

PRESIDIO TRUST

FISCAL YEAR 2023 BUDGET SUBMISSION



March 28, 2022

**PRESIDIO
TRUST**

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Fiscal Year 2023

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Mission

The Presidio Trust (Trust) was created by Congress to transform a decommissioned army post, one of the oldest in the country, into a national park site. The Trust 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 that welcomes over 10 million visitors a year.

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 Board appoints a Chief Executive Officer (CEO) who has the responsibility to supervise and manage the organization, which includes the following divisions: Business, Land and Building Stewardship, Park Development and Visitor Engagement, Finance and Administration, Operations and Legal.

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

The Trust has 290 employees, with 302 budgeted FTEs. Our draft Fiscal Year 2023 budget (FY23) reflects this as the basis for its labor budget.

A Quarter Century of Transforming the Presidio

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. More than two-thirds have been fully or partially rehabilitated for use as residences or businesses, generating revenue that is invested back into the park. The Presidio is home to 200 organizations and 3,000 residents.

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 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 travel restrictions due 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. During the pandemic we are still hosting over 6 million regional and national visitors.

On a Path to Full Financial Self-Sufficiency

In 2018, the Trust completed an inventory and condition analysis of the Presidio's assets, which identified approximately \$400M in deferred renewal. This problem was made worse by revenue reductions from the closure of the Trust's businesses and our tenant's businesses due to COVID-19 public health requirements.

We need access to capital to restore the Presidio's assets and make sure the park is financially secure for generations to come. We are actively pursuing multiple avenues to identify the revenue needed to tackle our deferred renewal problem. We have developed a two-year budget that supports our agency strategy and roadmap. It improves our financial position to ensure the Presidio is a "Forever Park", while recognizing that this will be a multi-year journey with continued focus on tackling our \$400M deferred maintenance backlog. For example, we are using \$30M of Treasury borrowing appropriated in 2020 and 2021 to rehabilitate seven adjacent historic buildings that, when leased (FY25), will bring in additional revenues of \$2.26M per year.

Our Forever Park plan also includes operational improvements. We plan to invest in our internal operating systems and in our people, as well as continuous improvement of our operations so we're efficient and built for long-term sustainability.

While our financial situation is stable heading into FY22 as COVID-19 impacts decline, we lost ground in our ability to tackle our deferred maintenance due to the pandemic. We are therefore seeking \$31M in Treasury borrowing in FY23. With our Forever Park strategy and roadmap, we will continue to work diligently to regain self-sufficiency. A major initiative of that plan is to rehabilitate three additional buildings at a cost of \$31M. Once rehabilitated, these buildings are estimated to result in annual returns of approximately 9%.

Supporting President Biden's Executive Orders

The Presidio Trust's strategic goals, to be visited and loved by all; to be a model of environmental stewardship; and to be a model of operational excellence, are in direct alignment with President Biden's management agenda. We are proud of the advances we have made toward achieving these goals in spite of financial challenges.

Advancing Equity through the Federal Government

The Presidio and larger Golden Gate National Recreation Area were established as one of the nation's first urban national parks. The intent of this country-wide effort was to bring national park experiences, and the many benefits they offer, closer to where most people live – in cities. Of particular focus was to remove barriers and promote access with communities that had historically been underrepresented in the country's national parks including people of low- to middle-income, people of color, and people with disabilities.

The Presidio now welcomes millions of visitors to the park each year and we are proud that the Presidio's visitor demographics and socioeconomic backgrounds closely align with the Bay Area population.

This was not always the case. In 2008, the Trust and its partners at the National Park Service and Golden Gate National Parks Conservancy completed the first ever comprehensive visitation survey in the Presidio.

What we learned was that the people who were coming were mostly people who lived near the park, and thus mostly white and from high income households. This was because the Presidio at that time was simply a lovely neighborhood, but it was not recognized or appealing as a park because it had few park amenities. What that told us was that we had to make the Presidio a park that was worth traveling to for other people.

From that date onward, we focused our placemaking, outreach and engagement on providing what people wanted in a national park. In the years since 2008, we worked very hard with our partners to raise private funds to complete the park's trail and bikeway network, rehabilitate the campground, restore open space with native plants and animals, and install park amenities. These physical changes were guided by public input and coupled with a regular cadence of community outreach and engagement, programs, events, marketing, and partnerships specifically targeted to people who were not already coming.

We are proud to report that those efforts were successful. Today, the Presidio is a regional destination, broadly serving Bay Area residents and increasingly welcoming national and international tourists as well. The income and racial demographics of our visitors mirror those of the Bay Area. But we know that continued effort is required.

During the COVID-19 pandemic, the Trust and its partners continued to engage and stay connected to community partners. We shifted programming to virtual and self-guided activities. We continued the *Summer Stride* program, a partnership between the San Francisco Public Library, Golden Gate National Parks Conservancy, Presidio Trust, and National Park Service, to encourage reading adventures in Bay Area national parks. *Storywalks* feature pages of a children's book placed on sign panels along a trail so you can "seek, find and read" as you stroll. *Nature Boosts* were co-curated as a safe way to virtually "meet" national park rangers, Trust experts, and other guests to learn more about local plants and animals, and much more.

We initiated a "train the trainer" program based on input from community leaders about the importance of providing access to nature for the City's most vulnerable youth. Through this program, over 100 leaders have been trained on what is in the park, ways to get here, and what resources are available for outdoor classroom and youth programming. We've also equipped them with tools needed to experience the park (in-language maps tailored to highlight key interest areas, backpacks with binoculars, bird guides and other park tools, etc.). That program was recognized by the Urban Land Institute (ULI) for its innovative response to public service during the pandemic.

The next transformational phase of the Presidio will draw even more visitors to the park. The Presidio Tunnel Tops will reconnect the Presidio's Main Post with San Francisco Bay and add new visitor amenities such as a natural playground, a fire circle, a Youth Campus for youth development activities, gardens, paths and overlooks with stunning views of the Golden Gate Bridge, Alcatraz, and the San

Francisco skyline. 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 the spring of 2022. Nearly two million visitors are expected to come to the Tunnel Tops each year.

To make sure the new destination would be welcoming, accessible, and fun, we asked the public to help “imagine” what Presidio Tunnel Tops could be. In 2014, along with our partners, we launched an international competition to find a team to work with the community to design Tunnel Tops. We then invited people from all over the Bay Area to share their ideas about what this new place should be. Thousands dropped off comment cards in our “design lab,” went on a walking tour, or submitted an idea on our website. Many more shared their input at one of 14 public workshops held in San Francisco’s neighborhoods and in the Presidio. In total, more than 10,000 people provided comments on the project which were instrumental in guiding the design and future operations and programming for the site.

Our outreach and engagement work continued with the launch of the *My Park Moments* photo show on September 1, 2021, as a lead up to the opening of the Tunnel Tops. The concept for the show was inspired by reoccurring community feedback that, while they think the Presidio is beautiful, they don’t see it as a place that represents or reflects their communities. Working with Photoville, a New York - based non-profit that activates public spaces around the world with community-driven photography, we issued an open call for submissions, ultimately receiving 7,000 photos. Four hundred are now on display in the *My Park Moments Photo Show*.

As we plan for the opening of Tunnel Tops, organizations and leaders serving low-to-middle-income communities, communities of color, and the disabled community will be our primary partners. We will be launching a Presidio Activators Council, a group of community leaders and connectors who are passionate about making cities more inclusive through parks, connections to nature and culture, wellness and healing and celebration. Our inaugural cohort of Presidio Activators will play an important role in shaping what Presidio Tunnel Tops feels like to those who visit —and help us realize the vision for an inclusive and welcoming place. We will be working closely with our Presidio Activators and other partners to plan and execute a range of community and culturally relevant events and activities to draw in and welcome diverse visitors at Tunnel Tops.

Tackling the Climate Crisis

Three years ago the Presidio Trust set out a goal to be Net Zero with regard to carbon emissions, waste to landfill, and use of drinking water for irrigation. Inspired by our vision, the international consulting group BCG has worked with us, pro bono, to determine what it would take to get the Presidio to those goals. They have determined that with additional investment, the Presidio could get nearly to a carbon free state by installing solar power generation, operating an all-electric transit system, and making our historic buildings energy efficient. The Presidio could also eliminate the use of drinking water to irrigate the Presidio landscape by tapping into reclaimed water, conserving 70 million gallons of potable water each year. And the Presidio could get very close to reducing the amount of waste that we send to landfill to nearly zero.

We’ve made steady progress towards achieving all three of these goals. Transportation is one of the largest contributors to the Presidio’s carbon footprint. We use the free, Trust-funded PresidiGo shuttle

and a comprehensive transportation demand management program to encourage Presidio residents, tenants, and visitors to use transit, bikes and walk to get to and around the park rather than driving. In 2021, we began the process of converting our shuttle fleet from compressed natural gas to electric with the purchase of our first battery electric shuttle bus. We worked with the City and County of San Francisco to extend an additional bus line to the Presidio. This new bus route creates an important new link to the local and regional transportation network and it connects the Presidio to several low-income San Francisco neighborhoods that have few parks. In 2021, we implemented a new partnership with Bay Wheels to provide shared, affordable e-bikes in the Presidio.

For over a decade, the Trust has actively worked to reduce the amount of waste that it diverts to landfill. One of the best ways to reduce waste is active reuse of existing buildings. The Trust is a leader in implementing 'green' building rehabilitation in historic buildings. Of the 870 structures in the Presidio, more than two-thirds have been fully or partially rehabilitated for public use. LEED standards were adopted for all large rehabilitation projects beginning in 2010, and 28 projects have been LEED-certified. Our most recent rehabilitation, the Lodge at the Presidio, received a Gold LEED certification (and is also consistently ranked the #1 hotel in San Francisco on TripAdvisor).

In 2019, the Presidio Trust set a goal to decrease the amount of material going to landfill parkwide by 50% in five years. We are working to reach that goal through a combination of programs (such as an on-site compost program); outreach to staff, tenants, and visitors, and setting new internal policies and procedures. In October 2019, we were sending an average of 284 tons per month to landfill and had a parkwide diversion rate of 63%. As of July 2021, we are sending an average of 193 tons per month to landfill and have a 76% diversion rate.

We are reducing irrigation parkwide by 40% through the use of high-tech sensor-based irrigation systems that allow us to use the minimum amount of water required to keep the Presidio's historic landscapes thriving. And we've converted non-historic areas of irrigated turf into new drought tolerant landscapes, which reduce water use by 90%, reduce ongoing maintenance costs, and increase the ecological value of the Presidio historic gardens. Each year we replant two to three acres of the Presidio's historic forest using a mix of drought tolerant native and non-native species that, once established, require no irrigation, sequester carbon, and create wildlife habitat. And we've begun developing new ecological horticulture design and maintenance standards for the Presidio's historic gardens that will reduce water consumption, reduce the cost of ongoing maintenance, and increase the ecological value of the park's historic landscapes.

Prioritizing Information Technology (IT) Modernization and Cybersecurity

In 2021, the Trust developed an IT roadmap to ensure that mandatory and strategic IT projects are planned and aligned appropriately with agency strategy and other federal directives. The roadmap goes through 2023 and will be expanded as agency planning expands to out years.

There are three areas of priority focus on the roadmap. Infrastructure (Strengthening the Foundation); Building & Engaging (Smarter Technology and Data Mindset); and Realization (Technology and Data Working for Us). Modernization includes ensuring that financial systems are up to date, leveraging tools

from the private sector to continue to improve processes across the agency, ensuring the agency has tools that support the new way of working, and driving to data driven decision making at all levels.

Cybersecurity continues to be a priority. The Trust currently has a Multi-Factor Authentication project underway, and it should be completed within the timeframe in Executive Order 14028. We will also return to a vulnerability management project as the final large project in the cyber security area of IT and will continue to update our program accordingly. Once we have made progress in these areas, we will move toward leveraging more of the shared quality services provided by Department of Homeland Security. The Trust has been moving our systems to the cloud and we have no internally developed software.

Management and Performance Efforts to Deliver Results for All Americans

The Trust Act exempts the Trust from many of the performance improvement effort laws, including the Federal Acquisition Regulations (FAR) and Title V for Personnel Issues. However, we recognize the need to ensure that we use modern human resource and contracting processes and systems. In FY22 we set aside funding in the budget for a contracting management system and a human resource information system.

In fiscal year 2021, the Trust issued a request for proposals to modernize our public facing website to improve the customer experience. We have just started that project and will fund it in FY23.

Fiscal Year 2023 Budget Request

The Trust requests \$31,000,000 in borrowing authority in fiscal year 2023 to fund the rehabilitation of three historic buildings.

Legislative Language for Request

The Presidio Trust is authorized to issue obligations to the Secretary of the Treasury pursuant to section 104(d)(2) of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104-333), in an amount not to exceed \$31,000,000.

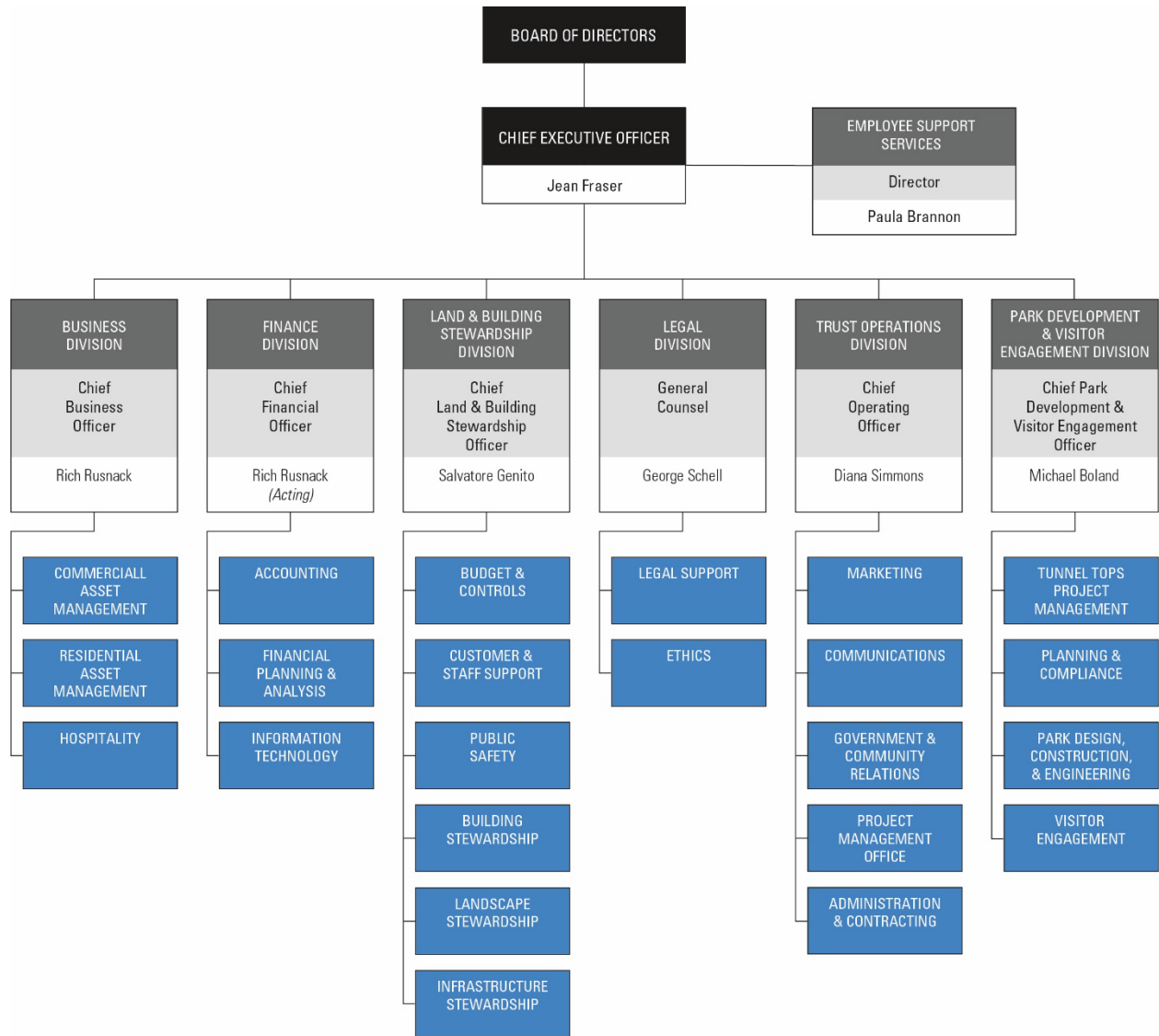
Conclusion

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 Count by Grade¹

Grade	Count
EX-01	1
EX-02	6
GS-05	5
GS-06	4
GS-07	17
GS-09	25
GS-10	4
GS-11	15
GS-12	41
GS-13	38
GS-14	16
GS-15	17
WD-07	2
WG-05	1
WG-06	3
WG-07	9
WG-08	7
WG-09	27
WG-10	20
WL-07	4
WL-08	4
WL-09	7
WL-10	6
WS-09	3
WS-10	8

¹ As of August 27, 2021