



Presidio
Trust

PRESIDIO TRUST

Fiscal Year 2022

Congressional Budget Justification



PRESIDIO TRUST BUDGET JUSTIFICATION

Fiscal Year 2022

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Mission

The Presidio Trust combines an entrepreneurial spirit and a public service ethic to deliver an extraordinary national park experience. Created by Congress, the Presidio Trust is responsible for transforming a decommissioned army post, one of the oldest in the country, into a national park site. The Trust is charged with keeping the Presidio of San Francisco free, safe, and beautiful for the millions of visits it hosts each year. The Presidio does this through a unique revenue model, including the repurposing of hundreds of historic military buildings as homes and workplaces that generate lease earnings to help fund the stewardship of the Presidio. The Trust is the engine of the Presidio's daily operations, managing a small "city within a city" that is also a great American destination.

Organizational Structure

The Trust was established by Congress in 1996 as a wholly owned corporation of the federal government. The Presidio Trust Act (Public Law 104-333; 16 U.S.C. § 460bb note) gives the Trust the flexibility to operate in the marketplace, make real-time decisions, and retain revenues to reinvest in the Presidio.

Authority is vested in a seven-member board of directors, six of whom are appointed by the President of the United States; the seventh is the Secretary of the Interior or the Secretary's designee.

The Chief Executive Officer (CEO) serves as the chief of the Trust's staff and has general powers of supervision and management over administration of the organization, which includes the following divisions: Business, Land and Building Stewardship, Park Development and Visitor Engagement, Finance and Administration, Marketing and Communications, and Legal.

The Trust has employees with a wide range of skills, including competencies such as ecological restoration, historic preservation, real estate management, finance, communications, visitor engagement, and physical plant operations.

The Trust has 289 employees, and 276 full time equivalent (FTE) positions as reflected in the Fiscal Year 2022 budget (FY22).

A Quarter Century of Transforming the Presidio

In 2019, the Presidio celebrated 25 years as a national park site, and the Trust achieved seven years of operating the park without taxpayer funds. The Trust and its partners have transformed the Presidio from the San Francisco Bay to the peaks of its forested ridgetops.

When the Army left the Presidio in 1994, many natural areas were in a state of decline, with wetland and riparian habitats eroding and the 300-acre forest planted by the U.S. Army reaching the end of its lifespan. Today, approximately 600 of the park's 1,100 acres of open space have been restored. These areas provide urban visitors with an up-close experience of nature and outdoor enjoyment. Twenty-four

miles of hiking and 25 miles of biking trails, eight scenic overlooks and group camping sites at Rob Hill Campground, add to the visitor experience.

Prior to the City of San Francisco's shelter in place order in response to the COVID-19 pandemic, the park's museums and Visitor Center were busy welcoming some of the Presidio's 10 million visitors each year. The Presidio is also home to 200 organizations and 3,000 residents, whose rents help to fund the park's operations.

The Presidio is designated a National Historic Landmark District and is one of the largest and most ambitious historic preservation projects underway in the United States. Of the 870 structures in the Presidio, 470 are on the National Register of Historic Places, and more than two-thirds have been fully or partially rehabilitated for use as private residences and commercial businesses, generating revenue that is invested back into the park.

In the fall of 2021, we opened a new trail through seven acres of restored marshland at the Presidio's northern waterfront. Once part of an extensive marsh system, the Quartermaster Reach site was substantially altered during more than two hundred years of military use when creeks were filled with debris or directed into storm drains and pipes, and roads and houses were built on top. The project brought an 850-foot length of buried stream back to the surface and dramatically transformed an area long covered by asphalt. This project was funded as a mitigation for impacts to the Presidio by the reconstruction of a California state highway that cuts through the park.

The next transformational phase is currently underway with construction of the Presidio Tunnel Tops. The Tunnel Tops create 14 acres of new parkland made possible by the state's reconstruction of an outdated state highway that cut through the Presidio. The site will reconnect the Presidio's Main Post with San Francisco Bay and add new visitor amenities such as a Youth Campus, natural playground, fire circle, food court, gardens, paths and overlooks with stunning views of the Golden Gate Bridge, the Bay, and the San Francisco skyline. Nearly two million visitors are expected come to the Tunnel Tops each year. The Tunnel Tops is being funded primarily through generous philanthropic support raised by the Golden Gate National Parks Conservancy. It will open to the public in Spring of 2022.

COVID-19 Impacts

The Trust relies on revenue from the businesses it owns to help fund park operations and invest in projects key to the Presidio's long-term viability. Trust-owned businesses include over 1,400 residential rental units, two million square feet of leased commercial space, an 18-hole golf course and two hotels. Prior to the pandemic the Trust also leased venue spaces and owned two restaurants as part of its hospitality portfolio.

The Trust took swift action to survive the huge reduction in revenue caused by COVID. The Trust laid off 20% of the staff, reduced managers' pay, delayed and cancelled capital projects, eliminated programs, and closed the venue rental and restaurant businesses.

The Center for Disease Control and Prevention's (CDC) social distancing recommendations and the City and County of San Francisco shelter in place order forced the closure of the Trust hospitality businesses, and nearly all public-facing tenant-owned businesses for over a year, resulting in substantial loss of revenue to the Trust.

To date, the Trust has not received any supplemental appropriations or any other form of financial assistance to address COVID-19 related impacts.

The financial impacts of COVID-19 based on 2020 actuals and 2021 projections resulted in revenue loss to the Trust of \$15.2 million in fiscal year 2020 and a projected revenue loss of \$14.8 million in fiscal year 2021, an overall decline in revenues of 21%. As a result, the Trust has had to reduce funding for maintenance and replacement of Trust physical assets and has reallocated prior year savings that would have been used for revenue generating projects to fund the renewal of some assets this year.

Facing a Deferred Maintenance Backlog

The Trust operates a “small city within a city” and is entirely responsible for maintaining and replacing the critical infrastructure and utility systems, including 50 miles of electrical line, six electrical substations, 32 miles of sewer lines, a water treatment plant and drinking water delivery system, and 34 miles of roads, not to mention the 5 million square feet of buildings.

In fiscal year 2018, the Trust undertook a full inventory, digital mapping, and assessment of the condition of all the Presidio’s buildings, landscapes, and infrastructure and determined that most of our utilities are past their useful life. The backlog of costs for replacing our assets that are beyond their useful life is currently estimated at \$400 million, including \$195 million of utility-related deferred maintenance and \$95 million of facility-related deferred maintenance.

We are therefore asking Congress’ to appropriate one-time discretionary funding to replace the revenue we lost due to the COVID-19 pandemic. This funding will be used to address critical deferred maintenance, which we are otherwise not in a position to address until our revenue is no longer impacted by COVID-19 closures.

Fiscal Year 2022 Budget Request

The Trust requests \$31,000,000 in fiscal year 2022 to fund the replacement of our most critical infrastructure.

Legislative Language for Request

For necessary expenses to carry out title I of the Omnibus Parks and Public Lands Management Act of 1996, \$31,000,000 shall be available to the Presidio Trust, to remain available until expended.

Conclusion

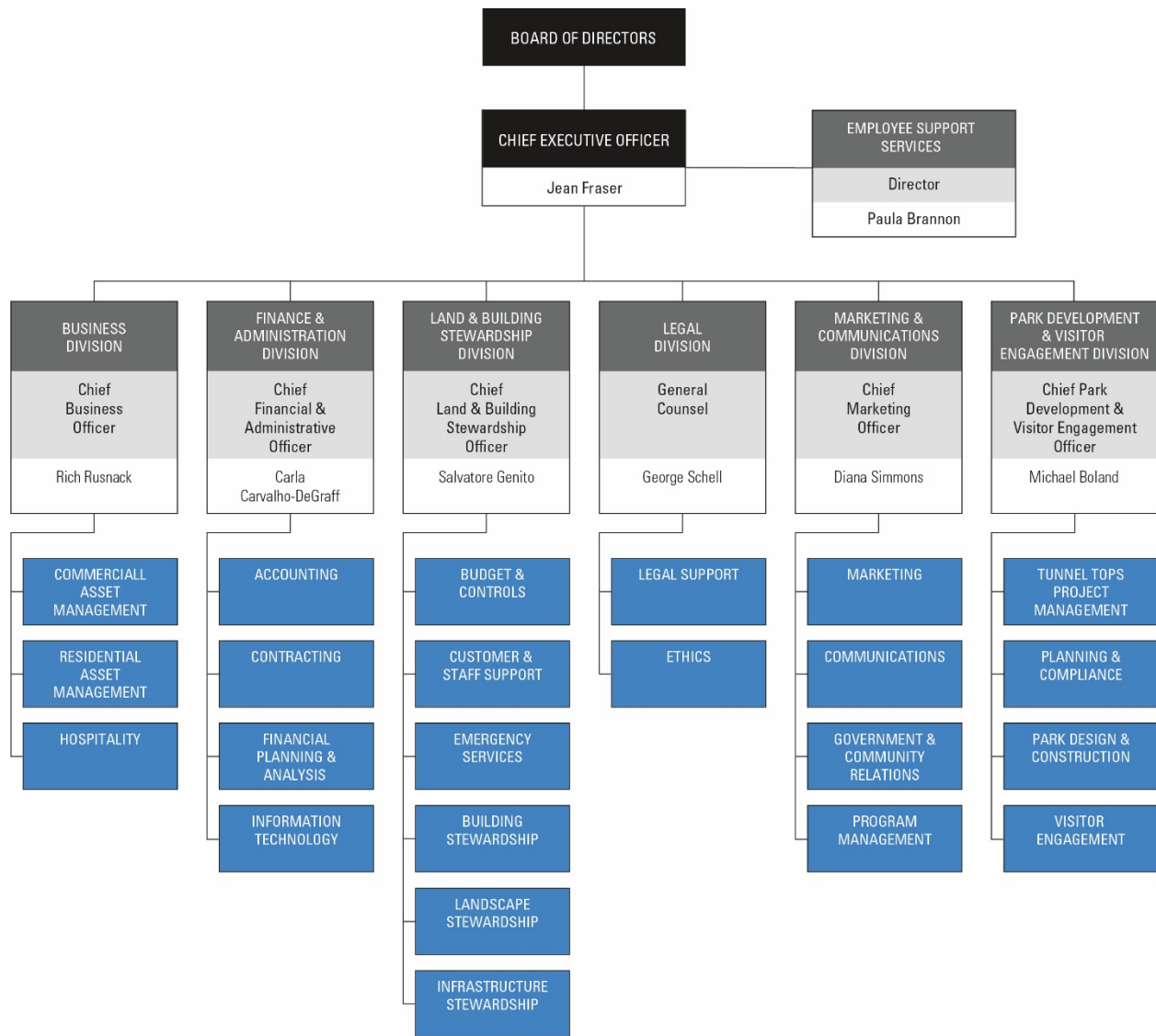
The Presidio’s transformation into a national park site is one of the most remarkable base realignments in the country. The unique community of 7,000 people living and working within the park is contributing

to its operation; the challenges associated with the largest historic preservation project in the country are being met; opportunities to make connections with adjacent urban populations are being pursued. And the scenic beauty of the Presidio is being enhanced for the benefit and use of the public.

The primary goal for the Trust over the next 20 years is to address the significant backlog of deferred maintenance across all asset types inherited from the Army.

Careful management of the financial challenges brought on by the COVID-19 pandemic, calibrated renewal of the park's infrastructure, utilities and landscapes and strategic investment of funding will allow the Trust to weather these challenges.

Organizational Chart



Employee Counts by Grade Levels as of September 30, 2020

Grade	Count
EX-01	1
EX-02	6
GS-05	10
GS-06	9
GS-07	12
GS-09	25
GS-10	5
GS-11	15
GS-12	35
GS-13	37
GS-14	17
GS-15	15
WD-07	3
WG-05	4
WG-06	2
WG-07	18
WG-08	2
WG-09	34
WG-10	12
WL-07	4
WL-09	5
WL-10	4
WS-09	5
WS-10	9

¹ We anticipate FTE levels to remain the same for the next two fiscal years.

Line Title	Line	2020 Act	2021 CY	2022 BY
Combined Schedule (X)				
Obligations by program activity:				
Presidio Trust (Reimbursable)	0801	158	163	169
Total new obligations, unexpired accounts	0900	158	163	169
Budgetary resources:				
Unobligated balance:				
Unobligated balance brought forward, Oct 1	1000	135	186	197
Unobligated balance (total)	1050	135	186	197
Budget authority:				
Appropriations, discretionary:				
Appropriation	1100	0	0	31
Appropriation, discretionary (total)	1160	0	0	31
Appropriation, discretionary - Computed Totals	1160-20	0	0	31
Discretionary, Appropriations Committee				
Appropriation [Text]	1160-40	0	0	31
Baseline PY Amount	1160-50	0		
Baseline Civilian Pay	1160-50		0	0
Baseline Non-Pay	1160-50		0	0
Policy Outlays:				
New Authority	1160-61	0	0	31
Balances (excl of EOY PY Bal)	1160-62	0	0	0
End of PY Balances	1160-63		0	0
Subtotal, outlays	1160-64	0	0	31
Baseline Outlays:				
New Authority	1160-81	0	0	0
Balances (excl of EOY PY Bal)	1160-82	0	0	0
End of PY Balances	1160-83		0	0
Subtotal, outlays	1160-84	0	0	0
Borrowing authority, discretionary:				
Borrowing authority	1300	10	20	0
Borrowing authority, discretionary (total)	1340	10	20	0
Borrowing authority, discretionary - Computed Totals	1340-20	10	20	0
Discretionary, Appropriations Committee				
Borrowing authority [Text]	1340-40	10	20	0
Baseline PY Amount	1340-50	10		
Baseline Civilian Pay	1340-50		0	0
Baseline Non-Pay	1340-50		20	20
Policy Outlays:				
New Authority	1340-61	0	20	0
Balances (excl of EOY PY Bal)	1340-62	0	0	0
End of PY Balances	1340-63		0	0

Line Title	Line	2020 Act	2021 CY	2022 BY
Subtotal, outlays	1340-64	0	20	0
Baseline Outlays:				
New Authority	1340-81	0	20	20
Balances (excl of EOY PY Bal)	1340-82	0	0	0
End of PY Balances	1340-83		0	0
Subtotal, outlays	1340-84	0	20	20
Spending authority from offsetting collections, discretionary:				
Collected	1700	147	165	165
Change in uncollected payments, Federal sources	1701	55	-10	-12
Spending authority from offsetting collections applied to	1726	-3	-1	-1
Spending auth from offsetting collections, disc (total)	1750	199	154	152
Spending auth from offsetting collections, disc - Compute	1750-20	199	154	152
Discretionary, Appropriations Committee				
Spending authority from offsetting collections [Business	1750-40	199	154	152
Baseline Program [Business activities]	1750-50	199	154	157
Policy Outlays:				
New Authority	1750-61	125	85	84
Balances (excl of EOY PY Bal)	1750-62	33	0	31
End of PY Balances	1750-63		79	40
Subtotal, outlays	1750-64	158	164	155
Baseline Outlays:				
New Authority	1750-81	125	85	86
Balances (excl of EOY PY Bal)	1750-82	33	0	31
End of PY Balances	1750-83		79	40
Subtotal, outlays	1750-84	158	164	157
Budget authority (total)	1900	209	174	183
Total budgetary resources available	1930	344	360	380
Memorandum (non-add) entries:				
Unexpired unobligated balance, end of year	1941	186	197	211
Change in obligated balance:				
Unpaid obligations:				
Unpaid obligations, brought forward, Oct 1	3000	73	73	52
New obligations, unexpired accounts	3010	158	163	169
Outlays (gross)	3020	-158	-184	-186
Unpaid obligations, end of year	3050	73	52	35
Uncollected payments:				
Uncollected pymts, Fed sources, brought forward, Oct 1	3060	-40	-95	-85
Change in uncollected pymts, Fed sources, unexpired	3070	-55	10	12
Uncollected pymts, Fed sources, end of year	3090	-95	-85	-73
Memorandum (non-add) entries:				
Obligated balance, start of year	3100	33	-22	-33
Obligated balance, end of year	3200	-22	-33	-38

Line Title	Line	2020 Act	2021 CY	2022 BY
Budget authority and outlays, net:				
Discretionary:				
Budget authority, gross	4000	209	174	183
Outlays, gross:				
Outlays from new discretionary authority	4010	125	105	115
Outlays from discretionary balances	4011	33	79	71
Outlays, gross (total)	4020	158	184	186
Offsets against gross budget authority and outlays:				
Offsetting collections (collected) from:				
Federal sources	4030	-4	-2	-2
Federal sources (total)	4030-10	-4	-2	-2
Discretionary, Appropriations Committee				
Policy Program [Text]	4030-41	-4	-2	-2
Baseline Program [Text]	4030-71	-4	-2	-2
Interest on Federal securities	4031	-3	-2	-2
Interest on Federal securities (total)	4031-10	-3	-2	-2
Discretionary, Appropriations Committee				
Policy Program [Text]	4031-41	-3	-2	-2
Baseline Program [Text]	4031-71	-3	-2	-2
Non-Federal sources	4033	-140	-161	-161
Non-Federal sources (total)	4033-10	-140	-161	-161
Discretionary, Appropriations Committee				
Policy Program [Text]	4033-41	-140	-161	-161
Baseline Program [Text]	4033-71	-140	-161	-159
Offsets against gross budget authority and outlays (total)	4040	-147	-165	-165
Additional offsets against gross budget authority only:				
Change in uncollected pymts, Fed sources, unexpired	4050	-55	10	12
Change in uncollected customer payments (total)	4050-10	-55	10	12
Discretionary, Appropriations Committee				
Policy Program [Text]	4050-41	-55	10	12
Baseline Program [Text]	4050-71	-55	10	5
Budget authority, net (discretionary)	4070	7	19	30
Budget authority, net (discretionary)--policy computed tot	4070-20	7	19	30
Outlays, net (discretionary)	4080	11	19	21
Outlays, net (discretionary)--policy computed totals	4080-20	11	19	21
Budget authority, net (total)	4180	7	19	30
Outlays, net (total)	4190	11	19	21

Line Title	Line	2020 Act	2021 CY	2022 BY
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Memorandum (non-add) entries:

Total investments, SOY: Federal securities: Par value	5000	161	153	100
Total investments, EOY: Federal securities: Par value	5001	153	100	100

Unexpended balance memorandum entries:

Direct unobligated balance, start of year	5311	0	10	
Reimbursable unobligated balance, start of year	5312	135	175	
Discretionary unobligated balance, start of year	5313	135	185	
Direct unobligated balance, end of year	5321	10		
Reimbursable unobligated balance, end of year	5322	175		
Discretionary unobligated balance, end of year	5323	185		
Reimbursable obligated balance, start of year	5332	34	-21	
Discretionary obligated balance, start of year	5333	34	-21	
Reimbursable obligated balance, end of year	5342	-21		
Discretionary obligated balance, end of year	5343	-21		

Line Title	Line	2020 Act	2021 CY	2022 BY
Object Classification (O)				
Reimbursable obligations:				
Personnel compensation:				
Full-time permanent	11.1	31	31	32
Other personnel compensation	11.5	0	1	1
Total personnel compensation	11.9	31	32	33
Civilian personnel benefits	12.1	15	15	16
Communications, utilities, and miscellaneous charges	23.3	8	9	9
Printing and reproduction	24.0	0	0	0
Other services from non-Federal sources	25.2	90	93	96
Supplies and materials	26.0	2	2	2
Equipment	31.0	4	4	4
Land and structures	32.0	8	8	9
Total new obligations, unexpired accounts	99.9	158	163	169

Line Title	Line	2020 Act	2021 CY	2022 BY
Employment Summary (Q)				
Reimbursable civilian full-time equivalent employment	2001	276	276	276