 9%           | Increase is due to anticipated opening of the Building 105 lodge in June 2018.  |
| 10 Hospitality Expenses   | (21,070)        | (23,011)           | (1,941)         | (9%)         | Increase in expense in FY18 due to anticipated opening of the Building 105 lodge. Operating expenses will occur earlier than revenue due to need to staff, provision and market the lodge before guests arrive and pay. Note that we use a professional lodging manager for our hotel services.   |
| 11 Net Hospitality Income   | 2,430           | 2,609              | 179             | 7%           |   |
| 12  |                 |                    |                 |              |   |
| 13 Municipal Services Revenue (Parking, Utilities)                        | 11,819          | 12,071             | 253             | 2%           | Increase is mostly utilities and anticipated rate increases. (We track the utility rates charged by PG&E and the SF PUC.) Parking revenue expected to be flat year over year.   |
| 14 Municipal Services Expenses  | (24,620)        | (20,430)           | (1,804)         | 7%           | Utility staff moved from capital budget to operating budget as the work they are performing is maintenance and is an expense (\$754K). Public safety expenses increase at about a rate of 3% per year per contract or \$584K over FY17.   |
| 15 Net Municipal Services Income  | (12,801)        | (14,359)           | (1,558)         | 12%          |   |
| 16  |                 |                    |                 |              |   |
| 17 Park Operations and Programs Revenue                                   | 429             | 473                | 44              | 10%          |   |
| 18 Park Operations and Programs Expenses                                  | (11,118)        | (10,074)           | 1,044           | (9%)         | Decrease is due to reduction in expenses related to Doyle Drive that will wind down as project scope decreases. Also, reduction is due to winding down of the Presidio Institute (\$529K).  |
| 19 Landscape Stewardship Expenses   | (7,338)         | (7,593)            | (255)           | 3%           |   |
| 20 Net Park Income  | (18,027)        | (17,194)           | 832             | (5%)         |   |
| 21  |                 |                    |                 |              |   |
| 22 Agency Contingency   | (1,347)         | (3,212)            | (1,865)         | 138%         | Merged the \$2M capital contingency and the operating contingency because the capital contingency is actually needed to protect against operating contingencies (e.g. deductible on insurance of \$500K for each claim and various other liabilities such as large annual lease row outs, severances, etc. Individual capital projects have contingency built into their budgets. |
| 23  |                 |                    |                 |              |   |
| 24 Administrative Costs Allocated to Operating Activities                 | (9,656)         | (10,040)           | (384)           | 4%           | Increase in FY18 over FY17 due to operational excellence work/process improvement project (contract and staff). Allocations for other administrative areas, additional IT support, and Outreach.  |
| 25 Net Income from Operations   | 35,667          | 36,593             | 926             | 3%           |   |
| 26  |                 |                    |                 |              |   |
| 27 Other Income and Expenses  |                 |                    |                 |              |   |
| 28 Debt Service (Net) Expense   | (3,112)         | (3,105)            | 7               | (0%)         |   |
| 29 Miscellaneous Income   | 4,900           | 2,622              | (2,278)         | (46%)        | Revenue in FY17 higher due to reimbursement of clean up of Lendrum Court; we expect the final payment to come in FY18 (\$1.8K). Also, Doyle Drive reimbursements will decline as project scope decreases (\$500K).  |
| 30 Net Income from Non-Operating Income and Expenses                      | 1,788           | (483)              | (2,271)         | (127%)       |   |
| 31  |                 |                    |                 |              |   |
| 32 Net Income   | 37,455          | 36,110             | (1,345)         | (4%)         | Increases to contingency accounts for the decrease. See line 23 above.  |
| 33 Carryforward and Miscellaneous   | 42,885          | 17,824             | (24,961)        | (58%)        | \$17.8M is the estimate of carryforward from FY17 into FY18, which assumes all projects and spending will be executed as planned. Likely to increase.   |
| 34 Funds Available for Capital Expenses                                   | 80,342          | 54,034             | (26,308)        | (33%)        |   |
| 35  |                 |                    |                 |              |   |
| 36 Capital Projects   |                 |                    |                 |              |   |
| 37 Capital Projects Expenses  | (55,181)        | (43,688)           |                 |              | See five year capital plan.   |
| 38 Administrative Costs Allocated to Capital Projects                     | (7,587)         | (7,888)            |                 |              | See line 24.  |
| 39 Capital Projects Expenses  | (62,768)        | (51,576)           |                 |              |   |
| 40  |                 |                    |                 |              |   |
| 41 Net Results  | 17,574          | 2,457              |                 |              |   |

7/20/17

# Exhibit C1

| THE PRESIDIO TRUST<br>FIVE YEAR CAPITAL PLAN THROUGH FY 2022<br>PRESENTED JULY 20, 2017 |  | The Presidio Trust Five Year Capital Plan is a tool to facilitate the Trust's financial planning.<br>The plan may be amended to add or delete proposed projects.<br>Before commencing any specific project included in the plan, the Trust will complete all<br>compliance processes to which it is subject, including the National Environmental Policy Act and<br>the National Historic Preservation Act. |                      |                               |                                |                              |                       |                            |                            |               |               | 5-Year Subtotal |               |               |       |      |      |      |      |      |   |
|---|--|---|----------------------|-------------------------------|--------------------------------|------------------------------|-----------------------|----------------------------|----------------------------|---------------|---------------|-----------------|---------------|---------------|-------|------|------|------|------|------|---|
| (Dollars in Thousands)  |  |   |                      |                               |                                |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      |   |
|   | (1)  | (2)   | (3)                  | (4)                           | (5)                            | (6)                          | (7)                   | (8)                        | (9)                        | (10)          | (11)          | (12)            | (13)          | (14)          | (15)  | (16) | (17) | (18) | (19) | (20) |   |
|   | 2017 July Board Meeting  | Approved Budget   | CEO Approved Changes | Total Project Budget Approved | Spending + Budget through FY17 | Remaining Budget to be spent | BOO Approval Received | Potential Future Additions | FY2018-2022 Project Budget | FY 2018       | FY 2019       | FY 2020         | FY 2021       | FY 2022       | NOTES |      |      |      |      |      |   |
| 1   | Real Estate  |   |                      |                               |                                |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      |   |
| 2   | Gorges warehouses rehabilitation for leasing   | 14,580  | 523                  | 15,103                        | 1,600                          | 13,503                       |                       |                            | 13,603                     | 13,603        |               |                 |               |               |       |      |      |      |      |      | We estimate that construction costs are increasing 4% to 5% per year. This project's budget was increased to account for this inflation.  |
| 3   | Port facility development for master lease, preparation and issuance of 2-part RFP                 | 7,263   | (6,263)              | 1,000                         |                                | 1,000                        |                       |                            | 1,000                      | 1,000         |               |                 |               |               |       |      |      |      |      |      | Reallocated \$1M in funding from FY21 to FY18 for request for proposals (RFP) for master development, and reduced the out year funding so only RFP costs are currently reflected in the project.  |
| 4   | Tenant improvements for non-residential space at lease-up or as it turns over                      | 3,249   | 9                    | 3,258                         | 140                            | 3,118                        |                       |                            | 3,118                      | 656           | 262           | 1,516           | 684           |               |       |      |      |      |      |      | Budget spread across multiple buildings.  |
| 5   | Grand building preservation and improvements to streetscape and buildings in the new entrance area | 3,287   | (913)                | 2,474                         | 1,871                          | 603                          |                       |                            | 603                        | 603           |               |                 |               |               |       |      |      |      |      |      | Project retrofitted with amount reduced by \$813K.  |
| 6   | Offices @ building 102   | 17,224  |                      | 17,224                        | 2,145                          | 15,079                       | 2,000                 |                            | 17,079                     |               | 2,000         | 15,079          |               |               |       |      |      |      |      |      | Building 102 was budgeted as an office, but may be lodging once we see performance of the lodge in building 105.  |
| 7   | Albeck Street buildings rehabilitation for leasing   | 14,916  |                      | 14,916                        |                                | 14,916                       |                       | 1,737                      | 16,654                     |               |               | 3,127           | 13,527        |               |       |      |      |      |      |      | We are not currently requesting an increase in budget. The Trust has identified that we need to develop more comprehensive guidelines to maintain our assets and infrastructure at the appropriate levels. Our plan is to develop the schedules in FY18 and FY19, and adjust our operating and capital budgets accordingly. |
| 8   | East Mason warehouses rehabilitation for leasing   | 16,301  | 1,247                | 17,548                        |                                | 17,548                       |                       |                            | 17,548                     |               |               | 2,080           | 15,468        |               |       |      |      |      |      |      | We estimate that construction costs are increasing 4% to 5% per year. This project's budget was increased to account for this inflation.  |
| 9   | Building 2 (original hospital) rehabilitation for leasing  | 2,012   |                      | 2,012                         |                                | 2,012                        |                       | 8,704                      | 10,716                     |               |               |                 | 2,012         | 8,704         |       |      |      |      |      |      | We are not currently requesting an increase in budget. See note in line 7 for maintenance strategy explanation. In addition, we also need to be sure this is the next best use of funds.  |
| 10  | Presidio Theatre   | 1,234   |                      | 1,234                         | 1,234                          |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      | Theatre Project to begin at the end of fiscal year 2017.  |
| 11  | Residential and non-residential rehabilitation and maintenance projects - \$25K                    | 34,583  | 1,852                | 36,244                        | 10,536                         | 25,709                       |                       | 6,379                      | 32,088                     | 6,540         | 6,855         | 6,284           | 6,230         | 6,379         |       |      |      |      |      |      | The amount being approved by the CEO is for the Letterman Apartments. See note in line 7 for maintenance strategy explanation.  |
| 12  | <b>Subtotal - Real Estate Projects</b>   | <b>114,849</b>  | <b>(3,884)</b>       | <b>111,014</b>                | <b>17,428</b>                  | <b>93,586</b>                | <b>2,000</b>          | <b>18,808</b>              | <b>112,488</b>             | <b>22,402</b> | <b>8,117</b>  | <b>26,886</b>   | <b>24,633</b> | <b>24,633</b> |       |      |      |      |      |      |   |
| 13  | Hospitality  |   |                      |                               |                                |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      |   |
| 14  | Restaurants capital contribution   | 4,300   | (141)                | 4,159                         |                                | 4,159                        |                       |                            | 4,159                      | 4,159         |               |                 |               |               |       |      |      |      |      |      | We are paying down capital costs each year.   |
| 15  | Conversion to historic inn @ building 105  | 25,181  | 500                  | 25,681                        | 25,181                         | 500                          |                       |                            | 500                        | 500           |               |                 |               |               |       |      |      |      |      |      | Unanticipated conditions at site resulted in design changes and slight delay.   |
| 16  | Ongoing building maintenance and venue refresh projects > \$50K                                    | 2,270   |                      | 2,270                         | 1,570                          | 700                          | 1,245                 | 200                        | 2,145                      | 1,295         | 300           | 175             | 175           | 200           |       |      |      |      |      |      | Golden Gate Club (venue) updates and golf course maintenance. See note in line 7 for maintenance strategy explanation.  |
| 17  | <b>Subtotal - Hospitality Management Projects</b>  | <b>31,781</b>   | <b>359</b>           | <b>32,119</b>                 | <b>26,751</b>                  | <b>6,359</b>                 | <b>1,245</b>          | <b>200</b>                 | <b>8,804</b>               | <b>6,844</b>  | <b>300</b>    | <b>176</b>      | <b>176</b>    | <b>200</b>    |       |      |      |      |      |      |   |
| 18  | Park (Excludes Sponsored Funds)  |   |                      |                               |                                |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      |   |
| 19  | Turret Tops, Youth Campus  | 10,000  |                      | 10,000                        | 7,550                          | 2,450                        | 10,000                |                            | 12,480                     | 1,600         | 10,880        |                 |               |               |       |      |      |      |      |      | Reflects increase of \$10M in Trust contribution to project for total contribution of \$20M on \$100M overall budget. Funds from donors on the 52.  |
| 20  | Public access improvements   | 1,752   | 56                   | 1,808                         | 1,247                          | 561                          |                       |                            | 561                        | 470           | 91            |                 |               |               |       |      |      |      |      |      | Improvements include items such as signage, trails and historic gates.  |
| 21  | Key visitor sites  | 7,806   | (2,991)              | 4,814                         | 2,722                          | 2,092                        |                       |                            | 2,092                      | 447           | 645           |                 |               |               |       |      |      |      |      |      | Decreased due to reduction of Area Expedient funding. Funding design work only at this time as we develop strategy for maintenance funding. See note in line 7 for maintenance strategy explanation.  |
| 22  | Other remediation sites > \$25K  | 1,366   |                      | 1,366                         | 1,051                          | 316                          |                       |                            | 316                        | 316           |               |                 |               |               |       |      |      |      |      |      | Anticipated remediation project at Rob H8 (not at campground, different site). Expect to apply for reimbursement through the Army.  |
| 23  | Remediation site - Landon Court  | 8,259   |                      | 8,259                         | 8,259                          |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      | Funds encumbered this year. Project completion in FY18. Expenditures are being reimbursed by the Army.  |
| 24  | Quartermaster Reach curbs to allow water to pass under Mason Street to reach Crissy Fields         | 2,225   |                      | 2,225                         | 2,225                          |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      | Funds encumbered this year. Project completion delayed due to Caltrans.   |
| 25  | Lyon Street stabilization  | 2,225   | (46)                 | 2,181                         | 2,181                          |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      | Completed project.  |
| 26  | Visitor Center   | 3,112   |                      | 3,112                         | 3,112                          |                              |                       |                            |                            |               |               |                 |               |               |       |      |      |      |      |      | Completed project.  |
| 27  | Designed landscape rehabilitation and maintenance  | 4,998   | 399                  | 5,396                         | 2,823                          | 2,573                        |                       | 500                        | 3,073                      | 764           | 709           | 350             | 750           | 500           |       |      |      |      |      |      | See note in line 7 for maintenance strategy explanation.  |
| 28  | Forest/parkland areas rehabilitation and maintenance   | 4,963   | 182                  | 5,145                         | 3,487                          | 1,658                        |                       |                            | 1,658                      | 954           | 164           | 188             | 172           | 200           |       |      |      |      |      |      | See note in line 7 for maintenance strategy explanation.  |
| 29  | <b>Subtotal - Park Projects</b>  | <b>48,748</b>   | <b>(2,288)</b>       | <b>46,548</b>                 | <b>24,887</b>                  | <b>8,860</b>                 | <b>10,000</b>         | <b>500</b>                 | <b>26,348</b>              | <b>4,658</b>  | <b>11,814</b> | <b>1,180</b>    | <b>822</b>    | <b>1,700</b>  |       |      |      |      |      |      |   |

7/20/17

## Exhibit D1

**Date:** July 23, 2017  
**To:** Board of Directors  
**From:** Nancy J. Koch, General Counsel  
**Via:** Jean S. Fraser, Chief Executive Officer  
**Subject:** Recommendation to Amend Article Four, Section 15 of Bylaws

---

Below is a proposed amendment (in red underline) to Article Four, Section 15 of the Presidio Trust's Bylaws which, if approved, would make the Chairperson a voting member on all Board committees. The current Bylaws are silent concerning the Chairperson's membership on committees. In practice, however, the Chairperson regularly attends committee meetings.

This proposed amendment would enhance the information flow between committees and between the committees and the full Board. Uniformity of practice would also be enhanced by this amendment. The Board is empowered to amend the Bylaws by majority vote (Article Six, Section 8).

Section 15. Committees. The Board of Directors may create one or more committees and appoint members of the Board of Directors to serve on them. Each committee may have one or more members, who serve at the pleasure of the Board of Directors. The creation of a committee and appointment of members to it shall be approved by a majority of all Board members currently serving, except that the Chairperson shall serve ex-officio as a voting member of all committees established pursuant to this Article. The Chairperson's ex-officio membership on each committee shall have no effect on quorum determinations. Any such committee may make rules for the conduct of its business, but unless otherwise provided by these Bylaws or in such rules, its business shall be conducted as nearly as possible in the manner provided by these Bylaws for the Directors. Each committee may exercise the authority of the Board of Directors to the extent specified by the Board of Directors, except that a committee may not adopt, amend, or repeal the Bylaws. Such committee or committees shall have such name or names as may be determined from time-to-time by the Board of Directors. Each committee shall keep a record of recommendations made and report the same to the Board of Directors when required.

# Presidio Trust Board Committees

---

## **Audit**

Chair - John Reynolds  
Bill Grayson

## **Finance & Real Estate**

Chair - Paula Collins  
William Grayson  
Mark Pincus  
Janet Reilly

## **Governance and Human Resources**

Chair – Lynne Benioff  
Janet Reilly

## **Programs and Communications**

Chair – Janet Reilly  
Lynne Benioff  
John Reynolds

## **Tunnel Tops Project Committee**

Paula Collins  
Lynne Benioff  
Janet Reilly

Colin Lind (Conservancy)  
Mark Buell (Conservancy)  
Dan Kingsley (Conservancy)

**Tunnel Tops Campaign Committee** (Trust representatives on Golden Gate National Parks Conservancy's committee)

Lynne Benioff, co-chair

Note: Board Chair is ex-officio voting member of all committees