

PRESIDIO TRUST PUBLIC BOARD MEETING – May 10, 2007

NOTE: The following is the best transcript available of the public Board meeting of the Presidio Trust Board of Directors held on May 10, 2007. It is based upon an audio recording of the meeting.

[Beginning of recorded material]

David Grubb: Well - oh God, it's on! Anyway, let's get started. I'd like to call the meeting to order. On my watch it's about 6:38, so the first order of business is the approval of the minutes. I assume that you've all read them. Is there a motion to approve?

Lydia Beebe: I so move.

Bob Burke: Second.

David Grubb: There's a move and second. Any questions? All those in favor?

Bob Burke: Aye.

Lydia Beebe: Aye.

Joe Yew: Aye.

David Grubb: Opposed?

David Grubb: Carried.

David Grubb: Craig, how about an Executive Director's report and a brief update on what we're doing?

Craig Middleton: Okay. Thanks Dave. I won't take long. I just wanted to - before we started our, the main event of tonight, which is to talk about the lodge proposals - take a few minutes to acknowledge some important developments and thank some people. These developments have occurred in recent weeks, and I find them - and I think we all find them - very encouraging.

First, I'd like to, again, publicly thank the Haas family and the Evelyn and Walter Haas, Jr. Fund for their willingness to step up and give the Presidio \$15 million to accomplish our trails and overlooks program, our bikeways program and our Rob Hill campground. When combined with their earlier commitment to Crissy Field, and I know this has been well-covered in the press, but it's worth mentioning again that this is the largest cash gift ever given to our national parks system - and I'm very proud that it has been given to the Presidio. We expect the gift, along with the Camping at the Presidio Program that the Trust will fund and the Conservancy, Parks Conservancy, will implement, to really open up the Presidio to many members of the community who have not yet had an opportunity to explore the Presidio, to sleep under the stars at a campground or to experience the Presidio's magic. So it really is a wonderful thing to celebrate.

Second, I'd like to thank the community groups, and by that I mean the neighborhood groups, the historic preservation organizations, the environmental organizations and others who have come together over the past six months to help us and engage with us and go through some pretty tough and lengthy discussions with us to ultimately come to a

conclusion to the Public Health Service hospital redevelopment project. I think we've made great progress, and I think we've established really good working relationships that I believe will continue through the rest of the implementation of this project and beyond into other endeavors that we do together. I've signed the Record of Decision and the Development Agreement for the project, and so we're moving ahead and we will soon begin the process. We're all committed to the eventual partial closure or restriction of traffic on Battery Caulfield Road - something we talked at length about.

Finally, one other issue has been an issue that we've talked about quite a bit recently in the public, and that is the issue of both Tennessee Hollow and recreational fields. I just wanted to report that there's been considerable conversation at the Board level over the past several months and that we are coming to a consensus position that we hope to bring our - roll out - very soon. And then finally I want to invite everyone to this new exhibit, the Cameron Exhibit. I think you've got - probably seen the Environmental Journey, little cards out there - if not, they're out on the table - great exhibit. We're glad to welcome Robert Cameron back with his great photography. And that opens on May 18th at the Officers' Club. It's free to the public.

And I think with that I'll turn it back to you Dave.

David Grubb: Okay. Thanks Craig. The next item is the Philanthropic Recognition Policy. Nancy?

Nancy Conner: Thank you. Well, very much in response to the amazing generosity that you just heard about and the fundraising match component that is contained with it, we felt it was very important to develop a philanthropic recognition policy. And what we've done is to try to strike a balance between something that would truly encourage donations but yet one that definitely respects the integrity and the history of park. The Park Projects and Programs Committee has created the policy and the resolution that you have before you, and we recommend that the Board adopt the resolution and draft policy, which will establish the parameters around which appropriate recognition will be provided to donors in the Presidio. So I submit the resolution and policy to the Board for its consideration and move that it be adopted.

David Grubb: So this policy has been moved -

Lydia Beebe: Second.

David Grubb: Is there a second?

Lydia Beebe: I second.

David Grubb: You second it? Is there any discussion? You've all read it. It's in your books. Okay. All those in favor?

Board of Directors: Aye.

David Grubb: Opposed?

Michael Boland: Carried.

David Grubb: Now we're going to get into the interesting part of the evening - which one, Michael or Adam? Which one wants to introduce this?

Michael Boland: We both are.

David Grubb: Well, both of you get up here.

Michael Boland: And we're hoping that maybe you'll actually join the audience [unintelligible].

David Grubb: [laughs] Okay.

Michael Boland: And could we get the room darkened?

David Grubb: Can I leave these things here?

Michael Boland: Sure. Good evening. My name is Michael Boland. I want to welcome you tonight. I'm joined up here on the podium by Adam Engelskirchen, and we're going to introduce the major topic tonight, which is lodging. Tonight we're going to try to do a couple of things. First, I thought it might be helpful to give a little bit of background to this project, and then Adam is going to talk a bit about the process we've undertaken and how we've gotten to this point and where we are in the process. Okay.

Now, I think it's important to bear in mind that the Main Post has always been seen as playing a really important role in making the Presidio a great national park. And this is an image from the approved Presidio Trust Management Plan that shows the Main Post district. In the PTMP the Main Post is seen as the key visitor destination. It's the one place that every member of the public, when they come to the Presidio, we hope they will start - and in some cases begin and end their journey - here at the Main Post and that it will serve as a gateway to the rest of the Presidio and to the rest of the park because of its location here in the middle of the City of San Francisco.

PTMP re-imagines the Main Post, which has been the administrative headquarters of the Presidio from its earliest days, as being transformed into something really wonderful - something exciting, much more vibrant than it is today, a destination with a concentration of different kinds of things: visitor amenities, a concentration of public programs, a regular array of different kinds of public programs that will activate the open spaces of the post - and in a collection of new uses that will engage the public and serve the public, bring the public into the historic buildings here at the Main Post, and there will really be a concentration of cultural and educational organizations in and around the Main Post.

Now, because PTMP envisioned that the Main Post would have this very public character, it anticipated that lodging is one of the uses that would be included here in the Presidio. Now, since the completion of PTMP the Trust has been at work on a number of initiatives in and around the Main Post. It has made quite a bit of progress on the

transformation of the Main Post and toward achieving this ultimate vision of kind of the re-imagining of the Main Post as a wonderful public place. It has rehabilitated about two-thirds of the buildings in the Main Post district and has put new public uses in many of those buildings.

It has also developed - working with many of the folks that I see in the audience - really dramatic plans for the transformation of the main parade, which is shown here in a before and after image. I'm going to go through a series of before and after images that talk about the transformation of the heart of the park. Now, the main parade, historically, functioned as the kind of town square of the Presidio, if you will. It was one of a collection of three major open spaces that were activated and animated by the buildings that surround them, and it really functioned in the same way that a town square would function in a small town. In the middle of the 20th century, its character was dramatically changed when the army paved it and turned it into a parking lot.

We're trying to turn the dial back and reestablish the primacy of the main parade as one of the great open spaces in the Presidio and as the town square. And we've been working hard on plans for the main parade but also for some of the other major open spaces in the Main Post - Pershing Square - and for the excavation and commemoration of the Old Presidio. And you can see a number of those gestures here in this and how we're trying in thinking about the Main Post to also leverage off of a project that many of you have been working on that's not one of our projects, which is the transformation of Doyle Drive -

which will create again this connection between Crissy Field and the heart of the Presidio at the Main Post.

Now, the transformation of the main parade, as I mentioned, will create an incredible new opportunity, a new platform, for a whole host of different kinds of public programs that currently doesn't exist in the heart of the park. It will be a place where many of the public programs that we currently have can find new focus and meaning and can be better accommodated than they are today. The main parade project is also going to introduce a new element, something that we've called the Anza Esplanade. It aligns with the existing footprint of Anza Street, and the Anza Esplanade will give order and meaning to the visitor experience. It'll be a broad new pedestrian route that will ultimately go from the Officers' Club, which is at the southern end of the Main Post, all the way down to the waterfront at Crissy Field over the top of the transformed Doyle Drive.

And the idea is that the Esplanade will organize along it most of the visitor amenities and important visitor destinations that somebody coming to the post will want to engage in so that we give new kind of order to the experience. One of the things we hear from the public a lot is they have no idea what to do when they come to the Presidio or how to engage the place. It also will create an armature that we can use to create really topnotch historical interpretation and begin to tell the story of the history of the place so that we can reveal - unravel - the history of this place for the public to come and enjoy.

Now I'd like to turn the mike over to Adam who is going to talk a bit about where we are in the process.

Adam Engelskirchen: Our process began last fall when we issued the Request for Expressions of Interest. We identified a number of potential lodging sites that we believed would compliment and support the public view of the future of the Main Post. So you'll see on the slide a mix of historic buildings, a site for new construction, and then a number of smaller structures as well - also historic. Working with the public, we developed a set of objectives that we intended to focus on the character of the project and how it impacted the visitor's experience of the Main Post. So we wanted to provide a high-quality national park experience that's similar to those you'd find in other national parks around the country. We wanted to establish the Main Post as a welcoming place for a diverse population. We wanted to compliment the public use and activity in the Main Post - so we really see this project as fitting right in the heart of the Main Post, which is itself in many ways the heart of the Presidio.

We looked for a project that would involve the reuse of historic buildings and/or sensible infill. We want to incorporate green design practices to the extent possible, avoid and minimize traffic, and then, of course, it has to be economically feasible and contribute to the Presidio's financial viability. We received 13 responses to the initial offering; we interviewed a group of eight of those. Based on the results of that initial process and what the market told us, as well as feedback we had from a public workshop, we developed a Request for Proposals. We invited four teams to respond to those, a team led by

Federal Development, a group called Anza Esplanade, Larkspur Hospitality, and then a group from Southern California called Vic Partners. You'll be hearing tonight from three of those teams who are with us to present their initial concepts.

In the RFP we asked the respondents to focus at a minimum on two key sites. The first is the building you see on the slide behind me, which is historic Pershing Hall. It's a bachelor officers' quarters on the southeast corner of the Main Post. The second is a site located along the proposed Anza Esplanade. So this site formerly housed the Graham Street Barracks until they were demolished by the army in the 1960s. For reference, the highlighted buildings that you see have been demolished, as has the row immediately above them on the screen. The buildings immediately to the right of the highlighted buildings were recently renovated by the Trust for office use and remain today.

This slide illustrates where we are in the process. Today we'll hear the public presentation of the proposals, and we expect in the next month or so to select a team and then begin negotiations in July. So tonight we've asked the respondents to present their preliminary concepts about what the project looks like. It's important to note that the actual responses to the RFPs aren't due still for a few weeks. And so we won't be talking about economics tonight. This is just a description of the vision and how it fits into the Main Post. We at the Trust are really excited about the strong response we've had to this opportunity. We believe it is a real opportunity for the people who are interested in developing this project, but also we've presented them with a set of challenges. They have a world-class site and something that we want

to be a real center to the reborn and reactivated Presidio. So we've set a fairly high bar for them as well.

We hope that you'll leave here tonight sharing some of our enthusiasm for this project. We hope that the process that we are now in the midst of benefits from your feedback, and so we'll look forward to your questions and comments. Tonight we're going to give each of the presenters 20 minutes to make their presentation, and we'll actually be asking them to hold pretty closely to that. And we've got a bell over there that will be ringing. And that's about it. Following the presentations, we'll have an opportunity for, first of all, our Board members to ask questions and then for comments from the public as well.

So with that I will turn the microphone over to our first team, which is a group called Federal Development.

[unintelligible]

Yeah. It's probably worth sharing that this is the first time that the Trust has the proposals in this form as well. So it's new to everyone tonight.

John Infantino: Good evening. Thank you for the opportunity to be here, it's a pleasure and an honor. I'll spend just a couple of minutes to tell you a little bit about our team and who we are. Federal Development specializes in public/private partnerships. We are in 12 different states. We have over 20 public partnerships with cities, states,

counties and entities of the federal government. So we understand the process and the unique thinking of the public/private sector, and we believe it makes us somewhat uniquely qualified - having worked on BRAC transactions, enhanced-use lease transactions and many historic developments both throughout the country and in Europe, as well as in Northern California.

About 95 percent of what we do are public/private projects, and it allows us to understand, again, that unique understanding of a process that you as the Trust go through as you maintain your role as a good steward of public land. Our operating and development partner also has experience in public/private partnerships, operating and developing hotels in over 17 states throughout the United States. They're involved with conference centers, boutique hotels, resort facilities and range from the first ever state park resort facility in the State of West Virginia to the Chaminade Resort here in Northern California to the transformed Frank Lloyd Wright facility in Racine, Wisconsin. So they understand historic redevelopment as we do.

A key member of our team is Heller Manus Architects who have 20 years of experience serving the City of San Francisco in such key projects as City Hall, Sansome Street 201, and also the Columbarium on Geary, as well as the Vitale Hotel on The Embarcadero. They are working with Kahn Associates, which is a well-known architectural firm specializing in historic redevelopment throughout the country. They have been in business since 1974 working with numerous state historic preservation offices throughout the East and West Coasts -

involved in numerous historic projects such as Johns Hopkins and other master-planned historic campuses of a public nature.

Our development team is nationally experienced, it's regionally well versed and also serves locally here in Northern California and in San Francisco. We understand historic redevelopment, having worked on over one hundred buildings with our various resumes, and we understand pioneering projects - as which we see this a unique, challenging and pioneering project that has wonderful opportunities.

Our objectives as a team are to establish a new model for the 21st century national park system, to apply the goals and objectives of the Presidio Trust and the surrounding community, to create a new economic engine for the Presidio, to develop a sustainable design that will improve economic and environmental and social values for the community, to implement a flexible design process, and to build a unique project with respect to the history of the Presidio, the nature of the national park, and the urban texture of the City. Bill? Let me introduce to you Bill from Benchmark Hospitality who will give you a little bit of discussion of our program event.

Bill Upshaw:

Thank you. Hello folks. I'm proud to introduce you to my company today. I work for a company that's based in Texas, but we live and work in 17 states across the country. As John mentioned, most of our properties are historic redevelopment. They are in many cases in pristine land areas where we've had to be ourselves good stewards, and I think that talking about the way you develop a property is one thing, but how do you operate it once you develop it? How do you

operate in the community? What's the accessibility to the property for the community?

We believe in that. If you go to our website and look, our main tenet is, "Living, learning and leisure." And we have a program within our company that's called "Hometown Hospitality." All of our properties - and this is employee generated - spend a great deal of time out in the community, get involved in the local causes, and we hire in the community - all our people work from the community. So for us, we don't get involved in - we're not a big company that's a big brand company. None of our properties are brands. It's a privately held company. And for us we get involved in projects that make sense for our strategy, and our strategy is a community-based type company.

So we would never get involved with maybe the big Marriott downtown or those kinds of projects - they're just not for us. We feel like we hold a unique niche in this kind of development. When we looked at this project, we said, "That's what we like to do. It's right up our alley." And we're very excited about it. The historical part of this fits right into everything we've done from the Naples Bay Resort to the Bedford Springs Resort we're opening, with the Summer Whitehouse for James Buchanan built in the 1700s - we've redeveloped that from basically it falling into ruins. We've taken the natural hot springs back to a pristine level. That's opening in July.

So we've got a lot of great projects and, as we mentioned, one right down the road that I think was just given an award for being the only green hotel in Santa Cruz. Correct? So as I mentioned, we're very

proud of our company, we feel like we're a good fit for this type of project, good fit for your community, and I hope we have a chance to get involved with you. Okay.

And I did - I got off talking about the company - I did want to talk about some of the uses that we did brainstorm as a team. And we see this as - we talked a lot about conferences and bringing those into the community. And what does that do for a community? Well, first of all, conferences are usually educational in purpose whether they be for a company or they be the type of thing that a community would be involved in. The participants in a conference usually stay for long periods of time, four and five days. It's not the in-and-out traffic that you see with a commercial hotel project.

Health club and spa - we know there's one on the property already. We're kind of into the holistic type spa. We'll see how that fits into this project. Exhibitions, dining, shopping - we look at this as being your community project and your community hotel if we're involved in it. We expect this is a place if you have a wedding or social event this is where you should be coming if you live anywhere within this area. Tourism, wine-tasting and so on and so forth - so I'm glad to be able to introduce our company to you tonight, and I hope we get to do something with you tonight. And who's next on our team? And I'll let you do the clicker.

Clark Manus: So I'm Clark Manus. My firm is Heller Manus, and I want to take you through perhaps what's the more challenging aspect in terms of looking at how the project fits. You've talked about historic

preservation, and our office has worked on renovations of buildings by Willis Polk, Arthur Brown Junior - and it's really important I think when you look at how you deal with preservation and new buildings is to really understand the response to context. And in doing so, you know, you look at the various levels, you look at the standards, look at the character of the buildings.

I think the sense is really that you're not trying to outdo anything that's here. The Presidio is a special place for those of use who live in San Francisco, and it's clearly one of those sort of world attractions. Sustainable design - in the world of development it becomes a very difficult thing. This is one of those things that we need to obviously look at. We are doing the first private-sector [unintelligible] office building downtown, working with the City Department of the Environment and really beginning to understand the way you begin to balance those things in a development model. And it's very different than when you look at public buildings. And so that's one of the challenges here in the way we'll be looking at that use.

The thing that I really want to talk to is our understanding for the site and the way we've begun to approach the program that Bill touched on in both the lodge and in Pershing in terms of the kind of programs that it can accommodate. There are very, really strict standards about the modifications of the insides of these buildings, and in doing so one of the things that we feel obviously is important is the relationship across the parade grounds in terms of the way that we will create the activity that people want to be drawn to. We are sensitive to the concerns that the community will have about traffic at the destination, but in doing

so I think we've really felt that the lodge is really sort of the central part of that.

We've developed a couple - a rendering here - it's an early stage. And I think what I really want to talk to, and I can come back to it in a minute, is - and I'm just going to talk you through what the Trust has really looked at in terms of the building models. And there are really basically four blocks along that, and they incorporate elements that provide the penetration through the building. And in the sketch that I talked about before, we now have looked at ways that we can begin to break down the module of the buildings, the way that it responds to the Montgomery Barracks across the parade grounds - and in doing so what we are seeing is a basically central space where it's a sort of central living room gathering place and beginning to break those modules up.

The other thing that we've explored is the height of the buildings. You know, is it all the same height, being two stories; is there a differentiation in the scale of the buildings and the way that most of the buildings in the Presidio have, which is perhaps three stories in the middle. Are there opportunities in these glass connectors and courts that can occur between the buildings over and over here. And in doing so the transparency through the building is really one of the things that we really want to be emphasizing. And I'll just go back for a minute in terms of the way we've been looking at the sketch and - I mean as precedent, you know, obviously the Ahwahnee is probably one of the best. Wingspan is also one of those things, and we really want to look at the use of materials, whether brick is appropriate and wood and a

variety of materials that seem to be appropriate to the response here. And Lucas really was one of those things that the Presidio spent a lot of time trying to figure out how the building actually fit the Presidio in terms of its image.

It's not important for us to look at this as a sort of - as a "look at me" building. It's one that really needs to respond for the context, and that's the approach we took. And in looking at the plan here, I know we'll go through a lot of discussions with a lot of people in the community about what the character and the materials in the building are. So the program that we were looking at, which is one that you've established, is a program that would accommodate somewhere between 150 and 175 rooms based on the 80,000 square feet. And we are also looking at the ability for restaurant-like uses to make this a place where people will arrive and they will be able to gather, and whether it's in the morning or in the evening and then be able to go to small conference spaces that are in the other buildings.

And I will then talk about the - I want to go back for a minute and talk about the building section. The other thing that we've explored is the potential for providing this common use as well as perhaps even thinking about parking below grade or actually the way the building would be structured, half in and half out of grade - and being able to accommodate some of the demand for the use of the primary lodge site and this hotel or lodge site. You know, the use of boutique retail - Pershing we see really as a boutique use. I think Bill talked about the kind of program uses that we're talking about. You know, perhaps a

wedding pavilion, small expanded meeting facilities, small guest suites - maybe even a restaurant.

The building is much more conducive to being able to accommodate small uses versus the lodge site, which is much bigger. And obviously as a part of that image those are the things that we see that the building can offer in the way we would look at this renovation and modification. And obviously that's one of the sensitive things that we're talking about here. And then, 101 and 103, again, those are support in the way we're looking at them - maybe 30 to 40 guest rooms, perhaps - as Bill said - you know, a health club or spa, depending upon how we see the market there - boutique retail and other community support spaces. Also small sort of conference space, perhaps more intimate amphitheaters for event planning.

And ultimately we see this complex as a sort of learning center, much more so than just sort of a business center - a place where people can meet and gather and get together. And 105, again, is, again, a part of that program - looking at the opportunities for perhaps ballroom space and other boutique uses, and obviously outdoor dining. The parade ground site is really one of the things that will allow that interaction across the green.

And then the final thing that I just want to talk about is obviously this small intimate scale - the Riley homes obviously provide a sort of boutique-like use in the bed-and-breakfast-like element. So you've got a tiered series of uses from the lodge site to Montgomery Barracks and

then to the Riley homes. And I think with that, John do you want to just - ?

John Infantino: - stop dancing like this. Just to wrap up, we hope that we have the opportunity to continue to work with you. If so, we will draw upon our national, local and regional experience to build a local community and national park hotel. We will create a long-lasting social experience for community guests and for park patrons. We will respect and leverage the historic environment, as we have done in historic properties in the Bay Area and throughout the country, and we will socially, financially and operationally support this national treasure in which we sit. Thank you very much.

Jim Hansen: Good evening. I'm Jim Hansen, the Executive Vice President of Larkspur Hospitality. And we're here with our team this evening, and we'll run through some of our ideas. We also are taking a little different approach at tonight's proceeding, and we're offering several images from existing hotels and renovations and restorations that we've done to give you - in addition to what our vision is for the site - to give you an idea of what we've done and how we might apply this experience to that. Larkspur Hospitality was founded in 1996. We're located in Larkspur and we've always been over in Marin ever since day one.

So we are a regional and local hotel developer, owner and operator - and we have 23 hotels, and we've built an additional five that we've since sold. So we've developed and renovated 28 hotels over the last 11 years. Another important feature I believe in our team is that we do

have a local investor and finance here, and capable of bringing 100 percent of financing to this project and has done so since day one of our development of our company. So we've been very fortunate in that, and things have gone well on that front.

Just a quick review of oversight of what we do have - we have 11 Larkspur Landings, which are upscale extended stay lodge-style hotels that I'll show you images of in a second. We also have eight Larkspur - what we call "collection hotels." There are four-diamond style hotels that are all located in California and Oregon. We also have four others that aren't collection level, three-diamond, that are also located here in the California area. And we also are in the restaurant business in a pretty big way. We have four - what we call "three degrees" full-service restaurants, upscale restaurants, as well as we own Kuleto's on Powell Street, which is part of the Villa Florence Hotel.

We like to think of ourselves as special in the hotel industry, and we've spent a lot of time trying to develop a unique culture and a unique approach to the way we do business. And we have a very people-oriented approach to what we do. Being in Marin and the chairman being a resident of Fairfax and being very socially conscious - we're very in tune to being green, being very attuned to our people's needs and trying to create an environment that is consistent with how we want to treat our guests.

From a business strategy standpoint, regardless of what the hotel looks like or what town it is, these are some things that we try to accomplish across the board in our development as well as the way we operate our

hotels. And we try to make them all warm and comfortable, and in some of the images here, hopefully, you'll see that coming through - very welcoming. We try in all of our restorations especially to be very authentic and very genuine on how we do it. And we try to make it very in keeping with its locale, with its existing architecture, and really being sensitive to those needs - bringing the right consultants and the right people on board to do so. Smiling faces at the front desk and friendly people obviously are key to being a genuine hotel experience for our guests.

And we like to think we have a good time doing it and that our people have a good time doing it as well and enjoy what they do. And that's taking care of our guests and providing a unique experience for them, whatever location they might choose. Our new constructions are our own brand, and it's called Larkspur Landing Home Suite Hotels. We have 11 of these, as I mentioned, in three states. And I'll just quickly run through some images here, as I think that these are somewhat representative of the kind of look and feel that we can bring to the table as it relates to a lodge and this special location and in this historic location.

And some of the things I'd like to just quickly point are the use of materials and the details and things that we bring to our hotel that our guests favorably comment on. We try to make it warm, comfortable, natural - lots of natural materials and a lot of design features that our guests need and focus on. Guest rooms, again, are very comfortable, spacious, and the use of materials is fairly unique to the industry. All

of these are custom hardwood designed pieces and implemented in the Larkspur Landing brand.

Then on the collection front, a little more interesting maybe as it relates to special - this is a renovation we did that I think focuses on what we can do in terms of changing the façade of existing structures. Here's an existing lobby and the new look and feel. Maybe more appropriate, though, is the 1926 Sainte Claire in San Jose that we purchased and renovated. We're working with the redevelopment agency right now in doing a new marquee and exterior lighting and other exterior features that are in keeping with the historic qualities of the hotel and bring it back to really where it was. The entry canopy and marquee features - those are not as they were many years ago. And so we're going to try to bring that back, but interior-wise we really did work with the existing features.

The Ahwahnee was mentioned earlier, and this was the same year that the Ahwahnee opened that this building - hotel opened. And as you can see, it has some similar characters and qualities that we maintained throughout the renovation and restoration process of the interior. The hotel has been very well received; the redevelopment agency loves it - brought all the rooms up to speed and certainly to serve the Adobes of the world in Silicon Valley. Trying to make all of our guest rooms consistent architecturally as well as design and bringing in details where appropriate to make the experience special.

The Riverplace Hotel is in Portland, and again this was not a historic renovation but certainly brought it to life with the Larkspur concept,

the Larkspur materials - the look and feel - many of which are materials that we envision for use on this site. Again, warm and welcoming - soft colors. The Lodge at Tiburon some of you may be familiar with, right over here in Tiburon, had been an eyesore for many years - and we came in and repositioned it into a hotel that would serve a clientele very similar to what we have here, being located Angel Island. And we have meeting room space for retreats, conferences - a lot of weddings and social events, a lot of hiking and biking, water-sports and so forth.

So we would bring this experience and the locale to bear on this location as well. So the quite varied history of the Tiburon Lodge shown here on the left side of the picture. Maybe more appropriate though would be the Casa Munras Hotel, which we purchased in Monterey. It's one of the oldest hotels down there. The main building that you see here was built in 1848. It was the first structure outside the walls of the Presidio. And so what we're trying to do is come back in and change the carport image that somehow arrived over the years, and again to bring it back to its historic look and feel, colors and use.

And the historic commission down there and the architectural review commission have been very complementary and helped us work through this. If you like pink, I'm sorry - we're going to get rid of the pink. So that just gives you a little feel of how we can do things with historic facilities and restoration work.

This is a new project that we just got approved last week over in Larkspur Landing in Larkspur. It's actually at Larkspur Landing

circle, and this gives you the image that was approved. And again, incorporating a lot of detail and a lot of look and feel that, some of what might be applicable to this site. So our vision for this is really to build a facility that immerses in the historic and restful atmosphere of the Presidio. You're probably going to hear this over and over again, but this truly can be an urban oasis for travelers to the Bay Area. And as someone said on a conference call here recently, "Why wouldn't you stay in a national park if you're visiting San Francisco if you could?" And certainly that's what we want to create and take advantage of how special the site really is.

We want the lodge to be a focal point of main parade grounds of course, and the Esplanade - really taking advantage of the indoor-outdoor activities, features, views - and really at all of our locations making this connectivity between indoor and outdoor environments. This is unique site, and it will be serving a multitude of different market segments, unlike maybe many that we see. But again, this is perfect for leisure, it's perfect for tourists, [SMERF] groups which are social groups like weddings, family retreats - these kinds of things. We think there can be a real focus on outdoor activities of course and sports-related activities and marketing - group business.

But we also think there can be a corporate business found here and, again, giving a corporate traveler that alternative to staying downtown at one of the other typical locations. We want to do a design that you'll hear about in a minute that compliments its surroundings of course, takes advantage of the Presidio architecture and landscape - being very sensitive to that and making sure that it incorporates well in

a great design approach. It will be a destination hotel. You're not just going to drive by and say, "Hey, let's stay there." But we think that with the advantages that this site brings to bear that won't be a problem. Lots of outdoor spaces as I mentioned, with decks, porches, lawn-gathering areas - taking advantage, again, of its location on the main parade ground.

In our approach we're taking a phased development approach. We would like to build, if given the opportunity, the new hotel first and then phase in the restoration projects. The two that we've looked at are Riley Street and the Pershing Hall building. And we think those would be good compliment, could be run out of the main - the new construction in the new hotel - very easily. Our program is a little bit different. We're looking, initially, at 100 guest rooms with a mix of suites and some extended-stay rooms. We do need - or feel like a meeting facility is appropriate - maybe around 3,000 square feet. We're still studying that. Again, a café and bar of a small size, but we think it's important to provide a meal and that leisure activity as well. I can envision you sitting out on the porch looking out over the main parade grounds down toward the water, having a bite to eat. I think that is a beautiful image.

We would provide a lodge living room, maybe similar in look - or not look, but in function - to the Sainte Claire living room that you saw. Fitness center - pool and spa - still studying those pieces - some of our common threads are complimentary business centers, free internet access. And we think that whether you're corporate or leisure people need and want that. A retail gift area - really concentrate on special

activities and amenities like bicycle maps, running maps, hosting races, hosting trips and tours, kites, etc. And then an interpretive center - and center may be too liberal a word, but at least interpretive area that - within the hotel - that focuses on the Presidio's history, artifacts, pictures and kind of gives it a better sense in place of where we're at.

So our team - this is Larkspur team here, many of whom are here this evening. We take these things pretty serious. We feel like we're a completely integrated team from development through operations with senior management capability. Karl Hoagland is our chairman and founder; Dennis Markus, McKinley Owens is our operator, and I think he's operated or touched every hotel on the West Coast, myself and Gene DeMaria and John [Maclowe] General Counsel. But maybe more importantly to you this evening, our design team - and we've put together what we hope is a great team, experienced, maybe one of the most experienced on the Presidio itself or Hornberger & Worstell and Page & Turnbull. We also have SW Group, which is a landscape architecture group who has done a lot of work at the Presidio and in the Bay Area.

We're going to take parking and traffic and so forth very seriously and have Nelson Nygaard on board for that function and then Mr. Schultz for renderings and perspectives. So with that I'm going bring up Paul and John - bring up John from Hornberger & Worstell, and he's going to give you a little bit more about our vision and a little background on their capabilities.

John Davis: Thank you Jim. My name is John Davis. I'm a principal with Hornberger & Worstell architects. We are a homegrown firm based here in San Francisco, California, and in our 27 years of practice about 26 of those have been focused on hospitality and lodging architecture, architecture for great hotels and resorts. Our new architecture ranges from projects you may be familiar with such as the W Hotel here in San Francisco down next to the Museum of Modern Art. We're currently involved with the Ritz Carlton Lodge at Northstar at Lake Tahoe, which is under construction. But I think our most exciting experience is in our historic architecture and renovation.

Jim mentioned that we're at a little bit different level in the conceptualization for this project than perhaps our colleagues. We're thumbing our temples and thinking a little bit more about it, but we thought we'd express our vision for the project in bringing forth some of our current experience in historic hotel, both new and remodeled historic projects, some of which you may recognize.

For us there are three things about this project that are obvious but, when combined, make it a very interesting assignment. This is a new hotel. It will - it needs to function like a new hotel. It's going to be built with new construction technologies and new economics. It's also, as we all recognize, an extremely unique historic setting - a one-of-a-kind historic setting. This is going to be a centerpiece building in a very unique location, which may defy some of the things that are necessary about new construction and new hotel operations. And thirdly, this is a public place and a private place. It's a place for the public for enjoy, to walk around through - but it's also a place for

guests and visitors that need security and privacy and sort of the containment of their experiences.

And so we just wanted to range through some of the projects that bring these things to bear. We're currently working on the Weston St. Francis, which is 1.538 million square feet of building on Union Square. And there it's about bringing new hotel operations to a hotel that's been built in five stages over 105 years. And we're looking for opportunities to add new space to an existing building - ballrooms at its roof. Ballrooms fit in between other spaces in the building, reorganization of public and back-of-house space, what to do with boilers and steam generators in guest rooms. We're currently in the planning stages with their ownership group.

This is eyesight from our office, which is on historic Maiden Lane I might mention. The Olympic Club in San Francisco - combining new with old, taking the 1910 historic building on the lower right-hand corner, touching it lightly from a historic perspective, adding a new building on Sutter Street in the upper left-hand corner, all new construction - solving its operational problems but bringing vitality to its historic quality and newness to its hospitality, fitness and lodging facilities. There are 20 hotel rooms in the Olympic Club, by the way, as well as facilities like you see in the middle photograph.

And I think even more germane is our work at Ghirardelli Square. Ghirardelli Square, currently under construction as you may know, and is being converted from a mixed-use retail public plaza and office project to a hospitality project. It will be a lodge - a lodge above the

plaza level, and this is a combination of private development, of course, and taking a series of buildings on the National Historic Register, upholding their quality, but creating a whole new level of public and private interaction, enlivening the plaza spaces, having tourists feel like it is theirs to enjoy - but guests also to feel like it is theirs to stay at and not necessarily to have to share the same experiences with tourists. It's a challenge. We've been at it for a bit of a while. Also, of course, the grand historic San Francisco character, which we've worked hard to uphold - and we've worked with Page & Turnbull extensively on this project, which we'll introduce in a moment.

And another hospitality project, which to us recalls some of the very interesting characteristics here at the Presidio in particular is the Hotel Del Coronado in San Diego, California. We've been involved there for ten years master planning a series of additions and renovations, working with the California Coastal Commission, the National Historic Register. This is the largest wood building in the Western United States. It was the third building in the United States to be sprinklered.

You can imagine the challenges in character of the project, and unfortunately the images are small, but in the lower right-hand corner is our latest new construction. You can see the middle in the lower row is these pavilions of guest rooms - smaller scale buildings, contemporarily constructed, but in the character and quality of that great historic building - new guest facilities in its old setting. And you can see in the very lower right-hand corner it's a series of pavilion

buildings along the beach. And this is all - not all - but it is publicly accessible. There are accessible pathways through the resort, through the buildings themselves, along the beach - and so the public feel like they can enjoy the resource, go around the property into the restaurants, into the great living room spaces, but the guests who will be buying their ownership shares in these cottages and villas have the privacy of their own enjoyment as well.

So that's been an exciting challenge for us. So for us the vision at the site - we'll just take a moment - are those things. We think that the - we'll use the term "pavillionization" - of the lodge at Presidio - wanting to breakdown into buildings within the building is a challenge, but it's a plus. It will create more individual experiences for guests; it will allow the buildings to be permeable for visitors; it will keep the scale more in keeping with the buildings around it. But it also will work against some of the challenges of service to all the guest rooms, back-of-house, where's the loading dock, how do you handle the engine room side of running a modern hotel?

[bell rings]

Let me just take a moment with time out to introduce Ruth Todd who is with Page & Turnbull and let her close with some remarks. I apologize for running over.

Ruth Todd:

Well I don't get to show my slides I guess. My name is Ruth Todd. I'm an associate principal with Page & Turnbull, an architecture firm in San Francisco since 1973, specializing exclusively in historic

preservation and projects in historic contexts. We have worked in hospitality; we have worked probably with several hundred thousand square feet here at the Presidio. We're currently working just up the hill at the chapel. We are breaking ground on the Disney family museum right across the street from the lodge site. And we have rehabilitated several historic residential complexes in the Presidio that are very similar to the types of buildings such as the Riley Street residences that we intend to rehabilitate as part of this project. So thank you for your patience.

Jim Hansen: Just in closing, I apologize for us running over. We are local and we want to bring our local expertise to bear. And I think that we'd love the opportunity to work on this project. So thank you for your attention, appreciate it.

Steve Ledoux: Good evening members of the Trust Board, Mr. Executive Director, Presidio staff and members of the public. I'm Steve Ledoux. I live in San Francisco with my wife Sara who for a dozen years was publicist for Bill Kimpton who knew a thing or two about hotels - and with my three children. Daniel, the youngest, turned five today, and he recently matriculated at Stewart Hall Convent of the Sacred Heart. I work in the Presidio in the Building 38, which is the former headquarters of the U.S. 6th Army. And that means that if we were selected to do this project and Craig had a question, he could just walk across the old parade ground and talk to us. That's until construction starts of course.

I'd like to now say that our office is the center - command center of peaceful development campaigns. My daughter Elizabeth likes to say,

“Dad there’s no ‘I’ in team.” And I think that’s very true. And I wanted to tell you what we think the team is here in addition to the folks that I’m going to introduce. It is our development team, our design team, financial team - but it’s also very much the Trust - that’s to say the Board and the staff of the Trust, including the Executive Director, the real estate folks, the design folks, and the historic preservation folks.

We know that because people on our team have worked with the Trust on some very compelling projects - the most compelling of which will be the one at hand. In addition, it’s the members of the public and the people who live and work and care about the Presidio. These are all the stakeholders that we will work with iteratively, collaboratively to make something truly, truly special. Fundamentally, I think you’ll make your decision based on three things - the people - I’m going to move to that quickly but you’ll do your due diligence - our guiding principles and fundamentally our concepts for this site. And I think you will agree that our design team in a matter of just a few weeks has done a tremendous amount of work to present some very compelling and very highly developed ideas for your consideration.

So now I have to work the computer. On our team is Joie de Vivre - I love to say that, because my name is Ledoux and it’s French. The chairman, founder of Joie de Vivre is Chip Conley. Joie de Vivre is, I think fair to say, the number one California boutique hotel company. When I say boutique, I mean lifestyle, something original, creative that has personality. Think boutique - think the “un-Marriott.” Kirk Wrench was CFO for 20 years for Bill Kimpton - probably the national

number one boutique company. LMS are our architects Marsha Maytum will present to you today. Architectural Resource Group are the historic architects for our proposal on Pershing Hall. M & S Group are our project managers. John [Maddic] and I have worked together on probably a dozen hotels over the last 20 years. He originally was with Swinerton - and Ledoux, Esquire here in the Presidio.

So just quickly a few things that we've done, and then more importantly what we want to do here. So Hotel Vitale is something that Chip worked with the City and the Emerald Fund to do. That was a public/private partnership that is now one of the most successful hotels in the City. Chip also operates the Laurel Inn, the Hotel del Sol and the Drisco, which are important because they're around the Presidio and form a competitive set that gives us a great deal of information about how we might serve the guests here and what types of guests we will have.

Kirk Wrench's projects include the old post office, historic post office, in Washington, D.C.. M & S group, among many other projects, did the Alcatraz Island renovation. And we were able to get, after 25 years of a little concrete and rebar, the Monterey Cannery Row Hotel going. And, if I have anything to offer, it's a little knack at structuring these types of transactions. So LMS recently were at the AIA conference to collect awards for their work here in the Presidio, including on the Bay School - and their work includes the Thoreau Center for Sustainability, Bay Area Discovery Museum and, across the bay, one of the more compelling and compatible projects - which is the Fort Baker Retreat Group project.

ARG is also working there. They're consulting on an Ahwahnee renovation and also did work on the Hotel del Coronado. Marsha?

Marsha Maytum: Thank you. It's really a pleasure to be here tonight. We have a lot of information to share. As Steve said, we've had a great deal of fun the last few weeks rolling up our sleeves and putting some really great brains at work on this problem. We really believe that a great park deserves a great lodge, and that's what we're planning to provide. I wanted to go over briefly just our primary goals and values, which I think are driving our design. First and foremost, the preservation of the park - we think that is fundamental to any plan in this really sensitive site. Secondly, community - this is really about the people who live and enjoy the Presidio now and also the guests who will be coming. But the community is an essential partner in this design process and will enjoy the outcome.

History is a fundamental part of this project. As Steve mentioned, we have a great deal of experience working not only within the Presidio but other parks and really have a respect for the history but also look forward to transforming the Main Post, being a part of the transformation of the Main Post into a place for future generations. Nature and sustainability are two key values and goals of the project, and they are interlinked. We feel that sustainability is just the right thing to do, and we plan to make this a model for sustainable design and really make it sit in harmony and in balance with this beautiful natural setting.

Quickly, our program is to provide in the new building along the Anza Esplanade about 97 guest rooms and public amenities including a restaurant, bar, meetings rooms, spa and event space. And Pershing Hall is also going to be rehabilitated into guest suites. I'm just going to quickly go through these diagrams just to give you a little bit of an insight into our analysis and our thought. Here's the existing site with the proposed really wonderful plans for the new parade ground park and highlighting our two sites, the lodge site along Graham Street and Pershing Hall. We've done a thorough analysis of the environmental influences on the site, the path of the sun, how we can maximize solar access - of course the ever-present wind and fog, again how we might integrate that into the design. And then, the incredible amount of beautiful views in all directions from this very beautiful site.

In terms of the circulation, we've done a lot of study and research that has been outlined in the general plan. We're planning to just work with the Trust on the strategies that they already have in place - decentralizing the parking, utilizing a valet drop-off approach with clustered parking throughout the Main Post area, really reinforcing the pedestrian paths that are established by the Main Post plan. And this is just a snapshot again of our two sites, really looking at the potential of developing something along the new Anza Esplanade and Graham Street and Pershing Hall. Debbie Cooper from ARG is going to quickly take you through our plans on Pershing Hall.

Debbie Cooper: Thanks Marsha. Our plans for Pershing Hall are to convert Pershing Hall into guest suites; approximately 20 guest suites. And because Pershing Hall was designed as bachelor officers' quarters in 1903,

each officer's unit contains a bedroom, a living room and a bathroom. So they are very easily converted into suites. So our proposal is really to take a fairly strong preservation approach in working on this building. Disabled access can come in from the side and delivery from the back where always has. And we would propose to create a garden in the west corner, which is a very nice secluded space. On the first floor, we would create a docent room and a lobby and a lounge for meeting space right near the entry area. And the docent room essentially would be a room for interpretive exhibit space. We would integrate two accessible units on the main floor, alleviating the need to put an elevator into the building - and a kitchen that would connect into the lounge space for event facilities and a managers unit just to the back, and services in the back of the wing.

On the second floor we would connect the back wing - I thought I had a pointer here somewhere - here it is. We would connect - right now there's a party wall dividing this back wing and the front of the building - so we would open that up and put a stair in there so that people could enter from the front of the building into the rear area also. And we would propose to put new doors in existing window openings in the front balcony so that we could create second exits from the units on those floors, which would allow us to remove the fire escape, which I think would be a really nice improvement to the façade of the building. Finishes - the third floor would be similar within the suite layouts, and finishes in the rooms would largely entail new carpet, new paint finishes and inserting fireplaces in existing units, new fixtures and finishes in the bathroom - but essentially retaining the existing configuration of the plan.

The exterior of the building would be upgraded, fixing wood elements that have been deteriorated, rehabilitating windows and doors all in line with the Secretary of the Interior's standards - and upgrading the - obviously as this building is a masonry building there would have to be some seismic rehabilitation done. Our firm actually studied this building in 1996 for the Park Service, and so we have preliminarily looked at seismic strengthening. One of the key aspects of the strengthening that would need to happen is an upgrade of the columns in the front portico, and we've looked at strategies for that. And we would integrate new systems throughout, bringing the building up to a lead-certification standard.

And I'm going to turn it back over to Marsha who can talk some more about the new building.

Marsha Maytum: Thank you. So we're changing in the level of detail here. So we're back to more of a broad brush about our initial ideas and design concepts. Again, this is such a compelling site, such a great history. I think that we are looking really carefully at the buildings surrounding the Main Post - the Montgomery Street Barracks, Pershing Hall in a grander day, buildings 38 and 39, which in this photograph I find really interesting with the coloration, that's quite different than today - and the porch culture that was occurring at the Main Post previously, which will have a much more diverse look in the future on the porches of the new lodge. Again, the fenestration, the massing, the porches, the way that the rooflines work, the system of proportioning are all things that we've been looking at in the development of the design.

The other thing that we've been looking carefully at is the transformation of the main parade ground. We think the plans are very exciting, and we see that the new lodge is an integral part in the creation of this new main parade ground. And we really welcome working in partnership with the Trust and Olin Partnership as well as the community in making the lodge be an essential link in this new plan. Anza Esplanade, again, is going to be an enlivened space, and the lodge will spill out onto that with terraces and dining. These are just images from the previous - from the Laurie Olin Partnership plans. So here again we are with our site with a strong urban edge on Graham and the Anza Esplanade being a part of the park. We've studied the view quarters, which are very important across the parade ground in the east-west access. There are a lot of different relationships that are interesting. We've studied the building dimensions and massing and noticed the variation. The Montgomery Street parade ground buildings are about 150 feet, 155 feet, ranging up to buildings 39 and 38, which are at 310.

Again, we've looked at these things carefully in making an analysis of how this site can be utilized. This is the massing diagram in the guidelines, and then we've been looking at a three-building scheme, which integrates the dimension of the Montgomery Street Barracks and thereby leaving the corner free for the park and more views. So this is the way that our scheme is developing right now. Here's the site plan showing the three buildings with a 50-foot opening, which is going to be the lobby drop-off and will be a transparent great room with a lot of glazing and a gestural roof that will be a living roof.

Again, these are quick diagrams. This is the historic Graham Street façade. This is the current condition of the parade grounds turned to black asphalt and the Trust building in the foreground there.

And then this is our scheme again, working with the massing of the existing Civil War buildings, again looking at how to break down the massing and keep in appropriate scale to the main parade ground. You can see on the bottom of the slide some site studies and relationships and cross sections across the main parade ground, showing the Montgomery Street Barracks. Here, there - and then how our building is relating to two Civil War buildings. Because of the grade differential, we can actually have the buildings step down so that we have the back-of-house functions on the lower level, two floors of guest rooms, and then all the public functions facing onto the porch and opening to the public way.

This is just a quick illustration of what the upper part of Graham Street might look like with the new building. Again, you can see the massing and form continuing the street edge and the scale of the Civil War buildings beyond and framing the Esplanade and the new park. I want to make sure I leave enough time for Chip. So I'm just going quickly - this gives you a quick idea of the way that the rooms are laid out with the great room lobby at the center between the two buildings, all the public spaces surrounding that, and then guest rooms and a new spa to the north. The upper floors are very simple and straightforward, and again because of the topography on the third floor you can see that the last building over here is one floor lower and actually has the opportunity for a terrace looking out over the Golden Gate Bridge.

Sustainability, as I mentioned, is a key driver for our design team. And we're looking at many different ways of integrating sustainable design strategies, and here's a list of some of them - but we're very interested in making this look to the future and actually work in ways of generating electricity by photo-voltaics, capturing rainwater for irrigation, having an organic garden, permeable paving - there are lots of really great things that we can do to make this building a model for sustainability. Again, here's the roof plan showing photo-voltaics on either side of the great room, which will have a living roof, which can create new butterfly habitat. And again here's a quick view showing the living roof at the great room, different elements of the terraces spilling into the Esplanade, and again on the other side you can see the potential for building integrated photo-voltaic panels and a new garden and place for the general public at the top of Graham Street - again giving that space back to the park. So here's an overview, and with that I'll turn it over to Chip.

Chip Conley: Hello everybody. Well, as you can tell, we've been working a lot in the last month. It's good to be here tonight. Thank you for having us. I'm very proud - Joie de Vivre has been part of the San Francisco community for 20 years now. We're the largest hotel operator in the City. We've operated hotels in San Francisco for 20 years; we're the largest operator of hotels in Northern California. As Steve mentioned, we know the neighborhood well. We have three hotels that are surrounding the area with - in Cow Hollow - the Hotel del Sol, the Hotel Drisco in Pacific Heights, and actually the Laurel Inn in Presidio Heights.

One of our five core values as a company is to be connected to and a positive part of the community. And with what I'm going to present to you now, I hope you'll feel that we've taken that same spirit with our perspective on working here in the Presidio. We're really enthused about actually creating a concept here in the Presidio that actually the community can get engaged and excited by. And we want to make sure that we do something that actually respects the history of the Presidio and also the scale of the neighborhood. There's no doubt that people from not only the Bay Area and all of California but all over the world coming to the Presidio to stay in whichever concept, whichever development group's plan is approved.

But what we're going to prove tonight or what I'm going to ask that you understand tonight is that our point here is to not just actually figure out how to bring disparate tourists and corporate meeting planners to the Presidio, but how are we going to bring locals, San Franciscans, to the Presidio for the first time? There's no doubt all three of the development teams that you're going to hear from tonight - or you've heard from tonight - will likely create a lodge with many compelling community benefits, things like - and probably compelling architecture also and community access to things like restaurants or bars or a great room or meeting space or even a spa. And of course our proposal has that also.

But one of the things that we're - that I'm personally very committed to and for 20 years Joie de Vivre has been committed to, is the idea that we are more than just a facility, a community facility - but we are

a community facilitator. And so there are a variety of things that we're going to do that will take this a step further in terms of how we actually engage the architecture to be part of the community, including doing a rooftop terrace that Marsha was mentioning, an herb garden that's open to the community, Presidio history room in the lodge, and docent tours of Pershing Hall. Again, in the 20 years that we've been in business here in San Francisco, we've always tried to be a grassroots member of the community. And part of our spirit for this particular project is the idea of how do we actually bring families and kids from the Bay Area, and specifically from San Francisco, to come and stay in the hotel.

We have a long history of connecting with the City of San Francisco. Nine days from now we actually are bringing about 500 people here to the Presidio as part of something called the - it's the first annual digital treasure hunt [bell rings] as part of the ROCK Program, which is Real Opportunities for City Kids. It'll be about three more minutes. And it's a group that's bringing basically kids from Visitacion Valley here to the Presidio to do a digital treasure hunt through the Presidio along with corporate sponsors including ourselves. At the end of this month, we're doing an event at Hotel Vitale with the Bayview/Hunter's Point Opera House, as we're sending 15 kids from the Bayview and Hunter's Point to Paris and Senegal, and we're helping to fund that. And additionally many of you who know - who've been here in San Francisco know that we do an annual celebrity pool toss for the kids of the Tenderloin. And we've raised \$3 million for them.

So with that idea in mind, we are going to be introducing an interesting idea to the Presidio lodge. I don't know how many of you have actually read this book. It's called "Last Child in the Woods." And the sub-title of the book is very appropriate, "Saving Our Children from Nature-Deficit Disorder." I'll just pass it around for anybody who wants to look at it. One of the ideas we have for the Presidio is the idea that we will actually be introducing a Sunday family day here. We will have 20 - I'm sorry - ten families from parts of town, usually underprivileged parts of town that do not have much in the way of nature or parks to actually come and stay for free in our Presidio lodge 50 weeks of the year. So that 500 families a year for free, all funded by the development team.

The idea behind that is to actually introduce kids to nature and to the Presidio and to history - kids from parts of the City that, generally speaking, never even knew the Presidio existed. Part of the reason we're doing this is because, quite frankly, many people on that south side of the City, which is where I live - I live in Potrero Hill - don't even spend time on the north side of the City. And what we want to do is give them an opportunity on what will be our slowest night - Sunday nights we expect to be our slowest night - so the idea of doing this on a Sunday afternoon with volunteers helping to actually give both nature-interpretive guides to the families but also history guides is part of what we're intending to do.

So we have a bunch of other initiatives, which I won't go into, that will help to reduce traffic for both employees and visitors and, as Marsha mentioned, are sustainable in their focus. But let me just

finish off by saying we're a locally-focused team. And as such we have great pride in both the City and the Presidio. We're extremely enthused by the idea of not just creating a great building or two buildings - with both the new building and revitalized Pershing Hall - but, we really want to create a community jewel that lives and breathes, and is an asset for the community of San Francisco to use. Not just visitors from, you know, disparate parts of the world.

And with that, that's it.

Male Voice: Question, question. How are all these people going to get around the Presidio?

Chip Conley: In terms of - well what -

Male Voice: [unintelligible] taxis or ride the BART or -

Chip Conley: Should I answer that? No. Okay. Okay. All right. I'll be around if you want to ask me privately later - I'll be here.

Craig Middleton: At this point I think we'd like to ask our Board back up to the stage. What we're going to do next is spend just a few minutes, if the Board has comments or questions for the development teams. So I'd ask that the teams stay around, and we have a microphone we make available. And then we'll go into the public comment stage.

David Grubb: First of all I think - I urge everybody to give these - the three parties who presented a round of applause, because they're great. Fantastic.

[applause]

David Grubb: Very well done. And, does the Board have any questions?

Craig Middleton: Well, we are at the very early conceptual phase, so I'm sure there'll be a lot of questions to come.

David Grubb: What scared me - I saw a lot of my own history in those photographs. I started here in San Francisco with Ghirardelli Square umpty-umpty years ago. So I'll leave that go. There's a lot more. Any questions from the audience about these? We're going to let them get off that free? Wait - go ahead. Please try to keep it to about three minutes.

Gary Widman: All right. Gary Widman, President of the Presidio Historical Association. I have to say I'm very depressed by what I see tonight, extremely depressed. I really saw only two things in the entire set of three presentations that I could get behind. One was the third presentation on Building 50, and the other was the use - also in the third presentation - of sustainable construction techniques. It seems to me the fault is not entirely though with those who've made these presentations. I'm not sure why we are giving away the very heart of the historic district - why we have decided that this is a suitable place to build when it's obvious from the construction of these buildings that the history of the place will become an afterthought. It'll be a minor accessory.

History might attract some people to the hotels, but it's not that the hotels are serving the Presidio. The Presidio would be serving the hotels with all of these presentations. We have an enormous amount of territory in the Presidio. There's Fort Scott, there's land all over the place. Why we have to choose the most historic part where the most historic things in the State of California happened - to cover them up with large buildings, destroy the views from the Officers' Club, make it impossible to build an [unintelligible] Presidio - I'm not sure. But my reaction is one of great depression.

Richard Hanlin: My name is Richard Hanlin, and I had a question for the developers if they're still in the room. If you've looked at the balance sheet, you'll see that it's anemic and the profit is going south. This place needs revenue. I haven't heard any of the developers talk about money. How much money will this generate for the Presidio, which has to be self-sufficient in 2013? It's not getting to self-sufficiency. Has anybody talked about revenue here? I haven't heard anybody paying rent. Is there a renter in the offing?

David Grubb: That whole subject will be taken up later. It's not now.

Richard Hanlin: What? About rent?

David Grubb: I said it'll be taken up later in the - we haven't even -

Richard Hanlin: [unintelligible] ask about rent?

David Grubb: We haven't even gotten the full proposals yet. So I will - they don't have to answer that question. We'll deal with that later. Are there any other questions? Is this your time Red?

Redmond Kernan: If this is the appropriate time to speak so -

David Grubb: Sure.

Redmond Kernan: I was bet five bucks I wouldn't speak, so I'm losing the five bucks. It's hard to have an informed reaction when you're seeing it for the first time.

David Grubb: I totally agree.

Redmond Kernan: But, some general impressions are, I think, lodging in the Presidio is good. How much should be here, I think, is in question. The difficulty is that the main parade is appropriately dominated by the Montgomery Barracks. To create an entity across, which enhances the main parade without being itself dominant and blends in is a difficulty. And I think one of the difficulties of it is a sense of scale. How many rooms, what fits there? Fixing Pershing Hall - terrific. You know, I mean I think it's - it was a BOQ. The Montgomery Barracks - one of the problems is that you're doing every other one, which leaves different uses in between, which makes a little difficulty in having it work well.

But I would just offer some thoughts. One problem is servicing a hotel, bringing trucks. They need linens, they need garbage removed, they need food, they need - how is that done without being intrusive on

the scene. People talked about meeting rooms and things. You have other buildings. You might think how they might be deployed. I would probably avoid a spa. If somebody wants a little workout machine, fine, that's small - but you have a gym, you have pools. I wouldn't try to replicate that. There are meeting facilities. Your library is used unrelated to many other uses - it was the library. It's right opposite the Officers' Club. The Officers' Club itself, Herbst Hall available for meetings, the theater - unused. So I would think about what might relieve the need for density in that location by placing uses nearby.

How many restaurants do you want? I can understand a hotel wants to control at least a restaurant, but it's - you know, if the Officers' Club also has one, maybe it could be there - I don't know. But I would think about utilizing other facilities. The first sense I have - it's a bit much. But I'd like to understand the process going forward and how the public can get involved in rolling up our sleeves and working with designers. Are you going to select based upon qualifications, or are you going to have a competition for architecturally, etc.? So I think that would be informative to those who want to follow it to understand your process. Thank you.

David Grubb: You want to say something about it Adam or - ?

Adam Engelskirchen: In early June we'll get the responses back and we'll be evaluating them against a whole set of criteria including the quality of the design, the way it fits in with what we're doing in the Main Post, and also how the - also the rent packages as the gentleman mentioned. So there'll be a

whole series of things that we will be considering. And then going forward we certainly anticipate more public meetings as we get more information together. So people will have an opportunity to be involved in reviewing the project further.

David Grubb: Does that answer your question Red?

Redmond Kernan: [unintelligible] sense of timeframe of -

David Grubb: Yeah, there's a timeframe.

Redmond Kernan: You may not have [unintelligible] - plan my vacation [unintelligible].
[laughter]

David Grubb: I won't even comment on that one. Okay. The other one - anybody else? Any questions or thoughts on this? Okay. The other one that I have is Claudia Lewis.

Claudia Lewis: Good evening members of the Trust and Craig Middleton. On behalf of the Lake Street neighborhood and the entire Richmond District, we thank you for your reasoned and responsive final decision on the Public Health Service Hospital. We recognize that the final project reflects a meaningful compromise on the Trust and Forest City's part. And for that we salute you.

We are genuinely pleased with the end product. Taking down the wings of the hospital and relocating additional square footage at the rear of the hospital will create a residential complex that is far less

intrusive on the park and the neighborhood and far more aesthetically pleasing. Everyone is excited that the historical integrity of the building will be restored and that a landscape plan is in the works that will enhance the park setting. With respect to traffic, we are pleased that there is a comprehensive plan in place that includes a target level of traffic and a plan for monitoring the traffic five years out following occupancy of the building.

We are anxious to see Battery Caulfield Road closed to through traffic, as this will greatly enhance - greatly reduce the traffic flowing into the neighborhood and through the park and will thereby reduce the impact of the project once built. We understand that there is a separate process for the road closure, but we trust that you will undertake this in a timely and thorough manner. Closing Battery Caulfield to through traffic has been under consideration for some time, and it is absolutely the right thing to do to preserve the wildlife corridor just behind the hospital. Ten days ago my husband was out walking the dog in the evening when he saw a pair of coyotes cross the road and head up into the wooded area behind the hospital.

That we have this resource in the middle of one of the country's major urban areas is astounding. And closing the road to through traffic will help to protect those vital resources. So while there is still work to be done and details to be nailed down, we are encouraged that there is now a process in place to do so. The workshop process in the Fall, which brought together neighborhood and environmental leaders, Trust management, Forest City, and the architecture team engendered much good will and resulted in a livable, workable solution. We are

optimistic that we can build on this good will and that at the end of the day when the Public Health Service district is up and running we will all agree that it was well served by the contributions from the surrounding community.

Many thanks to Craig Middleton for leading the process and to Scott Haskins and Tia Lombardi for their participation and support. Thank you for listening to us, for including us in the process, and for respecting the work we have put into this to make the Public Health Service district a true asset of the national park. We hope this process can be a model for the next big projects. Thank you.

David Grubb: Well, thank you Claudia.

Craig Middleton: - say something - go ahead -

David Grubb: Go right ahead.

Craig Middleton: I earlier had said thank you to all the neighborhood groups and to the environmental organizations and the preservation groups that participated in that process, but I would like also to salute you Claudia for your leadership in all of this. It's been incredible.

David Grubb: So with that, it's 8:11 and we'll adjourn. Thank you all for coming.

[End of recorded material]