

Chapter Four - Plan Implementation



“The Presidio will be managed through an innovative public/private partnership that minimizes cost to the United States Treasury and makes efficient use of private sector resources.” Presidio Trust Act

The Presidio Trust's success will be measured largely by the timely rehabilitation and reuse of the Presidio's historic buildings and landscapes, the quality and quantity of open spaces that are created or enhanced, and the extent to which these accomplishments and the park resources they address are understood and enjoyed by park visitors. Unlike the wild lands typical of many parks, the Presidio's resources need intervention to preserve their integrity; historic buildings, the historic forest, scenic views, and natural habitats will deteriorate without timely maintenance and restoration. The rate at which the Trust moves to preserve these resources will thus affect the Trust's ultimate success in protecting the park for future use.



SIGNIFICANT INVESTMENTS ARE REQUIRED TO REVITALIZE THE PRESIDIO'S NEARLY 500 HISTORIC STRUCTURES

This chapter describes approaches to park management and financing that will help achieve these ends. It outlines how the Presidio Trust will set priorities for preservation and enhancement of the park, and how the Trust will monitor the Plan's effectiveness. Physical changes and leasing activities anticipated in the near term are described with some specificity, along with the tenant selection criteria and the processes that will ensure public input and informed decision-making.

FINANCING THE PARK

Caring for the Presidio will be costly and will involve managing a complex set of financial challenges and tradeoffs. In establishing the Presidio Trust as a wholly-owned government corporation, Congress created an organization that could operate in the marketplace, make real-time decisions, and reinvest revenues into the park to generate sufficient cash flow to eventually operate the park without federal appropriations.

Self-Sufficiency and Long-Term Sustainability

The Presidio Trust Act (see Appendix A) requires that the Trust generate sufficient revenues to support its operations by Fiscal Year 2013, at which time annual federal appropriations will end. Having sufficient revenues to meet expenses on that or any later date is not enough, however. The Trust's approach to managing the Presidio in a sustainable manner means that actions must be taken today to assure the Trust's long-term financial viability. Consideration for the park's financial welfare is a key element of every Trust decision. Scarce federal resources are invested carefully with an eye toward creating the sustained revenue stream that will provide for the park after appropriated dollars are no longer available.

Long-term financial sustainability, therefore, not only requires adequate operating revenues but also funds for capital improvements, as well as sufficient reserves for replacing and upgrading the Presidio's built spaces and infrastructure, and for protecting the park's natural environments. The Trust's strategy for managing the Presidio must ensure that the park will not only endure, but thrive.

Financial Planning Background

In 1994, the U.S. Army transferred jurisdiction over the Presidio to the National Park Service (NPS). As part of the transition, the NPS completed and issued a final *General Management Plan Amendment* (GMPA) that set forth a plan for the Presidio's use and management. As part of the GMPA, the NPS prepared the Presidio Building, Leasing and Financing Implementation Strategy. The GMPA's financial analysis concluded that a continuing inflow of federal funds would be needed, with an annual appropriation between \$16 to \$25 million. Tenant revenues were to help pay the estimated annual Presidio operating expenses of \$38 to \$40 million, and \$490 million in capital costs were to be funded by a combination of leases and operating agreements, U.S. Treasury and/or private sector resources, congressional appropriations, and philanthropic funds.¹

¹ National Park Service. Presidio Building, Leasing and Financing Implementation Strategy, July 1994, pp. 26-29.

In 1996, the U.S. Congress passed the Presidio Trust Act. The act established the Presidio Trust and gave the Trust the responsibility of relieving the federal government of the cost of maintaining the portion of the Presidio under the Trust's jurisdiction (Area B) while retaining that portion as part of the Golden Gate National Recreation Area. Congress authorized the Trust to receive limited appropriated funds, which were projected to decrease incrementally to zero over a 15-year period, and provided limited borrowing authority. In rejecting the GMPA's financial obligations, the Congress determined that the Presidio has the means both to become self-supporting and to sustain the values of a national park. To achieve these ends, Congress provided the Trust with a variety of tools. For example, the Trust may generate and retain revenue, lease real property, make loans, and provide loan guarantees to encourage the use of non-federal funds by third parties to invest in the repair and rehabilitation of the Presidio's historic buildings and infrastructure.

"The Trust shall submit to Congress a plan that will achieve, at a minimum, self-sufficiency for the Trust within 15 complete fiscal years after [the first meeting of the Board of Directors] of the Trust." (Presidio Trust Act section 105(b))

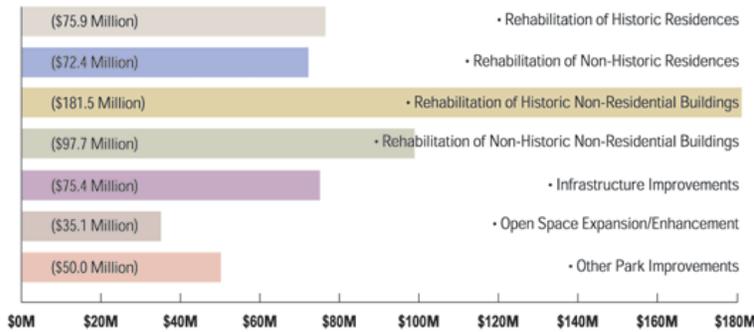
The 1996 Presidio Trust Act nullified the financial assumptions of the GMPA, principally by requiring the Trust to generate sufficient revenues by 2013 to support operations, capital needs, and capital reserves in Area B of the Presidio without annual federal appropriations. One of the first official acts required of the Presidio Trust was the adoption of a program for eliminating the federal appropriations. Pursuant to this requirement, on July 8, 1998 the Trust presented to Congress a Financial Management Program (FMP) that showed how the Presidio could become independent of federal appropriations within 15 years after the first meeting of the Presidio Trust Board of Directors (i.e., by July 8, 2013). The FMP based projected costs and the potential for revenue generation largely upon the GMPA's assumptions, combined with some updates from early Trust marketing and financial studies. The FMP demonstrated to Congress that the goal of self-sufficiency could be achieved. The 1998 FMP forms the basis for the scheduled decline in federal appropriations to zero by 2013.

As part of the current planning process, the Trust has developed financial planning models for use in comparing various plan alternatives. Further refined and updated financial forecasts will form the basis for budgetary decisions over time.

See Appendix B for additional planning background.

FIGURE 4.1 FINANCIAL CHALLENGES

Capital Expenses



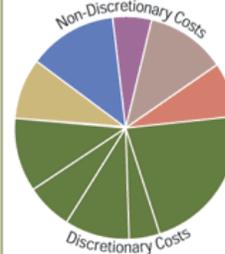
Notes/Observations:

- Total capital costs are estimated at \$589 million for planning purposes.
- Costs presented are order of magnitude estimates for planning purposes, and not inclusive. (For example, the initial estimated cost of Tennessee Hollow restoration is \$800,000, but the actual cost is likely to be higher once a detailed design is developed.)
- Higher costs or lower revenues would affect the timing of resource preservation and other park improvements.
- Third-party financing may reduce costs to the Trust, but would also reduce revenues available to fund park improvements.
- Costs of new construction are not included in this summary.

Operating Expenses

Non-Discretionary Costs:

- Building, Landscape & Infrastructure Maintenance (8.9%)
- Public Safety (13%)
- Leasing & Property Management (5.7%)
- Utilities (11.7%)
- Financing Costs (8%)



Discretionary Costs:

- Administration (21.9%)
- Legal (4.5%)
- Planning (9.5%)
- Programs (6.8%)
- Other (10.8%)

Notes/Observations:

- Percentages refer to estimated costs aggregated over 20 years. Projected annual costs range from \$37.3 to \$52.8 million.
- Fixed costs represent more than 45% of the total.
- Annual budgets will include periodic reductions in discretionary costs over time.

Changing Funding Sources



FIGURE 4.1 FINANCIAL CHALLENGES

Capital Expenses

Graph -

- (\$75.9 Million) • Rehabilitation of Historic Residences
- (\$72.4 Million) • Rehabilitation of Non-Historic Residences
- (\$181.5 Million) • Rehabilitation of Historic Non-Residential Buildings
- (\$97.7 Million) • Rehabilitation of Non-Historic Non-Residential Buildings
- (\$75.4 Million) • Infrastructure Improvements
- (\$35.1 Million) • Open Space Expansion/Enhancement
- (\$50.0 Million) • Other Park Improvements

Notes/Observations:

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Operating Expenses

Pie chart -

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Changing Funding Sources

Timeline -

Year 2000	\$50 Million Treasury Borrowing Complete
Year 2010	Demolition of Wherry Housing Begins
Year 2013	Annual Appropriations Cease
Year 2015	Loan Repayment (Principal) Begins
2000-2013	Declining Federal Appropriations
2010-2030	Declining Residential Revenues
2003-2030	Increased Non-Residential Revenues Required to Fund Operations and Timely Completion of the Capital Program

Use of Funds

Improving and maintaining the park will be costly, as illustrated in Figure 4.1. Caring for the Presidio will require sufficient funds to pay for day-to-day operations and capital improvements, as well as to provide reserves for the future and cover financing costs.

Capital Expenses

Preliminary capital cost estimates prepared by the Trust indicate that over \$435 million will be needed to rehabilitate residential and non-residential buildings, and nearly \$37 million will be required to create additional open space, enhance existing open space, and maintain historic landscapes. For planning purposes, total capital costs are estimated at \$589 million.

Although some costs may ultimately be lower than these “order of magnitude” projections, experience with the rehabilitation of historic buildings indicates otherwise. The Trust’s experience to

date is based mostly on rehabilitation of smaller buildings, or buildings requiring only modest amounts of work. Inevitably, future projects will be more difficult and more expensive. The same can be said for natural resource restoration. For example, once a detailed restoration design is developed, the estimated cost of restoring the Tennessee Hollow stream corridor is likely to be higher than initial estimates.

Since 1998, the Trust has expended approximately \$40.2 million on rehabilitation and site preparation, and \$9.8 million on infrastructure. Crews have also completed deconstruction of the outdated Letterman hospital and research facility. Soon, the Letterman site will be ready for the groundbreaking of a new, privately funded project by Letterman Digital Arts, Ltd. Capital reserves ensure adequate financial resources to undertake future repairs, and are a critical part of overall capital program costs. These reserves ensure that buildings and infrastructure that are rehabilitated can be upgraded, replaced, or modernized again if necessary in the future. Capital reserves are not likely to be fully funded for several decades, after all initial capital improvements are complete.

Operating Expenses

Operating expenses include the costs of public safety, building and landscape maintenance, utilities, and other park operations, such as planning, legal services, personnel, and other administrative functions. There are also costs associated with borrowing money for capital projects. In addition, providing for public use of the park, whether through traditional interpretation programs provided by the National Park Service or through other programs and services, requires ongoing investment. Almost 50 percent of operating costs are “non-discretionary,” in that they are required simply to keep the park open; such non-discretionary costs include public safety, utility, and maintenance expenses.

In its initial years, the Trust moved aggressively to build an organization that could expedite preventive maintenance and tackle the backlog of the most pressing park improvements. The Trust is now in a position to cut costs and is committed to reducing overall operating expenses over time. The Trust will cut overall operating expenses by 12.4 percent in Fiscal Year 2003, which will enable continued investment in the capital expenditures that will ultimately result in revenue to support the park.

Sources of Funds

The Trust must fund all of its expenses through a limited number of revenue sources, including gradually diminishing congressional appropriations, U.S. Treasury borrowing - which must be paid back - and lease revenues. Authorized annual appropriations and lease revenues are the main sources of funds. Annual appropriations will gradually diminish and ultimately cease in 2013. Residential lease revenues will decrease over time, as housing is removed to allow open space expansion. Non-residential lease revenues from ground leases and building rents must therefore increase substantially over time to make up for declining appropriations and residential revenues. The Trust’s ability to meet revenue projections depends on the quality and quantity of building space that is made available for lease as well as the Trust’s ability to plan for, and respond to, various external forces. These external factors include the regional economy, the local real estate market, and the rents that the market will support.

Lease Revenues

Since assuming administrative jurisdiction over Area B lands and facilities on July 1, 1998, the Presidio Trust has aggressively pursued a program of rehabilitation and leasing of residential and non-residential buildings. By the end of September 2001, approximately 914,000 square feet of building space had been leased to non-residential tenants. Non-residential gross revenue increased from \$3.6 million in Fiscal Year 1999 to \$11 million in Fiscal Year 2001.

In addition, many housing units were renovated. Residential leasing revenue increased from \$7.3 million in 1999 to \$20.9 million in 2001 (including service district charges and utilities after deducting leasing costs). Over the next four years the remaining residential units will be renovated and made ready to lease. A majority of these residences are historic and, while expensive to rehabilitate, must be rehabilitated to preserve their historic integrity. Buildings will also be rehabilitated for non-residential leasing.

The amount of revenues generated as a result of leasing will depend on the amount of space that is leased and the rental rate. These factors themselves will depend on the condition of the building in question and on the building's relative value in the marketplace. Rents can shift dramatically as a result of market forces, as evidenced by changes in San Francisco office rents. The average lease rate for office space in San Francisco dropped from \$75 per square foot to \$35 per square foot between 2000 and 2001. The overall vacancy rate increased from four percent to 19 percent. While the Presidio is somewhat insulated from these broader market forces, the market will, nevertheless, affect leasing revenues.

Congressional Appropriations

Since 1999, the Trust has received a total of approximately \$62.3 million in U.S. congressional appropriations. These appropriations have been used to fund 30 percent of the Trust's operations costs and 43 percent of its capital expenditures since that time. The 1998 Financial Management Program provides a schedule of annually decreasing appropriations necessary for the Trust to achieve financial self-sufficiency by Fiscal Year 2013. The level of investment delineated in this schedule is critical to achieving a continuous break-even status after Fiscal Year 2013. Each year, the appropriated amount, which is neither pre-established nor guaranteed, must be approved by Congress. If given sufficient investment in the early years, and if planned rental income is achieved, the Trust will achieve financial self-sufficiency in Fiscal Year 2013 and will require no subsequent appropriations.

Treasury Borrowing

Although the Trust is carrying out a variety of leasing strategies to attract private funds for building rehabilitation, the need for capital investment by the Trust has remained critical, especially in the early years, to prepare facilities for leasing and to upgrade the infrastructure. Recognizing this need, Congress provided authorization in Public Law 104-333 for the Trust to borrow up to \$50 million at any given time from the U.S. Treasury, subject to appropriations acts. The funds have been used primarily for the residential rehabilitation program, which will generate substantial near-term lease revenues. Funds borrowed from the U.S. Treasury have also been used to begin infrastructure improvements.

These borrowed funds will be largely expended by the end of Fiscal Year 2002. Interest payments are due each year, and principal repayment will begin in Fiscal Year 2015. Congress has recently passed legislation that will increase the amount the Trust can borrow to \$150 million, the borrowing level

originally contemplated and included in earlier versions of the Trust authorizing legislation. Congress required, however, that these additional funds be appropriated in the annual budget cycle; to date, none of these funds has been appropriated. Thus, like the Trust's annual (up to Fiscal Year 2013) appropriations, these additional funds are not guaranteed.

Investment of Non-Federal Funds

To pay for the Presidio Trust Management Plan's estimated \$589 million in capital costs, the Trust will augment the limited funds that can be borrowed from the U.S. Treasury by encouraging the investment of private funds in the rehabilitation of Presidio resources. The Trust will foster this type of investment by offering loan guarantees and encouraging the use of historic tax credits.

The Trust anticipates that the investment of non-federal funds will generally take the form of tenant investments in site improvements, building rehabilitation, and construction for premises, subject to long-term leases. Tenant funds will be used whenever a tenant, rather than the Trust, undertakes site improvements, building rehabilitation, or construction. These tenant investments will be an alternative means of raising the sums needed to rehabilitate buildings. This approach will be used strategically, however, because tenants who provide capital to rehabilitate buildings generally require rent reductions to amortize their capital expenditures. Therefore, projects financed in this manner typically generate less cash flow than projects that are directly funded by the Trust. Under the proper terms and conditions, however, this type of project can protect the Trust from various risks inherent in the real estate market.

Grants and Philanthropic Gifts

Grants and/or philanthropic gifts are additional sources of funding for park improvements, and will be important to the Presidio's future. Compared with lease revenues, the availability of these funds is more difficult to predict because the sources are mostly outside of the Trust's control. The Trust may seek grants and donations to fund special public projects, open space enhancements, and programs. Indeed, philanthropy will be critical for completing many projects. Restoration of the Tennessee Hollow stream corridor, for example, is a project that may rely on grants or philanthropic funding if the Trust is to complete it within a reasonable period of time.

Other Income

The Trust also receives income from utilities, special events, and interest income from investments. Since 1998, the total amount of other income has been \$20.7 million, or 11.8 percent of total revenue.

Financing Strategy

Carrying out this Plan will require the Trust to manage changes in the level and sources of revenue, timing of cash flow, market conditions, leasing risks and incentives, and cost controls. The long-term future of the park depends on the Trust's ability to balance these financial factors.

Revenue Generation and Timing

Financial changes expected between 2013 and 2020 have been and continue to be the primary factors influencing the Trust's financial strategy. Between 2002 and 2013, the Trust will make building rehabilitation and reuse a priority, so that the resulting lease revenues in 2013 meet the initial threshold of financial self-sufficiency. To make buildings leasable in the years before 2013, capital investment needs will be high, while appropriations will be declining. At the same time, the costs of demolishing structures and undertaking follow-on natural resource enhancements will also be high, and the funds to accomplish these initial goals will be limited.

The amount and timing of available funding will determine when park resources can be rehabilitated and enhanced, and what kinds of visitor programs and services can be offered. Several changes that significantly affect the park's financial future will occur between 2013 and 2020. These changes will involve the loss of revenue sources, the addition of new expenses, and necessary capital costs:

- Fiscal Year 2012 is the last year of congressional appropriations. Assuming that Congress continues to appropriate federal monies until that time, the Trust's cash inflow will decline by an estimated \$16.9 million annually beginning in 2013.
- By 2012, the first third of the Wherry Housing complex (Baker Beach Apartments) is expected to be demolished, resulting in a loss of approximately \$3.8 million per year in lease revenues.
- In 2015, payments on the \$50 million borrowed from the U.S. Treasury will increase from \$3 million to \$5.2 million due to the commencement of payments on the principal.
- By 2020, an additional one-third of the Wherry Housing complex (Baker Beach Apartments) is expected to be demolished, resulting in an additional decline in gross annual revenues of approximately \$3.8 million.
- By 2020, the Trust expects to pay the direct costs of demolishing two-thirds of the Wherry Housing units as well as the costs associated with site and native plant habitat restoration estimated at \$15.1 million.

The aggregate impact of these five anticipated changes is a decline in operating cash flow of approximately \$27 million per year plus a projected cost of \$15.1 million to cover the demolition of otherwise revenue-generating resources. As a result, it is critical to the park's long-term future that building space produce sufficient income by 2013 to compensate for anticipated revenue losses and to fund planned building demolition and site restoration projects.

If the Trust does not generate sufficient funds before 2013 to rehabilitate revenue-producing space, it will be difficult to attain the revenues needed to sustain a healthy operating margin. In other words, it will be difficult to have the positive cash flow required to meet operating expenses, continue to undertake capital improvements, and allow some margin for uncertainty and contingencies. As a result, operating cash flows between 2013 and 2029 would be limited, in turn limiting the Trust's ability to fund additional rehabilitation of revenue-generating space. The cumulative effect of this cycle (i.e., of lacking cash to fund building rehabilitation, thereby limiting future revenues and rehabilitation projects) would be to extend the time needed to restore the park's historic buildings and complete park resource and infrastructure enhancements. This delay would leave vacant buildings and infrastructure vulnerable to decay and natural resource objectives unrealized.

Market Forces

In addition to managing the timing of cash flow, the Trust must oversee the dynamic interaction among revenue generation, building rehabilitation costs, market conditions, and tenant leasing incentives. When the market is strong, there will be more tenants willing to pay higher rents and to provide capital to improve Presidio buildings. In these circumstances, adequate revenue for other park preservation purposes is more likely.

When markets decline, however, as they inevitably and cyclically do, the Trust will face a greater challenge. Attracting tenants will be much more difficult. An important factor that drives a potential tenant's decision to lease space is the extent to which the space can be efficiently used, and at what cost. The most desirable buildings are those that are easiest to adapt, rehabilitate, and lease. Once the most desirable buildings are leased, the remaining buildings will likely be more difficult to lease because more capital and greater expertise are needed to rehabilitate them for reuse. When the Trust is faced with either a slow market or less desirable space, tenants may be less likely to invest their own funds to rehabilitate park buildings. Particularly in down markets, it will be important for the Trust to create leasing conditions that attract tenants.

As discussed earlier, market forces can dramatically affect the amount of rent that can be charged. These forces include a multitude of factors that are beyond the Trust's control. For example, the high vacancy rate affecting office space in the Bay Area in 2002 directly affects office rents at the Presidio and throughout the region.

Presidio Trust Versus Third-Party Investments

The Trust plans to use third-party financing strategically, because it typically generates less lease revenue than projects financed directly by the Trust.² When the Trust provides the capital for improvements to buildings to prepare them for reuse, it will be able to capture the entire rent for the buildings. When the Trust asks a tenant to bear the costs of building rehabilitation, the tenant's capital investment will be repaid essentially through reduction in rent. In these cases, the Trust will receive less revenue, but will avoid the capital outlay for building improvements as well as the risks of cost overruns and slow leasing conditions. Shifting the investment burden to others can also help the Trust to preserve some of its capital for key investments in projects such as infrastructure improvements, the revitalization of the historic forest, or the restoration of Tennessee Hollow. The Trust must combine and balance these financing strategies to ensure adequate funds for park operations while also rehabilitating the park's important historic buildings as quickly as possible to prevent their deterioration.

The Plan allows the Trust to consider another important tool - limited new construction - as a financing strategy for historic rehabilitation and other Plan objectives. The Plan allows the Trust to offer, within a ground leasing proposal, the possibility of limited new construction for either residential or non-residential uses. Offering this flexibility may make an otherwise difficult historic rehabilitation project financially viable. These issues are discussed in more detail in Chapter Three.

2 The Trust's financial model for comparing plan alternatives under the National Environmental Policy Act (NEPA) assumed that the Trust would finance all building rehabilitation, and that third parties would finance all new construction. The Trust made these absolute assumptions to allow an understandable comparison of plan alternatives. The assumptions are not to be seen as a predictor of the actual budgetary decisions to be made in the future.

The use of long-term ground leases as a means of financing historic rehabilitation has several advantages. Long-term leases provide a stable income stream, enable reductions in rehabilitation costs through the use of historic tax credits, and shift the financial risk to investors and away from government. They also, however, reduce the Trust's control and flexibility with regard to tenants and subtenants, and tend to favor large, financially secure private organizations rather than smaller organizations that may not have the financial capacity to make large investments in buildings. Long-term ground lease arrangements also result in lower annual rents, particularly in early years while tenant/investors are essentially paid back for their investment, plus a return, through reduced lease payments. At the end of the lease term, the improvements revert to the Trust. A key challenge for the Trust is to balance these long-term ground lease arrangements with shorter-term leases.



REPLACEMENT OF THE LETTERMAN HOSPITAL AND RESEARCH CENTER WITH A DIGITAL ARTS CAMPUS WILL REINVIGORATE AN IMPORTANT REGION OF THE PRESIDIO AND CREATE A STABLE SOURCE OF REVENUE

RESOURCE PRESERVATION AND ENHANCEMENT: PRIORITIES AND TIMING

The availability of funding will determine when park resources can be rehabilitated and enhanced. For this reason, the Presidio Trust will continue to give priority to those near-term capital improvements that generate the revenue to fund subsequent capital improvements and operating expenses. The Trust recognizes, however, that other near-term improvements will be needed to safeguard park resources, achieve resource preservation goals, and provide visitor programs and amenities. The Trust will use this Plan to set priorities for these improvements as well.

The overall implementation strategy for the Plan is to carry out projects that advance the Trust's preservation and financial goals, while concurrently engaging the public in planning for the park's future. For example, the leasing of historic structures for uses consistent with the Plan, and the associated rehabilitation of such structures in accordance with historic preservation standards, will proceed directly from adoption of this Plan. Other projects that would bring about greater physical changes to the Presidio's resources and landscape will be subject to further planning, public input, and supplemental environmental analysis. (See "Public Involvement in Future Planning and Decision-Making" below.)

Through its annual budget and work programming process, the Trust will set priorities for uses and projects that are needed to (1) safeguard significant park resources; (2) preserve historic buildings, generate revenue, or reduce costs; and (3) finance preservation of buildings and landscapes, or enhancement and expansion of open spaces. Other priorities will include uses and projects that achieve resource preservation goals and that are immediately accessible or noticeable to park visitors or contribute to an approved implementation strategy, such as the *Vegetation Management Plan*; and uses and projects that help visitors to enjoy and learn from this national park site. The budget and work programming process will also be used to establish the Trust's annual commitment to cultural and educational programming and the general nature of that programming.

In setting priorities, the Trust will balance physical and logistical factors, including the adequacy and availability of infrastructure, site remediation status, building conditions, and the marketability of preferred land uses. The Trust will also consider the proximity of the project or use to existing activities and significant park resources, along with public interest in the use or project. Areas of the park that are intensively used by the public are likely to receive more immediate attention.

Ongoing Implementation Activities

Projects that have been carried out since 1994 - some of which were undertaken by the National Park Service and ensured a successful transfer of the Presidio from the U.S. Army - are indicative of the activities that will continue. Examples of completed projects, which encompass basic site improvements and start-up programs for the park, include:

- Substantial infrastructure (electrical, water, sewer, stormwater) repairs and upgrades to meet applicable codes, laws, and regulations and to prepare the park for new uses with new demands.
- Demolition of several buildings in the northwest section of the Wherry Housing complex (Baker Beach Apartments) and restoration of native plant habitat.
- Rehabilitation of the Presidio Fire Station and construction of a new addition to facilitate reuse.
- Construction of a new golf course clubhouse and maintenance facility and rehabilitation of the golf course.
- Establishment of a Presidio Native Plant Nursery and Park Stewardship program.
- Establishment of a National Park Service Visitor Center at the Main Post.
- Rehabilitation of key community facilities, including the child care center, Herbst Exhibition Hall, Officers' Club, bowling center, swimming pool and gym, Main Post chapel, and Golden Gate Club.

- Rehabilitation and reuse of non-residential buildings such as the Thoreau Center and Buildings 38, 39, 220 and 210.
- Modernization of nearly 900 residential units in the park.

Ongoing implementation activities currently include environmental remediation, critical road safety repairs and intersection improvements, transit services, transportation management programs, and pilot projects for the *Vegetation Management Plan*. The Trust has established an interim non-residential leasing program and a comprehensive residential leasing and renovation program, and is currently undertaking pre-construction activities for the 23-acre Letterman Digital Arts Center. Mountain Lake is undergoing renewal, and small reforestation projects are underway.



Residential Rehabilitation & Leasing. The Trust will complete rehabilitation of the Presidio's historic and non-historic housing by 2005. Following rehabilitation, units will be leased, with preference given to employees in the park. Affordability programs will ensure a mix of tenants. The potential for converting historic non-residential space to residential use will be assessed.



Tennessee Hollow & Crissy Marsh. In conjunction with the National Park Service (NPS) and other partners, the Trust will undertake technical studies regarding the restoration of the Tennessee Hollow stream corridor and the long-term health of Crissy Marsh. Implementation actions will be analyzed, and a funding strategy developed.



Main Post Landscape, Parking, & Circulation Changes. The Trust will construct a "transit hub" at the foot of the Main Post to concentrate service, disseminate transit information, and facilitate transfers. The Trust will also propose modifications to streetscapes throughout the Main Post to improve mobility for all modes of transportation, and propose reorganization/ reduction of off-street parking areas. The final design will enhance public open spaces.



Non-Residential Rehabilitation & Leasing. The Trust will continue to seek tenants for non-residential buildings. Rehabilitation and leasing activities will focus on the Main Post and on buildings throughout the Presidio that are best suited for reuse and do not require substantial infrastructure changes. Long-term leases (greater than five years) will be offered to tenants who can help fund the rehabilitation of historic buildings, consistent with tenant selection criteria.



VMP Pilot Projects & Historic Forest Rehabilitation. The Trust will continue to test strategies to carry out the adopted *Vegetation Management Plan* (VMP) and continue successful site stewardship programs in collaboration with the NPS and the Golden Gate National Parks Association (GGNPA). An overall implementation and funding strategy will be developed for forest rehabilitation.



Letterman Digital Arts Center (LDAC). The Trust will complete all Letterman site preparation requirements in 2002, in accordance with the LDAC development agreement. Construction of the 900,000-square-foot digital arts campus will commence thereafter. The campus will provide approximately seven acres of on-site public open space.



West Crissy Field Feasibility Study. The Trust will engage the public in discussions about appropriate uses for buildings at the west end of Crissy Field and will undertake financial feasibility studies related to building reuse and rehabilitation.



Environmental Site Remediation. The Trust will clean up hazardous materials left behind by the Army. Remedies will be developed in conjunction with regulators, the Restoration Advisory Board, and the NPS. Twenty-four CERCLA (Comprehensive Environmental Response, Compensation, and Liability Act) sites and numerous petroleum sites will be excavated, sealed in place, or otherwise addressed by 2006.



Recycled Water & Water Conservation. The Trust will develop a recycled water facility that will sanitize and recycle wastewater for landscape irrigation and non-potable water, thereby decreasing demands on the potable supply and reducing the amount of sanitary sewage discharged to the City's combined sewer system. Water conservation measures, such as retrofitting buildings with water-efficient fixtures, will also be implemented.



West Letterman Buildings & Streetscapes. The Trust will consider ways to invigorate the historic industrial area just west of the Letterman Digital Arts Center campus, including rehabilitation of historic buildings, introduction of active public uses, streetscape and viewshed improvements, and landscape, circulation, and parking changes.



Trails & Bikeways. The Trust and the NPS will complete a Presidio-wide plan for improving pedestrian and bicycle access throughout the park. Priorities will be set for funding and implementation of suggested improvements.

Near-Term Implementation Activities

Figure 4.2A illustrates some near-term projects anticipated following adoption of this Plan. It should be noted that the timing of individual improvements and leases - even in the near term - is somewhat uncertain, and depends to a large extent on market conditions and tenant interest.

Residential Projects

Once the Plan is adopted, the Trust will accelerate those residential building rehabilitation projects and long-term leases that do not require new construction or demolition. The residential leasing program will remain the Trust's top priority. Presidio-based employees will continue to receive housing preference, and the Trust intends to maintain housing affordability programs. The success of these programs and preferences will be monitored over time and adjusted if necessary.

Non-Residential Projects

In the near term, non-residential leasing efforts will focus on the Main Post as well as on other buildings throughout the Presidio that can be rehabilitated and served by adequate infrastructure with a minimal investment of time and money. Less costly buildings will typically be financed with the Trust's capital funds. The more costly rehabilitation of larger buildings will most likely be funded by other entities. The Trust will apply consistent tenant selection criteria (see "Tenant Selection and Tenant Diversity" below). The Presidio Trust Act requires the Trust to provide for "reasonable competition" among potential building tenants; this requirement will be met by providing public notices of all major leasing opportunities and by soliciting interest from a wide range of prospective tenants. The Trust will require prospective tenants to demonstrate the overall feasibility of their lease proposals, including the feasibility of funding capital improvements and ongoing operating expenses. Building users will be required to pay "service district charges" (SDC), with which the Trust funds police, fire, road maintenance, and other park-wide services. Environmental remediation will continue, as will projects and programs involving infrastructure improvements, transportation demand management, and energy and water conservation.

Natural Resource and Cultural Landscape Enhancements

The Trust will continue to use "pilot" projects to test implementation strategies for the restoration and revitalization of the park's natural areas pursuant to the adopted Vegetation Management Plan (VMP). The Trust will seek public input on the annual VMP work plan, and monitor the success of pilot projects. Through the VMP, the Trust will begin the historic forest revitalization program and will restore stands of trees sequentially to ensure the long-term viability of the Presidio's forests. The sequence of restoration activities will depend on sound forestry management practices, funding availability, and the desire to minimize impacts associated with reforestation. Consistent with the VMP, the Trust will restore natural resource habitats at environmental remediation sites and will complete the restoration of Mountain Lake. Planning will begin for longer-term natural resource enhancement projects, such as the restoration of Tennessee Hollow and improvements to Crissy Marsh. A priority for the Trust will be rehabilitation of the cultural landscape at the Main Post, in residential areas, and along the principal routes by which visitors enter the park.

Detailed Studies and Public Involvement

Before undertaking projects that involve significant demolition, subsequent new construction, or significant changes to the historic landscape of the Presidio, the Trust will work with those seeking use of Presidio buildings and sites to solicit public input and to conduct detailed studies and appropriate environmental analyses. Public input will be a crucial component of these projects, which may address individual sites (e.g., potential infill construction at West Letterman), planning districts (e.g., Fort Scott), or Presidio-wide issues (e.g., open space and recreation).

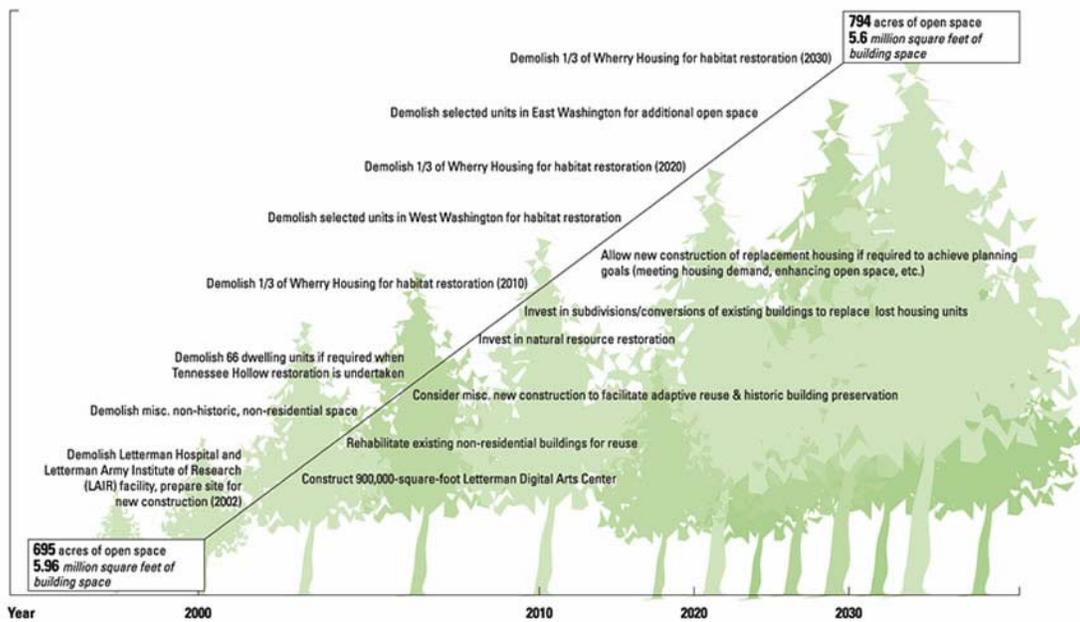


FIGURE 4.2B LONG-TERM IMPLEMENTATION: GENERALIZED TIMELINE

While near-term implementation activities can be predicted with some certainty, long-term implementation of Plan goals can best be articulated as a generalized timeline. As shown here, the amount of open space in the park will be increased by almost 100 acres, and the amount of building space in the park will be decreased by almost 400,000 square feet over time. How long it takes to achieve these goals depends on the timing of building removal, and the timing and amount of replacement construction.

The timing of building removal and the timing and amount of replacement construction will also hinge on a variety of factors, including the cost of demolition, the need to generate revenues and the ability to do so, the desire to facilitate

historic building reuse (through building additions, annexes, etc.), and the desire to meet other planning objectives, such as demolition to facilitate habitat restoration.

New construction may take the form of building additions or freestanding structures. In conformance with the Presidio Trust Act, new construction will be limited to areas that have been previously developed. To build new structures the Trust must remove existing square footage as an offset so that building square footage in the park will not exceed today's 5.96 million square feet. In the instance of the Wherry Housing complex, however, it may be necessary to build replacement units before offsetting space is demolished, with the understanding and commitment that Wherry units would be removed once replacement units come on-line.

FIGURE 4.2B LONG-TERM IMPLEMENTATION: GENERALIZED TIMELINE

Year 2000: 695 acres of open space 5.96 million square feet of building space

- Demolish Letterman Hospital and Letterman Army Institute of Research (LAIR) facility, prepare site for new construction (2002)
- Construct 900,000-square-foot Letterman Digital Arts Center
- Rehabilitate existing non-residential buildings for reuse
- Demolish misc. non-historic, non-residential space

- Consider misc. new construction to facilitate adaptive reuse & historic building preservation
- Demolish 66 dwelling units if required when Tennessee Hollow restoration is undertaken
- Invest in natural resource restoration
- Invest in subdivisions/conversions of existing buildings to replace lost housing units
- Demolish 1/3 of Wherry Housing for habitat restoration (2010)
- Allow new construction of replacement housing if required to achieve planning goals (meeting housing demand, enhancing open space, etc.)
- Demolish selected units in West Washington for habitat restoration
- Demolish 1/3 of Wherry Housing for habitat restoration (2020)
- Demolish selected units in East Washington for additional open space
- Demolish 1/3 of Wherry Housing for habitat restoration (2030)

Year 2030: 794 acres of open space 5.6 million square feet of building space

While near-term implementation activities can be predicted with some certainty, long-term implementation of Plan goals can best be articulated as a generalized timeline. As shown here, the amount of open space in the park will be increased by almost 100 acres, and the amount of building space in the park will be decreased by almost 400,000 square feet over time. How long it takes to achieve these goals depends on the timing of building removal, and the timing and amount of replacement construction. The timing of building removal and the timing and amount of replacement construction will also hinge on a variety of factors, including the cost of demolition, the need to generate revenues and the ability to do so, the desire to facilitate historic building reuse (through building additions, annexes, etc.), and the desire to meet other planning objectives, such as demolition to facilitate habitat restoration.

New construction may take the form of building additions or freestanding structures. In conformance with the Presidio Trust Act, new construction will be limited to areas that have been previously developed. To build new structures the Trust must remove existing square footage as an offset so that building square footage in the park will not exceed today's 5.96 million square feet. In the instance of the Wherry Housing complex, however, it may be necessary to build replacement units before offsetting space is demolished, with the understanding and commitment that Wherry units would be removed once replacement units come on-line.

Long-Term Implementation Activities

Figure 4.2B illustrates a timetable for the key long-term physical changes under the Plan: a reduction in the amount of building space and an increase in the amount of open space at the Presidio.

Today, Area B of the Presidio encompasses 5.96 million square feet of building space. Over time, the Trust will reduce the building area to 5.6 million square feet or less - a net reduction of 360,000 square feet or more. Achieving this net reduction will require balancing the timing of building removal and replacement construction. The timing of building removal will depend on factors such as the cost of building demolition and the need for revenues to fund natural resource and preservation goals. The timing and amount of replacement construction will also hinge on many factors, including the ability of replacement construction (e.g., a building addition or annex) to facilitate historic building reuse and the desire to meet financial and other objectives, such as accommodating employee housing demand. Figure 4.2B illustrates, in a generalized way, the "give and take" that will affect progress toward the overall goal of reducing building square footage and increasing open space.

Both the increase in open space and decrease in building space are linked to the phased removal of the Wherry Housing complex (Baker Beach Apartments) and some of the Washington Boulevard housing. The Trust also plans to remove 66 units of family housing in the East Housing planning district to facilitate the restoration of the Tennessee Hollow riparian corridor. To address the need to replace lost revenues from these significant housing resources, the Trust will consider subdivision of large units in other residential buildings, and will also assess the feasibility of converting non-residential space to residential use. In both cases, feasibility will be determined primarily by evaluating whether the projected cost of building subdivision or conversion, as well as the cost of demolition, can be recouped from the revenues within a sufficiently short period to generate positive cash flow for other needed park enhancements.

As cost-effective and feasible housing subdivision and conversion options are evaluated, the Trust may also consider replacing housing units through new construction. This new construction would likely coincide with the removal of non-historic housing to help replace lost revenues from the removed housing. Two principal sites - one west of the Thoreau Center in the Letterman district, and one at North Fort Scott behind Pilots Row - have been identified as appropriate for new residential construction, if it is proposed in the future. These and other potential sites for new construction will be subject to further public and agency comment, detailed planning, and environmental review in conformance with the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA), as described below.

PUBLIC INVOLVEMENT AND PARTNERSHIPS

Public involvement, as well as partnerships with government agencies and other organizations, will be critical to successful implementation of the Plan. Volunteer opportunities such as the park stewardship program give the public a direct way to influence the future of the Presidio. Tours, exhibits, and events allow the public to experience the richness of the park and to meet park staff and volunteers. Public meetings of the Presidio Trust Board of Directors and public planning workshops encourage the exchange of ideas about projects and planning objectives. Circulation of draft planning and environmental documents for public comment provides an opportunity for focused input before plans are complete and decisions are made.

The Golden Gate National Recreation Area (GGNRA), which encompasses the Presidio, has benefited greatly from partnerships among various agencies and organizations to provide public programs. The Trust will encourage and embrace involvement by park partners, and look to the National Park Service and the Golden Gate National Parks Association for continued cooperation.

Public Involvement in Future Planning and Decision-Making

The nature of this Plan necessitates that more specific planning be undertaken in the future, and that further public input and environmental analysis be completed before many implementation decisions are made.³ While it is difficult to predict with any certainty the precise scope or content of future planning efforts, and therefore the appropriate vehicle for public input and analysis, it is possible to articulate some broad guidelines. Figure 4.3 describes and illustrates the general process anticipated for specific categories of planning and implementation activities.

NEPA and NHPA Section 106

The Trust is governed by and will follow the processes outlined by the National Environmental Policy Act (NEPA), the Trust's own regulations implementing NEPA, and Section 106 of the National Historic Preservation Act (NHPA). Both NEPA and Section 106 of the NHPA prescribe a process for public involvement and informed decision-making. Consistent with NEPA and the Programmatic Agreement that implements the historic compliance process of Section 106 of the NHPA, the Trust envisions consolidating NEPA and Section 106 compliance processes.⁴ In general, for projects that require review under NEPA, public involvement will take the form of "scoping" (i.e., determining issues and alternatives to be analyzed) and public review of draft environmental analysis documents (i.e., environmental assessments, environmental impact statements). "Scoping" will occur early in these planning processes, before a proposal is fully defined, and will allow the public to participate in identifying potential alternatives and guidelines for their assessment. Public review of draft environmental analysis documents will give the public an opportunity to suggest changes or corrections, and to comment on the objectives of a proposal and the potential alternatives.

3 Exceptions to this statement will generally involve leasing of buildings that are rehabilitated in conformance with the Secretary of the Interior's standards, ongoing operation and maintenance activities, and events or improvements that would clearly not have significant or adverse impacts on park resources and neighboring areas other than those described in the Environmental Impact Statement that accompanies this Plan.

4 This approach is called for and consistent with 36 CFR 800.8.

Planning and Implementation Activities

Periodic workshops will be held to ensure broad public participation and consideration of diverse issues and perspectives. The public will have opportunities for further input through public review of draft plans and planning guidelines, and through formal comment on draft environmental assessments and environmental impact statements. For projects that do not require review and comment, the Trust will nonetheless provide public notice and will contact those groups or individuals that have expressed interest in the project or topic.

Figure 4.3 gives specific examples and illustrates the opportunities for public input for general categories of planning and implementation activities.

Partnership with the National Park Service

The 1996 Presidio Trust Act sets forth the statutory framework for the relationship between the National Park Service (NPS) and the Presidio Trust. As authorized by Congress in the Trust Act, the NPS manages Area A of the Presidio and, “in cooperation with the Trust,” is responsible “for providing public interpretive services, visitor orientation, and educational programs on all lands within the Presidio.” Beyond this specific statutory role, the two agencies share the goal of seamless operation and management of the Presidio. Examples of joint projects currently underway include implementation of the Vegetation Management Plan, development of a Presidio Trails and Bikeways Master Plan, and planning for Tennessee Hollow and Crissy Marsh.

The two agencies will also continue to collaborate on natural resources activities, collections management, special events and festivals, programs, public safety, and transportation, circulation, and parking issues. When appropriate, the Presidio Trust and the NPS will enter into written agreements to help define overall goals and objectives, roles and responsibilities, decision-making processes, and financial obligations of both parties in collaborative projects.

Participation of Other Partners

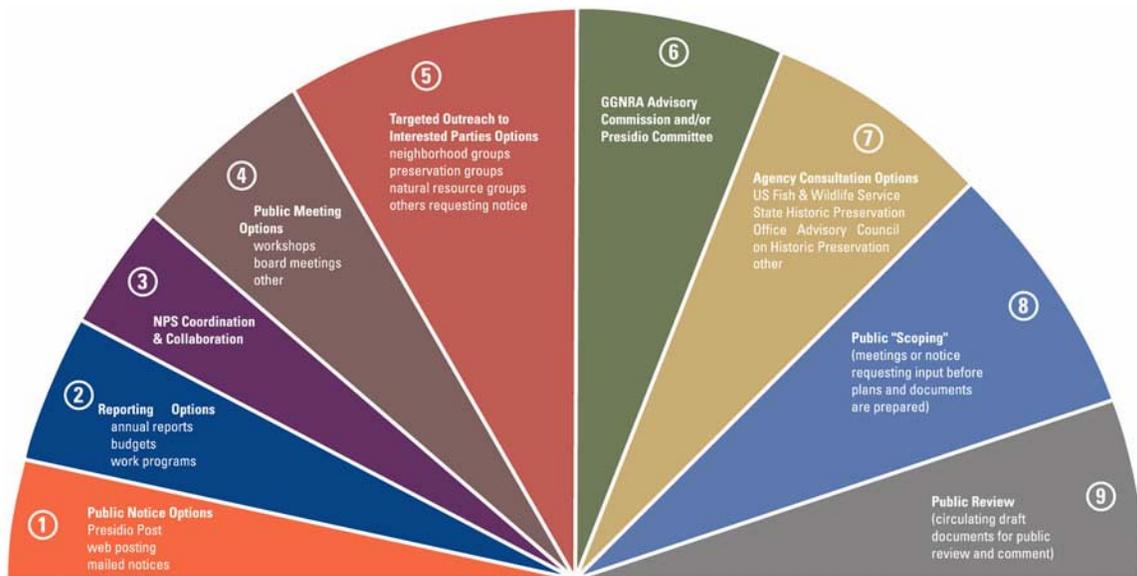
The Trust and the NPS collaborate with the Golden Gate National Parks Association to promote park objectives. Joint projects include overseeing park stewardship opportunities, operating the Presidio’s native plant nursery, and assessing the long-term health of Crissy Marsh. In the future, the Trust hopes to expand this collaboration.

The Trust will actively seek additional partners to help achieve Plan objectives, including partners to provide programs and services for park visitors. These partners may be tenants, such as an organization that operates a museum, or others, such as a school that uses the Presidio as an outdoor classroom, or an organization that provides funding for programs or park improvements. The Trust and the NPS are working together to identify organizational partners that can help interpret the key “stories” or themes intrinsic to the park’s history and resources.

Because the park adjoins the city, the City and County of San Francisco is interested in the effects of the Presidio on the larger urban environment. The Trust provides certain public services within the Presidio, such as police and fire service, and pays the City for other services, such as sewer service and some potable water. The Trust will work to improve and maintain effective relations with the City and to further an understanding of mutual benefits and interdependencies.



THE NATIONAL PARK SERVICE AND THE PRESIDIO TRUST PARTNER TO PROVIDE
A COMPREHENSIVE EMERGENCY SERVICES AND PUBLIC SAFETY PROGRAM



Types of Public & Agency Involvement. The Trust is committed to public participation during Plan implementation. Although it is impossible to know the precise nature of public involvement that will be appropriate or required for any specific project whose scope is not currently proposed, this summary chart outlines the opportunities for public input before important Plan implementation decisions are made. The actual process will vary depending upon the magnitude and potential effects of the proposal.

All future actions will be carried out in accordance with NEPA and its implementing regulations, both the government-wide provisions of CEQ, 40 CFR Parts 1500-1508, and the Trust's own implementing regulations, 36 CFR Part 1010. The Trust's procedures go beyond what is required nationally for public involvement by offering additional public notices.

FIGURE 4.3
PUBLIC INVOLVEMENT IN PLANNING AND IMPLEMENTATION DECISIONS

Types of Public & Agency Involvement. The Trust is committed to public participation during Plan implementation. Although it is impossible to know the precise nature of public involvement that will be appropriate or required for any specific project whose scope is not currently proposed, this summary chart outlines the opportunities for public input before important Plan implementation decisions are made. The actual process will vary depending upon the magnitude and potential effects of the proposal.

All future actions will be carried out in accordance with NEPA and its implementing regulations, both the government-wide provisions of CEQ, 40 CFR Parts 1500-1508, and the Trust's own implementing regulations, 36 CFR Part 1010. The Trust's procedures go beyond what is required nationally for public involvement by offering additional public notices.

Chart –

1. Public Notice Options
 - Presidio Post
 - web posting
 - mailed notices
2. Reporting Options
 - annual reports
 - budgets
 - work programs
3. NPS Coordination & Collaboration
4. Public Meeting Options
 - workshops
 - board meetings
 - other
5. Targeted Outreach to Interested Parties Options
 - neighborhood groups

- preservation groups
 - natural resource groups
 - others requesting notice
6. GGNRA Advisory Commission and/or Presidio Committee
 7. Agency Consultation Options
 - US Fish & Wildlife Service
 - State Historic Preservation Office
 - Advisory Council on Historic Preservation
 - other
 8. Public "Scoping" (meetings or notice requesting input before plans and documents are prepared)
 9. Public Review (circulating draft documents for public review and comment)

Building Rehabilitation & Reuse. The Trust will use targeted outreach to notify interested parties, such as historic preservation groups, about proposals to undertake major rehabilitation and reuse of historic buildings. Rehabilitation will be consistent with the Secretary of the Interior's standards. [Example: rehabilitation and reuse of the post office, Building 210.] (5) In general, rehabilitation projects that deviate from the Secretary's Standards and may have an adverse effect on an historic building or historic district will be subject to public notice, and outreach and consultation. (1,3,5,7) In some instances such projects will also be subject to public "scoping" and public review of draft environmental documents. (8,9)

Site Improvements & Landscape Changes. The Trust will use targeted outreach to notify interested parties of site improvements and landscape changes that will either have no effect or will benefit park resources. [Examples: introduction of bus shelters or directional signs, rehabilitation of historic plantings, installation of drip irrigation.] (5) Landscape changes that may adversely affect park resources, such as important native plant communities or historic landscape features, will be subject to public notice, and outreach and consultation. (1,3,5,7) In some instances such projects will also be subject to public "scoping" and public review of environmental documents. (8,9)

Pilot Projects. The Trust expects that pilot projects or other, focused implementation activities undertaken in furtherance of the Vegetation Management Plan or similar approved programs will generally be the subject of annual public meetings to permit public discussion of program objectives, priorities, and methods. In addition, agency consultation and outreach to interested parties will be undertaken regularly. (2,4,5,7)

Transportation & Infrastructure Improvements. Transportation and infrastructure changes whose potential effects on the park or its surroundings are either uncertain or potentially significant will generally be subject to public notice, outreach and consultation, public "scoping," and public review of environmental documents. [Examples: development of a recycled water plant; permanent re-routing or closing of streets resulting in significant spill-over effects on adjacent streets.] (1,3,5,6,7,8,9) The Trust will use targeted outreach to inform interested parties about changes that will have positive or negligible effects. [Examples: street resurfacing, sewer repairs, bike lanes within historic or existing rights-of-way.] (5)

Area Plans, Topical Plans, & Sub-Area Implementation Decisions. Planning documents providing greater specificity than the Presidio Trust Management Plan will generally be subject to public notice, outreach and consultation, public "scoping," and public review of environmental documents prior to any decision to implement the overall plan or project components. [Examples: Tennessee Hollow restoration plan, Trails & Bikeways Master Plan, development agreement arising out of a Request for Qualifications for site improvements and reuse of multiple buildings at Crissy Field (Area B) or Fort Scott.] (1,3,5,6,7,8,9)

Building Demolition. Demolition of non-historic buildings will be subject to public notice and targeted outreach to interested parties, such as existing tenants, environmental agencies, or neighbors. Proposals for replacement facilities or follow-on landscape changes at demolition sites will generally involve additional public input. [Example: demolition of residential buildings to permit natural resource enhancements.] Demolition of historic buildings will be subject to public notice, outreach and consultation, public "scoping," and public review of alternatives and draft environmental documents prior to any decision to implement the project. [Example: The process the National Park Service (NPS) used for demolition of historic warehouses on Crissy Field (Area A) to permit restoration of the historic airfield.] (1,3,5,6,7,8,9)

New Construction. Major building additions, large annexes, and freestanding buildings whose potential effects are either uncertain or potentially significant will be subject to public notice, outreach and consultation, public "scoping," and public review of specific design guidelines and/or schematic design, and environmental documents prior to any decision about whether to implement the project. [Examples: new residential construction; annex to Stilwell Hall, Building 650.] (1,3,5,6,7,8,9) Small additions to an historic building that are needed to make its reuse feasible and that would not adversely affect the building or the historic district are likely to proceed without detailed public review, but will generally involve historic preservation agency consultation and targeted outreach to interested parties, such as historic preservation groups. (3,5,7)

Tenant Selection. The Trust will publicize the availability of buildings for lease and the nature of tenants being sought, and will continue to use targeted outreach to ensure broad public awareness of its lease offerings. (1,5) Following tenant selection, the identity of the successful respondent will be made public. Once lease agreements are executed, they will be made available upon request, subject to the requirements of public disclosure laws and the Trust's regulations.

Special Events. Major events will generally be subject to agency consultation and targeted outreach to interested parties. [Examples: Memorial Day celebrations, foot races, open house events.] (3,5,6,7) Events that may have a significant environmental impact on park resources, such as important native plant communities or historic landscape features, will not be permitted.

PARK PROGRAMS AND TENANTS

Nature and Funding of Park Programs

The level and nature of programming offered to the public, whether cultural, educational, recreational, or other, will be influenced by three main factors: (1) the ability of the Trust to generate funds to pay for a program's operating and capital costs, whether from leases or philanthropy; (2) the effectiveness of collaborative efforts between the Trust and the National Park Service (NPS); and (3) the ability of the two agencies to engage other partners.



THE ANNUAL MEMORIAL DAY PROGRAM IS AN IMPORTANT TRADITION THAT RECALLS THE PRESIDIO'S PROUD LEGACY AS AN AMERICAN MILITARY POST

Both the Presidio Trust and the NPS currently dedicate funds to park programming. From annual appropriations, the NPS supports interpretive rangers and visitor center activities. The Presidio Trust contributes funds and resources to interpretive programs and also supports nursery, stewardship and archeology programs, in addition to funding a limited number of exhibits and events.

To make the park more accessible through a wider range of programs and media, the Trust will attempt to develop a variety of partnerships and funding sources to support programs beyond those available through the Trust, NPS, or tenant organizations. Program partners may include organizations that seek physical space within the Presidio or those interested in sponsoring or supporting Presidio programs. Creating a dynamic national park that offers appropriate interpretive, educational, cultural, stewardship, and recreational programs will require significant external support.

The Trust will provide a baseline level of park programming and funding support that includes both one-time capital investments for establishing a program venue (e.g., rehabilitation costs for the Officers' Club), as well as annual operating expenses. In Fiscal Year 2001, the level of expenditure was approximately \$2 million; the Trust hopes to increase this amount over time to \$5 million annually, and will leverage activities undertaken by park tenants and supporting partners who provide programs and services to park visitors. Feasibility studies that explore a variety of funding options will be conducted as part of program implementation.

Tenant Selection and Tenant Diversity

In managing and leasing non-residential properties, the Trust will seek a diverse tenant mix, and will apply consistent selection criteria, as described below. The length of lease terms will be determined case-by-case, and will be informed by the cost of building rehabilitation and tenant improvements and the relative conformance of the proposed use to the principles articulated in this Plan and the Presidio Trust Act.

During the writing of this Plan, the Trust carried out a short-term leasing program offering building space for five years or less. Interim leasing has helped to preserve, protect, improve, or stabilize vacant or underused buildings. Longer-term leasing is imperative, however, if the Trust is to attract the third-party investment that is necessary for preserving and reusing the park's historic resources and accomplishing other Plan objectives.

Tenant Diversity

Today, there are approximately 60 non-residential tenants within the Presidio. Over half of the tenants are non-profit organizations, which together lease almost 600,000 square feet of building space. Some of the non-profit tenants, such as the YMCA, are large organizations that offer services and programs directly to the public. Other non-profit tenants are small organizations advocating for social causes that transcend the day-to-day experience of park visitors. For-profit tenants also range from large to small, and from those that directly interact with park visitors to those that most visitors do not notice. In the future, the largest non-residential tenant will be the 900,000- square-foot Letterman Digital Arts Center.

The Trust is committed to retaining a diverse tenant mix, and will not limit the potential tenant pool to those of a particular business structure or purpose. Neither will the Trust set quotas or establish outright prohibitions by tenant type. The pool of potential tenants is already limited by the Presidio's location and by the complexities of its available building space. The historic nature of many Presidio buildings limits their suitability for certain types of tenants, as well as their layout and capacity for structural changes. Tenants, even if interested, may not have the capital to rehabilitate the space. In addition, the Presidio is not as close to downtown San Francisco or accessible by as many transit services as other competing locations. Restricting the pool of tenants further will make the mission of the Trust - ensuring the preservation and enhancement of park resources - more difficult. For this reason, seeking a diverse range of tenants is prudent policy; it also mitigates the effect of inevitable economic downturns, weakness in or demise of any particular sector, and changing social trends. Over time, diversity without quotas or prohibitions other than the principles set forth in this Plan and in the Trust Act will create a more robust and stable base of tenants, making the preservation of park resources more feasible.

The Trust will use different approaches to attract a wide range of tenants. The Trust may encourage master tenants, as part of their contribution to the park, to sub-lease to desired organizations. The Trust may also seek partnerships with philanthropic organizations to support organizations not fully capable of paying market-rate rents. The Trust is committed to using innovative approaches to achieve a diverse tenant mix.

Tenant Selection

The Presidio Trust will seek tenants that can help fund the preservation and enhancement of the Presidio's resources and meet the community service needs of the park's visitors, tenants, and residents. The Trust will give preference to tenants who can provide those funds and services, and who are involved in stewardship and sustainability, cross-cultural and international cooperation, community service and restoration, health and scientific discovery, recreation, the arts, education, research, innovation, and communication.

Presidio tenants will be selected on the basis of the following criteria: (1) demonstrated ability to enhance the Presidio's financial viability and/or rehabilitate and reuse an historic building, thus contributing directly to the Trust's primary goal of resource protection; (2) responsiveness to the General Objectives of the *General Management Plan Amendment* (GMPA) and contribution to the visitor experience; and (3) compatibility with the planning principles and preferred uses articulated in

this Plan. The first criterion is derived directly from the Trust Act, which requires the Trust to “give priority” to tenants that “facilitate the cost-effective preservation of historic buildings through their reuse,” and suggests that the Trust must look for credit-worthy tenants with the financial means to help achieve Plan goals. The second criterion derives from the Trust Act’s requirement that the Trust “consider the extent to which prospective tenants contribute to the implementation of the general objectives of the GMPA,” and articulates the Trust’s conviction that offering visitors a variety of ways to experience the Presidio is key to the park’s success. The third criterion ensures consistency with this Plan and its objectives.

“In managing and leasing the properties transferred to it, the Trust shall consider the extent to which prospective tenants contribute to the implementation of the general objectives of the General Management Plan for the Presidio and to the reduction of cost to the Federal Government. The Trust shall give priority to the following categories of tenants: Tenants that enhance the financial viability of the Presidio and tenants that facilitate the cost-effective preservation of historic buildings through their reuse of such buildings.” (Presidio Trust Act)

Preferred tenants will serve the public interest, and will meet all three selection criteria. In instances where it is not possible to identify such tenants, the Trust may consider users who would have a neutral effect on the Presidio’s visitor experience or long-term financial viability. The preferred uses set forth in the Plan are long-term goals. If tenants offering these preferred uses cannot be identified after reasonable time and effort, the Trust will consider tenants whose use may not have been identified as preferred, but who nonetheless bring value to the park by their ability to rehabilitate a building and to contribute to the vitality of the community. In such instances, the Trust will take care to avoid compromising the general character of the area. Lease provisions would permit dedication of the property to preferred uses if feasible at a later date.

General Objectives of the GMPA

The Trust Act directs the Presidio Trust to manage the property under its jurisdiction in accordance with (1) the purposes of the Act establishing the GGNRA,¹ and (2) the “General Objectives” of the GMPA. The General Objectives set forth in Presidio Trust Board Resolution 99-11 dated March 4, 1999 are:

- *To preserve and (where appropriate) enhance the historical, cultural, natural, recreational, and scenic resources of the Presidio;*
- *To address the needs of Presidio visitors, tenants, and residents for community services such as transportation, water, power, waste management, and public safety (among others) in an environmentally responsible manner, while respecting neighboring communities;*
- *To increase open space, consolidate developed space, and provide for appropriate uses of the Presidio, including uses that involve stewardship and sustainability, cross-cultural and international cooperation, community service and restoration, health and scientific discovery, recreation, the arts, education, research, innovation, and/or communication; and*
- *To sustain the Presidio indefinitely as a great national park in an urban setting.*

1 The purposes of the GGNRA Act are as follows:

“In order to preserve for public use and enjoyment certain areas of Marin and San Francisco Counties, California, possessing outstanding natural, historic, scenic, and recreational values, and in order to provide for the maintenance of needed recreational open space necessary to urban environment and planning, the Golden Gate National Recreation Area is hereby established. In the management of the recreation area, the Secretary of the Interior shall utilize the resources in a manner which will provide for recreation and educational opportunities consistent with sound principles of land use planning and management. In carrying out the provisions of this Act, the Secretary shall preserve the recreation area, as far as possible, in its natural setting, and protect it from development and uses which would destroy the scenic beauty and natural character of the area.” (16 U.S.C. 460bb)

Reasonable Competition

In seeking building tenants, the Trust is required to provide for “reasonable competition.” In general, the Trust will promote competition by broadly marketing major sites and opportunities, widely publicizing requests for qualifications (RFQs) and/or requests for proposals (RFPs), and evaluating qualifications as stated in the requests. The Trust will distribute RFQs, RFPs, and interim use offerings to the for-profit and not-for-profit tenant and business communities, including businesses and organizations owned and operated by women and members of minority groups. The Trust may pursue interim leasing without undertaking the RFQ process intended for long-term lease transactions, but will nonetheless provide for reasonable competition through public notice and outreach.



A COMPETITIVE 1998 RFQ PROCESS RESULTED IN A DIVERSE MIX OF TENANTS
LOCATING TO HISTORIC MAIN POST BUILDINGS

MONITORING AND AMENDING THE PLAN

The Trust will assess the Plan's effectiveness on an ongoing basis as individual projects are implemented. Effectiveness will be monitored by tracking progress in meeting quantitative goals, such as the planned overall reduction in building square footage and increase in open space, and by assessing conformance with qualitative standards such as tenant diversity and planning district design guidelines. Employee housing demand will be monitored and projections of future demand will be adjusted as needed. The effectiveness of housing affordability programs will also be monitored, as will progress in meeting transportation demand management (TDM) goals.

The Trust will use conventional planning and budgeting tools, such as the annual budget process and year-end report, to monitor progress toward achieving financial self-sufficiency and completing the capital program. If revenues exceed expectations, the Trust could decide to accelerate park resource enhancement projects, reduce rents, scale back total building square footage, or increase support for programs and services for park visitors. If revenues are less than expected, Plan adjustments may be necessary, and the time it takes to complete the capital program will increase.

At times, planning proposals may be considered that are not entirely consistent with this Plan. These proposals will be fully reviewed and considered under the National Environmental Policy Act (NEPA), including all applicable public processes. The final decision on the proposal may constitute a Plan amendment and will be informed by the NEPA public review process for the proposal. The decision amending the Plan will be adopted by resolution of the Presidio Trust Board. (See Figure 4.3.)

“At the end of each calendar year, the Trust shall submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Resources of the House of Representatives a comprehensive and detailed report of its operations, activities, and accomplishments for the prior fiscal year. The report also shall include a section that describes in general terms the Trust's goals for the current fiscal year.” (Presidio Trust Act)