

**PRESIDIO
TRUST**

PRESIDIO TRUST

Fiscal Year 2024 Budget Submission



PRESIDIO TRUST BUDGET SUBMISSION
Fiscal Year 2024

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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 for lease and operating businesses that generate 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 9.5 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: Executive, Business, Park, Finance, and Operations.

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 Presidio Trust currently employs 277 full-time employees and 6 part-time employees.

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. The Presidio's visitation at over 9.5 million, is higher than many other national park sites.

Ensuring a Forever Park

The Presidio Trust has used its earned revenue to cover the regular annual costs of operating the park for a decade. We've made major improvements that make it among the most visited national park sites in America. We've brought back online 80% of the park's buildings as homes, workspaces, and visitor destinations that are now generating revenue. As of January 2023, we're at over 96% occupancy for our residences and 93% for commercial space. People continue to want to live, work and stay where there is access to open space and nature.

We're investing where we can to restore the Presidio's assets and make sure the park is financially secure for generations to come. Loans are key to our ability to ultimately fund this work, as they allow us to rehabilitate Presidio buildings to increase our revenue. For example, we're using \$40M of Treasury borrowing appropriated in FY22 to rehabilitate three historic buildings that, when leased (FY27), will bring in additional revenues of \$2.3M per year. These building rehabilitations, and future rehabilitations, contribute to the revitalization of the Presidio and improve our financial position to ensure the Presidio is a "Forever Park".

Supporting President Biden's Executive Orders

The 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're proud of the advances we have made toward achieving these goals.

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 many people live – in cities. Of particular focus was to reach 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. We are proud that the Presidio's visitor demographics in terms of race and income closely align with the diverse Bay Area population.

We measure how well we are doing at attracting visitors from diverse ethnic and economic groups by comparing Presidio visitation data to the region's racial and socioeconomic diversity. We use multiple sources of data - both qualitative and quantitative. When we first began collecting visitor data in 2008, we found that the Presidio's visitors predominately came from adjacent neighborhoods, were mostly from high-income households, and they did not reflect the racial diversity of the Bay Area.

Since then, we have intensely focused on providing what people want in a national park. We worked 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 such as benches and picnic tables. 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 attract people who had not visited the Presidio yet.

After more than a decade of strategic park-making, marketing, programming, and community outreach and engagement, the Presidio has changed from a neighborhood park to a regional and international park destination. For example, in 2008, only 5% of visitors were first-time visitors. In 2018, 40% of Presidio visitors were here for the first time. And the income and racial demographics of our visitors now mirror those of the Bay Area. But we did not stop there.

For the opening of the Tunnel Tops this year, we partnered with organizations serving low-to-middle-income communities, communities of color, and the disabled community. We created 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 is playing an important role in shaping what Presidio Tunnel Tops feels like to those who visit and helping us realize the vision for an inclusive and welcoming place. We are working closely with the Presidio Activators and others on a range of community and culturally diverse events and activities such as the Korean Harvest Festival, the Hip Hop Climate Justice Summit, and dance events with ethnic dance troupes.

Tackling the Climate Crisis

Three years ago the Trust set a goal to be Net Zero with regard to carbon emissions, waste to landfill, and use of drinking water for irrigation. Funding constraints have limited our ability to realize these climate goals as aggressively as we would like to, but we're investing when we can and making steady progress.

Inspired by our vision, the international consulting group BCG worked with us, pro bono, to identify what it would take to get the Presidio to those goals. They determined that with additional investment, the Presidio could get to a nearly carbon free state by installing solar power generation, operating an all-electric transit system, and replacing gas-burning appliances in our historic buildings with electric-powered appliances.

Carbon Reduction

Transportation is one of the largest contributors to the Presidio's carbon footprint. We provide a free (to the user) Presidio Go 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 February 2023 we launched an all-electric shuttle to serve the park. This is a first step toward ultimately converting our shuttle fleet from compressed natural gas to electric. We also work closely with the City and County of San Francisco to improve public transportation to the Presidio. In 2021, a new city bus route was added to the Presidio creating an important link to the local and regional transportation network; it also connects the Presidio to several low-income San Francisco

neighborhoods that have few parks. We partner with Bay Wheels to provide shared, affordable e-bikes in the Presidio.

Reducing Waste to Landfill

In 2019, the Presidio Trust set a goal to decrease the amount of material going to landfill parkwide by 50% in five years. We compost all green waste from the Presidio either onsite or with our waste hauler contractor; we sort all construction debris; and we do education to our residents and tenants. 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 2022, we are sending an average of 167 tons per month (a 41% reduction) to landfill and have a 81% diversion rate.

One of the best ways to reduce waste is to reuse 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.

Reducing Use of Drinking Water for Irrigation

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.

We have opportunities we cannot yet seize due to lack of funding. We could get to zero use of drinking water for irrigation if we could tap into reclaimed water that is available from the SF Public Utilities Commission and building our own reclaimed water plant.

Prioritizing Information Technology (IT) Modernization and Cybersecurity

An area the Trust needs to work on is Information Technology. A comprehensive "Build Technology Roadmap" project is funded in FY23, which will determine our priorities for IT modernization for the coming years. Areas of focus in this analysis include cloud strategy, resiliency, long term telephony, modernization, enterprise application selection, and application integration.

We regularly fund hardware upgrades and calculate an IT infrastructure condition index. We are expanding our adoption of Department of Homeland Security Cybersecurity and Infrastructure Security (CISA) cybersecurity services. These tools are a valuable source of information for our vulnerability management efforts.

We have made progress implementing Presidential Executive Order 14028, “Improving the Nation’s Cybersecurity” through implementation of multi-factor authentication across the organization.

In FY23 the Trust will undertake a major update to our public facing website. Planning for this work is currently underway.

Fiscal Year 2024 Budget Request

The Trust requests \$45,000,000 (\$45M) in borrowing authority in fiscal year 2024 to support real estate projects. We are experiencing strong demand for residential and commercial space in the Presidio, which has increased since the COVID pandemic with people wanting to live and work in places with open space and fresh air.

To date the Trust has rehabilitated and leased 4.59 M square feet of built space. We have 750,000 million square feet left to rehabilitate, and the potential to do 250,000 square feet of new construction. If Congress appropriates our request for \$45M in borrowing authority in FY24, we have a number of solid investment options that achieve a strong return on the federal investment, such as the rehabilitation of additional history Army building for new uses.

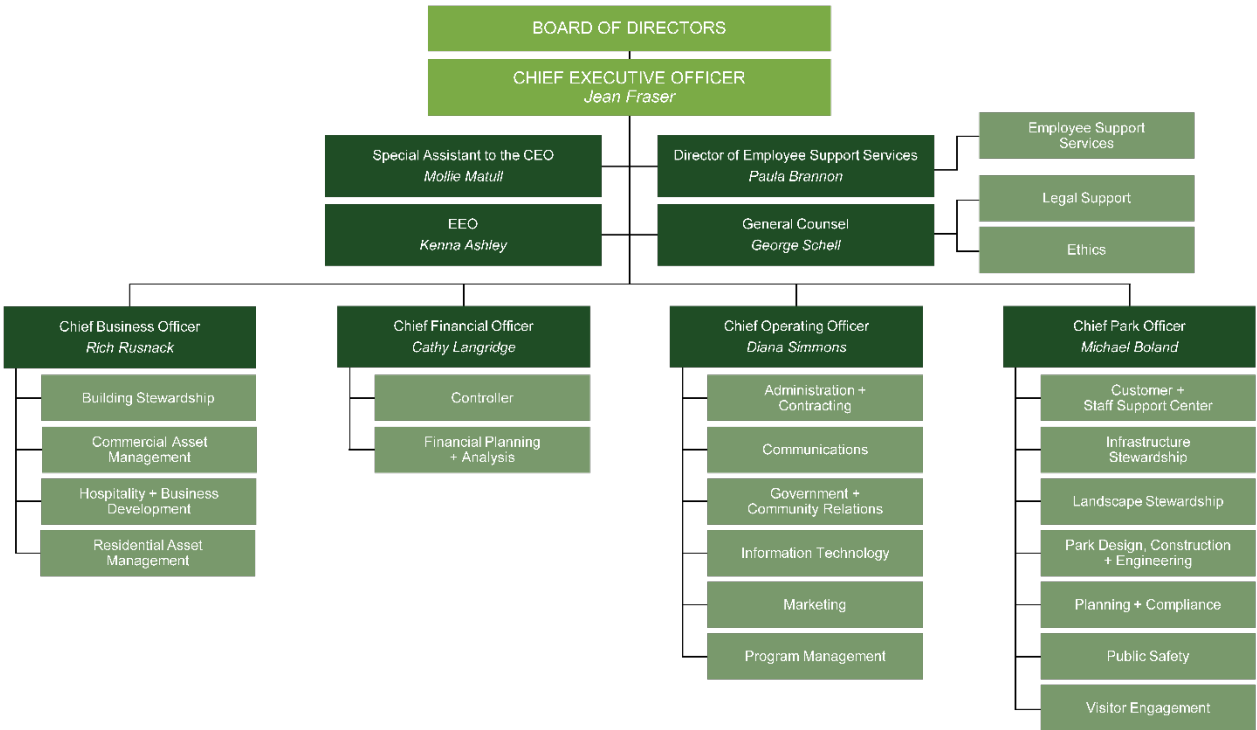
Legislative Language for Request

The Presidio Trust is authorized to issue obligations to the Secretary of the Treasury pursuant to section 15 104(d)(3) of the Omnibus Parks and Public Lands Management Act of 1996 (Public Law 104–333), in an amount not to exceed \$45,000,000.

Conclusion

The Presidio’s transformation into a national park site is one of the most remarkable historic preservation projects 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.

Presidio Trust Organizational Chart



Employee Count by Grade¹

Grade	Count
EX-01	1
EX-02	6
GS-05	3
GS-06	3
GS-07	17
GS-08	3
GS-09	24
GS-10	3
GS-11	16
GS-12	36
GS-13	43
GS-14	14
GS-15	17
WD-07	2
WG-05	1
WG-06	3
WG-07	7
WG-08	7
WG-09	31
WG-10	20
WL-08	4
WL-09	6
WL-10	5
WS-09	3
WS-10	8

¹ As of September 7, 2022. The Trust uses the federal Grade Levels as a guideline. The pay scales of our Pay Ranges don't exactly match the pay scales of the federal Grade Levels.