

**Presidio Trust Board of Directors Meeting**  
**February 14, 2007**  
**Minutes**

**Attending:**

Robert Burke  
Curtis Feeny  
David Grubb  
Joseph Yew, Jr.

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

**Attending Via Teleconference:**

Nancy Conner  
William Wilson, III

**Not Attending:**

Lydia Beebe

Meeting called to order by Chairperson Grubb at 8:06 a.m.

**Actions taken:**

- Approval of Minutes of September 21, 2006, October 19, 2006 and December 21, 2006 (Resolution 07-2). By motion duly made and seconded. Vote: 5-0 (Wilson not present for vote).
- Approval of Adoption of Revised Charter for Park Projects and Programs Committee (Resolution 07-3). By motion duly made and seconded. Vote: 6-0.
- Approval of Adoption of Revised Budget for Fiscal Year 2007 (Resolution 07-4). By motion duly made and seconded. Vote: 6-0.

**Discussion items:**

- Ms. Conner presented the report from the Park Project and Programs Committee meeting held on January 17, 2007. She reported that the Committee endorsed the proposed revisions to the Committee Charter. Ms. Conner also reported that a public workshop about ball fields will be held the next evening. She said that the Committee discussed possible locations and allocation of playing fields at its last meeting and noted that traffic calming around the fields is an important consideration.

- Mr. Wilson presented the report from the Real Estate Committee held on January 17, 2007. Mr. Wilson summarized the status of the Public Health Service Hospital (PHSH) project and Mr. Deis indicated that following lengthy negotiations he anticipated that the development agreement would be executed in approximately four weeks. Mr. Wilson and the Board discussed some key business points involved in the transaction. Real Estate Committee members requested additional information about certain financial terms from Mr. Deis and the members agreed that they would discuss those terms informally without the necessity of convening another Committee meeting.

Mr. Deis discussed the operation of the golf course.

Mr. Deis reported that interviews have been conducted with four entities interested in rehabilitating the Thornburgh area. Mr. Wilson said that it is a complicated transaction and that it is important that the developer have significant financial means.

Mr. Deis said that interviews have been conducted with seven respondents to the Request for Expression of Interest for the Lodge and that he contemplated inviting four of them to submit more detailed proposals. He indicated the no determination had been made about which four. Mr. Wilson said that he wanted to ensure that whoever developed the Lodge would be involved as an operator for an extended period.

- Mr. Rothman summarized the Finance and Audit Committee meeting held on January 17, 2007. He reviewed the proposed budget adjustments endorsed by the Committee and reported that a risk review would be conducted by the Trust's insurance broker over the next year. Mr. Rothman also reported that the Committee met with the Trust's external auditors, Grant Thornton, including a closed session without staff. Mr. Feeny asked about recent turnover in the Trust's senior accounting staff. Mr. Rothman said that because of the turnover some loss in continuity was to be expected, but that the hiring of new staff also represented an opportunity to set a new tone and approach.
- Becky Ross and Jane Brier of Fitzgerald & Graves, Greg Moore and Kathryn Morelli of the Golden Gate National Parks Conservancy, and Toby Rosenblatt joined the meeting at 8:40 to present and discuss recent findings and conclusions in connection with a philanthropic program. Ms. Ross said that there is a great deal of affection for the Presidio in the community but that this affection has not been translated into philanthropy outside of Crissy Field. Ms. Ross identified key issues in a philanthropic program. At the conclusion of the presentation Mr. Moore said that the Conservancy Board heard the same information two weeks earlier and that they supported the philanthropic program. Mr. Rosenblatt said that his response was also positive and he noted the importance of telling the Presidio's story. The Board discussed and endorsed Ms. Ross' and Ms. Brier's conclusions and approaches for a robust philanthropic program and directed Mr. Middleton to proceed with a fundraising campaign.
- Mr. Middleton reminded the Board that at its November 2006 retreat the Board discussed the Trust's financial outlook for the next 30 years and that Mr. Middleton had committed to

presenting greater detail to the Board with a focus on the next five years. Mr. Middleton summarized a vision of the Presidio in the year 2030, including, 1419 residential units, 3.4M non-residential square footage, increased open space, a revitalized Main Post, renewed historic forests and restored natural areas. Mr. Middleton also reviewed a more detailed plan for the next five years, including the rehabilitation of Buildings 101, 103 and 105 in the Main Post, completion of the Main Parade Ground project, relocation of the Trust's offices, development of a Main Post Lodge, rehabilitation of Pershing Hall, landscaping of Infantry Terrace and Montgomery Street, relocation of parking in the Montgomery Street area, completion of the PHSH project, renovation of buildings 1805 and 1808 for office use, redevelopment of the Thornburgh area and associated streetscape, reconfiguration of district parking and landscaping in the West Letterman area, restoration of Dragonfly Creek and garden, progress on Fort Scott planning, and strides in other infrastructure improvements, including completion of trails, overlooks and bikeways, restoration of Tennessee Hollow, improvements in athletics fields and playgrounds, rehabilitation of the Rob Hill campground, and completion of the water treatment plant. Mr. Middleton acknowledged that while these goals are ambitious, they are achievable and they form the basis of the assumptions underlying financial modeling developed by Trust staff.

Mr. Rothman reviewed the results of the financial modeling. He reported that the financial forecasting demonstrates that the next five years are critical since almost \$400M of investment is involved during that period. He also said that cost control is essential. Mr. Wilson and the Board discussed various financing vehicles and agreed that a separate discussion about financing should be scheduled. Mr. Feeny asked that Mr. Rothman give the Board as much detail about income projections as cost and expense projections. Mr. Yew asked to see a tax exempt model for financing certain infrastructure costs.

- Executive Session: 11:27 – 11:36.

Meeting adjourned by Chairperson Grubb at 11:36 a.m.