

**PRESIDIO
TRUST**

Fiscal Year 2025 Budget Submission



PRESIDIO TRUST BUDGET SUBMISSION

Fiscal Year 2025

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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.

A Unique Federal Executive Agency

Unlike other federal agencies, the Trust operates without an annual appropriation from Congress. We maintain and improve the Presidio with revenue we earn from leasing, hospitality, and permitting efforts. We invest these funds to welcome visitors, steward the environment, preserve historic resources, maintain the park's infrastructure, and ensure the agency operates efficiently in service to the public. The Trust has authority to borrow from the Treasury, and, when approved by Congress and the Treasury, invests loan proceeds to rehabilitate historic buildings for lease. Every dollar spent by those who live, work or visit the Presidio is invested right back into the park.

The Presidio also benefits from support and investment from the National Park Service and the non-profit Golden Gate National Parks Conservancy.

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: Park, Business, Executive, 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 Trust currently employs 277 full-time employees and four part-time employees.

Transforming the Presidio

The land at the Golden Gate was the traditional territory of the Yelamu, a local tribe of the Ramaytush Ohlone peoples of the San Francisco Peninsula. It then served as a military outpost for the Spanish Empire, the Mexican Republic, and the United States Army. Today, it's a national park site and a National Historic Landmark District.

When the Army left the Presidio in 1994, it was in a state of decline. Today's Presidio results from a 25-year "post to park" transformation, led by the Trust with an innovative public-private partnership and supported by community leaders, donors, volunteers, tenants, and residents.

The Presidio 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.

The Presidio is also one of the most biologically diverse national park sites in the country and home to endangered species that can't be found anywhere else. For nearly three decades, park ecologists and volunteers have been restoring natural habitats, conducting research, and nurturing native plants and animals so visitors can enjoy them for years to come. Today, approximately 600 of the park's 1,100 acres of open space have been restored. 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.

After years of revitalization, the Presidio is among the most surprising, and most visited, national park sites in America – a place where people live, work, and play. In 2022, two decades of park making culminated in the opening of Presidio Tunnel Tops, 14 acres of new parkland built atop highway tunnels and offering unforgettable Golden Gate Bridge views.

The Presidio's visitation, at over 9.6 million, is higher than many other national park sites.

Ensuring a Forever Park

The Presidio Trust has covered 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 July 2023, the Presidio's residences are at 97% occupancy and commercial spaces are at 94% occupancy. People continue to want to live, work and stay where there is access to open space and nature.

The Trust's remaining challenge is to address \$500 million of deferred maintenance. We're investing first in the utilities and infrastructure of the park. Treasury loans have been used to rehabilitate Presidio buildings to increase our revenue, which then gets put back into addressing the deferred maintenance. We've developed a two-year budget that supports our agency strategy and roadmap. It improves our financial position to ensure the Presidio is a "Forever Park", while recognizing that this will be a multi-year journey to tackle our deferred maintenance backlog.

Our Forever Park plan also includes operational improvements. We're investing in our internal operating systems and in the development of the skills of our staff. We're committed to continuous improvement of our operations to operate as efficiently and sustainably as possible.

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 encompassing Golden Gate National Recreation Area were established as one of the nation's first urban national parks. The intent of this country-wide effort was to bring national park experiences, and the many benefits they offer, closer to where most people live – in cities. Of particular focus was to reach communities that had historically been underrepresented in the country's national parks, including people from low-to-middle-income households, people with disabilities, and people of color. The Trust embraced this challenge and has spent the last 15 years listening and implementing strategies suggested by these communities to make the Presidio more inclusive and accessible.

We measure our success by comparing Presidio visitation data to the region's racial and socioeconomic diversity. Using anonymized cellphone data and physical visit counts, we developed a model to calculate the total number of visits to the Presidio that can be correlated with census data to determine demographic information for our visitors.

After more than a decade of strategic park-making, marketing, programming, and community outreach and engagement, the Presidio has become a regional and international park destination. For example, in 2008, only 5% of visitors were first-time visitors. In 2022, 40% of Presidio visitors were visiting for the first time. And the income and racial demographics of our visitors now more closely mirror those of the Bay Area. The opening of Presidio Tunnel Tops in July 2022 launched new programs, events, marketing, and partnerships specifically targeted to attract people who had not visited the Presidio yet.

We have developed meaningful partnerships with organizations serving low-to-middle-income communities, communities of color, and disabled communities. We work with these organizations to plan trips to the park, to reserve rooms, picnic areas, and outdoor event spaces for community organizations to host programs. We provide free shuttle bus transportation and curate park itineraries that speak to their unique interests, and we host a roster of events to attract a diversity of visitors.

We partner with a Presidio Activators Council and Community Experts to ensure that the Presidio is a resource for their communities. They not only engage through programming, but they provide invaluable feedback – from the type of park features we should build, to the amenities offered, to where and how we market the park.

In 2023, guided by Executive Order 13985, we launched a new approach to our campsite reservation system to facilitate and improve camping access by underrepresented communities. The Presidio's Rob Hill Campground is the only overnight group campground in San Francisco, so demand is extremely high, particularly on weekends. We learned through our outreach and engagement that there were many barriers to access for groups from underrepresented communities. The 2023 camping season is not over yet, but to date the program has enabled 1,000 people from key underrepresented communities to enjoy overnight camping, often for the very first time in their lives, in the Presidio.

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.

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, to bike and to walk to and around the park rather than driving.

In May 2023, the park's first battery-electric shuttle bus entered service. This is a first step toward converting our entire shuttle fleet from compressed natural gas to electric. In Fall 2023, 19 additional public electric vehicle charging ports will be added to the existing 13 charging ports in the Presidio. This will greatly improve charging availability for park visitors and tenants.

We also worked closely with the City and County of San Francisco to improve public transit to the Presidio. In 2020, a third city bus route was extended into the Presidio. This route adds an important link to the local and regional transportation network and connects the Presidio to several low-income San Francisco neighborhoods. We also partner with Bay Wheels bike share to provide shared 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 educate 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 2023, we are sending an average of 167 tons per month (a 41% reduction) to landfill and have an 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 approximately 40% through the use of sensor-based irrigation systems that allow us to use the minimum amount of water required to keep the Presidio's historic landscapes thriving.

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.

In 2023 we successfully piloted ecological horticulture design and maintenance standards for the Presidio's historic gardens. This program converts non-historic areas of irrigated lawn and flowers into native and drought-tolerant plant landscapes. Compared to lawn, such plantings reduce water use by 90%, reduce maintenance costs (maintaining a lawn is expensive), and provide habitat for animals.

Prioritizing Information Technology (IT) Modernization and Cybersecurity

IT Modernization and cybersecurity continue to be a priority area at the Trust. A full Technology Strategy and Roadmap was completed in FY23 that includes detailed plans for technology modernization and

cybersecurity. A comprehensive refresh of the Presidio Trust website was implemented in August 2023 that improves the design and accessibility of the site.

The Presidio Trust continues to take advantage of Department of Homeland Security (DHS) Cybersecurity and Infrastructure Security (CISA) services. In FY23, the Qualys vulnerability management tool was deployed, including a regular process to review and fix the most critical vulnerabilities. The Trust has also added the Cyber Security Risk Score as a Key Performance Indicator (KPI) reported to our CEO.

In FY25, the Trust plans to implement the following Cyber Security actions, in alignment with Presidential Executive Order 14028 on cybersecurity, and the federal Zero Trust initiatives:

- Implement DHS recommended Endpoint Detection and Response solution from CrowdStrike.
- Obtain Security Authorization to Operate (ATO) for our General Support Services (GSS) environment and for our most critical and highest rated security applications.
- Cyber Security Logging and Incident Detection - Implement technology to improve detection of cyber security incidents and support incident investigation, while meeting federal audit logging requirements. Create a central database for audit log storage, retention and analysis. Configure network devices and computers to send their logs to the database in real time.
- Login Authentication Architecture - Centralize authentication to AD, Azure AD, and federal SSO. Configure applications to use this centralized authentication service rather than separate passwords. Expand the implementation of multi-factor authentication (including phishing-resistant).

Fiscal Year 2025 Budget Request

The Trust requests \$45,000,000 (\$45M) in borrowing authority in fiscal year 2025 to fund the rehabilitation of additional historic buildings and potentially some small scale new construction. We are experiencing strong demand for residential and commercial space in the Presidio.

To date the Trust has rehabilitated and leased 4.63M square feet of built space. We have 707,925 square feet left to rehabilitate, and the potential to build 250,000 square feet of new construction. If Congress approves our request for \$45M Treasury loan authorization in FY25, we have a number of solid investment options. We would rehabilitate additional historic Army buildings for new uses while at the same time achieving a strong return on the federal investment.

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

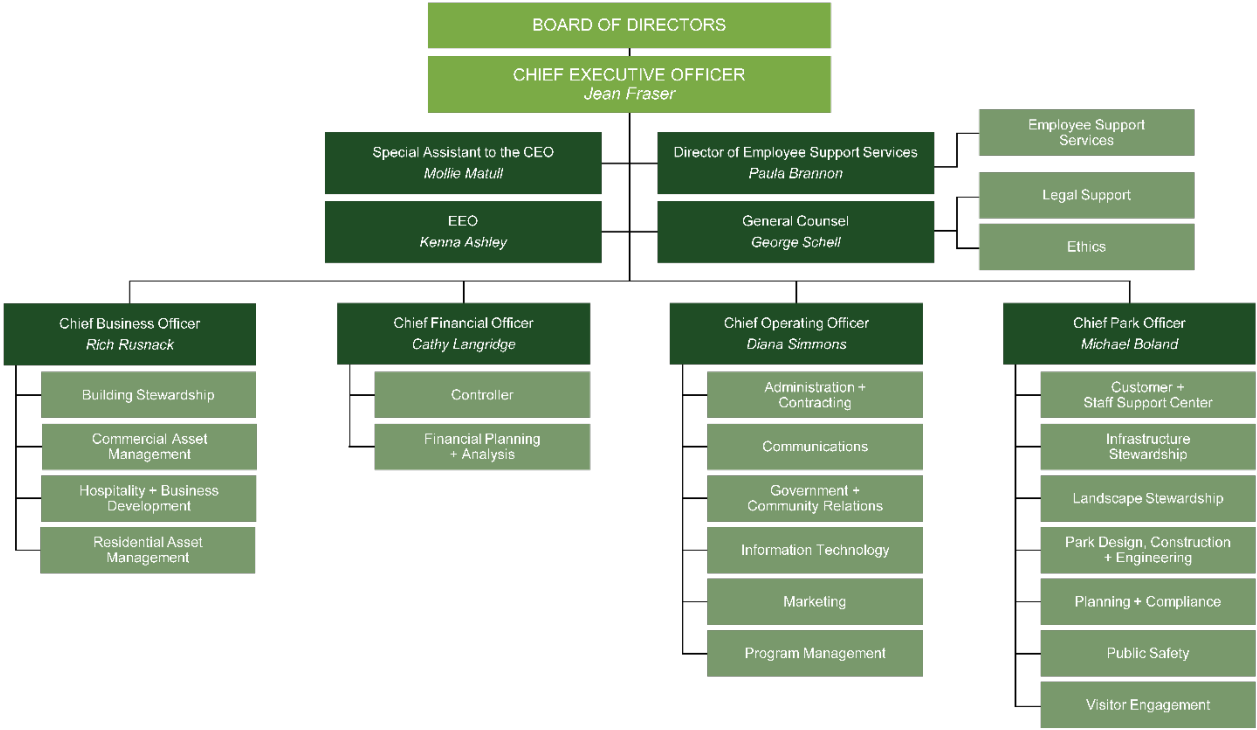
The Presidio's transformation into a national park site is one of the most remarkable base realignments in the country. The unique community of 7,000 people living and working within the park is contributing to its financial independence; the challenges associated with the largest historic preservation project in

the country are being met; connections are being made with adjacent urban populations. And the scenic beauty of the Presidio is being enhanced for the benefit and use of the public.

The Presidio Trust's next chapter will focus on sustaining the Presidio as a place where all people are welcome and where nature and history can flourish for the long haul. To achieve this goal, we must address the significant backlog of deferred maintenance inherited from the Army and rehabilitate remaining buildings for lease to drive revenue needed to ensure the Presidio's long-term financial health. Calibrated renewal of the park's infrastructure, utilities and landscapes, and strategic investment of funding will allow the Trust to weather future challenges.

Our intent is that the Presidio will be a model of historic preservation and environmental restoration, stewardship, and sustainability. The park's buildings and landscapes will be a living laboratory where approaches for making the world a better place are tested, from how to reintroduce lost native plants and animals, to how to foster a sense of belonging among people of all ethnicities, incomes, and abilities. And the Presidio Trust will be a model of how to run thriving businesses that support the public good.

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.