

Presidio Trust Board of Directors Meeting
July 20, 2011
Minutes

Attending:

Nancy Bechtle
David Grubb
Charlene Harvey
John Reynolds

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

Attending Via Teleconference:

William Wilson, III (8:32 – 10:07)

Not Attending:

Bill Hambrecht
Michael Shepherd

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

Actions taken:

- Approval of Minutes of May 24, 2011 (Resolution 11-15). By motion duly made and seconded. Vote: 5-0.
- Approval of Formation of Board Committees (Resolution 11-16). By motion duly made and seconded. Vote: 5-0.
- Approval of Adoption of Revised Fiscal Year 2011 Budget Forecast and Revised Five-Year Construction Plan (Resolution 11-17). By motion duly made and seconded. Vote: 5-0.
- Approval of Construction Project (Doyle Drive Tunnel Fire Suppression System Upgrades) (Resolution 11-18). By motion duly made and seconded. Vote: 5-0.
- Approval of Construction Project (Fort Scott – 1202 Ralston Avenue) (Resolution 11-19). By motion duly made and seconded. Vote: 5-0.
- Approval of Construction Project (Fort Scott – 1204 Ralston Avenue) (Resolution 11-20). By motion duly made and seconded. Vote: 5-0.

Discussion items:

- Ms. Bechtle noted that care should be exercised in planning summer Board meetings because of scheduling conflicts and the need for a quorum.

Ms. Bechtle reported that an evaluation of food service options in the Main Post area is continuing and that providing food venues in the district is an important visitor amenity. Mr. Middleton said that a consultant has been hired to develop a food service strategy and that ultimately a Request for Proposals to provide and/or manage food service likely would be issued. He indicated that the consultant's preliminary view is that restaurants in the Main Post area, and in particular in the southern part of the Main Post, would be successful. Ms. Harvey asked that the Board receive a report on how food services would be managed.

Ms. Bechtle said that a small group met the previous week to discuss a holistic approach to parking. Among the goals identified in the initial discussion were that commuter parking should be restricted; parking for non-residential tenants should be supported; parking for visitors should be given preference; two-hour parking and permit parking should be scattered throughout the park and flexibility in pricing and variable time restrictions should be utilized; pedestrians should be encouraged in the core of the Main Post; and the Trust should work with the National Park Service (NPS) to police parking. Ms. Bechtle stressed the importance of accommodating park visitors and tenants. Mr. Reynolds said that the Trust needed to provide for the public enjoyment of the park and that parking and transit should be developed in a way that would encourage visitors and enhance the visitor experience. Mr. Wilson encouraged the Trust to look at parking issues from the tenants' perspective and indicated that parking could not be located too far away from their rented space. Ms. Harvey asked that at a future meeting the Board be given an update on transit issues and options.

- Ms. Harvey asked whether the Board had the ability to form committees comprised of non-Board members. Ms. Cook said that the function could be performed without calling the advising body a Board committee and said that she would follow up with Ms. Harvey to discuss the matter further.
- Mr. Rothman reported that Trust operations are tracking as forecast in the budget and that the variances are minor. In response to a question from Ms. Bechtle regarding the revised Fiscal Year 2011 Budget Forecast and Five-Year Construction Plan being presented to the Board for approval, Mr. Rothman said that the rehabilitation of Stilwell Hall is not yet included in the five-year construction plan. He also reported that Mr. Shepherd, as Chair of the Finance and Audit Committee, had earlier expressed his general support for the revised five-year construction plan and the significant construction projects being presented for approval to the Board.

Mr. Wilson asked about the status of the water treatment plant. Mr. Middleton said that the Trust was exploring financing alternatives to fund the high-cost project, including working with the Office of Management and Budget on possible bond financing and determining

whether federal infrastructure funds might be available. Mr. Wilson said that the Trust should consider having the project built by an outside entity. He said that the financial environment for a private group undertaking the project was favorable because of the low cost of financing. Ms. Bechtle asked how much the project would cost and when the deadline was for its completion. Mr. Middleton responded that it was projected to cost approximately \$20M and that, although there was no specific deadline, the Trust obligated itself in the Presidio Trust Management Plan (PTMP) and in its agreement with Letterman Digital Arts to complete the project. Mr. Wilson said that prior to the next Board meeting staff should prepare a cost matrix of the federal government performing the work versus two bona fide quotes from private entities, and that at the next meeting the Board should engage in a full discussion of options for the project.

- Mr. Middleton reported that momentum was continuing to build to redevelop Fort Scott as a National Center for Service & Innovative Leadership. He said that the Trust recently participated in the Corporation for National & Community Service's well-attended National Conference on Volunteering and Service, and has received a very positive response to the rehabilitation of the former headquarters building at Fort Scott to serve as a showcase. Mr. Middleton said that the support of a group of advocates who would champion and help fund the project is important. He estimated the rehabilitation cost at \$150M and recommended a phased approach to the project, with Phase I costing \$30M-\$33M. He said that the project should stand on its own both financially and programmatically. Ms. Harvey suggested that it was time to review and update the Trust's philanthropic program. She noted that Fort Scott required a different philanthropic strategy than the work supporting other park projects. The Board discussed potential funding sources for the project. Ms. Harvey said that a list of potential partners should be developed.
- Mr. Middleton reported that:
 - A great deal of construction is underway, including a major rehabilitation of the Officers' Club.
 - Futures Without Violence (formerly, the International Center to End Violence) recently moved into 100 Montgomery Street.
 - Interest has been expressed in leasing 682 Schofield Road. Mr. Wilson asked to review the financials.
 - Work on 42 Moraga Street is on schedule. The bed and breakfast is slated to open in April 2012.
 - Discussions with the YMCA about their future location have continued and a plan may be developed within the next few months.
 - The scope of work for improvements at the Baker Beach Apartments is being finalized and the funds are anticipated to be obligated by the end of August.
 - Potential sites for the Visitor Center are being narrowed and recommendations will be forthcoming. Mr. Middleton reminded the Board that the Trust advanced \$200K toward the project.
 - The Trust anticipates receiving funds from the San Francisco Airport Authority for the Tennessee Hollow restoration. The SFAA is in need of wetland mitigations to offset impacts associated with an upcoming airport expansion and has been in discussions with

the Trust. An agreement is imminent, but ultimately must be approved by the Airport Commission and regulators.

- In connection with developing playing fields, Mr. Middleton indicated that artificial turf is the preferred solution at Pop Hicks Field because it is a remediation site. Mr. Wilson asked that the staff prepare a matrix of options comparing key business terms and other evaluation criteria, including the potential users' financial investment, the Trust's investment, the amount of rent to be generated, and the amount of community outreach and use. Mr. Middleton agreed that such a matrix would be developed. He also said that any response to a Request for Proposals should clearly indicate whether artificial turf or grass would be used at Paul Goode Field and the adjacent practice field.
- The Board discussed design guidelines for a remodel of the Commissary building at 610 Mason Street. Mr. Middleton said that key objectives were to build a great project with strong public support, to develop a cultural use of distinction, and to create a design that is appropriate to the site. Mr. Middleton reported that draft design guidelines were refined slightly from those originally articulated in the PTMP. Ms. Bechtle stressed that the Trust would hold firm on height limits and massing while being open to considering adjustments in other of the guidelines. Mr. Reynolds said that the Request for Proposals (RFP) must reflect the Trust's interest in finding a strong a programmatic partner and urged that an educational component needed to be integrated into any use of the site. He also said that the design and programming should take into account other uses at Crissy Field. The Board stressed the importance of competition for use of the site and directed staff to continue to develop the RFP.
- Mr. Reynolds discussed the emerging strategy at Fort Monroe, a historic base in Virginia that is being converted to civilian use. He noted analogies with the Presidio and highlighted the relevance of the Presidio Trust's experience to the work underway there.
- Executive Session: 10:34 – 10:56.

Meeting adjourned by Chairperson Bechtle at 10:56 a.m.