

**GOLDEN GATE NATIONAL RECREATION AREA/  
PRESIDIO MANAGEMENT**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
OF THE  
COMMITTEE ON NATURAL RESOURCES  
HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

SECOND SESSION

ON

**H.R. 3433**

TO PROVIDE FOR THE MANAGEMENT OF PORTIONS OF THE PRESIDIO  
UNDER THE JURISDICTION OF THE SECRETARY OF THE INTERIOR

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**H.R. 4078**

TO AMEND THE ACT ESTABLISHING THE GOLDEN GATE NATIONAL  
RECREATION AREA, AND FOR OTHER PURPOSES

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HEARING HELD IN WASHINGTON, DC  
MAY 10, 1994

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**Serial No. 103-56 Part II**

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**H.R. 3433, TO PROVIDE FOR THE MANAGEMENT OF PORTIONS OF THE PRESIDIO UNDER THE JURISDICTION OF THE SECRETARY OF THE INTERIOR; AND, H.R. 4078, TO AMEND THE ACT ESTABLISHING THE GOLDEN GATE NATIONAL RECREATION AREA, AND FOR OTHER PURPOSES**

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**TUESDAY, MAY 10, 1994**

**HOUSE OF REPRESENTATIVES,  
COMMITTEE ON NATURAL RESOURCES,  
SUBCOMMITTEE ON NATIONAL PARKS,  
FORESTS AND PUBLIC LANDS,  
*Washington, DC.***

The subcommittee met, pursuant to call, at 10:07 a.m. in room 1324, Longworth House Office Building, Hon. Bruce F. Vento (chairman of the subcommittee) presiding.

**STATEMENT OF HON. BRUCE F. VENTO**

Mr. VENTO. The Subcommittee on Parks, Forests and Public Lands will be in order. This morning we are meeting to hear two measures that relate to Presidio in San Francisco.

The first bill of course is H.R. 3433 introduced by Congresswoman Nancy Pelosi, and the second, H.R. 4078, is introduced by our colleague on the committee, Congressman Duncan.

[Text of the bills, H.R. 3433 and H.R. 4078, follow:]

103D CONGRESS  
2D SESSION

# H. R. 3433

To provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 3, 1993

Ms. PELOSI introduced the following bill; which was referred to the Committee on Natural Resources

APRIL 14, 1994

Additional sponsors: Mr. YATES, Mr. MURTHA, Mr. DELLUMS, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BACCHUS of Florida, Mr. BECERRA, Mr. BELENSON, Mr. BERMAN, Mr. BEVILL, Mr. BILBRAY, Mr. BONIOR, Mr. BOUCHER, Mr. BROOKS, Mr. BROWN of California, Mr. BRYANT, Mrs. BYRNE, Mr. CLAY, Mrs. CLAYTON, Mr. COLEMAN, Mr. CONYERS, Mr. DARDEN, Mr. DE LA GARZA, Ms. DELAURO, Mr. DE LUGO, Mr. DIXON, Mr. DURBIN, Mr. EDWARDS of California, Ms. ENGLISH of Arizona, Ms. ESHOO, Mr. FALCOMA, Mr. FARR of California, Mr. FAZIO, Mr. FILNER, Mr. FINGERHUT, Mr. FOGLIETTA, Mr. FORD of Michigan, Mr. FRANK of Massachusetts, Mr. FROST, Ms. FURSE, Mr. GORDON, Mr. HAMBURG, Ms. HARMAN, Mr. HEFNER, Mr. HINCHEY, Mr. HOAGLAND, Mr. JOHNSTON of Florida, Ms. KAPTUR, Mrs. KENNELLY, Mr. LANTOS, Mr. LAROCO, Mr. LAUGHLIN, Mr. LEHMAN, Mr. LEWIS of Georgia, Mrs. LLOYD, Mrs. LOWEY, Mr. MCDERMOTT, Mr. MCCLOSKEY, Mr. MANTON, Mr. MATSUI, Mr. MARKEY, Mr. MARTINEZ, Mr. MEEHAN, Mrs. MEEK, Mr. MINETA, Mrs. MINK, Mr. MOAKLEY, Mr. NADLER, Mr. NEAL of Massachusetts, Mr. OBERSTAR, Mr. OBEY, Mr. OLVER, Mr. PASTOR, Mr. RICHARDSON, Mr. ROMERO-BARCELÓ, Mr. ROSE, Ms. ROYBAL-ALLARD, Mr. SABO, Mr. SANDERS, Ms. SCHENK, Mr. SCHUMER, Mr. SERRANO, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON of Mississippi, Mr. THORNTON, Mr. TORRES, Mr. TORRICELLI, Mr. TUCKER, Mr. UNDERWOOD, Mrs. UNSOELD, Ms. VELÁZQUEZ, Mr. VISCLOSKEY, Mr. WASHINGTON, Ms. WATERS, Mr. WAXMAN, Mr. WHITTEN, Mr. WILSON, Ms. WOOLSEY, and Mr. WYDEN

## A BILL

To provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. THE PRESIDIO CORPORATION.**

4 (a) **ESTABLISHMENT.**—There is established within  
5 the Department of the Interior a public benefit corpora-  
6 tion to be known as the Presidio Corporation (hereinafter  
7 in this Act referred to as the “Corporation”). The Cor-  
8 poration shall manage, in accordance with the purposes  
9 set forth in section 1 of the Act entitled “An Act to estab-  
10 lish the Golden Gate National Recreation Area in the  
11 State of California, and for other purposes”, approved Oc-  
12 tober 27, 1972 (Public Law 92-589; 86 Stat. 1299; 16  
13 U.S.C. 460bb), the leasing, maintenance, rehabilitation,  
14 repair and improvement of property within the Presidio  
15 which is transferred to the Corporation by the Secretary  
16 of the Interior (hereinafter in this Act referred to as the  
17 “Secretary”).

18 (b) **TRANSFER.**—The Secretary shall transfer to the  
19 Corporation, under such terms and conditions as the Sec-  
20 retary deems appropriate, a leasehold in the following  
21 properties within the Presidio: the Letterman-LAIR com-  
22 plex, Fort Scott, Main Post, and Cavalry Stables, Presidio

1 Hill, Wherry Housing and East Housing, and the struc-  
2 tures at Crissy Field, and such other buildings within the  
3 Presidio as the Secretary deems appropriate. The lease-  
4 hold shall be of sufficient term to enable the corporation  
5 to obtain the most beneficial financing arrangements. The  
6 Secretary may not transfer to the Corporation any build-  
7 ings and housing necessary to house activities of the Na-  
8 tional Park Service. The Secretary shall transfer, with any  
9 transferred property, all leases affecting the property. All  
10 proceeds received by the Presidio Corporation from the  
11 leasing of properties managed by the Corporation within  
12 the Presidio shall be retained by the Corporation and used  
13 to defray the costs of administration, preservation, res-  
14 toration, operation, maintenance, repair, and related ex-  
15 penses incurred by the Corporation with respect to such  
16 properties.

17 (c) BOARD OF DIRECTORS.—(1) The powers and  
18 management of the Corporation shall be vested in a Board  
19 of Directors consisting of 9 members, as follows:

20 (A) The Director of the National Park Service.

21 (B) Secretary of the Army.

22 (C) Secretary of Transportation.

23 (D) Chairperson, Golden Gate National Park  
24 Association.

25 (E) The Mayor of the City of San Francisco.

1 (F) Two members to be appointed by the Sec-  
2 retary from recommendations by the Speaker of the  
3 House of Representatives and the Majority Leader  
4 of the Senate, with national visibility and knowledge  
5 and experience in one or more of the fields of envi-  
6 ronmental studies, city planning, finance, real estate,  
7 engineering, or management.

8 (G) Two individuals who shall be residents of,  
9 and who shall be registered voters in, the City and  
10 County of San Francisco with knowledge and experi-  
11 ence in city planning, finance, and real estate.

12 (2) The Secretary shall further appoint 5 non-voting  
13 members, to include:

14 (A) The Executive Director of the National  
15 Trust for Historic Preservation.

16 (B) The Chairman of the Golden Gate National  
17 Recreation Area Advisory Commission.

18 (C) A representative from among the entities  
19 occupying property at the Presidio.

20 (D) Two members to be appointed by the Sec-  
21 retary with knowledge and experience in one or more  
22 of the fields of city planning, finance, real estate, en-  
23 gineering, or management.

24 Each member of the Board of Directors specified in sub-  
25 paragraphs (A) through (C) of paragraph (1) may, at the

1 time of appointment, designate (through written notice)  
2 an alternate senior official of his department or agency  
3 who may serve on the Board in his stead.

4 (d) TERMS OF BOARD MEMBERS.—Each member of  
5 the Board of Directors appointed under subparagraphs  
6 (F) and (G) of subsection (c)(1) shall serve for a term  
7 of 4 years from the expiration of his predecessor's term;  
8 except that the Congress, in making the initial appoint-  
9 ments to the Board under subparagraph (G), shall appoint  
10 1 Director to a term of 2 years and 1 Director to a term  
11 of 3 years. Any vacancy on the Board of Directors shall  
12 be filled in the same manner in which the original appoint-  
13 ment was made, and any member appointed to fill a va-  
14 cancy shall serve for the remainder of the term for which  
15 his predecessor was appointed. Any member may continue  
16 to serve after the expiration of his term until his successor  
17 is appointed. No appointed director may serve more than  
18 12 years in consecutive terms.

19 (e) ORGANIZATION AND COMPENSATION.—(1) The  
20 Board of Directors shall elect a Chairman and a Vice  
21 Chairman from among the members of the Board of Di-  
22 rectors.

23 (2) Members of the Board of Directors shall serve  
24 without pay, but may be reimbursed for the actual and

1 necessary traveling and subsistence expenses incurred by  
2 them in the performance of the duties of the Corporation.

3 (3) The Board of Directors shall meet at the call of  
4 the Chairman, who shall require it to meet not less often  
5 than once every 3 months. A majority of the members of  
6 the Board of Directors (or their designated alternates)  
7 shall constitute a quorum.

8 (f) STAFF.—The Board of Directors shall have the  
9 power to appoint and fix the compensation and duties of  
10 an Executive Director and such other officers and employ-  
11 ees of the Corporation as may be necessary for the effi-  
12 cient administration of the Corporation. Priority consider-  
13 ation shall be given to appointing staff (other than the  
14 Executive Director) from among persons with knowledge  
15 and experience in the fields of finance and real estate (in-  
16 cluding property management). Officers and employees of  
17 the Corporation may be appointed and compensated with-  
18 out regard to the provisions of title 5, United States Code,  
19 governing appointments in the competitive service, and  
20 may be paid without regard to the provisions of chapter  
21 51, and subchapter III of chapter 53, title 5, United  
22 States Code (relating to classification and General Sched-  
23 ule pay rates).

24 (g) EXPERTS AND CONSULTANTS.—The Board of Di-  
25 rectors is authorized to procure the services of experts or

1 consultants, or organizations, including but not limited to  
2 urban planners, architects, engineers, and appraisers.

3 (h) AUTHORITIES.—In exercising its powers and du-  
4 ties, the Corporation shall act in accordance with the ap-  
5 proved General Management Plan, as amended (herein-  
6 after in this Act referred to as the “Plan”) or the Act  
7 entitled “An Act to establish the Golden Gate National  
8 Recreation Area in the State of California, and for other  
9 purposes”, approved October 27, 1972 (Public Law 92-  
10 589; 86 Stat. 1299; 16 U.S.C. 460bb) and have the follow-  
11 ing authorities:

12 (1) The Corporation shall manage, maintain,  
13 improve and repair those properties within the Pre-  
14 sidio which are transferred to the Corporation by the  
15 Secretary.

16 (2) The Corporation shall publish and dissemi-  
17 nate information and make known to potential occu-  
18 pants, by advertisement, solicitation, or other means,  
19 the availability of the property within the Presidio  
20 which the Corporation manages.

21 (3) The Corporation may prepare or cause to be  
22 prepared plans, specifications, designs, and esti-  
23 mates of costs for the rehabilitation, improvement,  
24 alteration, or repair of any property managed by the

1 Corporation, and from time to time may modify such  
2 plans, specifications, designs, or estimates.

3 (4) The Corporation may enter into contracts,  
4 including leases, cooperative agreements, or other  
5 agreements with any governmental entity, private or  
6 non-profit organization, person, firm, association, or  
7 organization, or corporation for the occupancy of any  
8 property within the Presidio which the Corporation  
9 manages.

10 (5) The Corporation shall establish competitive  
11 bidding procedures to be used for the issuance of  
12 leases and contracts under this Act.

13 (6) The Federal procurement laws and regula-  
14 tions shall not apply to the Corporation.

15 (7) The Corporation shall establish (through  
16 easements, covenants, regulations, agreements, or  
17 otherwise) such restrictions, standards, and require-  
18 ments as are necessary to assure maintenance and  
19 protection of the property managed by the Corpora-  
20 tion.

21 (8) The Corporation may make loans to the oc-  
22 cupants of property managed by the Corporation for  
23 the preservation, restoration, maintenance, or repair  
24 of such property.

1           (9) The Corporation may provide technical as-  
2           sistance to the occupants of property managed by  
3           the Corporation, to assist such occupants in making  
4           repairs or improvements to the property or applying  
5           for loans under paragraph (8) of this section.

6           (10) The Corporation may solicit and accept  
7           donations of funds, property, supplies, or services  
8           from individuals, foundations, corporations, and  
9           other private entities, and from public entities, for  
10          the purpose of carrying out its duties.

11          (11) The Corporation may retain any revenues  
12          from leases or other agreements concerning property  
13          managed by the Corporation, including preexisting  
14          leases or agreements and any donations, and use the  
15          proceeds for any function of the Corporation author-  
16          ized by this Act, except for those monies transferred  
17          to the Secretary as stipulated in paragraph (12).

18          (12) The Secretary and the Corporation shall  
19          agree on an amount of revenues received by the Cor-  
20          poration to be transferred to the Secretary, to be ap-  
21          plied by the Secretary to maintenance of the com-  
22          mon property.

23          (13) The Corporation may borrow money pri-  
24          vately to carry out the Corporation's duties, obliga-  
25          tions and responsibilities. In connection with such

1 borrowing, the Corporation may issue evidence of in-  
2 debtedness and may provide collateral to secure such  
3 indebtedness (including, without limitation, a mort-  
4 gage or pledge of the Corporation's interest in reve-  
5 nues or the leasehold in property transferred by the  
6 Secretary by the Corporation). The Corporation may  
7 also borrow money from the Treasury of the United  
8 States, in such amounts as may be authorized in ap-  
9 propriations acts, to carry out the Corporation's du-  
10 ties and responsibilities. Such borrowings from the  
11 Treasury shall have such maturities, terms, and con-  
12 ditions as may be agreed upon by the Corporation  
13 and the Secretary of the Treasury and may be re-  
14 deemable at the option of the Corporation before  
15 maturity.

16 (14) The Corporation may invest any funds not  
17 required for immediate use or disbursement, with  
18 the approval of the Secretary of the Treasury, in ob-  
19 ligations of the United States Government, or obli-  
20 gations the principal and interest of which are guar-  
21 anteed by the United States Government: *Provided,*  
22 That this authority shall not extend to moneys ob-  
23 tained from the Government.

24 (15) The Corporation may enter into and per-  
25 form such contracts and other transactions with any

1 public agencies and private organizations and per-  
2 sons, as may be necessary or appropriate to the con-  
3 duct of activities authorized under this Act.

4 (16) The Corporation may execute all instru-  
5 ments necessary or appropriate in the exercise of  
6 any of its functions under this Act, and may dele-  
7 gate to the Executive Director such of its powers  
8 and responsibilities as it deems appropriate and use-  
9 ful for the administration of the Corporation.

10 (17) The Corporation may obtain by purchase,  
11 rental, donation, or otherwise, such goods and serv-  
12 ices as may be needed to carry out its duties. In the  
13 event of the termination of the Corporation, all  
14 property and unexpended funds shall be transferred  
15 to the Department of the Interior.

16 (18) The Corporation shall procure insurance  
17 against any loss in connection with the properties  
18 managed by it.

19 (19) The Corporation may sue and be sued in  
20 its name, except that the Directors of the Board  
21 shall not be personally liable except for gross neg-  
22 ligence.

23 (20) The Corporation may adopt, amend, and  
24 repeal bylaws, rules, and regulations governing the

1 manner in which its business may be conducted and  
2 the powers vested in it may be exercised.

3 (21) The Corporation shall have perpetual suc-  
4 cession.

5 (22) The Corporation shall have an official seal  
6 selected by the Board which shall be judicially no-  
7 ticed.

8 (23) The Corporation shall have all necessary  
9 and proper powers for the exercise of the authorities  
10 vested in it.

11 (24) The Corporation may negotiate directly  
12 with the State Historic Preservation Office and the  
13 Advisory Council on Historic Preservation to develop  
14 agreements concerning the reuse of historic struc-  
15 tures managed by it, the objective of which shall be  
16 to maximize the potential for securing tenants.

17 (i) USE OF FEDERAL PERSONNEL, FACILITIES, AND  
18 SERVICES.—The Secretary or other Cabinet officers may  
19 provide personnel, facilities, and other administrative serv-  
20 ices to the Corporation to assist it in carrying out its du-  
21 ties under this Act.

22 (j) TAXES.—Since the exercise of the powers granted  
23 by this section will be in all respects for the benefit of  
24 the people, the Corporation is hereby declared to be de-  
25 voted to an essential public and governmental function and

1 purpose and shall be exempt from all taxes and special  
2 assessments of every kind of the United States, the State  
3 of California, and its political subdivisions, including the  
4 City and County of San Francisco.

5 (k) VOLUNTEERS.—The Secretary may accept, with-  
6 out regard to the Civil Service classification laws, rules,  
7 or regulations, the services of the Corporation, the Board,  
8 and the officers and employees of the Board, without com-  
9 pensation from the Department of the Interior, as volun-  
10 teers in the performance of the functions authorized here-  
11 in, in the manner provided for under Public Law 91-357,  
12 as amended (16 U.S.C. 18g et seq.).

13 (l) SAVINGS CLAUSE.—Nothing in this section shall  
14 preclude the Secretary from exercising any of his lawful  
15 powers within the Presidio.

16 (m) AFFIRMATIVE ACTION.—The Corporation shall  
17 ensure that affirmative steps are taken, consistent with  
18 other Federal law, to afford equal access and equal oppor-  
19 tunities for leases, concessions, contracts, subcontracts,  
20 and other contracting and employment opportunities to  
21 minorities, women, and other socially and economically  
22 disadvantaged individuals, commensurate with local avail-  
23 ability.

24 (n) FINANCIAL RECORDS.—The financial records of  
25 the Corporation shall be available for inspection by the

1 Secretary at any time and shall be audited by a reputable  
2 firm of certified public accountants not less frequently  
3 than once each year. Such audit shall be made available  
4 to the Secretary and the Congress.

5 (o) APPLICATION OF OTHER LAWS.—All general  
6 penal statutes relating to the larceny, embezzlement, or  
7 conversion of public moneys or property of the United  
8 States shall apply to the moneys and property of the Cor-  
9 poration.

10 (p) REVERSION.—In the event of failure or default,  
11 all interests and assets of the Corporation shall revert to  
12 the United States to be administered by the Secretary.

13 (q) REPORT.—The Corporation shall transmit to the  
14 Secretary and the Congress, annually each January and  
15 at such other times as it deems desirable, a comprehensive  
16 and detailed report of its operations, activities, and accom-  
17 plishments under this section.

18 (r) AUTHORIZATION OF APPROPRIATIONS FOR PRE-  
19 SIDIO.—For purposes of the Presidio, there is authorized  
20 to be appropriated to the Secretary and the Presidio Cor-  
21 poration such sums as may be necessary, but the aggre-  
22 gate of funds appropriated for purposes of the Presidio  
23 under this subsection and under the Act entitled “An Act  
24 to establish the Golden Gate National Recreation Area in  
25 the State of California, and for other purposes”, approved

- 1 October 27, 1972 (Public Law 92-589; 86 Stat. 1299; 16
- 2 U.S.C. 460bb) may not exceed \$25,000,000 in any one
- 3 fiscal year.

103D CONGRESS  
2D SESSION

# H. R. 4078

To amend the Act establishing the Golden Gate National Recreation Area,  
and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 17, 1994

Mr. DUNCAN (for himself, Mr. CALVERT, Mr. CUNNINGHAM, Mr. DOOLITTLE, Mr. DORNAN, Mr. GALLEGLY, Mr. KIM, Mr. POMBO, Mr. ROHRBACHER, Mr. ANDREWS of New Jersey, Ms. DANNER, Mr. PENNY, Mr. PETERSON of Minnesota, Mr. POSHARD, Mr. ALLARD, Mr. ARMEY, Mr. BACHUS of Alabama, Mr. BAKER of Louisiana, Mr. BALLENGER, Mr. BARTLETT of Maryland, Mr. BATEMAN, Mr. BOEHNER, Mr. BURTON of Indiana, Mr. BUYER, Mr. CANADY, Mr. CRANE, Ms. DUNN, Mr. EWING, Mr. FAWELL, Mr. GILLMOR, Mr. GINGRICH, Mr. GOODLING, Mr. GUNDERSON, Mr. HANCOCK, Mr. HANSEN, Mr. HEFLEY, Mr. HOBSON, Mr. INGLIS of South Carolina, Mr. INHOFE, Mr. KLUG, Mr. KYL, Mr. LAZIO, Mr. LEWIS of Florida, Mr. MCCANDLESS, Mr. MCINNIS, Mr. MICHEL, Mr. MILLER of Florida, Mr. OXLEY, Mr. PAXON, Mr. PORTMAN, Mr. QUILLEN, Mr. ROBERTS, Mr. SHAYS, Mr. SMITH of Oregon, Mr. SMITH of Texas, Mr. SOLOMON, Mr. STEARNS, Mr. SUNDQUIST, Mr. TAYLOR of North Carolina, Mr. THOMAS of Wyoming, Mrs. VUCANOVICH, Mr. WALSH, Mr. YOUNG of Alaska, Mr. ZELIFF, and Mr. ZIMMER) introduced the following bill; which was referred to the Committee on Natural Resources

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## A BILL

To amend the Act establishing the Golden Gate National  
Recreation Area, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

1           **TITLE I—GOLDEN GATE**  
2           **NATIONAL RECREATION AREA**

3           **SEC. 101. AMENDMENTS.**

4           (a) **STATEMENT OF PURPOSES.**—Section 1 of the Act  
5 approved October 27, 1972, entitled “An Act to establish  
6 the Golden Gate National Recreation Area in the State  
7 of California, and for other purposes” (86 Stat. 1299; 16  
8 U.S.C. 460bb), is amended by inserting “, San Mateo,”  
9 after “Marin”.

10          (b) **INTERIM AUTHORITY.**—Section 4 of such Act (16  
11 U.S.C. 460bb-3) is amended by adding at the end the fol-  
12 lowing:

13           “(g) **INTERIM AUTHORITY.**—(1) In addition to other  
14 available authorities, the Secretary may, in his discretion,  
15 negotiate and enter into leases, as appropriate, with any  
16 person, firm, association, organization, corporation or gov-  
17 ernment entity for the use of any property within the Pre-  
18 sidio, except such properties which the Secretary of De-  
19 fense determines are essential for the continued use of the  
20 Presidio by the 6th Army.

21           “(2) The Secretary may further, in his discretion, ne-  
22 gotiate and enter into leases or other appropriate agree-  
23 ments with any Federal agency or organization to house  
24 that agency’s or organization’s employees engaged in ac-  
25 tivities or programs at the Presidio.

1       “(3) Any leases entered into under this subsection  
2 shall be subject to such procedures, terms, conditions, and  
3 restrictions as the Secretary deems necessary. Leases shall  
4 be entered into at fair market value, except with respect  
5 to interagency permitting agreements entered into be-  
6 tween the Secretary and the Secretary of Defense. The  
7 Secretary of Defense shall only be responsible for paying  
8 to the Secretary of the Interior its fair share of common  
9 annual operating expenses for the Presidio. The Secretary  
10 of the Interior may adjust the rental by taking into ac-  
11 count any amounts expended by the lessee for the restora-  
12 tion or improvement of the leased properties.

13       “(4) The Secretary shall establish competitive bid-  
14 ding procedures to be used for the issuance of leases under  
15 this section. The Secretary may waive section 321 of chap-  
16 ter 314 of the Act of June 30, 1932 (40 U.S.C. 303b)  
17 with respect to the leasing of Federal properties if the Sec-  
18 retary determines that such waiver is necessary to carry  
19 out the purposes of this Act.

20       “(5) The proceeds from leases under this subsection,  
21 and from concession and other use authorizations shall be  
22 retained by the Secretary and used to defray the costs of  
23 preservation, restoration, operation and maintenance, im-  
24 provement, repair and related expenses including adminis-  
25 tration of the above, incurred by the Secretary with re-

1 spect to Presidio properties, with the balance used to de-  
2 fray other costs incurred by the Secretary in the adminis-  
3 tration of the Presidio. The authority of this paragraph  
4 shall only remain in effect for 2 years, unless the city of  
5 San Francisco provides necessary zoning to ensure full im-  
6 plementation of title II of this Act. If the City of San  
7 Francisco provides the necessary zoning, such authority  
8 shall expire upon establishment of the "Presidio Public  
9 Benefit Corporation" or 5 years from the date of enact-  
10 ment of this Act, whichever occurs first.

11       “(6) Each lessee and sub lessee of a lease entered  
12 into under this subsection shall keep such records as the  
13 Secretary may prescribe to enable the Secretary to deter-  
14 mine that all terms of the lease or sublease have been and  
15 are being faithfully performed. The Secretary and his duly  
16 authorized representatives shall, for the purpose of audit  
17 and examination, have access to all records and to their  
18 books, documents, and papers of the lessee and sub lessee  
19 pertinent to the lease or sublease and all the terms and  
20 conditions thereof.

21       “(h) PRESIDIO.—The Secretary shall transfer those  
22 lands identified on the map entitled ‘Presidio Public Bene-  
23 fit Corporation Lands’, numbered PRES-1 and dated No-  
24 vember 1993 to the ‘Presidio Public Benefit Corporation’  
25 established in title II of the Act entitled “An Act to amend

1 the Act establishing the Golden Gate National Recreation  
2 Area and for other purposes", approved -----, 1993.".

3 **TITLE II—PRESIDIO PUBLIC**  
4 **BENEFIT CORPORATION**

5 **SEC. 201. FINDINGS.**

6 The Congress finds that:

7 (1) The Presidio contains numerous outstand-  
8 ing, historic resources which formed the basis for  
9 designation of the Presidio as a national historic  
10 landmark and which should continue to be pre-  
11 served.

12 (2) The Presidio includes some lands which  
13 offer outstanding outdoor recreation opportunities,  
14 which form a logical addition to the 73,000-acre  
15 Golden Gate National Recreation Area in the San  
16 Francisco Bay area.

17 (3) House Report 92-1391, which accompanied  
18 legislation establishing Golden Gate National Recre-  
19 ation Area states the clear intent of Congress that  
20 National Park Service management should be lim-  
21 ited to the open space within the Presidio, not the  
22 entire parcel of land.

23 (4) The National Park Service has issued an  
24 environmental impact statement for converting the

1       Presidio into a park, which the General Accounting  
2       Office has found could cost \$1,200,000,000 or more.

3           (5) The National Park Service currently faces  
4       a backlog of \$5,600,000,000 for construction  
5       projects (37 years at existing funding levels) and an  
6       operational shortfall of hundreds of millions of dol-  
7       lars and cannot afford to take on a new project of  
8       this magnitude without seriously jeopardizing fund-  
9       ing for other areas currently managed by the Na-  
10      tional Park Service.

11          (6) The best way to preserve the historic values  
12      and public open space opportunities at Presidio as  
13      well as ensure its economic success is to reduce the  
14      role of the National Park Service to those functions  
15      for which it is best suited and maximize the auton-  
16      omy of a public benefit corporation designed to oper-  
17      ate buildings and facilities which are not of direct  
18      government interest.

19          (7) The public benefit corporation can be fund-  
20      ed up-front through a sale of certain lands and fa-  
21      cilities such that no additional taxpayers funds will  
22      be required for preservation of the Presidio.

1 **SEC. 202. ESTABLISHMENT OF PRESIDIO PUBLIC BENEFIT**  
2 **CORPORATION.**

3 (a) **ESTABLISHMENT.**—The President is hereby au-  
4 thorized to establish a body corporate to be known as the  
5 “Presidio Public Benefit Corporation” (hereinafter re-  
6 ferred to as the “Corporation”). The Corporation shall  
7 only be established if and when the city of San Francisco  
8 makes zoning decisions as specified in subsections (b) and  
9 (c) of section 204 of this Act.

10 (b) **TRANSFER.**—The Secretary shall transfer all  
11 lands, facilities, and interests in land as identified on a  
12 map entitled “Presidio Public Benefit Corporation Land”,  
13 numbered PRES-1 and dated November 1993 to the  
14 “Presidio Public Benefit Corporation”.

15 **SEC. 203. BOARD OF DIRECTORS.**

16 (a) **IN GENERAL.**—(1) The powers and management  
17 of the Corporation shall be vested in a Board of Directors  
18 consisting of members, as follows:

19 (A) The Director of the National Park Service.

20 (B) Secretary of the Army.

21 (C) Secretary of Transportation.

22 (D) Chairperson, Golden Gate National Park  
23 Association.

24 (E) The Mayor of the city of San Francisco.

25 (F) Two members to be appointed by the Presi-  
26 dent from recommendations by the Speaker of the

1 House of Representatives and the majority leader of  
2 the Senate, with national visibility and knowledge  
3 and experience in one or more of the fields of envi-  
4 ronmental studies, city planning, finance, real estate,  
5 engineering, or management.

6 (G) Two individuals to be appointed by the  
7 President who shall be residents of, and who shall  
8 be registered voters in, the city and county of San  
9 Francisco with knowledge and experience in city  
10 planning, finance, and real estate.

11 (2) The President shall further appoint 2 nonvoting  
12 members, to include—

13 (A) the Chairman of the Golden Gate National  
14 Recreation Area Advisory Commission; and

15 (B) a representative from among the entities  
16 occupying property at the Presidio.

17 Each member of the Board of Directors specified in sub-  
18 paragraphs (A) through (C) of paragraph (1) may, at the  
19 time of appointment, designate (through written notice)  
20 an alternate senior official of his department or agency  
21 who may serve on the Board in his stead.

22 (b) TERMS OF BOARD MEMBERS.—Each member of  
23 the Board of Directors appointed under subparagraphs  
24 (F) and (G) of subsection (a)(1) shall serve for a term  
25 of 4 years from the expiration of his predecessor's term;

1 except that the President in making the initial appoint-  
2 ments to the Board under subparagraph (G), shall appoint  
3 one Director to a term of 2 years and one Director to  
4 a term of 3 years. Any vacancy on the Board of Directors  
5 shall be filled in the same manner in which the original  
6 appointment was made, and any member appointed to fill  
7 a vacancy shall serve for the remainder of the term for  
8 which his predecessor was appointed. Any member may  
9 continue to serve after the expiration of his term until his  
10 successor is appointed. No appointed director may serve  
11 more than 12 years in consecutive terms.

12 (c) ORGANIZATION AND COMPENSATION.—(1) The  
13 Board of Directors shall elect a Chairman and a Vice  
14 Chairman from among the members of the Board of Di-  
15 rectors.

16 (2) Members of the Board of Directors shall serve  
17 without pay, but may be reimbursed for the actual and  
18 necessary traveling and subsistence expenses incurred by  
19 them in the performance of the duties of the Corporation.

20 (3) The Board of Directors shall meet at the call of  
21 the Chairman, who shall require it to meet not less often  
22 than once every 3 months. A majority of the members of  
23 the Board of Directors (or their designated alternates)  
24 shall constitute a quorum.

1 **SEC. 204. STAFFING FOR THE CORPORATION.**

2 (a) **IN GENERAL.**—The Board of Directors shall have  
3 the power to appoint and fix the compensation and duties  
4 of an Executive Director and such other officers and em-  
5 ployees of the Corporation as may be necessary for the  
6 efficient administration of the Corporation. Officers and  
7 employees of the Corporation may be appointed and com-  
8 pensated without regard to the provisions of title 5 of the  
9 United States Code governing appointments in the com-  
10 petitive service, and may be paid without regard to the  
11 provisions of chapter 51, and subchapter III of chapter  
12 53, of title 5 of the United States Code (relating to classi-  
13 fication and General Schedule pay rates).

14 (b) **EXPERTS AND CONSULTANTS.**—The Board of Di-  
15 rectors is authorized to procure the services of experts or  
16 consultants, or organizations, including but not limited to  
17 urban planners, architects, engineers and appraisers.

18 **SEC. 205. SPECIFIC DUTIES AND AUTHORITIES.**

19 (a) **AUTHORITIES.**—In exercising its powers and du-  
20 ties, the Corporation shall have the following duties and  
21 authorities:

22 (1) The Corporation shall manage, maintain,  
23 and repair those properties within the Presidio  
24 which are transferred to it by the Secretary of the  
25 Interior. Any actions taken by the Corporation shall  
26 fully recognize the values of the Presidio which have

1 contributed to its designation as a national historic  
2 landmark.

3 (2) The Corporation shall make available to the  
4 Secretary of Defense such lands and facilities as are  
5 essential to the continued presence of the 6th Army  
6 at the Presidio. The Army shall pay to the Corpora-  
7 tion an annual payment to cover its portion of com-  
8 mon Presidio annual operating expenses.

9 (3) The Corporation shall publish and dissemi-  
10 nate information and make known to potential occu-  
11 pants, by advertisement, solicitation, or other means,  
12 the availability of the property within the Presidio  
13 managed by the Corporation.

14 (4) The Corporation may prepare or cause to be  
15 prepared plans, specifications, designs, and esti-  
16 mates of costs for the rehabilitation (including  
17 adaptive reuse), preservation, restoration, improve-  
18 ment, alteration, or repair of any property within  
19 the area it administers, and from time to time may  
20 modify such plans, specifications, designs, or esti-  
21 mates, and may implement these plans.

22 (5) The Corporation may enter into contracts,  
23 including leases, cooperative agreements, or other  
24 agreements with any person, firm, association, orga-  
25 nization, corporation, or government entity, for the

1 occupancy of any property within the Presidio which  
2 the Corporation manages. In selecting occupants,  
3 the Corporation shall give priority consideration to  
4 occupants similar to those identified in the National  
5 Park Service Presidio plan dated October 1993. All  
6 proceeds received by the Corporation from the leas-  
7 ing of properties managed by the Corporation within  
8 the Presidio shall be retained by the Corporation  
9 and used to defray the costs of administration, pres-  
10 ervation, restoration, operation and maintenance, re-  
11 pair, and related expenses incurred by the Corpora-  
12 tion with respect to such properties.

13 (6) The Corporation shall establish competitive  
14 bidding procedures to be used for the issuance of  
15 leases and contracts under this Act.

16 (7) The Corporation shall establish (through  
17 covenants, regulations, agreements, or otherwise)  
18 such restrictions, standards, and requirements as  
19 are necessary to assure maintenance and protection  
20 of the property transferred to the Corporation.

21 (8) The Corporation may make loans to the oc-  
22 cupants of property transferred to the Corporation,  
23 for the preservation, restoration, maintenance, or re-  
24 pair of such property in a manner consistent with  
25 standards and criteria established by the Secretary.

1           (9) The Corporation may provide technical as-  
2           sistance to the occupants of property transferred to  
3           the Corporation, to assist such occupants in making  
4           repairs or improvements to the property or applying  
5           for loans under paragraph (8).

6           (10) The Corporation may solicit and accept  
7           donations of funds, property, supplies, or services  
8           from individuals, foundations, corporations, and  
9           other private entities, and from public entities, for  
10          the purpose of carrying out its duties.

11          (11) The Corporation may retain any revenues  
12          from leases or other agreements concerning property  
13          transferred to the Corporation, and any donations,  
14          and use the proceeds for any function of the Cor-  
15          poration authorized by this Act.

16          (12) The Corporation may borrow money pri-  
17          vately to carry out the Corporation's duties, obliga-  
18          tions and responsibilities. In connection with such  
19          borrowing, the Corporation may issue evidence of in-  
20          debtedness and may provide collateral to secure such  
21          indebtedness (including, without limitation, a mort-  
22          gage or pledge of the Corporation's interest in reve-  
23          nues or the leasehold in property transferred by the  
24          Secretary to the Corporation). The Corporation may  
25          also borrow money from the Treasury of the United

1 States, in such amounts as may be authorized in ap-  
2 propriations acts, to carry out the Corporation's du-  
3 ties and responsibilities. Such borrowings from the  
4 Treasury shall have such maturities, terms, and con-  
5 ditions as may be agreed upon by the Corporation  
6 and the Secretary of the Treasury and may be re-  
7 deemable at the option of the Corporation before  
8 maturity.

9 (13) The Corporation may invest any funds not  
10 required for immediate use or disbursement, with  
11 the approval of the Secretary of the Treasury, in ob-  
12 ligations of the United States Government, or obli-  
13 gations the principal and interest of which are guar-  
14 anteed by the United States Government: *Provided,*  
15 That this authority shall not extend to moneys ob-  
16 tained from the Government.

17 (14) The Corporation may, without regard to  
18 Federal procurement laws and regulations, enter  
19 into and perform such contracts and other trans-  
20 actions with any public agencies and private organi-  
21 zations and persons (including agreements with pri-  
22 vate utility companies with respect to the relocation  
23 of utility lines and other facilities within properties  
24 transferred to the Corporation), as may be necessary

1 or appropriate to the conduct of activities authorized  
2 under this Act.

3 (15) The Corporation may, without regard to  
4 Federal procurement laws and regulations, obtain by  
5 purchase, rental, donation, or otherwise, such goods  
6 and services as may be needed to carry out its du-  
7 ties.

8 (16) The Corporation shall ensure the existence  
9 of adequate insurance to cover any loss in connec-  
10 tion with the properties it manages.

11 (17) The Corporation may sue and be sued in  
12 its name, except that the Directors of the Board  
13 shall not be personally liable for negligence other  
14 than gross negligence.

15 (18) The Corporation may adopt, amend, and  
16 repeal bylaws, rules, and regulations governing the  
17 manner in which its business may be conducted and  
18 the powers vested in it may be exercised.

19 (19) The Corporation shall have perpetual suc-  
20 cession.

21 (20) The Corporation shall have an official seal  
22 selected by the Board which shall be judicially no-  
23 ticed.

24 (21) The Corporation may execute all instru-  
25 ments necessary or appropriate in the exercise of

1 any of its functions under this Act, and may dele-  
2 gate to the Executive Director such of its powers  
3 and responsibilities as it deems appropriate and use-  
4 ful for the administration of the Corporation.

5 (22) The Corporation shall have all necessary  
6 and proper powers for the exercise of the authorities  
7 vested in it.

8 (b) PUBLIC HEALTH SERVICE HOSPITAL.—(1) The  
9 Public Health Service Hospital and surrounding 36 acres  
10 are hereby transferred to the administrative jurisdiction  
11 of the Corporation.

12 (2) The Corporation is directed to sell the Public  
13 Health Service Hospital and adjacent golf course and is  
14 authorized to retain all revenues from this sale and to use  
15 the proceeds for any function of the Corporation author-  
16 ized by this Act. This sale may only be conducted after  
17 such time that the city of San Francisco provides zoning  
18 approval which shall be limited to a private golf course  
19 and club house complex to be located on these lands.

20 (c) LETTERMAN COMPLEX.—The Corporation is di-  
21 rected to sell, at fair market value, the Letterman Army  
22 Institute of Research, Letterman Army Medical Center,  
23 and such other buildings and lands in the Letterman com-  
24 plex as are necessary to conduct scientific research or edu-  
25 cation programs pertaining to human health to the Uni-

1 versity of California at San Francisco. The Corporation  
2 is authorized to retain all revenues from this sale and to  
3 use the proceeds for any function of the Corporation au-  
4 thorized by this Act. This sale may only be conducted after  
5 such time that the city of San Francisco provides zoning  
6 approval for this human health research complex. The use  
7 of these lands and facilities shall conform to proposals in-  
8 cluded in the National Park Service plan dated October  
9 1993.

10 **SEC. 206. USE OF FEDERAL PERSONNEL, FACILITIES, AND**  
11 **SERVICES.**

12 The Secretary or other Cabinet officers may provide  
13 personnel, facilities, and other administrative services to  
14 the Corporation to assist it in carrying out its duties under  
15 this Act, and may accept reimbursement therefor.

16 **SEC. 207. TAXES.**

17 Since the exercise of the powers granted by this Act  
18 will be in all respects for the benefit of the people, the  
19 Corporation is hereby declared to be devoted to an essen-  
20 tial public and governmental function and purpose and  
21 shall be exempt from all taxes and special assessments of  
22 every kind of the United States.

23 **SEC. 208. APPLICATION OF OTHER LAWS.**

24 All general penal statutes relating to the larceny, em-  
25 bezzlement, or conversion of public moneys or property of

1 the United States shall apply to the moneys and property  
2 of the Corporation. The Corporation shall be subject to  
3 chapter 5 of title V, United States Code (relating to ad-  
4 ministrative procedures and freedom of information).

5 **SEC. 209. REPORT AND FINANCIAL RECORDS.**

6 The Corporation shall transmit to the Congress, as  
7 part of the annual budget process, a comprehensive and  
8 detailed report of its operations, activities, and accom-  
9 plishments under this section. This report shall include a  
10 plan of activities and projects for the next fiscal year. The  
11 financial records of the Corporation shall be audited by  
12 a reputable firm of certified public accountants not less  
13 frequently than once a year.

Mr. VENTO. In less than six months, the Presidio will by law be transferred from the Army to the National Park Service to be administered as part of the Golden Gate National Recreation Area.

This transfer is a result of the 1972 enabling legislation sponsored by our good friend, Congressman Bill Burton, which required the Presidio to be transferred to the Park Service when it was determined to be in excess of the Army's needs.

In 1989, the Base Realignment Closure Commission recommended the Army vacate the Presidio. That recommendation was modified last year to allow the Sixth Army to retain a scaled-back presence at Presidio. In any case, the legislation in that area was necessary in the sense that the city and the Park Service welcomes the presence of the Sixth Army on the site continuing a tradition that has long been present.

I am also pleased that the Army and the Park Service are close to reaching a final agreement concerning the continued presence of the Sixth Army at the Presidio and look forward to the hearing about those negotiations this morning.

Anyone who has ever had an opportunity to visit the Presidio of course knows it contains a combination of natural, historic, and recreational resources which are unparalleled in our Nation and in the world. With 220 years of military history captured in over 500 historic buildings, natural beauty ranging from coastal bluffs to grasslands and forests, endangered species, abundant recreational activities, the Presidio is a unique place which is made more remarkable by its location in the middle of an urban metropolitan area.

There is no question about the high degree of national significance the Presidio, nor is there a question about our obligation to preserve and interpret these resources for present and future generations. The real question facing us is how do we make a transition that succeeds in preserving the precious national assets of the Presidio in a manner which is sensitive to the budgetary constraints of the Federal Government.

This concern is bipartisan, shared by the Congress, the administration, and shared by the Members of Congress. Most affected by this transition, Congresswoman Nancy Pelosi. Representative Pelosi has worked very hard to protect her constituents' interests and national interests at the Presidio. In fact, to make what was the policy work, not a mean task, Congresswoman Pelosi, we are very pleased to have your advocacy and I don't think without it, that we would be where we are today.

It has been a difficult, a trying task to try to stitch together what was written on paper to make it work in reality. Last October the Natural Resources Committee reported legislation to provide interim authority to the National Park Service to lease buildings in the Letterman/LAIR complex.

This authority was requested in order to get ahead and start on leasing the largest concentration of buildings at the Presidio.

The National Park Service has used this authority and will be able to report today on the results of their requests for qualification for the Letterman/LAIR complex proposal.

The two bills before us today address the future management and operation of certain properties at the Presidio and in a some-

what similar, but overall distinct fashion. They share the concept of creating a federally chartered benefit corporation, carry out leasing of property, and reinvest the leased income into repair and rehabilitation of the structures. This was recommended by the National Park Service in their draft plan.

I would like to make a few observations about the issue of costs of the Presidio. Members from both sides of the aisle, myself included, have rightfully raised questions about the potential costs of the Presidio. I take these concerns very seriously, and I will be listening closely to the testimony concerning this issue today.

It is important to remember that the transfer of the Presidio to the National Park Service will be a significant savings to the Federal Government in comparison to its operation as a military installation. That is to say the Army didn't pay any rent to itself in that sense.

Taxpayers and Members of the Congress should know that the operation of the Presidio by the Department of Defense has cost as much as \$70 million a year while its operation as a national park will cost \$25 million or less. Thus the average taxpayer will spend less, but will gain more from an enhanced ability to enjoy the natural, historic, and recreational resources at the Presidio.

There will always be risks and uncertainty with an effort of this magnitude. Any real estate venture has risks. Professionals in the field of real estate management are quite optimistic about the Presidio's ability to attract a critical mass of high-quality tenants.

Ultimately, there is no way to predict future economic trends or tenant behavior or other factors which may influence the revenue generating capabilities of the Presidio.

What is important is that the manager of the Presidio have the right tools, the expertise, the information, and direction from Congress in order to do the job.

The conversion of a 1,500 acre military base into an urban national park is an immense undertaking that will challenge all of our abilities. It is as if we came upon New York City when Central Park was now not a park. There would be no question about the policy path, the direction that we would take in terms of accommodating and keeping that open space.

There should be little question about the desirability of doing that in an urban setting such as San Francisco.

The relationship between the military and the Park Service has been absolute throughout its history. Many of the units of the park system were previously military units. In other words, I think it is an appropriate caveat in terms of looking at what happens.

In other words, converting military bases to parks has a certain appeal to it, and of course it represents one type of public use to another as our needs and as opportunities present themselves. It is no coincidence that some of the most spectacular cultural and natural resources have been cared for by the military.

Even Yosemite and Yellowstone in its early states before the Park Service existed were under the care of the United States military.

So this relationship has been a long relationship, one that I think has benefited the public. Today of course we face new fiscal challenges and surely cities such as San Francisco and many other

urban areas look to be seeking some Federal assistance and cooperation in achieving the objectives of the preservation of these recreational and cultural resources.

So it is a new chapter for the Park Service, one that was set in policy some 20 or 25 years ago, and it has become an important role for the Park Service. It does require some modifications of the structures, some changes legally by law, but that is generally what we have done.

Congress has been very careful to try and designate and to guard the types of powers granted to the Park Service in terms of carrying out its mission. I think as we look at the diverse needs in this area, it again reflects on that role of restructuring and crafting a public benefit corporation or some other government structured entity to deal with the Presidio and to make adaptive use of these resources. The entity must in fact have a good revenue stream flow, but also retain and maintain the national significant resources in a way that is consistent with the public interest and utilization in that area.

So we have today, of course, a lot of input from Members, sharing constructive ideas of how to make the transition successful. Of course, I am less patient with the gradually and factually inaccurate scare tactics that are somehow to change the policy path. There are no simple solutions.

We certainly will have our work cut out for us as we approach these complex issues. As we take up the challenge, we will be inspired by the truly historic opportunity we have before us, I am certain, with regards to the Presidio.

I am very pleased to welcome the principal advocate and Representative for the Presidio, Congresswoman Nancy Pelosi.

Nancy, without objection, your statement, the statement of all witnesses in their entirety and my opening statement and additional remarks shall be made part of the record in their entirety. Please proceed with your statement.

Congresswoman Pelosi. Welcome.

[Prepared statement of Mr. Vento follows:]

OPENING STATEMENT  
CONGRESSMAN BRUCE F. VENTO  
HEARING ON H.R. 3433 AND H.R. 4078  
PRESIDIO CORPORATION LEGISLATION  
MAY 10, 1994

THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS IS MEETING TODAY TO CONSIDER TWO MEASURES RELATING TO THE MANAGEMENT OF THE PRESIDIO IN SAN FRANCISCO, CALIFORNIA. THE FIRST BILL IS H.R. 3433, INTRODUCED BY REP. NANCY PELOSI, AND THE SECOND BILL IS H.R. 4078, INTRODUCED BY REP. DUNCAN.

IN LESS THAN SIX MONTHS, THE PRESIDIO WILL, BY LAW, BE TRANSFERRED FROM THE ARMY TO THE NATIONAL PARK SERVICE TO BE ADMINISTERED AS PART OF GOLDEN GATE NATIONAL RECREATION AREA (GGNRA). THIS TRANSFER IS A RESULT OF THE 1972 ENABLING LEGISLATION FOR GGNRA WHICH REQUIRED THE PRESIDIO BE TRANSFERRED TO THE NATIONAL PARK SERVICE WHEN IT WAS DETERMINED TO BE EXCESS TO THE ARMY'S NEEDS. IN 1989 THE BASE REALIGNMENT AND CLOSURE COMMISSION RECOMMENDED THAT THE ARMY VACATE THE PRESIDIO. THAT RECOMMENDATION WAS MODIFIED LAST YEAR TO ALLOW THE SIXTH ARMY TO RETAIN A SCALED BACK PRESENCE AT THE PRESIDIO. I AM PLEASED THAT THE ARMY AND THE NATIONAL PARK SERVICE ARE CLOSE TO REACHING AN AGREEMENT CONCERNING THE CONTINUED PRESENCE OF THE SIXTH ARMY AT THE PRESIDIO AND I LOOK FORWARD TO HEARING ABOUT THOSE NEGOTIATIONS THIS MORNING.

ANYONE WHO HAS EVER HAD THE OPPORTUNITY TO VISIT THE PRESIDIO KNOWS THAT IT CONTAINS A COMBINATION OF NATURAL, HISTORICAL AND RECREATIONAL RESOURCES WHICH ARE UNPARALLELED IN OUR NATION OR PERHAPS THE WORLD. WITH 220 YEARS OF MILITARY HISTORY CAPTURED IN OVER FIVE HUNDRED HISTORIC BUILDINGS, NATURAL

BEAUTY RANGING FROM COASTAL BLUFFS TO GRASSLANDS AND FORESTS, ENDANGERED SPECIES AND ABUNDANT RECREATIONAL OPPORTUNITIES, THE PRESIDIO IS A VERY UNIQUE PLACE WHICH IS MADE EVEN MORE REMARKABLE BY ITS LOCATION IN THE MIDDLE OF A MAJOR URBAN METROPOLITAN AREA. THERE IS NO QUESTION ABOUT THE HIGH DEGREE OF NATIONAL SIGNIFICANCE OF THE PRESIDIO, NOR IS THERE A QUESTION ABOUT OUR OBLIGATION TO PRESERVE AND INTERPRET THESE RESOURCES FOR PRESENT AND FUTURE GENERATIONS.

THE REAL QUESTION FACING US IS HOW DO WE MAKE A TRANSITION THAT SUCCEEDS IN PRESERVING THE PRECIOUS NATIONAL ASSETS OF THE PRESIDIO IN A MANNER WHICH IS SENSITIVE TO THE BUDGETARY CONSTRAINTS OF THE FEDERAL GOVERNMENT. THIS CONCERN IS BIPARTISAN, IT IS SHARED BY CONGRESS AND THE ADMINISTRATION, AND IT IS SHARED BY THE MEMBER OF CONGRESS MOST EFFECTED BY THIS TRANSITION, REP. NANCY PELOSI. REP. PELOSI HAS WORKED VERY HARD TO PROTECT HER CONSTITUENTS INTERESTS AND THE NATIONAL INTERESTS AT THE PRESIDIO. THIS IS NOT EASY IN A DISTRICT WHERE PEOPLE HAVE SUCH STRONG AND WIDELY DIVERGING OPINIONS ABOUT THE PRESIDIO. EACH TIME THERE IS A STEP BACKWARDS, SHE FORAGES TWO STEPS FORWARD. I COMMEND HER FOR SEEKING TO PROTECT THE RESOURCES OF THE PRESIDIO WHILE BEING MINDFUL OF BUDGETARY CONSTRAINTS.

LAST OCTOBER, THE NATURAL RESOURCES COMMITTEE REPORTED LEGISLATION TO PROVIDE INTERIM AUTHORITY TO THE NATIONAL PARK SERVICE TO LEASE BUILDINGS IN THE LETTERMAN/LAIR COMPLEX. THIS AUTHORITY WAS REQUESTED IN ORDER TO GET A HEAD START ON LEASING THE LARGEST CONCENTRATION OF BUILDINGS AT THE PRESIDIO. THE

NATIONAL PARK SERVICE HAS USED THIS AUTHORITY AND WILL BE ABLE TO REPORT TODAY ON THE RESULTS OF THEIR REQUEST FOR QUALIFICATIONS FOR THE LETTERMAN/LAIR COMPLEX.

THE TWO BILLS BEFORE US TODAY ADDRESS THE FUTURE MANAGEMENT AND OPERATION OF CERTAIN PROPERTIES AT THE PRESIDIO IN A SOMEWHAT SIMILAR BUT OVERALL DISTINCT FASHION. THEY SHARE THE CONCEPT OF CREATING A FEDERALLY CHARTERED PUBLIC BENEFIT CORPORATION CARRY OUT LEASING OF PROPERTY AND REINVEST THE LEASE INCOME INTO REPAIR AND REHABILITATION OF STRUCTURES. THIS WAS RECOMMENDED BY THE NATIONAL PARK SERVICE IN THEIR DRAFT PLAN. I WOULD LIKE TO MAKE A FEW OBSERVATIONS ABOUT THE ISSUE OF COSTS OF THE PRESIDIO. MEMBERS FROM BOTH SIDES OF THE AISLE, MYSELF INCLUDED, HAVE RIGHTFULLY RAISED QUESTIONS ABOUT THE POTENTIAL COSTS OF THE PRESIDIO. I TAKE THESE CONCERNS VERY SERIOUSLY, AND I WILL BE LISTENING CLOSELY TO THE TESTIMONY CONCERNING THIS ISSUE TODAY.

IT IS IMPORTANT TO REMEMBER THAT THE TRANSFER OF THE PRESIDIO TO THE NATIONAL PARK SERVICE WILL BE A SIGNIFICANT SAVINGS TO THE FEDERAL GOVERNMENT IN COMPARISON TO ITS OPERATION AS A MILITARY INSTALLATION. TAXPAYERS AND MEMBERS OF THE CONGRESS SHOULD KNOW THAT THE OPERATION OF THE PRESIDIO BY THE DEPARTMENT OF DEFENSE HAS COST UP TO \$70 MILLION A YEAR WHILE ITS OPERATION AS A NATIONAL PARK WILL COST \$25 MILLION OR LESS. THUS THE AVERAGE TAXPAYER WILL SPEND LESS BUT WILL GAIN MORE FROM AN ENHANCED ABILITY TO ENJOY THE NATURAL, HISTORICAL AND RECREATIONAL RESOURCES OF THE PRESIDIO.

THERE WILL ALWAYS BE RISKS AND UNCERTAINTY ASSOCIATED WITH AN EFFORT OF THIS MAGNITUDE. ANY REAL ESTATE VENTURE HAS RISKS.

PROFESSIONALS IN THE FIELD OF REAL ESTATE MANAGEMENT ARE QUITE OPTIMISTIC ABOUT THE PRESIDIO'S ABILITY TO ATTRACT A CRITICAL MASS OF HIGH QUALITY TENANTS. ULTIMATELY, THERE IS NO WAY TO PREDICT FUTURE ECONOMIC TRENDS OR TENANT BEHAVIOR OR OTHER FACTORS WHICH MAY INFLUENCE THE REVENUE GENERATING CAPABILITIES OF THE PRESIDIO. WHAT IS IMPORTANT IS THAT THE MANAGER OF THE PRESIDIO HAVE THE RIGHT TOOLS, EXPERTISE, INFORMATION AND DIRECTION FROM CONGRESS IN ORDER TO DO THE JOB.

THE CONVERSION OF A 1,480 ACRE MILITARY BASE INTO AN URBAN NATIONAL PARK IS AN IMMENSE UNDERTAKING THAT WILL CHALLENGE ALL OF OUR ABILITIES. I WELCOME THE INPUT OF MEMBERS WHO HAVE CONSTRUCTIVE IDEAS ON HOW TO MAKE THIS TRANSITION SUCCESSFUL. I'M LESS PATIENT WITH GRAND-STANDING AND FACTUALLY INACCURATE SCARE TACTICS. THERE ARE NO SIMPLE SOLUTIONS AND WE CERTAINLY WILL HAVE OUR WORK CUT OUT FOR US AS WE APPROACH THESE COMPLEX ISSUES. AS WE TAKE UP THIS CHALLENGE, WE CAN BE INSPIRED BY THE TRULY HISTORIC OPPORTUNITY WE HAVE BEFORE US.

DO ANY OTHER MEMBERS OF THE SUBCOMMITTEE HAVE OPENING STATEMENTS?

**STATEMENT OF HON. NANCY PELOSI, A REPRESENTATIVE IN  
CONGRESS FROM THE STATE OF CALIFORNIA**

Ms. PELOSI. Thank you very much, Mr. Chairman, for your welcome and for conducting this important hearing on the Presidio.

Taking off from where you left off in your remarks, suggesting that we will be inspired by the historic opportunity that we are offered, may I add that we will be inspired not only by that opportunity, but also encouraged by the fine work that this committee has done historically for the American people in terms of preserving parks. I think that the Presidio will fit very comfortably among the great accomplishments of this committee.

Mr. Chairman, in your opening statement, I was pleased to once again hear you recognize the worth of the Presidio, define the challenge that we have before us, and focus on questions that Members from both sides of the aisle, indeed, the entire public deserve answers to particularly relating to costs, the mission of the Presidio, and our ability to reach the goals that we have set.

I appreciate the time that this subcommittee has given to this issue in today's hearing and its ongoing work. I believe that the transformation of the Presidio from post to park this fall will be well worth the good work of this subcommittee, and that you will look back on this important step with great pride and satisfaction.

Mr. Vento, your efforts on behalf of the Presidio will be long remembered and one thing is for sure, we would absolutely not be where we are today with this project without your cooperation, and I thank you on behalf of my constituents.

As you may recall, Mr. Chairman, since Christmas of 1988 when we got the news that the Presidio would be on the base closure list for 1989, the Army, our good neighbor, the Park Service, the Congress of the United States, the Department of Defense Appropriations Subcommittee on both the House and Senate, have all worked together to make this transition possible, as well as one where the environment and the infrastructure were in as good shape as possible for the post to park transition.

You referenced your former colleague, our former Congressman Phillip Burton. He imagined this transformation over 20 years ago. Working with him now and working with me now, my chief of staff, Judy Lemons, was present during the GGNRA legislation, and she has carried—shepherded the transition since Christmas of 1988. I want to, right off the bat, commend her. I am pleased to be on the witness panel here with my colleagues in the Park Service and the Army, and look forward to their testimony and responding to your questions with them.

Later on you will be hearing from our Mayor of San Francisco who has journeyed this long way to testify to the city's interest and cooperation in the post to park transformation. With him, Mary Murphy, Greg Moore, and Joe Ventresca. I know all of us who are here want the Presidio to be a park, and that is why I want to welcome all of them warmly and thank them for traveling this distance to participate.

I will summarize and ask that my full statement be included in the record. I will briefly touch on some points in my statement. Why is the public benefit corporation necessary? In 1992, an inde-

pendent study reviewed 19 different management models to supplement management of the Presidio by the National Park Service.

The study recommended that the model outlined in H.R. 3433 would provide the best management model for the Presidio to be operated in conjunction with the Park Service. I am sorry that our colleague, Mr. Duncan, isn't here today because he has offered an alternative proposal that I think has some major problems.

I will only briefly point out the major difference between my legislation and the Duncan bill which lies in the final disposition of two of the properties currently identified as part of the Presidio—Letterman/LAIR complex, which you mentioned, and the Presidio Golf Course, both of which are primary revenue producing properties that are necessary to make the Presidio economically viable.

Integral to the report's recommendation was the generation of lease income from the Presidio's most valuable properties. While both bills authorize a Public Benefit Corporation to borrow privately, the Duncan bill would require the sale of the very best assets that could be used to secure private debt.

My legislation would retain these properties in order to provide the Public Benefit Corporation with the necessary key revenue streams to pledge to lenders in order to secure loans. The availability of these revenue streams would make lending to the Public Benefit Corporation more attractive to private lenders, thereby reducing reliance on Federal funding.

My legislation would maintain Federal control over the most historically significant military post in the Nation, and we will create, for the first time, a financial plan for a national park that demonstrates a decline in Federal outlays. The result would be a national park with one of the lowest Federal costs per visitor, \$2, in the national system.

The Presidio would rank 29th on the list of Federal outlay per visits at America's national parks with a budget of \$3 million or over.

To remove these properties from the Presidio would violate national park policy and destroy the premise on which the management structure is based. Since its inception, no unit of the national park system has been sold in part or in whole for the purpose of generating revenue for the Federal Government.

Unlike H.R. 4078, Mr. Duncan's legislation, H.R. 3433, would adhere to the General Management Plan for the Presidio and would ensure that the Presidio facilities would be for use by the public—a real public benefit.

In closing, Mr. Chairman, I would like to include in the record letters and editorials of support from the following individuals and organizations. While we have a broad list of organizations, the mayor will be here to present some of the documentation for this support. I am very pleased that among the organizations supporting the legislation are the Sierra Club, the Trust for Public Land, the Wilderness Society, the Travel Industry Association of America, People for the Golden Gate National Recreation Area, Pacific Heights Association Neighbor, Natural Resources Defense Council, the list goes on and on and in the interest of time. Mr. Chairman, I would like to submit the list.

Mr. VENTO. Yes. Without objection, the list will be included in the record.

[The information and documents follow:]

## Support for HR 3433

Governor, State of California  
Mayor, City of San Francisco  
Board of Supervisors, City of San Francisco  
American Institute of Architects  
American Society of Landscape Architects  
Asian American Architects and Engineers  
Bay Area Council  
Earth Island Institute  
Environmental Defense Fund  
Fort Mason Center  
Golden Gate National Recreation Area and Point Reyes National  
Seashore Advisory Commission  
Hispanic Contractors Association  
Laborers' International Union of North America  
League of Conservation Voters  
League of Women Voters of California  
League of Women Voters of San Francisco  
National Park System Advisory Board  
National Parks and Conservation Association  
National Japanese American Historical Society  
Natural Resources Defense Council  
Neighborhood Associations for Presidio Planning  
People for a Golden Gate National Recreation Area  
Presidio Heights Association of Neighbors  
San Francisco Chamber of Commerce  
San Francisco Hispanic Chamber of Commerce  
San Francisco Chronicle  
San Francisco Examiner  
San Francisco Independent  
San Francisco Planning and Urban Research Association  
Sierra Club  
Travel Industry Association of America  
Trust for Public Land  
Wilderness Society

Office of the Mayor  
SAN FRANCISCO



OCT 22 1993  
FRANK M. JORDAN

October 14, 1993

Honorable Nancy Pelosi  
U.S. House of Representatives  
240 Cannon Office Building  
Washington, D.C. 20515

Dear Nancy,

This is to state my feelings regarding the Presidio, and to thank you again for your efforts in this regard. In particular, I am responding to proposals that I understand have been made to sever parts of the grounds of the Presidio, and designate them for uses other than those related to its status as a National Park.

I share your belief -- and the belief of most San Franciscans -- that the Presidio is a national treasure that should be preserved and made available to all as a National Park. Over the past few years, the National Park Service, in conjunction with representatives of the City, the federal government, and representatives of various San Francisco community groups, have been meeting to develop plans for conversion of the Presidio to a National Park. I feel strongly that the Congress, which originally designated the area for Park purposes, and which approved the planning process that is now nearing its completion, has the obligation to honor the results of that planning process and its commitment to the development of a National Park.

San Franciscans, and residents throughout Northern California, are eagerly awaiting the upcoming release of the Presidio planning document. Maintaining the integrity of the remaining grounds of the Presidio as presented in the planning documents -- over 1,000 acres of land available for a variety of recreational and public uses -- as a single unit for conversion to a national park is essential to preserve the historic, aesthetic, and public benefit purposes that are the basis for a national park.

In sum, it is my belief that the entire grounds of the Presidio as it has existed for the past several years, including the site of Letterman Hospital or the Sixth Army barracks, should be considered part of the future national park. It is also my belief that this is the concept as it was envisioned by the Congress when it initiated the planning process that is now nearing its conclusion.

Honorable Nancy Pelosi  
October 14, 1993  
Page Two

Finally, I wish to applaud you for your legislative initiative, which enhances the unique public/private partnership relationships that will be embodied in the Presidio. I believe that this innovative approach will establish national park service policy for the future.

Please call me if I can be of further assistance.

Sincerely,



Frank Jordan  
Mayor

#### Facts About Qualifications-Based Selection and the Brooks Act

- **Brooks Act procurement is highly competitive.** The record shows vigorous competition and competitive costs in Brooks Act selections. According to a recent study, A/Es' profits on government buildings are significantly lower than on private-sector projects.<sup>1</sup>
- **Use of the Brooks Act can save money in life-cycle costs.** Design and construction costs for a building with a 40-year life are only one-seventh of its life-cycle costs; the remaining six-sevenths are maintenance and operating costs. The design fee is only a small percentage of construction costs and *less than one percent* of a building's life-cycle costs. Additional care devoted to design can yield significant savings in both the initial construction costs and life-cycle costs of the building.
- **Qualifications-based selection is more efficient and less costly to administer.** Studies of selection processes used by public owners have shown that using price as a factor in selection does not result in cost savings. On the contrary, the necessity of preparing detailed programs on which A/Es can base price proposals can result in substantial delays and significant added administrative costs. For these reasons, Maryland rejected the price-based system it had used for 10 years and enacted a Brooks-type A/E selection process in 1985.<sup>2</sup>
- **Bidding A/E services may reduce design quality.** In 1972, Congress rejected the notion of considering price and quality together at the selection stage. "Regular competitive (i.e., price) negotiation would induce A/Es to favor the least costly design concept regardless of the impact on the quality of the plans and specifications. Furthermore, the less skilled, and those willing to provide a lower level of effort, would have a better chance of selection. They could compensate for their deficiencies by quoting a lower fee." H.R. Report 1188, 92 Congress 2nd Session 4 (1972)
- **When price enters the selection process it becomes the overriding factor.** Once fees are quoted by competing firms, other factors such as competence, qualifications, and experience tend to pale—even if fee was meant to be only a small portion of the selection criteria. Even when qualifications are evaluated independently from price in a "two-envelope" system, such as under Maryland's former law, price becomes the dominant factor.
- **The Brooks selection process helps ensure that the finished project best meets the owners needs.** Requesting fee as a criterion for selection may cause architects to offer a minimum level of services in order to offer low fee proposals; the lower level of services may well result in a design that does not completely address the owner's needs.



## THE AMERICAN INSTITUTE OF ARCHITECTS

### **The Brooks Act: Ensuring the Best Architects for Federal Projects**

The Brooks Act (P.L. 92-582) was enacted in 1972 to improve procedures for selecting architects and engineers (A/Es) for federal projects. It requires that A/Es be selected on the basis of proven qualifications subject to negotiation of a fee that is fair and reasonable to the federal government.

For over 20 years the law has provided the basis for an efficient and cost-effective system of procuring A/E services. Vice President Gore's National Performance Review report, issued in September 1993, made scores of suggestions for improving how the federal government buys goods and services, yet found that existing procedures for A/E procurement worked well. The Defense Department's Acquisition Law Advisory Panel in its January 1993 report went even further: It recommended expanding the Brooks Act to cover an even broader range of projects.

Despite this record of success, a revision to the Brooks Act is expected to be presented as an amendment to S. 1587, the Federal Acquisition Streamlining Act. The proposed amendment would allow design services for some "simple" or small projects to be procured on a low-bid basis rather than on qualifications. The design of small projects, however, can be as intricate, if not more so, than that of larger projects. There is no evidence that this change in the Brooks Act selection procedures would be more cost-effective, yet design quality would almost certainly stand to suffer.

#### **How the Brooks Act Selection Process Works**

First, the federal government places an advertisement for A/E services in the *Commerce Business Daily*, a government publication. Architects submit an application that describes the firm's experience and qualifications (Standard Form 255). The federal government develops a short list of the most qualified firms, interviews and ranks those firms, and then begins negotiations with the first-ranked firm. If agreement cannot be reached on a scope of work and compensation, negotiations with the top-ranked firm are formally terminated and the agency begins negotiations with the second-ranked firm. The process is repeated until an agreement is reached; it is seldom necessary, however, to go beyond the first- or second-ranked firm.

- **Comparison of price proposals works only when there are clear specifications or which competitors can base their bids.** At the selection stage, the project and the scope of the A/E services are not well-enough defined for firms to be able to submit meaningful and comparable fee proposals. When Maryland used a competitive bidding system, price proposals received from the short-listed, pre-qualified firms often varied widely—indicating that each firm had a very different understanding of the scope of the work involved. This disparity occurred even though Maryland invested considerable time and money in trying to define the project specifications and scope of A/E services before soliciting proposals.
- **The Brooks Act is time-tested and widely supported** by government procurement officers and the private sector. Almost all of the states and numerous localities follow Brooks selection procedures for procuring A/E services.
- **"Small" design projects are no different from large projects in requiring a qualifications-based approach to selection.** A detailed program must be developed in order to solicit price proposals from A/Es on *any* project, regardless of the project's size. And the need to prepare those programs would certainly cost the government additional administrative costs and time delays. Furthermore, even "simple" projects benefit from the full involvement of the A/E and the focus on design that are the hallmarks of the Brooks selection process.

- 
1. In the 1993 Professional Services Management Journal Financial Statistics Survey, design firms reported an average net profit of 0 percent on government buildings compared with 5.8 percent for commercial buildings (based on net revenues, before incentive/bonus payments and taxes).
  2. A 1985 AIA comparative study of the Maryland and Florida A/E procurement systems concluded that Maryland's price-based process was significantly more time-consuming than Florida's Brooks-type selection process. Total costs of the A/E portion of the Maryland Department of General Services' capital construction program averaged 13 percent of estimated construction costs over the period studied. Over the comparable period, the Florida Department of General Services' total A/E-related costs averaged only 6.7 percent of estimated construction costs.

# AIA San Francisco

A Chapter of the American Institute of Architects



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...

March 10, 1994

Congresswoman Nancy Pelosi  
240 Cannon Building  
Washington, DC 20515

Dear Congresswoman Pelosi:

Thank you for championing the transition process for the Presidio of San Francisco. This magnificent National Historic Landmark District must become part of the National Park System in its entirety. No other location provides so complete a collection of historic military buildings and cultural landscapes. The site upon which all of these treasures exist has no equal in the world. Short term gain through partitioning and/or sale of pieces of the Presidio has no place in the effort to ensure that so precious a resource is shared with generations to come as both needed open space and a vital piece of American history.

The 2,000 members of the AIA San Francisco and the 500 members of the American Society of Landscape Architects, Northern California Chapter, join in strongly supporting your efforts on the Presidio's behalf to create the public benefit corporation (Presidio Corporation), and specifically endorse H.R. 3433.

We have several recommendations regarding the bill as introduced on November 3, 1993. The recommendations respond to both general and specific concerns as follows:

1. Provide a "Mission Statement" to guide the Presidio Corporation's Board of Directors and employees. Such a statement and accompanying criteria for evaluation provide a yardstick against which all decisions may be judged.
2. Local representation on the Board of Directors is not adequate to ensure the proper accountability to and familiarity with local constituencies. If all 9 original members of the Board are considered essential, then two more residents of the Bay Area should be added to the voting membership of the Board. We respectfully suggest that designees of the Secretary of the Army and the Secretary of Transportation need not be voting members of the Board, though their participation as non-voting members could inform its decisions.
3. The fields of expertise of potential Board appointees should include "architecture" and "landscape architecture". The Corporation needs design professionals to inform both the continuing vision and the policy decisions of the Board. Failure to include design expertise on the Board would rob it of the important ability to focus on the future.
4. Qualifications-based selection (QBS) must be used as the criteria to retain design professional services. The "Brooks Act" was passed by Congress in 1972 to balance efficiency and quality in the procurement of design services contracts. Most state and local jurisdictions follow this lead. Competitive bidding

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procedures in the design fields compromise both the efficiency of the process and the quality of the ultimate result.

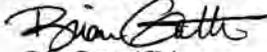
5. Preservation of the Presidio's historic resources is clearly a major objective of its conversion to a national park. At present, the National Park Service is well-suited to shepherd these resources given their knowledge and current funding levels. However, those funding levels may not be available to the Park Service in the future. The Corporation needs, as part of its charter, the ability to assume a major role relative to historic resource management in concert with the State Historic Preservation Office should the need arise. We support the inclusion of this ability in the chartering legislation because it provides the necessary flexibility to those charged with the operation and maintenance of valuable historic resources.
6. The success of the Presidio is dependent in large measure upon the "Park Partners." The ambiance they create will have an impact on the number of visitors drawn to the Park. Income received from their leases will fund park operations. For the Corporation to be effective in its role of attracting, negotiating and managing these partners, they must participate in planning activities. We propose that the Presidio Corporation be an equal partner with the National Park Service in all future planning efforts at the Presidio. Additionally, design review, approval and permitting authority must be clearly defined, and we suggest that the Corporation should have these responsibilities for properties in its charge.

Thank you for the opportunity to communicate our concerns regarding the Presidio Corporation. We look forward to the swift passage of H.R. 3433 and the beginning of the successful operation of the Presidio Corporation. If we can assist you further in your efforts on behalf of the Presidio's conversion please contact us.

Very truly yours,



Clark D. Manus, AIA  
President, AIA San Francisco



Brian Gatter, ASLA  
President-Elect, ASLA Northern California Chapter

enc: "The Brooks Act: Ensuring the Best Architects for Federal Projects"

cc: Brian O'Neill, GGNRA Superintendent  
Robert Chandler, Presidio General Manager  
Richard Bartke, GGNRA Advisory Commission  
Edgar Wayburn, M.D., Amy Meyer, People for a GGNRA  
James Harvey, Presidio Council



ASLA

W/10 2, 1994

March 10, 1994

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240 Cannon Building  
Washington, DC 20515

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2. Local representation on the Board of Directors is not adequate to ensure the proper accountability to and familiarity with local constituencies. If all 9 original members of the Board are considered essential, then two more residents of the Bay Area should be added to the voting membership of the Board. We respectfully suggest that designees of the Secretary of the Army and the Secretary of Transportation need not be voting members of the Board, though their participation as non-voting members could inform its decisions.
3. The fields of expertise of potential Board appointees should include "architecture" and "landscape architecture". The Corporation needs design professionals to inform both the continuing vision and the policy decisions of the Board. Failure to include design expertise on the Board would rob it of the important ability to focus on the future.
4. Qualifications-based selection (QBS) must be used as the criteria to retain design professional services. The "Brooks Act" was passed by Congress in 1972 to balance efficiency and quality in the procurement of design services contracts. Most state and local jurisdictions follow this lead. Competitive bidding

AMERICAN  
SOCIETY OF  
LANDSCAPE  
ARCHITECTS  
630 HILL  
LAURENS  
CHAPTER  
1400 STREET  
SAN FRANCISCO  
CALIFORNIA  
415 761-4400

procedures in the design fields compromise both the efficiency of the process and the quality of the ultimate result.

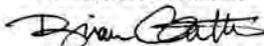
5. Preservation of the Presidio's historic resources is clearly a major objective of its conversion to a national park. At present, the National Park Service is well-suited to shepherd these resources given their knowledge and current funding levels. However, those funding levels may not be available to the Park Service in the future. The Corporation needs, as part of its charter, the ability to assume a major role relative to historic resource management in concert with the State Historic Preservation Office should the need arise. We support the inclusion of this ability in the chartering legislation because it provides the necessary flexibility to those charged with the operation and maintenance of valuable historic resources.
6. The success of the Presidio is dependent in large measure upon the "Park Partners." The ambience they create will have an impact on the number of visitors drawn to the Park. Income received from their leases will fund park operations. For the Corporation to be effective in its role of attracting, negotiating and managing these partners, they must participate in planning activities. We propose that the Presidio Corporation be an equal partner with the National Park Service in all future planning efforts at the Presidio. Additionally, design review, approval and permitting authority must be clearly defined, and we suggest that the Corporation should have these responsibilities for properties in its charge.

Thank you for the opportunity to communicate our concerns regarding the Presidio Corporation. We look forward to the swift passage of H.R. 3433 and the beginning of the successful operation of the Presidio Corporation. If we can assist you further in your efforts on behalf of the Presidio's conversion please contact us.

Very truly yours,



Clark D. Manus, AIA  
President, AIA San Francisco



Brian Gatter, ASLA  
President-Elect, ASLA Northern California Chapter

enc: "The Brooks Act: Ensuring the Best Architects for Federal Projects"

cc: Brian O'Neill, GGNRA Superintendent  
Robert Chandler, Presidio General Manager  
Richard Barke, GGNRA Advisory Commission  
Edgar Wayburn, M.D., Amy Meyer, People for a GGNRA  
James Harvey, Presidio Council



**Asian American  
Architects and  
Engineers**

NOV 11 1993

NOV 16 1993

5 November, 1993

Congresswoman Nancy Pelosi  
450 Golden Gate Avenue  
San Francisco, CA 94102

Re: Presidio Legislation

Dear Congresswoman Pelosi:

On behalf of the Asian American Architects and Engineers, I am writing to support the legislation that you have sponsored to provide affirmative action to minorities and women during the conversion of the Presidio into a national park.

Our experience is that minorities and women still face many difficult barriers in competing for government contracts. Discrimination continues to limit the ability of minority- and women-owned businesses to compete for business opportunities. Therefore, it is imperative that the corporation responsible for managing the Presidio develop an aggressive policy that will allow minorities and women to fully participate in all of the economic opportunities created by the conversion.

We salute the leading role you are taking to transform the Presidio into a national park and look forward to working you to ensure that all communities in the Bay Area will benefit from the conversion process.

Sincerely,

  
Gary Gee  
President



1993 AAAE  
BOARD MEMBERS:

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Cynthia Wagner

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# BAY AREA COUNCIL

APR 20 1994

• 200 Pine Street, Suite 300  
San Francisco, CA 94104  
(415) 981-6600  
Fax: (415) 981-6408

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**Executive Office**  
**ANGELO J. SIRACUSA**  
President & CEO  
Bay Area Council

• The Bay Area Council is a 501(c)(3) nonprofit organization. We are an equal opportunity organization. We do not discriminate on the basis of race, sex, religion, or national origin. We do not discriminate on the basis of age, sex, or marital status. We do not discriminate on the basis of sexual orientation. We do not discriminate on the basis of gender identity or expression. We do not discriminate on the basis of gender role. We do not discriminate on the basis of gender identity or expression. We do not discriminate on the basis of gender role.

April 21, 1994

The Honorable Nancy Pelosi  
U.S. House of Representatives  
240 Cannon Office Building  
Washington, D.C. 20515

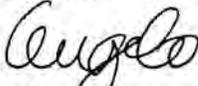
Dear Nancy:

I am pleased to send along a copy of a letter we wrote to the Republican members of Congress, supporting your HR 3433. HR3433 is a good bill that can help the planning and use for the Presidio.

The Presidio should be, first, a national park and there should be extensive preservation. However, there are appropriate uses of parts of the Presidio for economic and job development. This is necessary, not only to financially support the operations of the park, but because of the unique opportunity that the Presidio offers for certain economic activity. As you will see in my support letter of HR3433, we believe that one of those uses might be for UCSF. I am concerned that the bias of the Park Service and the RFQ makes it difficult, if not impossible, for UCSF to be able to locate at the Presidio.

I will call your office to try to arrange an appointment with you when you are in the district, but, in the meantime, I wish you every success with HR3433.

Warm regards,



Angelo J. Siracusa  
President

AJS:mvn

cc: District Office  
Executive Committee

# BAY AREA COUNCIL

200 Pine Street, Suite 300  
San Francisco, CA 94104  
(415) 981-6600  
FAX (415) 981-6408

## EXECUTIVE COMMITTEE

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Co.

**T. CARL WOLDERS**  
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The Clorox Co.

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**ED ZACHAU**  
Chairman & CEO  
Monsie, an IBM Co.

**Officers**  
**ANGELO J. SIRACUSA**  
President & CEO  
Bay Area Council

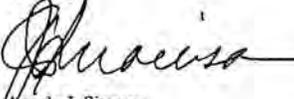
April 20, 1994

To: BAY AREA CONGRESSIONAL REPRESENTATIVES  
WHO COSPONSORED HR3433

I am pleased to send along a copy of the letter we have written to California Republican members of Congress, supporting HR 3433.

Thank you for cosponsoring the bill. We hope you are successful in your efforts.

Sincerely,



Angelo J. Siracusa  
President

AJS:mvn

Enc.

cc: Rep. Nancy Pelosi

The Bay Area Council, established in 1947, is a non-profit organization that has been instrumental in providing leadership in the development of the region's infrastructure, including the development of the San Francisco Bay Area Rapid Transit (BART) system, the development of the San Francisco Bay Area Regional Water Treatment Plant, and the development of the San Francisco Bay Area Regional Air Quality Management Plan. The Council is currently working on a number of other projects, including the development of a regional transit system and the development of a regional water treatment plant.

# BAY AREA COUNCIL

• 200 Pine Street, Suite 300  
San Francisco, CA 94104  
(415) 981-6600  
Fax (415) 981-6108

April 18, 1994

• EXECUTIVE COMMITTEE

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Kaiser Foundation Health Plan

**ED ZSCHAU**  
Chairman & CEO  
AUSLAR, an IBM Co.

Fax Office  
**ANGELO J. SIRACUSA**  
President & CEO  
Bay Area Council

The Honorable Christopher Cox  
U.S. House of Representatives  
206 Cannon Office Building  
Washington, D.C. 20515

Dear Representative Cox:

The Bay Area Council urges you to vote for H.R. 3433. The bill, sponsored by Representative Nancy Pelosi, would maintain the integrity of the San Francisco Presidio and establish a viable plan for the Presidio's future as a unique national park.

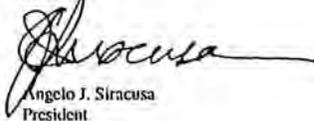
The Bay Area Council is a business-sponsored organization supported by about 250 major firms in the nine-county Bay Region. We are involved in important public policy issues affecting the Bay Area's economic vitality and quality of life.

We believe that the Presidio plan can and should strike a balance between preservation and appropriate facility development. H.R. 3433's provisions for the establishment of a Public Benefit Corporation is an ideal way of accomplishing that balance.

Implied in our endorsement of the bill is the assumption that some development is important. One reason is to offset costs of maintaining the Park and reduce federal appropriations. Of great importance to us, too, is to seize opportunities for parts of the Presidio to generate economic and social benefits to San Francisco and the region. Of special value would be the location of a major campus of the University of California at San Francisco at the Letterman complex. UCSF is a premier medical research facility. Its economic value is enormous.

The Presidio is unique and one of the most beautiful spots in America. We urge your support of H.R. 3433 and for the furtherance of the cooperative community effort that has gone into the planning for the Presidio's future.

Sincerely,



Angelo J. Siracusa  
President

AJS:mvd

cc: Rep. Nancy Pelosi  
Bay Area Legislators  
Executive Committee

• This letter, from Council, published in 1975, is a historical document representing the dedication to study and action on regional issues. Its program currently focuses on economic vitality, growth, development, housing, transportation, and education and training. The Council sponsors the Bay Area Economic Forum.

# Earth Island Institute

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John A. Kniss  
 David Phillips

May 9, 1994

Honorable Nancy Pelosi  
 U.S. Congress  
 240 CHOB  
 Washington, D.C. 20515

Dear Congresswoman Pelosi:

We are writing to you to lend our support of HR 3433 to establish a public benefit corporation to ensure the protection of an important urban resource — the Presidio of San Francisco.

We believe that the proposed public benefit corporation is the best management alternative available to ensure that the Presidio becomes a national park with a sustainable future. We have witnessed over the past years the tremendous growing challenges to our federal government to address important public initiatives such as protecting our natural resources and converting former military facilities. We are encouraged that the approach to meeting these challenges is not simply selling these public resources to the highest bidder, but to develop more creative management approaches to guarantee that they remain in the public domain.

We recognize too, that this proposed management structure and its ultimate success in preserving the public good, will depend upon the vigilance of the public that it represents as well as establishing mechanisms for accountability. We are willing to assume some of that responsibility to mobilize our communities to advocate for a future park at the Presidio that is:

- a new model for the stewardship of our public lands that addresses the relationship between the natural and built environments and the human ties that bind them together;
- a model for how a military base conversion and a national park designation can address the economic and social needs of our communities; and,
- accessible and accountable to the public — in terms of public transit to the park as well as ensuring representation and openness in all aspects of decision-making and fairness in hiring and contracting.

In our work over the past decades to fight for environmental protection and achieve social and economic justice, we remain committed to the hope that the Presidio can become a site where we can demonstrate our vision of ecological sustainability. This sustainability encompasses not only the restoration and preservation of our natural environment but also incorporates the principles of social and economic justice that are fundamental to our survival as a society. The key to achieving this vision of sustainability is demonstrating the steps for us - individually and collectively - to visualize and move toward that goal.

We believe that as a public national park, the Presidio of San Francisco and the plan that has been developed to guide its future, reflect the necessary themes of sustainability - restoring and preserving the natural environment, advocating for multicultural and international cooperation, and promoting research and education. The public programs, research and education, and on-site demonstration projects reflecting these themes will illustrate actual steps toward sustainability to the more than 20 million visitors expected at the Presidio each year. Earth Island Institute itself has three projects - the Community Consultation Initiative, the Global Restoration Fair and the Conservation, Preservation, Restoration (CPR) Service Corps - that are built on the belief that the Presidio National Park will contribute to our understanding and experience of saving our communities and the environment.

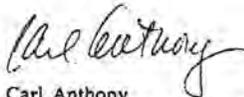
We have worked with the National Park Service in the planning process to shape a future for the Presidio that is rooted in our principles of social and ecological sustainability. To achieve this potential, the Presidio's transformation cannot depend simply upon the federal government and the National Park Service. As environmental activists, we recognize that necessary action must be taken by an enlightened and involved public who are empowered to become stewards of our public lands.

We commend your struggle to establish a public benefit corporation to help manage the Presidio. We will continue to work with you to fight for creating a national park that will ensure public benefit and move us toward our vision of ecological sustainability and social justice.

Sincerely,



David Brower  
Chairman  
The Earth Island Institute



Carl Anthony  
President, The Earth Island Institute  
Director, The Urban Habitat Program



October 21, 1993

Fort Mason Center  
Landmark Building #1  
San Francisco  
CA 94123-2552  
415 641 2706  
Fax 415 672 6485

Congresswoman Nancy Pelosi  
8th Congressional District  
240 Cannon House Office Building  
Washington, D.C. 20575

Dear Congresswoman Pelosi,

I appreciate the opportunity to express my views relative to the anticipated transfer of the Presidio Army Base from the Department of Defense to the Department of Interior, and its conversion from a military base to a significant part of the GGNRA.

I am sorry I cannot be in Washington, D.C. to testify, but appreciate the inclusion of my comments in the written record.

For the past fifteen years I have been Executive Director of the Fort Mason Foundation, the private, nonprofit corporation that manages the Fort Mason Center in the GGNRA. The Fort Mason Foundation has been the National Park Service's partner since 1976 when we both signed a Cooperative Agreement detailing our respective responsibilities and obligations in managing the conversion of Fort Mason, a decommissioned Army base. Fort Mason had been vacant for fourteen years at that time, having been closed in 1962. It was in serious disrepair when the Fort Mason Foundation was entrusted with the responsibility for managing the facilities and for engineering their conversion into a vital community, cultural and recreational complex reflecting the talents, diversity and interests of the people in the San Francisco Bay Area.

What has occurred in the past seventeen years is a dramatically successful collaboration between the Fort Mason Foundation and the GGNRA, with the public as the principal beneficiary. We believe it is instructive to the process that faces us all in converting the Presidio for important national and international purposes. I believe that those who are looking with trepidation at the need to create an internationally respected, cultural, educational and recreational park in the Presidio can look at the success of Fort Mason Center for encouragement. Specifically, in cooperation with the National Park Service/GGNRA the Fort Mason Foundation has accomplished the following:

- Over \$10 million in capital improvements to the buildings entrusted to us by the National Park Service, accomplishing safety, accessibility and historic compliance improvements to the buildings.
- Attracted to our facilities over six hundred nonprofit groups, individuals and businesses each year to present educational, cultural, and recreational programs for the public.

## Golden Gate National Recreation Area and Point Reyes National Seashore

## A D V I S O R Y C O M M I S S I O N

October 22, 1993

VIA FAX: (202) 225-8259

Honorable Nancy Pelosi  
Member of Congress  
240 Cannon Building  
Washington, D.C. 20515

Re: Presidio of San Francisco

Dear Congresswoman Pelosi:

This citizens' Advisory Commission was established by Congress in 1972 to give reasoned advice to the National Park system, and to serve as the eyes and ears of Congress. At our official meeting on October 21, 1993 the Commission voted unanimously to forward this letter to you.

It is our understanding that efforts may be made in Congress in the near future to carve up the Presidio, and to subject some of its assets to sale. We are deeply disturbed by this proposal.

Around the country, we have preserved dozens of historic sites, including Civil War battlefields, homes of important persons, etc. Although we are proud to have preserved these sites, hardly one of them contains one-tenth of the historic significance of the Presidio of San Francisco.

The Presidio of San Francisco is uniquely qualified as a National Park. If portions of it can be sold off, there are no National Parks in any state which can be considered safe from developers, because there are no other units of the National Park System that contain so many qualifications for preservation.

1. The fabric of history in this one site is astounding. It was an important area for indigenous peoples. It was the site of the northernmost outpost of the Spanish empire in 1776. It saw activity by Kit Carson and John C. Fremont during the Bear Flag Revolt in 1846. Many officers who became household names due to service in the Civil War also served at the Presidio. It was instrumental in the founding of the National Park Service. Many advances during the first two decades of aviation were due to Presidio facilities. Military hospital history is rich at the Presidio, as well as the progression of coastal fortifications, still in place, from the 1850s to the 1960s. The Presidio served as a key port during the Boxer Rebellion, the Sino-Japanese War, the First World War, our land invasion of Russia in 1918, World War II and Korea. This park contains as much as 15% of all the historic structures which are preserved in the National Park system.

Building 201, Fort Mason, San Francisco, CA 94123

Richard Barke, *Chair* Amy Meyer, *Vice Chair* Ernest "Chuck" Ayala Howard Cogswell, PhD. John D. Crowley BC, USA (ret)  
Margot Patterson Dass Neil D. Eisenberg Jerry Friedman Daphne Greene Melvin B. Lane Steve Jung Cary L. Pinkston  
Jimmy Park Li Merritt Robinson R.H. "Hank" Sciaroni John I. Spring Edgar Wayburn, M.D. Joseph "Joe" Williams

letter of 10-22-93 to Pelosi  
re Presidio of San Francisco

2. Rarely matched elsewhere in the National Park System are the spectacular views of the Pacific Ocean, Golden Gate, and San Francisco Bay.

3. The popularity of the Presidio with the public will be unmatched in any other unit of the National Park. GGNRA already gets more visitors than Yosemite, Yellowstone and Grand Canyon combined, a total of approximately 20 million a year.

4. The diversity of biotica at the Presidio is also rare, even in the National Park system. It has been estimated that the Presidio ranks in the top one percent of National Park units in the number of listed species requiring protection.

On a practical level, and as a matter of public responsibility, we would also note:

5. The Presidio is a relatively compact unit, and its portions are inter-dependent upon each other. For 217 years it has been operated as a single unit, and its water supply, utilities and roads are self-contained.

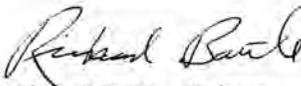
6. The Draft Management Plan, a product of dozens of public hearings, has just been delivered to us on October 21st, and will be undergoing final public hearings during the next few months. It would be a betrayal of the public trust to even consider changes in the outline or content of the Presidio until the public has responded to the plan.

7. This park unit will benefit from the Golden Gate National Park Association, which is without peer in raising private monies to support park efforts, and will be benefited by the existence of this Commission, which has a reputation of being one of the best in the country.

We suggest that the American public will not approve of moves to sell off units of the National Park system. The Presidio has been a unit within the National park system for 21 years. It was included with the boundaries of the GGNRA by Congressional legislation, P.L. 92-589, which allowed the Army to complete its military mission. That mission having now ended, the land, by law, reverts to the park system.

Please call upon us if we may be of assistance to you in the above matter.

Warm personal regards,



Richard Bartke, Chairman

RHB/sp  
 cc: Commission Members



**HISPANIC  
CONTRACTORS  
ASSOCIATION**

1615 Cortland Avenue  
San Francisco, CA 94110  
Tel. 415-647-3354  
Fax 415-285-9243

NOV 16 1993

November 8, 1993

**CONGRESSWOMAN NANCY PELOSI  
450 GOLDEN GATE AVENUE  
SAN FRANCISCO, CA 94102**

**REFERENCE: PRESIDIO LEGISLATION**

Dear Congresswoman Pelosi:

On behalf of The Hispanic Contractors Association, I am writing to support the legislation that you have sponsored to provide affirmative action to minorities and women during the conversion of the Presidio into a national park.

Our experience is that minorities and women still face many difficult barriers in competing for government contracts. Discrimination continues to limit the ability of minority and woman owned businesses to compete for business opportunities. Therefore, it is imperative that the corporation responsible for managing the Presidio develop an aggressive policy that will allow minorities and women to fully participate in all of the economic opportunities created by the conversion.

We salute the leading role you are taking to transform the Presidio into a national park and look forward to working with you to ensure that all communities in the Bay Area will benefit from the conversion process.

Very truly yours,

**HISPANIC CONTRACTORS ASSOCIATION**

  
**Antonio Ruiz  
Secretary/Treasurer**

AR:dg



## LABORERS' INTERNATIONAL UNION *of* NORTH AMERICA

REGIONAL OFFICE: 620 Suisun Avenue, Sacramento, California 95814 Phone: (916) 446-3622 Fax: (916) 446-6655

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General President

JAMES J. NORWOOD  
General Secretary-Treasurer

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GEORGE R. GUNDEL, 10th Vice President

CHAL E. BOGGER  
Assistant to the General President  
ROBERT J. CONNORSON  
General Counsel

April 26, 1994

Arthur A. Coia, General President  
Laborers' International Union of N.A.  
905 - 16th Street, N. W.  
Washington, D.C. 20006

Dear President Coia,

As the representative of the employees of the Golden Gate National Recreation Area (GGNRA.), we have been following the proposed transition of the 6th Army's historic base at the San Francisco Presidio into the GGNRA area of the National Park Service. A GGNRA and Presidio management plan has been developed which commits a substantial amount of money (over 500 million) in the next 10 -12 years to demolition, restoration and hazardous waste clean-up, habitat renewal and limited construction. This, in addition to a substantially increased number of employees and budget for the day to day maintenance of the operation. Our bargaining unit has grown from 130 to over 200 and will continue to expand.

This process was moving along without a problem, until Representative Duncan from Tennessee seized upon the Presidio--a prime piece of real estate - as a model to privatize Federal lands. He said the price tag was too high, and he suggested that a small part, 400 of the 1,400 acres, be made a park, and the rest be sold to developers. Duncan got substantial support for his proposal and placed the congressional appropriation in jeopardy.

Congressman Nancy Pelosi, D-San Francisco came up with a proposal that undercuts Duncan's plan by establishing a public-private partnership that will manage the Presidio's real estate and reinvest proceeds from leases and rents back into the park. It preserves the restoration and development money needed to fulfill the general management plan. The legislation is HR 3433. Pelosi has pledged that prevailing wage specifications will be in the bill. We have testified in support of this legislation.

We have been asked if we can help get President Kirkland's support prior to mark-up in approximately two weeks. I have attached a draft of a proposed letter of support for your consideration.

Thank you for your help in this matter.

Sincerely,



Mason M. Warren  
Vice President &  
Regional Manager

cc: Representative Nancy Pelosi  
Mr. John T. Curran  
Mr. Don Kaniewski

April 26, 1994

Representative Nancy Pelosi  
450 Golden Gate Avenue  
San Francisco, CA 94102

Dear Congresswoman Pelosi,

The AFL-CIO and the Building Trades Department support your efforts to preserve for the people of the United States and foreign visitors the historical structures and magnificent open space of the San Francisco Presidio.

The integration of the Presidio into the Golden Gate National Recreation Area of the National Park Service fulfills former Congressman Phil Burton's dream of completing the park and protecting this uniquely beautiful yet accessible urban area. We also support your proposal to create a public benefit corporation to manage the real estate activities and oversee the restoration and appropriate development of the Presidio. This public-private partnership can provide the expertise needed to fulfill Congressman Burton's vision within the financial constraints of the current budget.

Representative Duncan's proposal to sell off a very substantial portion of the Presidio to private developers would destroy the opportunity that exists to create a world renown multi-use urban park.

On behalf of working people across the country, we thank you for your effort and pledge our support for HR3433.

Sincerely,

Lane Kirkland  
President, AFL-CIO

*The League of Women Voters of California*

926 J Street, Suite 1000, Sacramento, CA 95814

October 15, 1993

The Honorable Bruce Vento, Chair  
National Parks Subcommittee  
812 O'Neill Building  
WASHINGTON, D.C. 20515

Dear Representative Vento,

The League of Women Voters of California urges you to support legislation which will introduced by Representative Nancy Pelosi to set up a congressionally chartered, not-for-profit public benefit organization to aid in the development of the Presidio National Park.

This organization which may be known as the Presidio Foundation will be made up of experienced property management professionals who will be able to attract rent paying tenants and programs appropriate to an urban national park. We realize also, that such a foundation can operate flexibly and swiftly; and that the park service will continue to do the jobs which it does well, e.g. setting broad policies and goals, taking care of open spaces, and providing for public safety services.

The League of Women Voters "supports management of land as a finite resource, not as a commodity, since land ownership carries responsibility for stewardship; as well as identification and regulation of areas of critical concern. We support "protection of fragile or historical lands where development could result in irreversible damage."

Thank you for your attention,

Marilyn Hempel, Natural Resources Director



OCT 20 1993

## League of Women Voters of San Francisco

114 Sansome Street, Suite 513, San Francisco, California 94104-3812 • (415) 989-VOTE

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Ellen Israel  
Office Manager  
Tyche Hendricks  
Development Associate

October 15, 1993

The Honorable Nancy Pelosi  
240 Cannon Building  
WASHINGTON, D.C. 20515

Dear Ms Pelosi,

The San Francisco League of Women Voters commends you for your splendid effort to assure that all of us in the USA will be proud and delighted in the development of the Presidio National Park.

We endorse and commend your legislation which will set up the Presidio Foundation, a congressionally chartered, not-for-profit public benefit organization made up of experienced property management professionals. We realize that this foundation will be able to attract rent paying tenants and programs appropriate to an urban national park. We realize also, that such a foundation can operate flexibly and swiftly; and that the park service will continue to do the jobs which it does well, e.g. setting broad policies and goals, taking care of open spaces, and providing for public safety services.

The League of Women Voters "supports management of land as a finite resource, not as a commodity, since land ownership carries responsibility for stewardship; as well as identification and regulation of areas of critical concern. We support "protection of fragile or historical lands where development could result in irreversible damage."

Thank you for your perseverance to keep the public aware of the importance to the nation of preserving our newest national park.

Yours truly,

Jean Lacey, President



## League of Women Voters of San Francisco

114 SANSOME STREET, SUITE 513 • SAN FRANCISCO 94104 • 415-989-VOTE

May 2, 1994

The Honorable Bruce Vento, Chair  
National Parks Subcommittee  
812 O'Neill Building  
WASHINGTON, D.C. 20515

Dear Congressman Vento,

The League of Women Voters of San Francisco asks that you include this letter in the Record of Hearing on H.R. 3433 (Pelosi). The League supports H.R. 3433 which establishes a public benefit trust for the Presidio National Park. We believe this Trust, which will have a distinguished and capable board of directors, will be able to find tenants who are appropriate to this unique national park, and who are financially capable of maintaining and preserving the buildings.

The League of Women Voters prides itself on our well established methods of developing positions. Problems, issues, and possible solutions are studied and reported to membership. Consensus is developed; positions are adopted; and periodically reviewed to be maintained. Some positions which ensure our support of H.R. 3433 are:

The League supports:

management of land as a finite resource; and identification and regulation of historical lands where improper development could result in irreversible damage.

this Trust to manage the Presidio's buildings; to ensure responsible stewardship of the historic buildings; and to permit the most effective reuse of this valuable resource.

Thank you for your consideration.

Yours truly,

Allyson Washburn, President

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Office Manager

Making a Difference Since 1920

# National Coalition for the Presidio

March 9, 1994

CO-CHAIRMEN  
Richard N. Goldman  
Nathaniel Reed

The Honorable Nancy Pelosi  
United States House of Representatives  
Washington, D.C. 20515

Dear Congresswoman Pelosi:

Recently you introduced H.R. 3433 to establish a Presidio Corporation to manage portions of the Presidio of San Francisco under the jurisdiction of the Secretary of Interior. This public benefit corporation would lease property within the Presidio that is transferred to the Corporation, and manage tenants and develop programs in accordance with the purposes of P.L. 92-589 which established the Golden Gate National Recreation Area in 1972.

We strongly support your legislation.

The Presidio, a military installation under Spanish, Mexican and American flags, has protected the western entrance to the United States since 1776. It contains exceptional natural and scenic resources, and rare and endangered species. It is the centerpiece of an International Biosphere Reserve.

The Presidio is also a National Historic Landmark whose unique endowments include the largest concentration of historic buildings of any unit of the National Park System. To protect these buildings they must be used. They should be used for public purposes of value to our entire nation, and of national and international significance.

At recent hearings, the public gave strong support to proposals to reuse the Presidio's buildings for environmental research, education and exhibitions, within a global center dedicated to addressing our most critical environmental, social, and cultural challenges. The Presidio can become a working laboratory to create models of environmental sustainability that can be transferred to communities nationwide and even worldwide. In part, public support was based on recognition that stewardship of the world's human and physical resources, through global cooperation, is our nation's true security.

The Corporation would manage this complex undertaking under the auspices of the National Park Service. Under its direction, some buildings and the recreational facilities would be used to produce

1717 Mason St.  
San Francisco CA  
94133

Michael Alexander,  
Director  
(415) 441-6700  
Fax (415) 346-6607

Amy Meyer,  
Asst. Director  
(415) 752-2777

In support of H.R. 3433; page 2

income that would help defray the costs of managing the park. A public benefit corporation would be able to develop programs to carry out the park's enabling legislation with greater flexibility for private fundraising, contracting of private assistance, and decision-making than would be possible for the National Park Service acting alone.

H.R.3433 should state that the Corporation will manage its property in accordance with all applicable Federal laws for resource protection and historic preservation. The legislation should also state that public input and reporting regarding the Corporation will be provided through the existing GGNRA Advisory Commission, which is implicit in P.L. 92-589.

If the natural, scenic, historic and recreational resources of the Presidio are to be sustained, protected and improved for the benefit of all the American people, they must have the advantage of broadly based funding, private assistance and effective decision-making. H.R.3433 would provide the foundation for efficient operation of a world-renowned site, where the technologies, techniques and economics of the next generation of environmental protection can be developed and demonstrated.

In this spirit, we warmly endorse H.R.3433.

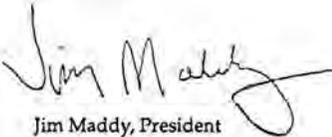
Sincerely yours,



Carl Pope, Executive Director  
Sierra Club



Paul Pritchard, President:  
National Parks & Conservation Association



Jim Maddy, President  
League of Conservation Voters



Martin Rosen, President  
Trust For Public Land

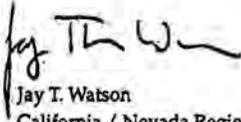


L. William Chapin II, FAIA, President  
American Institute of Architects

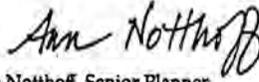


Thomas Papandrew, President  
American Society of Landscape Architects

In support of H.R. 3433; page 3



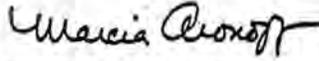
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California / Nevada Regional Director  
The Wilderness Society



Ann Notthoff, Senior Planner  
Natural Resources Defense Council



Vawter Parker, Executive Director  
Sierra Club Legal Defense Fund



Marcia Aronoff, Deputy Director of Programs  
Environmental Defense Fund



Amy Meyer, Co-Chairman,  
People For A Golden Gate National Recreation Area

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INTRODUCTION

The history of the Presidio is indelibly linked to over 200 years of expansion to the West, and has remained the "gateway" from the East for US cultural and military development. The National Park Service (NPS) is at the threshold of this country's leadership in a new era of environmental science technology for the world community. This is a major opportunity to execute the public/private "partnership" vision of the Presidio as a "global environmental center" for the 21st century. Two significant opportunity factors are present: 1) the global market for US environmental science leadership and services is forecast to be the second largest market (second only to the predicted \$2 trillion international tourism market by the year 2010); and 2) the Secretary of the Interior's commitment to the Science In The Parks initiative and the creation of the National Biological Survey with its unique potential contribution to the Presidio's global center orientation.

At this point, the Advisory Board perceives three major issues that require your considered attention in regard to the newly released Draft General Management Plan Amendment (GMP) for the Presidio and its potential implementation:

- A. The Department of the Army's continued presence should be compatible with the Base Realignment and Closure Act (BRAC) decisions and the GMP.
  - B. Marketing of the Presidio within the National Park Service and to a bi-partisan congressional constituency and the public at large.
  - C. The legislation creating the federally chartered Public Benefit Corporation (PBC) should emphasize the critical balance between the oversight authority of NPS and the broad discretion given the PBC.
- I. Presidio Transfer Mechanisms from the Department of the Army to the National Park Service

A major point of concern has recently arisen involving the Army retaining certain properties for its use at the Presidio. Retention of essential facilities for the 6th Army Headquarters and related residential accommodations is understood. HR 2401 (Defense Authorization Act of 1994) prohibits the transfer of any parcel of real property at the Presidio from Army control to the Department of the Interior until the Secretary of the Army determines the parcel is excess to the needs of the Army. Although the exact

intent of this legislation is unclear it does introduce ambiguity and uncertainty to established plans and guidelines.

The implication of this restriction of transfer of parcels at the Presidio is to give the Army authority to retain parcels that are critical components of the marketing plan upon which the financial success of the Presidio's future use is based. For example, substantial revenues are projected from the use of the Presidio's golf course. Allowing the Army to retain the golf course would therefore undermine the viability of the projected income flow to the project, plus begin the undesirable process of "carving up" the Presidio.

The Advisory Board strongly recommends and urges the Secretary to work with the Army to develop a compatible future. The Army's presence in the newly created national park unit must be consistent with the GMP. The Army should be a tenant of the NPS at the Presidio and all properties should be transferred to the Department of the Interior as scheduled. If the Presidio is to be a "national park", then the NPS must be in charge of all the Presidio.

## II. The Presidio - It's Presence in the World Environmental Marketplace and the Global Science Community: A Perspective for the US Congress

The United States is the undisputed world leader in environmental science services and technology as we move into the 21st century. Within the last ten years, this "environmental marketplace" has expanded exponentially at home and abroad, with recent added momentum from initiatives such as the BRAC actions of the Department of Defense (DOD); the North American Free Trade Agreement (NAFTA); and other national and international commitments. In the US alone, pro-active and remedial programs account for over \$50 billion in currently scheduled and proposed service, technology, and capital improvement allocations. Internationally, examples such as Mexico's \$500 million first phase commitment for environmental remediation programs with reliance on US service and technology leadership underscore what is predicted to be a major world environmental marketplace by the end of the first decade in the 21st century.

The National Park System of the United States is the primary asset in the national and international tourism marketplace for the US, projected to be a global \$2 trillion business segment by the year 2010. The inclusion of the Presidio as the US link into the Pacific Rim context and its huge tourism market potential reflects the historical exchange of culture and business that can continue to be exemplified in the Presidio's strategic plan vision.

The bi-partisan congressional support can be addressed by:

- A. Providing a vision of the "environmental marketplace" as an applied science approach benefiting US business interests, technology leadership, and related spin-off potentials
- B. Redefining the environmental priority as having transcended philosophical and emotional basis and pointing to the demonstrated and present/future "marketplace"
- C. Promoting export of US service, technology, and capital improvements enhancement as a continuing strategy of trade deficit reduction and balance
- D. Supporting the US world leadership role for environmental responsibility
- E. Emphasis of the global tourism marketplace and the "clean dollars" affect on the domestic economy, using the resources we have to increase the US market
- F. Recognition of the undisputed opportunity the Presidio represents for inclusion (cultural and world environmental market) in the future of the Pacific Rim

The Advisory Board recommends that the Secretary strongly support the development and advancement of a strategy for marketing this plan based on the attributes cited above. This embraces the "partnership" and "entrepreneurial" initiatives of the Secretary's vision while attracting broad-based, bi-partisan, national support in the Congress and other important constituencies outside of the Bay Area.

### III. Proposed Legislation for the NPS Presidio "Public Benefit Corporation"

To date three specific pieces of legislation addressing the Presidio/NPS Partnership related to the leasing authority have been introduced. One, authorizing the leasing of the Letterman-LAIR complex, was signed December 2, 1993, as Public Law 103-173.

By far the most important and all-encompassing legislation; however, is H.R. 3433 creating a Public Benefit Corporation, providing for the management of the Presidio under the jurisdiction of the Secretary. This House bill introduced in the closing days of the 1st session of the 103rd Congress establishes the management of the park by the Presidio Corporation transferring a leasehold to the Corporation for leasing, rehabilitation, repair, and improvement of property. The legislation which is expected to be considered early in the next session of Congress is clear in authorizing that the Corporation shall act in accordance with the General Management Plan and Public Law 92-589.

The Advisory Board feels the Act supports the spirit and concept definitions of BRAC 1993 and gives the Secretary and the NPS the ultimate authority to administer the preferred Presidio plan.

The Board feels further that the legislation will go a long way toward answering critics in Congress. We strongly support the partnership concept, but believe there needs to be a finely described relationship between the PBC and the NPS with ultimate authority with the NPS.

Thus establishing a Corporation with a broad-based and mandated board of directors adds national visibility, knowledge, and experience from such diverse fields as environmental studies, city planning, finance, real estate, architecture, engineering, and management, without relinquishing ultimate authority from the Secretary and NPS.

The Board feels and strongly recommends the following proactive steps be initiated in response to the legislation and partnership it creates:

A. Since the legislation gives broad authority under its purview related to leasing, we support the concept of NPS as landlord having final determination

B. Broad-based support for the bill should be sought from several constituencies, including those from the Bay Area and particularly including bi-partisan support in Congress

C. Be prepared to answer critics opposing any federal agency control of the Presidio by pointing to and acknowledging the broad-based powers of the Corporation with its Bay Area roots

D. Re-enforce importance of the NPS administered plan and work in partnership with the Corporation

E. And finally, address and support efforts to ensure bi-partisan congressional acceptance and community support for H.R. 3422 starting in January 1994

Since follow through is so important the Advisory Board feels it is imperative that an all-out effort be put forth by the NPS to contact and inform various bloc groups in Congress to endorse and support the legislation appealing to their various concerns and interests.

#### IV. Other Significant Issues

There are a number of other issues which should be addressed in the final general management plan.

A. The question of housing and the availability of housing for

future members of the Presidio community is a key element. The housing should serve only the entities that make up the Presidio community. This could be a key draw for future tenants and support the economic viability of the plan.

B. The Presidio could become a model for affirmative action. The Bay Area offers this opportunity with its diverse community, employment market, and contractual opportunities.

C. Based upon the Presidio Building Leasing and Financing Implementation Strategy Report, the ability to obtain a major anchor tenant for the Letterman Complex, retail concessionaire, and conference center management is a critical benchmark toward the Presidio Plan's success. The Advisory Board urges the Secretary to expedite, endorse, and support these critical actions.

D. Transportation is also an area in which the Presidio could be innovative and responsible. There needs to be an interim plan: during this time multiple resources including demonstration dollars could be used to develop a plan to mitigate vehicle overload in the park. Models could be developed that may be used in other national parks.

E. In a related matter the Advisory Board recommends that the Secretary and the Department take a leadership role in attracting other federal offices, appropriate to the theme and vision of the plan, to the Presidio.

F. Finally, there is a need to accelerate the presence of the National Park Service within the Presidio to communicate to this community, "this is happening". The development of the Presidio into a worldclass park that maintains the integrity of the National Park Service and the historic, cultural and natural resources of the Presidio, is an opportunity and challenge the Park Service cannot underestimate.

#### SUMMARY

The National Park System Advisory Board strongly endorses the Draft General Management Plan Amendment for the Presidio of San Francisco, and its proposed implementation strategy. We highly commend the National Park Service's staff, Presidio Council, Bay Area citizens and volunteers, professional consultants, and others for their innovation, commitment, and consensus that forms the basis of this visionary proposal. The Presidio represents a singular opportunity for the National Park Service to create its first park for the 21st century - a new vision respecting traditional National Park Service stewardship values but with an important eye toward a broader partnership anchored in sound finance and business practices.



# National Parks and Conservation Association



## STATEMENT OF

**MR. DALE CRANE  
NORTHWEST REGIONAL DIRECTOR  
NATIONAL PARKS AND CONSERVATION ASSOCIATION**

**SUBMITTED TO THE  
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
HOUSE COMMITTEE ON NATURAL RESOURCES**

**ON H.R. 3286**

**OCTOBER 26, 1993**

Mr. Chairman and members of the subcommittee, my name is Dale Crane. I am the Northwest Regional Director for the National Parks and Conservation Association (NPCA), a nonprofit citizens' organization dedicated to the protection and enhancement of the National Park System. On behalf of our Association's 350,000 members, I am pleased to testify in support of H.R. 3286, legislation to provide for the management of the Presidio by the Secretary of the Interior.

NPCA testified before this committee in May 1972 in favor of the establishment of the Golden Gate National Recreation Area. An important part of that testimony was our strong support for the provision to require lands administered by the U.S. Army to be transferred to the National Park Service when those lands became excess. In our testimony we said:

"We believe the entire Presidio should be designated as part of the NRA, and that the Army should be moved out entirely from this area."

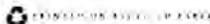
That has now happened and NPCA continues to believe the Presidio will be an outstanding addition to the National Park System.

The Presidio is the oldest continuously operated military base in the United States. The area has been and is the central core and a major element of the fabric of San Francisco, woven into the city just as history of the Presidio is woven into every major military conflict of our Nation. Also, the Presidio is a significant natural area of great scenic and scientific value to the region.

The Presidio is a great natural area in it's own right and more importantly is the only example of a site that reflects the living, changing history of North America since the days of Spanish colonialism. In every respect, the Presidio deserves our best efforts to maintain it's character and integrity and to continue the role of this special place as a center for the best efforts our

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society can make in education, international cooperation, environmental protection, and above all responsible private enterprise.

NPCA strongly supports the concept of deriving income from Presidio facilities to make the unit as self-supporting as possible. There will be many arguments against expanding the authorities of the National Park Service so that the Presidio can become a self-supporting addition to the system. All such arguments will be trivial in relation to the importance of what is to be protected. There is simply a need to maintain this remarkable resource as a living viable part of our society with a minimum expenditure of public funds. H.R. 3286 will permit that to happen. Any other course of action would either result in the loss of this incredibly valuable resource or place undue burdens on the Federal Treasury.

The Presidio is a major resource with all of the attendant problems associated with managing over 500 buildings; water, sewer, roads, and electrical systems; and providing security, public safety and administration. The flexibility provided by H.R. 3286 will allow the Park Service to lease existing structures at the Presidio to obtain the funds needed for maintenance and operation.

NPCA strongly supports the proposed leasing program and the authority to return that income directly to maintenance and operation of the Presidio. This idea has worked well on a smaller scale with the historic buildings leasing program of other national park units, and will work well at the Presidio. Without such a program there will be no income, and the costs for minimum protective maintenance of the area would severely deplete available Park Service funds. Letterman Army Hospital and the associated LAIR research facility cost \$1.3 million annually to maintain as empty structures. At the same time, the University of California at San Francisco is seeking to use the structures but cannot because the Park Service has no authority to lease them.

NPCA is not in favor of giving NPS leasing authority just to occupy empty structures. The past role of the Presidio in human conflict dictates a future role as a national center for those who would seek a better world by addressing critical educational, social, cultural, economic and environmental challenges. The National Park Service has made this concept a theme of the Presidio Master Plan which we support.

However, we do have concerns about the capability of any federal agency to manage such an extensive real estate leasing operation. While it is necessary for the National Park Service to set policy and protect the federal investment, they need not have day-to-day operational control. The National Park Service is an outstanding agency made up of dedicated men and women who give far more to us than our government gives them. However, they are not trained or experienced in leasing programs, nor are the laws and regulations controlling the park service designed to allow the flexibility and quick response needed to proficiently manage Presidio real estate. For these complex reasons, we believe this legislation is a much needed first step, but additional authority should be given to allow establishment of a flexible quasi-public organization to manage income generating of the Presidio to the benefit and profit of us all.

Thank you, Mr. Chairman, for considering my testimony.

## NATIONAL JAPANESE AMERICAN HISTORICAL SOCIETY

October 22, 1993

Honorable Bruce Vento, Chairman  
 Subcommittee on National Parks, Forest and Public Lands  
 U.S. House of Representatives  
 Washington, D.C. 20515

Dear Congressman Vento:

The conversion of the Presidio of San Francisco into the Golden Gate National Recreation Area has been followed with great interest as a model of effective transferring of former military base into civilian use.

The National Japanese American Historical Society, headquartered in San Francisco, strongly supports the introduction of legislation by Congresswoman Pelosi and Senators Boxer and Feinstein to make this transfer a total reality.

The Presidio of San Francisco is historically an important landmark for Japanese American experiences. The internment orders issued by General John DeWitt to remove and confine all persons of Japanese ancestry living in the West Coast states during World War II were issued from here. Also the very first Army language school to train American soldiers in the Japanese language was begun in a hangar at Crissy Field. This school begun on November 1, 1941, was the origin of the now famous Defense Language Institute.

The value and success of the Japanese American linguists in the Military Intelligence Service was confirmed in the following statements:

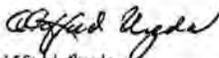
"Never in military history did an army know so much about the enemy prior to actual engagement."

General Douglas MacArthur,  
 Commander in Chief of Southwest Pacific Area.

"The Nisei (Japanese Americans) saved countless Allied lives and shortened the war by two years."

Major General Charles Willoughby,  
 G-2 Intelligence Chief of MacArthur's Command.

Sincerely yours,



Clifford Oyeda,  
 President, National Japanese American  
 Historical Society,

## NEIGHBORHOOD ASSOCIATIONS FOR PRESIDIO PLANNING

2608 Green Street  
San Francisco CA 94123  
(415) 929-0105

October 15, 1993

Presidio Heights  
Association  
of Neighbors

Presidio Terrace  
Association

Pacific Heights  
Neighborhood  
Council

Pacific Heights  
Residents Assn.

Cow Hollow  
Association, Inc.

Marina Civic  
Improvement &  
Property Owners  
Association, Inc.

Planning Assn.  
for the Richmond

Sea Cliff  
Association

Lincoln Park  
Neighborhood  
Association

Lake Street  
Residents  
Association

via FAX 415/861-1670

Congresswoman Nancy Pelosi  
450 Golden Gate Avenue  
San Francisco, CA 94102

Re: Presidio Legislation

Dear Congresswoman Pelosi:

I write on behalf of Neighborhood Associations for Presidio Planning ("NAPP"). NAPP is an umbrella organization consisting of all the neighborhood associations of San Francisco, the jurisdictions of which abut the Presidio. NAPP vigorously supports your efforts to ensure that the Presidio is converted into a national park, pursuant to the 1972 GGNRA Act.

The neighborhoods represented by NAPP are united in their strong belief that the Presidio should become a national park. We understand that certain members of Congress seek to remove the Presidio from the National Park Service's control and sell it, either in whole or in part. NAPP strenuously opposes any plan to sell any portion of the Presidio, and urges you to continue your fight against any such plan.

NAPP also supports your recently proposed legislation to grant the National Park Service authority to lease buildings in the Presidio and to permit the Park Service to retain in the Presidio's budget those revenues generated by its leasing activities there. It is absolutely critical to the success of the Park Service's conversion plan that it have the power to lease the buildings in the Presidio. Without the opportunity to generate and retain revenues, the Presidio Park's opponents in Congress will surely succeed in defeating the Park Service's plan.

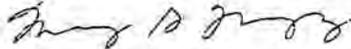
NAPP urges your colleagues in Congress not to be swayed by the arguments by those who have set themselves against the Presidio without reference to its ability to become virtually self-supporting, and without reference to its importance to the nation as a whole. The Presidio presents an opportunity to create a beautiful

Congresswoman Nancy Pelosi  
October 15, 1993  
Page 2

national park for all Americans. This park has the promise of looking both to our past and to our future. It deserves a chance to come into being.

NAPP commends you for your vision and tireless efforts to bring the Presidio Park into existence. Please know that you have our unfailing support. If there is anything we can do to aid you, please do not hesitate to let us know.

Sincerely,



Mary G. Murphy  
Co-Chairwoman, Neighborhood  
Associations for Presidio Planning

MGM/rdf  
0745895101903

cc: Hon. Frank Jordan  
Supervisor Kevin F. Shelley  
Supervisor Willie Kennedy  
Supervisor Sue Bierman

PEOPLE FOR A



GOLDEN GATE NATIONAL RECREATION AREA

FOUNDED 1972

3027 Clement Street • San Francisco, Calif. 94123 • (415) 762-2777

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Lucie Wayburn  
Armen C. Young

October 26, 1993

**TESTIMONY OF AMY MEYER, CO-CHAIR, PEOPLE FOR A GOLDEN GATE NATIONAL RECREATION AREA, ON BEHALF OF H.R. 3286, CONCERNING THE PRESIDIO OF SAN FRANCISCO, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS AND PUBLIC LANDS, HOUSE COMMITTEE ON NATURAL RESOURCES**

Enactment of H.R. 3286 is the next logical step along the road Congress planned in 1972 when it established the Golden Gate National Recreation Area (GGNRA) in order to preserve the headlands of the Golden Gate for public use in perpetuity.

At the time the park was conceived, there had already been four attempts to close the Presidio, starting in the 1920s. During the past 23 years, the integrity of the Presidio has been defended and fostered by Congress, with the support of national organizations, local residents and court action.

The Presidio of San Francisco was included, in its entirety, within the boundaries of the GGNRA. This was a farsighted, broadly supported, bipartisan action, intended to preserve in the most effective way possible an important part of this nation's patrimony. The park was perceived as the keystone in the arc of the lands at the Golden Gate. Integrity of natural, historic, scenic and recreational values and provision of recreational and educational opportunities was mandated by the Congress in the preamble to the GGNRA enabling legislation. There is greater concentration of these values and opportunities at the Presidio than at any other place in the GGNRA.

In 1971-72, the House Subcommittee on National Parks and Recreation held two hearings on the bills that had been introduced to establish the GGNRA. That hearings record, and the text of the Congressional Record of October 11, 1972 when Congressman Phillip Burton's H.R. 1644 was voted into law, contain the most information about Congressional intent.

At the San Francisco field hearing of August 9, 1971 and the Washington, D.C. hearing of May 11 and 12, 1972, a majority of the over 200 speakers and letter writers were concerned in some way with the future of the Presidio. Some felt that the post could best be preserved by the Army. Others saw the post as an aging dinosaur. Deploring plans for construction, not only by the military but by the Food and Drug Administration and the San Francisco Board of Education on what those agencies perceived as available real estate, they favored transfer

letter of 10-22-93 to Pelosi  
re Presidio of San Francisco

2. Rarely matched elsewhere in the National Park System are the spectacular views of the Pacific Ocean, Golden Gate, and San Francisco Bay.

3. The popularity of the Presidio with the public will be unmatched in any other unit of the National Park. GGNRA already gets more visitors than Yosemite, Yellowstone and Grand Canyon combined, a total of approximately 20 million a year.

4. The diversity of biotica at the Presidio is also rare, even in the National Park system. It has been estimated that the Presidio ranks in the top one percent of National Park units in the number of listed species requiring protection.

On a practical level, and as a matter of public responsibility, we would also note:

5. The Presidio is a relatively compact unit, and its portions are inter-dependent upon each other. For 217 years it has been operated as a single unit, and its water supply, utilities and roads are self-contained.

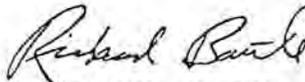
6. The Draft Management Plan, a product of dozens of public hearings, has just been delivered to us on October 21st, and will be undergoing final public hearings during the next few months. It would be a betrayal of the public trust to even consider changes in the outline or content of the Presidio until the public has responded to the plan.

7. This park unit will benefit from the Golden Gate National Park Association, which is without peer in raising private monies to support park efforts, and will be benefited by the existence of this Commission, which has a reputation of being one of the best in the country.

We suggest that the American public will not approve of moves to sell off units of the National Park system. The Presidio has been a unit within the National park system for 21 years. It was included with the boundaries of the GGNRA by Congressional legislation, P.L. 92-539, which allowed the Army to complete its military mission. That mission having now ended, the land, by law, reverts to the park system.

Please call upon us if we may be of assistance to you in the above matter.

Warm personal regards,



Richard Bartke, Chairman





October 22, 1993

WHEN YOU

MEAN

The Honorable Nancy Pelosi- District 8  
450 Golden Gate Avenue, #13470  
San Francisco, CA 94102

BUSINESS...

Dear Congresswoman Pelosi,

REMEMBER

As you know, the Park Service released its plan for the Presidio this week. This letter is to underscore the continued commitment of the San Francisco Chamber of Commerce to make this national treasure accessible to all. We support the Park Service's plan and want to join with you in seeing that Congress quickly passes the legislation necessary to maintain and develop the Presidio.

A MEMBER

While we represent the San Francisco business community, I wish to convey to you the strong interest of our members, both now and during the lengthy process preceding this plan, in sharing the Presidio with the rest of the United States and the entire world. The worth of the Presidio is certainly incalculable. The Chamber would like to see this crown jewel in the National Park system protected yet used with its immense value always firmly in mind.

To this end, the Chamber has closely followed the development of this plan and, we hope, had a positive influence. While the Presidio will certainly have an effect on the California economy, the multiuse nature of the Park Service plan will enrich business and commerce nationwide and beyond. We support, for instance, the long-term leasing of existing buildings by companies, non-profit organizations and educational institutions, from everywhere. In fact, the Chamber has recently begun a campaign to solicit ideas for international uses from the consular corps resident in San Francisco. We believe that private enterprise has an important role in implementing the plan and will continue to work closely with the Park Service to realize the full potential of the Presidio.

To close, I want to reiterate the Chamber's interest in advancing the Park Service plan and assisting in any way we can. The Presidio may be in San Francisco but it belongs to the world.

Thank you for your unflagging support of the Presidio. We wish you success in seeing the pending legislation through the Congress.

Sincerely,

G. Rhea Serpan  
President & CEO



**THE SAN FRANCISCO  
HISPANIC  
CHAMBER OF COMMERCE**

2601 Mission St., Suite 900, San Francisco, CA 94110  
(415) 647-0224 Fax (415) 282-3320

NOV 12 1994

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November 8, 1993

Congresswoman Nancy Pelosi  
450 Golden Gate Avenue  
San Francisco, CA 94102

Re: Presidio Legislation

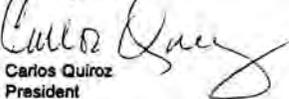
Dear Congresswoman Pelosi:

On behalf of the Hispanic Chamber of Commerce, I am writing to support the legislation that you have sponsored to provide affirmative action to minorities and women during the conversion of the Presidio into a national park.

Our experience is that minorities and women still face many difficult barriers in competing for government contracts. Discrimination continues to limit the ability of minority and women-owned businesses to compete for business opportunities. Therefore, it is imperative that the corporation responsible for managing the Presidio develop an aggressive policy that will allow minorities and women to fully participate in all of the economic opportunities created by the conversion.

We salute the leading role you are taking to transform the Presidio into a national park and look forward to working with you to ensure that all communities in the Bay Area will benefit from the conversion process.

Sincerely,

  
Carlos Quiroz  
President



21 October, 1993

The Honorable Nancy Pelosi  
450 Golden Gate Avenue, Suite 145378  
San Francisco, CA 94102

Dear Congresswoman Pelosi:

As you may well know, SPUR, the San Francisco Planning and Urban Research Association, is a 32 year old citizen/business coalition which seeks to address public policy issues affecting the residents of the City and County of San Francisco. As a nonprofit, public policy "think tank", SPUR's mission is to act as a citizen watchdog as well as to research and analyze public policy which seeks to improve the quality of life and economic vitality of our community.

Given this background, we thought you would be interested to know that on October 20th, SPUR's Board of Directors adopted a resolution which:

1. completely endorsed the conversion of the entire Presidio into a national park. This implicitly rejects any attempt to cut out a part (or parts) of the Presidio, including the public health hospital or any area Congressionally mandated by the Burton Bill, for any other use.
2. supports your proposed legislation granting interim authority to the National Park Service to lease the Presidio's buildings, giving consideration to all potential tenants which can meet the test of revenue generation and use requirements as specified in the General Management Plan, and retain earnings for the Presidio's rehabilitation, operation and upgrading. We affirm our support of all pragmatic undertakings which will effectuate these objectives.
3. seeks follow up legislation which would create a Congressionally chartered, not for profit, public benefit Presidio management organization which would attempt to find suitable rent paying tenants and enter into leases with these entities. These revenues would be retained and directed to the maintenance and improvement of the Presidio. We trust that this urgently needed legislation can be enacted without delay so that the management organization may begin to operate as soon as possible.

Finally, we want you to know how appreciative we are of your efforts to develop this incomparable resource for the benefit of local, national and international communities. As the Presidio transits from a military post to an urban park, we are mindful of the forthcoming generations and the legacies we can leave to them. May you continue to walk in the footsteps of our fellow Californian, John Muir.

Yours sincerely,

Tom Nolan  
Executive Director

# SIERRA CLUB



730 Polk Street San Francisco, CA 94109 415-776-2211 Fax: 415-776-0350

October 26, 1993

Honorable Nancy Pelosi  
House Office Building  
Washington, D.C. 20515

Dear Congresswoman Pelosi:

The Sierra Club has followed closely the existing legislation and planning for the National Park Service for conversion of the Presidio into a national park. The passage of H.R. 3286 is absolutely necessary to permit leasing of the 500 odd historical buildings and retention of the revenues within the park that sets the stage for use of the Presidio as a national park without being too costly to the United States taxpayers.

But H.R. 3286 alone is not enough. Further legislation is required to insure the longterm sound financial management of the Presidio. The National Park Service does not have the experience in managing buildings and attracting and managing tenants and programs for a large project such as the Presidio. And by law these historical buildings must be maintained.

What can be done about this unusual situation? Through the Presidio Council, the National Park Service has had the benefit of preeminent economic and management consultants, McKinsey and Company and Keyser Marston and Associates. They have produced a document showing that the Presidio can best be served by a Congressionally-chartered, not-for-profit public benefit Presidio Foundation or Presidio Corporation. Such a corporation or foundation would employ qualified professionals who can effectively and efficiently meet both the public's goals and the needs of tenants.

The Fort Mason Foundation in the Golden Gate Recreation Area serves as a successful management model. It manages hundreds of tenants and activities at minimal public cost. The Pennsylvania Ave. Development Corporation is somewhat similar in size to the prospective Presidio Corporation; it also financed capital improvements through debt--an ability needed by any large business.

In order to be successful, the Presidio needs to have tenants, programs and activities oriented toward the future. This will increase the value of the Presidio and decrease its cost to the American public. The Presidio should be held fiscally accountable to Congress.

The Sierra Club urges that legislation be introduced so that a balance of public landlord and private manager can make this unique complex and magnificent American treasure a successful and sustainable national park as part of the Golden Gate National Recreation Area.

With warm regards,

Edgar Wayburn, M.D.  
Vice President

MAY 03 1994



April 28, 1994

Congresswoman Nancy Pelosi  
U. S. House of Representatives  
240 Cannon House Office Bldg. (CHOB)  
Washington, DC 20515

**FAX: 202/225-8259**

Dear Congresswoman Pelosi:

As a frequent visitor of San Francisco and as a business person who has had the opportunity to host the United States' largest international travel business exposition called the Discover America International Pow Wow, in the city, I have great personal interest in the events surrounding the Presidio.

It has come to my attention that the Presidio Military Post will soon be transferred to our National Park service as a public park. This is outstanding and will assure that the Bay Area maintains its present charm and appeal. The beauty and historic nature of this gem should be maintained in tact, from my perspective, in order that the historic integrity of the facility can be enjoyed and appreciated by future generations. It would be extremely unfortunate to turn it into a commercial enterprise and sell off portions for non-park use.

I applaud you for your work in the preservation of this special piece of American history and would be happy to be included as a personal supporter of your campaign. Very best wishes for success in this effort.

Sincerely,

Edward R. Book  
President

cc: John Marks, President  
San Francisco Convention & Visitors Bureau

National Chairman  
Robert H. Dickinson  
President  
Carnival Cruise Lines

First Vice Chairman  
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and Marketing  
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Senior Vice President  
Travel Operations  
Walt Disney World

President  
Edward R. Book  
Travel Industry Association of America

Two Lafayette Center  
1155 21st Street, NW  
Washington, DC 20036  
202-393-1433  
Telex 248799  
Fax 202-293-3115

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## THE WILDERNESS SOCIETY

CALIFORNIA/NEVADA REGIONAL OFFICE

October 15, 1993

The Honorable Nancy Pelosi  
U.S. House of Representatives  
240 Cannon House Office Building  
Washington, D.C. 20515

Dear Representative Pelosi:

On behalf of the 300,000 members of The Wilderness Society (TWS), I would like to thank you for your hard work to facilitate a smooth transition for the Presidio of San Francisco from a military post to the Golden Gate National Recreation Area.

From both a natural resource standpoint and a historical perspective, the Presidio is a national jewel that deserves status as part of the National Parks System. As part of the only United Nations designated Biosphere Reserve that is located within an urban area, the Presidio has the potential to play a very significant role in demonstrating practical and sustainable solutions to the environmental problems faced in urban areas throughout the world.

Because of its spectacular location, perched literally on the Pacific Rim, the Presidio is a natural place to convene the world's best thinkers to tackle the international challenges of the twenty first century. As the centerpiece of the nation's largest urban park, the Presidio's intensive use by visitors from around the globe will offer an opportunity to offer programs to an audience of unprecedented diversity.

TWS believes that a smooth and cost effective transfer of the Presidio to the jurisdiction of the National Park Service is important. We are confident that your efforts will be successful that the unique resources of the Presidio will be preserved and enhanced for future generations of Americans to enjoy. Keep up the good work.

Sincerely,

  
Louis Blumberg  
Assistant Regional Director

116 NEW MONTGOMERY, SUITE 526, SAN FRANCISCO, CA 94105

(415) 541-9144

Mr. VENTO. You also asked in reference to other reports, one specifically that you had asked for the record in your first page was the American Law Division, Library of Congress print analysis of the question and then the document. You are submitting that for the record.

Ms. PELOSI. I am submitting the "Disposition of Presidio Lands," a CRS report, for the record. I am also submitting a letter from Governor Wilson in support of the legislation, a letter that he sent to our Republican colleague, Mr. Duncan, as well as to Republican Members from California.

Mr. VENTO. Yes, without objection, they will all be made part of the record and—

Ms. PELOSI. I would like to submit the GAO letter which, among other things, says that the \$1 billion plan for—has been rejected.

Mr. VENTO. 1.2, item D.

Ms. PELOSI. 1.2 to be precise, Mr. Chairman.

Mr. VENTO. A couple \$100 million here or there. Without objection, that will be made part of the record.

[The documents follow.]



Congressional Research Service • The Library of Congress • Washington, D.C. 20540-7000

April 8, 1994

TO : Hon. Nancy Pelosi  
Attention: Bill Quinn

FROM : American Law Division

SUBJECT : Disposition of Presidio Lands/the Golden Gate National  
Recreation Area

You have asked us for a memorandum of a discussion we had with Judy Lemons of your staff related to certain provisions of the Golden Gate National Recreation Area (GGNRA), and parts of an accompanying House report. You have asked us to focus on the intent of Congress in 1972 regarding the disposition of the lands within the Presidio.

As you know, issues have arisen with regard to disposition of the lands within the "Presidio" area. The military lands associated with the Presidio were both addressed by Congress in enacting the GGNRA, and more recently have been slated for closure as part of the base closure process.

The GGNRA was created in 1972.<sup>1</sup> The original legislation addressed the various military lands in the area in detail. Some of the military lands were to be transferred to the jurisdiction of the Secretary of the Interior immediately.<sup>2</sup> Other land parcels were to remain under the jurisdiction of the Department of the Army (or other managing military entities) until the lands were determined to be excess to military needs, at which times the lands would be transferred to the jurisdiction of the Secretary of the Interior for purposes of the GGNRA.<sup>3</sup>

The Presidio itself was divided as to disposition: some lands came under the jurisdiction of the Secretary immediately, other lands would do so only when they were excessed. Other military lands were addressed in similar fashion.

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<sup>1</sup> Pub. L. No. 92-589, 86 Stat. 1299, codified at 16 U.S.C. §§460bb-1 *et seq.*

<sup>2</sup> See, e.g., 16 U.S.C. §460bb-2(b) that transferred to the GGNRA Fort Cronkhite, Fort Barry, and the westerly half of Fort Baker.

<sup>3</sup> See, e.g., 16 U.S.C. §460bb-2(c) so providing for the easterly half of Fort Baker.

CRS-2

- \* The Secretary of the Army was to grant to the Secretary of the Interior the irrevocable use and occupancy of 100 acres of the Baker Beach area of the Presidio. (16 U.S.C. §460bb-2(d).)
- \* The Secretary of the Army was to grant the Secretary of the Interior the irrevocable use and occupancy of 45 acres of the Crissy Army Airfield of the Presidio. (16 U.S.C. §460bb-2(e).)
- \* The remainder of the Presidio would be transferred to the jurisdiction of the Secretary for purposes of the NRA when all or any substantial portion of the Presidio was determined by the Department of Defense to be excess to its needs. (16 U.S.C. §460bb-2(f).)

Evidently, a part of the 1972 House Report on the GGNRA legislation has been interpreted by some as indicating that only a limited amount of the lands comprising the Presidio were intended ever to be a part of the GGNRA.<sup>4</sup> The problem evidently lies in the fact that the Report language only discusses the lands that are transferred immediately under the bill to the jurisdiction of the Secretary of the Interior and does not discuss the fact that the remainder of the Presidio lands also were to move to the Secretary's jurisdiction when they were found to be excess to military needs.

However, this omission in the Report does not affect the fact that the enacted language does contain the clear provision that jurisdiction over the remaining lands are to transfer to the GGNRA when they are found to be excess to military needs.

Furthermore, these facts -- that jurisdiction over some Presidio lands transferred immediately, with jurisdiction over the remainder to transfer following an excess determination, is clearly reiterated in the presentation of the House bill on the floor.<sup>5</sup> The Senate measure that was not enacted (S. 3174), is described as being identical with respect to military lands,<sup>6</sup> and the Senate Report on that measure again reiterates that some Presidio lands were to transfer immediately, the rest upon excess.<sup>7</sup>

---

<sup>4</sup> H.R. Rep. 1391, 92nd Cong., 2d Sess. 7-8 (1972). The Report states that "Altogether, the Presidio of San Francisco totals about 1,400 acres of land. Under the terms of H.R. 16444, only 494 acres would be converted to recreation uses -- and that would be subject to the continued use of lands and facilities deemed essential to the military mission for a reasonable period of time." The Report does not mention the provision regarding the transfer of all the lands of the Presidio when they are determined to be excess to military needs, even though this language was in the bill as reported.

<sup>5</sup> See, e.g. remarks of Rep. Aspinall, 118 CONG. REC. 35058 (1972).

<sup>6</sup> Remarks of Sen. Bible, 118 CONG. REC. 35435 (1972).

<sup>7</sup> S. Rep. 1271, 92nd Cong., 2d Sess. 3-4 (1972).

CRS-3

In sum, the statutory language is quite clear and is confirmed by the legislative history. The language in the House Report is merely incomplete and does not support any inference contrary to the statutory language. Therefore, the enumerated areas of the Presidio transferred to the Secretary of the Interior in 1972, and -- absent any more recent direction by Congress -- Interior jurisdiction over the remainder of the Presidio lands is to follow when those lands are found to be excess to the needs of the Department of Defense.

Copies of the relevant parts of the legislative history are attached.

We hope this information is helpful to you.



Pamela Baldwin  
Legislative Attorney



GOVERNOR PETE WILSON

April 22, 1994

The Honorable John J. Duncan, Jr.  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Representative Duncan:

Thank you for your letter of March 9 regarding your legislation with respect to the Presidio in San Francisco. I appreciate your interest in this issue, however, I must respectfully disagree with your proposal and analysis of its benefits.

The 1,488-acre Presidio is a site of transcendent national significance, which is also much beloved by all Californians, and particularly the people of San Francisco and the Bay Area. It should remain a unit of the National Park System, as has been contemplated since the establishment of the Golden Gate National Recreation Area in 1972.

Fortunately, no federal funds are needed to acquire the site, as it has been owned and well-protected over the years by the United States Army. But I do recognize that additional funds will be needed to restore certain historic structures, and to assure that the Presidio continues to be well-maintained. For this reason, I subscribe to the plan developed by the National Park Service to establish a public benefit corporation to manage Presidio real estate, and to generate revenue for use by this magnificent new asset of the National Park System.

Credible financial analysis of S. 1639 and H.R. 3433 has shown that lease revenues would offset stabilization and restoration costs. Further, instituting a lease arrangement would ensure private interests could immediately utilize these facilities. A sale of all or part of the Presidio as contemplated by your bill has not withstood the rigors of close financial analysis, nor could it ensure use of these properties consistent with the overall plan for the Presidio. Ultimately, the costs of managing the property through the time it would take to complete local zoning, permitting and other regulatory hurdles could exceed the costs contemplated under S. 1639 and H.R. 3433.

The Honorable John J. Duncan, Jr.  
April 22, 1994  
Page 2

Again, I appreciate and share your interest in preserving the Presidio and in ensuring public resources are well spent. However, I think you will find on closer examination that H.R. 3433 and S. 1639 ultimately better accomplish these goals.

Sincerely,

A handwritten signature in black ink, appearing to read "Pete Wilson". The signature is fluid and cursive, with a prominent "P" and "W".

PETE WILSON

**GAO**

United States  
General Accounting Office  
Washington, D.C. 20548

Resources, Community, and  
Economic Development Division

May 6, 1994

The Honorable Nancy Pelosi  
House of Representatives

Dear Ms. Pelosi:

You recently asked us to clarify certain information in our October 26, 1993, report entitled Department of the Interior: Transfer of the Presidio From the Army to the National Park Service (GAO/RCED-94-61). Specifically, you asked us to explain what was included in the Park Service's estimate of \$1.2 billion in total costs for the transfer of the Presidio to the Park Service.

Our report discusses, among other things, the costs estimated by the Park Service under four alternatives in transferring the Presidio to the Park Service. As the report notes, the total costs ranged from about \$702 million to \$1.2 billion. The high end of this estimate reflected the costs under the Park Service's alternative that called for managing the Presidio with military and park partners (Park Service Alternative D), and assumed that the Sixth Army would not remain at the Presidio.

Under Alternative D, the Park Service estimated that it would cost about \$1 billion for long-term building rehabilitation. The remaining costs consisted of about \$78 million for environmental cleanup; \$69 million for infrastructure repairs and upgrades; \$25 million for immediate short-term building rehabilitation; and about \$15 million for other transition costs. The Park Service's cost estimates were current as of the date of our report.

As agreed with your office, we are sending copies of this letter to the requesters of our report. If you or your staff have any questions about the matters discussed in this letter, I can be reached at (202) 512-7756

Sincerely yours,

*John H. Anderson Jr.*  
for James Duffus III  
Director, Natural Resources  
Management Issues

Ms. PELOSI. And finally, I would like to submit for the record the letter that I have written to the Honorable Kevin Shelley, Supervisor, City and County of San Francisco, who chairs a Base Conversion Committee for the Board of Supervisors. The letter talks about some of the concerns that have been raised by the community about the Public Benefit Corporation's accountability, the openness of meetings, the proceedings being a matter of public record, the diversity of the area being reflected in access to the park and its economic benefits and that the Public Benefit Corporation is charged with the protection of the scenic beauty and natural characterization of the scenic Presidio.

It is our view, and as spelled out in my letter, that some of the concerns that the neighbors have would be appropriately addressed in a preamble to the legislation and as the committee does its markup, I hope it will consider this letter, and suggestions about openness and community involvement.

[The letter follows:]

NANCY FELOSI  
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Congress of the United States  
House of Representatives  
Washington, DC 20515-0508

April 12, 1994

COMMITTEE ON APPROPRIATIONS  
SUBCOMMITTEE  
LEADERSHIP AND  
HUMAN SERVICES EDUCATION  
FOREIGN OPERATIONS EXPORT FINANCE  
AND RELATED PROGRAMS  
DISTRICT OF COLUMBIA  
+  
COMMITTEE ON STANDARDS OF  
OFFICIAL CONDUCT  
+  
CONGRESSIONAL WORKING GROUP  
ON CHINA, CUBA

The Honorable Kevin Shelley  
Supervisor, City and County of San Francisco  
235 City Hall  
San Francisco, California 94102

Dear Supervisor Shelley:

This letter follows-up on our conversation regarding concerns expressed to your Base Closure Committee regarding the conversion of the Presidio. Before addressing your specific questions, let me commend you for your leadership on the Presidio and other base closure issues in our community. Your committee's focus on the Presidio has been extremely important to our efforts in the Congress.

You suggested that a preamble might be useful in clarifying the legislative intent of the Public Benefit Corporation. That suggestion has also come from other members of the San Francisco community interested in the Presidio process. Let me assure you that it is my intention to include an appropriate preamble to HR 3433. This preamble will make clear: a) that the Public Benefit Corporation is accountable to the Park Service and to the Congress; b) that the Public Benefit Corporation would operate according to the mandate of the General Management Plan and the GGNRA enabling legislation with regard to conservation of the resources at the Presidio; c) that the Public Benefit Corporation and the Park Service will be required to be sensitive to the unique needs and local impact of the Presidio as an urban national park; d) that diversity of the Bay Area must be reflected in equitable access to the Park and its economic benefits, such as contracts and concessions; and e) that the Public Benefit Corporation is charged, as is the Park Service, with the protection of the scenic beauty and natural character of the Presidio.

You also raised concerns about the composition of the Corporation's Board of Directors; specifically regarding the number of board positions available to members of the local community as well as location for meetings. As you know, the issue of the Board composition draws upon a variety of different constituencies.

Hon. Kevin Shelley  
April 12, 1994

Page Two

As a National Park, the Board must have a national presence to ensure that it retains a constituency in the Congress. As a regional resource, my office has also received inquiries regarding whether board positions should be reserved for members from other parts of the Bay Area outside of San Francisco.

Let me assure you that the desire to ensure local participation in the Public Benefit Corporation was reflected in the original legislation, which enumerated potentially four out of the nine positions to be from San Francisco. I will make every effort to ensure that local participation on the Board remains strong. However, because it is a National Park, it may be more difficult to obtain a locally-based majority of board members. Further, I agree that any designee of a Member of the Board must have continuity and familiarity with the Presidio to ensure that the Board is effective. I will also propose that meetings of the Public Benefit Corporation Board be held at the Presidio, and that the meetings will be open to the public and a matter of public record.

You also raised concerns about public oversight and accountability. First, let me assure you that the legislation's intent is to make the Public Benefit Corporation accountable to the National Park Service, and this will be made explicit in the proposed preamble to HR 3433. The National Park Service, in turn, is responsible to Congressional oversight functions, which are regularly exercised during the appropriations process.

In addition, my office has received proposals to make the process more public, such as having the Golden Gate National Recreation Area Advisory Commission continue to fulfill the role of public conduit with the Public Benefit Corporation. In addition, the legislation explicitly provides that audited annual financial reports be submitted to the National Park Service and to Congress. These controls, particularly Congressional oversight and public financial reports, should provide a sound measure of public oversight of the Public Benefit Corporation.

I also share the concerns of the surrounding neighborhoods regarding the potential impact of events at the Presidio. Please know that I have suggested to the Park Service that a consultative and communication process be established with the neighborhoods, especially on the issue of event planning. Hopefully, this positive action by the Park Service will facilitate a mutual understanding of respective needs and concerns.

Hon. Kevin Shelley  
April 12, 1994

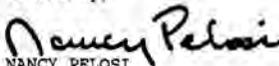
Page Three

It is my intent to propose these revisions to HR 3433 to the House Subcommittee on National Parks, chaired by Representative Bruce Vento and to the Committee on Natural Resources, chaired by Representative George Miller. The Committee will review all proposed changes in light of both local needs and national policy and precedent during the mark-up phase of the legislative process. I will work with the Committee to incorporate these changes into the final bill that comes before the full House.

Again, thank you for your leadership. Please know that my office will continue to be receptive to any proposals you may have to offer to ensure the success of the Presidio.

I look forward to continuing our work together to make the Presidio National Park a great National Park with the fullest public participation in decision-making and economic opportunity.

Sincerely,

  
NANCY PELOSI  
Member of Congress

NP:mjy

Ms. PELOSI. With that, Mr. Chairman, I want to say once again how I regret that Mr. Duncan isn't here because I brought him this photograph taken in the Presidio in color, this beautiful photograph of Tennessee Hollow. The sign says, "In the ravines and the area southeast of this point were camped the 13th Minnesota and the first Tennessee Volunteer Regiments of Infantry and other units which participated in the War with Spain." The area is now known as Tennessee Hollow in honor of the Tennessee regiment.

[Prepared statement of Ms. Pelosi follows.]

STATEMENT OF REPRESENTATIVE NANCY PELOSI  
SUBCOMMITTEE ON NATIONAL PARKS, PUBLIC LANDS AND FORESTS  
ON HR 3433 AND HR 4078  
MAY 10, 1994

Mr. Chairman, Members of the Subcommittee: Thank you for conducting this important hearing on the Presidio. I appreciate the time and consideration you have given to my legislation, HR 3433, and to all of the issues related to the transfer of the Presidio to the National Park Service. I believe that the transformation of the Presidio from "post to park" this fall will be well worth the good work of this subcommittee and that you will look back on this important step with great pride and satisfaction. Mr. Vento, your efforts on behalf of the Presidio will long be remembered.

Land Transfer in Accordance with Public Law 92-589

Congressman Phillip Burton imagined this transformation over 20 years ago when, in 1972, he included language to transfer the Presidio's lands to the Department of Interior when they were no longer required by the Department of Defense (Public Law 92-589). Opponents question whether this law intended that all remaining lands were to become part of the Golden Gate National Recreation Area (GGNRA). I want to respond to that question.

The American Law Division of the Library of Congress has provided an analysis of this question in a document I would like to submit for the record. According to their findings, there is no discrepancy between the bill and committee report language, and the intent of the law is unequivocal regarding the transfer of all remaining Presidio lands to the Department of Interior. I hope this clears up any questions that have been raised about the intent of Public Law 92-589 or my efforts to keep the Presidio's park lands intact according to the law.

**Why is a Public Benefit Corporation Necessary?**

In 1992, an independent study reviewed 19 different management models to supplement management of the Presidio by the National Park Service. The study recommended that the model outlined in HR 3433 would provide the best management model for the Presidio to be operated in conjunction with the Park Service.

The report focused on how the greatest economic potential could be achieved for the Presidio. One of the critical requirements identified for ongoing governance after the conversion was the management of the Presidio's assets to realize programmatic and economic potential from revenue-generating properties.

**How do the models in HR 3433 and HR 4078 differ?**

The major difference between my legislation and the Duncan bill lies in the final disposition of two of the properties currently identified as part of the Presidio. These two properties -- the Letterman/LAIR complex and the Presidio golf course -- are primary revenue-producing properties that are necessary to make the Presidio economically viable. Integral to the report's recommendations was the generation of lease income from the Presidio's most valuable properties.

While both bills authorize a public benefit corporation to borrow privately, the Duncan bill would require the sale of the very best assets that could be used to secure private debt. My legislation would retain these properties in order to provide the public benefit corporation with the necessary key revenue streams to pledge to lenders in order to secure loans. The availability of these revenue streams would make lending to the public benefit

corporation more attractive to private lenders, thereby reducing a reliance on federal funding. In fact, financial studies indicate that under this approach, 7 out of 10 new dollars for improvements to the park would come from capital markets.

#### Costs

The costs of HR 4078 are unknown. It assumes, without any supporting figures, that land sales could carry the entire financial need at the Presidio. HR 4078 would mandate the dismantlement of a national park and a national historic landmark without any guarantee of savings to the American taxpayer.

The management plan proposed in HR 3433 would instead:

- reduce the operating costs of the Presidio as a traditional national park by between 20-30%
- require no land acquisition costs for transfer of lands
- provide important borrowing authority which will, along with tenant revenues, provide a 70% contribution to capital improvements
- reduce operating expenses to \$13 million by 2009

HR 3433 would maintain federal control over the most historically significant military post in the nation and would create, for the first time, a financial plan for a national park that demonstrates a decline in federal outlays. The result would be a national park with one of the lowest federal costs per visitor (\$2.00) in the national system -- the Presidio would rank 29th on the list of federal outlays-per visit at America's national parks with budgets of \$3 million and over.

**Park Precedent**

To remove these properties from the Presidio would violate national park policy and destroy the premise on which this management structure is based. Since its inception, no unit of the National Park System has been sold in part or in whole for the purpose of generating revenue for the federal government. This would set a dangerous precedent for our national park system by selling public lands to create a private enclave within a national park. This unprecedented departure from historic park policy is not only unnecessary to generate revenue, but it would also create unnecessary obstacles to park development. Unlike HR 4078, HR 3433 would adhere to the General Management Plan for the Presidio and would ensure that Presidio facilities would be for use by the public -- a real public benefit.

**Requirement for Local Rezoning**

HR 4078 would require the City of San Francisco to make zoning changes in order to sell off Letterman/LAIR and the golf course. I would like to submit for the record a letter from the City of San Francisco City Planning Department which outlines the lengthy process required to accomplish rezoning on such a major scale. Experience indicates that the delay could tie up any property transaction at the Presidio for ten years. The costs of this delay are unknown, but it is clear that mothballing and increased security costs would be high, not to mention the loss of federal funds that have already been committed to the planning and transfer of the Presidio. During this lengthy

period, there would be no opportunity for outside financing -- any improvements at the Presidio would be borne by taxpayers. I believe HR 3433 is the preferable alternative.

#### **Letterman/LAIR Lease Status**

Maintaining Letterman/LAIR as a vacant facility costs the federal government over \$100,000 a month. This facility, and the golf course, are the very properties with the greatest potential for producing revenues early on for the Presidio. For these reasons, Congress enacted legislation last year to expedite the leasing process for Letterman/LAIR and the National Park Service has just completed its Request for Qualifications (RFQ) in which a number of potential tenants for this property were identified. Negotiations for the lease of Letterman/LAIR will soon commence and would be jeopardized by HR 4078. How would you sell property where a lease has already been secured? Why would you have a private golf course on public land when it should be open to the public? To my knowledge, there is no interest by any party in purchasing this facility as HR 4078 indicates.

#### **GAO Report**

On the subject of the General Accounting Office (GAO) report, I think the record should be absolutely clear that their high number of \$1.2 billion was based on an alternative (D) which was rejected by the National Park Service months ago. References to this alternative presents a misleading fiscal picture. Let the record reflect that Alternative A, preferred by the National Park Service, would require the removal of twice the number of buildings (300) referred to in the GAO report (150), resulting in reduced costs. In addition, the short-term rehabilitation costs

were double counted by the GAO and \$69 million in DOD funding, already appropriated, was miscounted. The environmental clean up figure used by the GAO (\$77 million) is an appropriation that will have to be made regardless of the future of the Presidio. "Other transition costs" referred to by the GAO fail to account for Army use and occupancy of the site -- fire equipment, for example, which will now stay at the Presidio and reduce costs for the Park Service. With the Subcommittee's approval, I would like to submit a recent letter from GAO that explains that its earlier high figure refers only to Alternative D and that the figures for the Presidio are over six months old.

In closing, Mr. Chairman, I would like to include in the record letters and editorials of support from the following individuals and organizations: (List and inserts attached for the hearing record)

Mr. Chairman, Members of the Subcommittee, I appreciate your time today and the perseverance you have demonstrated in following this issue and in seeking a promising future for the Presidio. I look forward to working with the Subcommittee to strengthen certain provisions in HR 3433 concerning the composition of the Board, public accountability and other issues.

The Presidio presents an unprecedented opportunity for all of us to contribute to an effort that will improve the management of this federal asset, reduce federal costs, protect national park lands and provide a public benefit. HR 3433 is a balanced approach that will create a double success at the Presidio -- a national park that reduces costs to the government while providing a public benefit. Our vision should not be short-

sighted; we must look to the future by endowing the children of tomorrow with this extraordinary legacy of our national and natural heritage. The Presidio will be an outstanding model for global environmental cooperation and an exemplary national park. I hope the Subcommittee will agree with me that HR 3433 offers the best possible alternative financial management structure for the Presidio. Thank you for your consideration of HR 3433.

Mr. VENTO. In the Presidio. Well, we appreciate it.

Ms. PELOSI. In the Presidio. If I might add, Mr. Chairman, this part of the Presidio would no longer be part of the park if Mr. Duncan's legislation is enacted.

Mr. VENTO. A little piece of Tennessee culture and history would be sold off. Well, I am sure that your point is well taken, and we will share the photo with our colleague.

He did send a letter regretting his absence. I notice also this is part of the Minnesota history here.

Ms. PELOSI. That is right. And we didn't make that sign up.

Mr. VENTO. Tennessee getting the rug pulled out from under it, but Minnesota, that is.

Ms. PELOSI. We might have to change the name of that hollow. No, no. Very authentic.

Mr. VENTO. True to history, we could just take—the title would be different, could be. Of course we don't have hollows in Minnesota. The director can advise me on the proper nomenclature with regards to a Minnesota reference.

You know, we prefer fee orders, but we don't have those.

In any case, we will share that with our colleague and, as I mentioned, he did send a letter regretting his absence. Obviously with the absence of votes today, it has meant that Members are able to extend their work schedules in districts and address other concerns. Members have left.

In any case, the record will be here and it is up to Members to evaluate it. I don't think the differences, as you began to articulate them, between the two bills are as great as has been amplified by some, and it is a question of how to manage those resources, but we will get into some of those questions.

I have really no questions of you, Nancy, this morning, and you are free to join me at the dais if you like.

**PANEL CONSISTING OF ROGER G. KENNEDY, DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, ACCOMPANIED BY IRA MICHAEL HEYMAN, COUNSELOR TO THE SECRETARY OF THE INTERIOR, BOB CHANDLER, GENERAL PROJECT MANAGER FOR THE PRESIDIO, AND DENIS P. GALVIN, ASSOCIATE DIRECTOR, PLANNING, DEVELOPMENT, NATIONAL PARK SERVICE; JAY MANCINI, FINANCIAL CONSULTANT TO THE NATIONAL PARK SERVICE; AND, PAUL W. JOHNSON, DEPUTY ASSISTANT SECRETARY, INSTALLATIONS AND HOUSING, DEPARTMENT OF THE ARMY**

Mr. VENTO. We will yield the witness table to the Park Service and to Mr. Paul Johnson who has joined Director Kennedy at the table and anyone else that Director Kennedy would like to have accompany him at the table.

I know that Jay Mancini is here and while listed as a separate witness, the testimony had not gone through the proper procedures in the administration, which we know is a very difficult and Byzantine process, which I have given up trying to understand.

But in any case, it has served as an effective blockade too often to testimony or information and as simply a filter.

In any event, the testimony of the Director and of the Deputy Assistant Secretary, Paul Johnson, are made part of the record. I was

going to invite you first, Director, to present your testimony and then Mr. Johnson and perhaps then some questions.

I hope your schedule permits your presence for awhile, Mr. Johnson, while we probably will have a series of questions. If you have difficulty, let me know this morning and we will try and dispatch our efforts with regards to you.

Director Kennedy, your testimony by previous request has been made part of the record. Please proceed, welcome

#### STATEMENT OF ROGER G. KENNEDY

Mr. KENNEDY. Thank you, Mr. Chairman. Your reference earlier to the conversion process from a installation held attended by the Army to one held attended by the Park Service leans obviously to the metaphor that the uniforms that we wear are themselves indications that there is a transition from one kind of service to another kind of service, symbolic of the conversion of the Presidio itself from a citadel of military apprehensiveness to a center of intellectual growth and beneficial peaceful change.

That is the difference between our primary tasks.

You have referred to the circumstances which bring us here and to the history of the legislation. I would just like to excerpt portions of my testimony, which I think express, again to the extent that I can, the poignancy of this moment.

Our problem here has nothing to do with the efficacy of this place as a park. It has to do with getting from an expenditure of the taxpayers of about \$70 million to an expenditure by the taxpayers at the end of this process something like \$15 or \$16 million in an orderly and systematic way, with a maximum opportunity to bring a revenue stream to bear as quickly as possible, and this is one distinction between the bill we support and Mr. Duncan's bill.

It is getting the revenue stream up and available quickly, and the other, of course, is to sustain in the revenue stream the significant portions of the operation which can contribute to sustaining it without costing the taxpayers.

There are occasions in which an opportunity is so palpable and a time for action so precisely apparent, placed so right, that even our contentious species cannot and will not lose a chance to achieve this great result. It is now with the creation of a national environmental park in the Presidio.

The opportunity is the sudden availability of the most beautiful and historic large, open urban space in the world not yet set aside as a park. The time is now. National State and local authorities are in concert with an astonishing outpouring of real hard philanthropic and academic communities, and the citizens of the area.

All of them desire the maintenance of open space and the use of the constructed environment as well to create in the place of a military base a new and permanent installation which serves a peaceful world.

Such moments of fundamental consensus do not hang suspended for very long. This is the time to move. The Presidio has a history that implies a future. It lies upon a maritime frontier and it also lies in on the verge of California, which is another kind of frontier.

People were drawn to California by the prospect of mineral wealth extracted from the earth and by the less glittering but

longer-lasting opportunities for agriculture in affinity with the earth. The Presidio is therefore an ideal setting in which to consider how we must live in intersections and interrelationships with both the natural and the constructed environment.

The Presidio is a community within a park within a larger community. This wonderful concentricity invites us to create models of successful sustainability, which we are reminded I think by that sheer fact of concentricity, these things coming together.

We are reminded that each of us are created as humans within the concentric circles of relationships to other humans and to the natural world. That is what we can teach in the Presidio. It could provide housing and office space and laboratories and auditoriums and meeting rooms and medical facilities and space to think about how to achieve an ecologically respectful world community.

The people in San Francisco are now moving forward systematically to achieve a synthesis of philanthropic activity, always essential to making something work and national exertion. Effective thinking about a future that may be better than the present necessitates a rigorous analysis of the past and the presence of fellow thinkers who can apply experience to an energetic determination that the future will indeed be better.

One of the joys of the Presidio process is that there are actually people currently engaged in making that happen. This is not a real estate transaction. This is an opportunity to bring to bear in the appropriate place activity that the world needs.

In 1972, the Congress authorized the potential of 1,480 acres for the Presidio. You have reviewed with us the history of that process that brought us to this, but it is worthy of note, I think, that this story did not begin in 1776 with the Presidio as a military post. It began thousands of years ago, thousands of years ago when humans first appeared there, and it is a miracle that in an urban setting there still remained the indicia of human presence over thousands of years.

People can learn in the Presidio. They can also walk and jog and bike and sight-see and surf and sail and fish, and that is good too. Urban recreation is part of the charter of the National Park Service.

We have been working, as Mr. Johnson can state further, with the Army. We have gotten very close to an agreement. There is a small miracle in that as well. Simultaneously, we have been working on planning. We are in quite a different place today than any of us might have anticipated when we started working on this two or three years ago.

There is essentially a consensus with regard to the plan. Nobody could have bet on that, and the question now becomes how can we get on with this in a fashion that permits the flexibility and intelligent application of planning to bring us out at the other end.

The process that is described in the planning documents and the evidence before you will bring us to a point at which we believe the amount that the national park system will have to provide will get down to about \$16 million by the time the process is over.

Because the \$25 million going in for the Presidio includes both operations and development, that budget is comparable to four of our largest parks. Though the visitorship here is very likely, almost

certain substantially to exceed any of those parks, their operating budgets range from approximately \$14 million to over \$18 million, and on average receive approximately \$10 million a year in addition for development projects. So this is not out of line.

When it is finished and the development is incorporated, as it is in the Presidio budget, we will be one of the larger parks with respect to Federal contribution, but we will also be among the largest parks, if not the largest, in the number of people, as Ms. Pelosi has pointed out, to actually benefit from it.

Finally, Mr. Chairman, I would just like to state as a personal view that the transition of the National Park Service from an institution attending places accessible to some lucky numbers of persons removed from great population centers to an institution which serves people in the cities where the people are is now in process.

This is a splendid example of the necessary transition in which the National Park Service will increasingly serve people where the people are, and all the people, including many who cannot move great distances to enjoy our national parks.

Thank you, Mr. Chairman.

Mr. VENTO. Thank you for an excellent statement.

[Prepared statement of Mr. Kennedy follows.]

STATEMENT BY ROGER G. KENNEDY, DIRECTOR, NATIONAL PARK SERVICE, DEPARTMENT OF THE INTERIOR, BEFORE THE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND PUBLIC LANDS, HOUSE COMMITTEE ON NATURAL RESOURCES, CONCERNING H.R. 3433 AND H.R. 4078, BILLS TO PROVIDE FOR THE MANAGEMENT OF PORTIONS OF THE PRESIDIO UNDER THE JURISDICTION OF THE SECRETARY OF THE INTERIOR, AND FOR OTHER PURPOSES.

May 10, 1994

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I appreciate the opportunity to appear today to present the position of the Department of the Interior on H.R. 3433 and H.R. 4078, bills to provide for the management of portions of the Presidio under the jurisdiction of the Secretary of the Interior.

We strongly support the intent of H.R. 3433 and urge early enactment of this legislation with amendments that we will recommend in a legislative report submitted to the Committee before markup of the proposed legislation.

We do not recommend the enactment of H.R. 4078; a lengthy planning process and extensive public involvement have concluded that the approach outlined in H.R. 3433 would be best suited for the preservation of the nationally significant resources that are included in the Presidio. H.R. 4078 directs that the properties of the Presidio be transferred to an independent corporation, after the sale of the Public Health Hospital and the Letterman complex; the proceeds of the sale would be received by the corporation.

As you know, the 1989 Base Closures Act identified the closing of the Presidio, although this decision was amended in 1993 to allow

the Sixth U.S. Army to maintain a presence at the Presidio. By the terms of 1972 enabling legislation for Golden Gate National Recreation Area (GGNRA) the Presidio will be incorporated within its boundaries.

There are occasions in which an opportunity is so palpable, a time for action so precisely apparent, and a place so right that even our contentious species cannot and will not lose the chance to achieve a grand result. So it is now with the creation of a national environmental park and study center in the Presidio.

The opportunity is the sudden availability of the most beautiful and historic large open urban space in the world not already set aside as a park. The time is now: national, State and local authorities are in concert with the philanthropic and academic communities and the citizens of the area. All desire the maintenance of open space and the use of the constructed environment to create, in place of a military base, a new and permanent installation serving a peaceful world. Such moments of fundamental consensus do not hang suspended for long.

The Presidio has a history which implies its future. It lies upon a maritime frontier, and it also lies at the verge of California, another kind of frontier. People were drawn to California by the prospect of mineral wealth extracted from the earth and by less glittering but longer lasting opportunities for agriculture in

affinity with the earth. The Presidio is, therefore, an ideal setting in which to consider how we must live in intersections and inter-relationships with both the natural and constructed environments.

The Presidio was also the headquarters of a fortress. It invites conversion from a citadel of military apprehensiveness to a center of intellectual growth and beneficial, peaceful change.

The Presidio is a community within a park within a larger community. This wonderful concentricity invites us to create models of successful sustainability. We are reminded that each of us are created as humans within the concentric circles of relationship to others and to the natural world.

The Presidio can provide housing, office space, laboratories and auditoria, meeting rooms, medical facilities and space to think about how to achieve an ecologically respectful world community. Effective thinking about a future that may be better than the present necessitates rigorous analysis of the past, and the presence of fellow thinkers who can apply experience to an energetic determination that the future will, indeed, be better. One of the joys of the Presidio process is that there are such people already engaged in that endeavor.

In 1972, Congress recognized the potential of the 1,480 acres at

the Presidio. At that time the landmark legislation for urban outdoor recreation at Golden Gate National Recreation Area was drawn to include the Presidio, saying that, at such time as the Presidio is surplus to the military, its historic, natural and recreational values shall be transferred to the Secretary of the Interior for administration as part of the recreation area.

For more than 200 years, since its founding in 1776, the Presidio has been a military post. Its architecture represents a remarkable collection of structures dating from the Civil War. At the same time the Army was building the campus of Ft. Scott on the high point of land overlooking the Golden Gate, cavalry soldiers were riding out to protect Yosemite and Sequoia National Parks from a glen below Ft. Scott on the Presidio. The entire Presidio was declared a National Historic Landmark in 1962.

The Presidio offers opportunities for a wide range of contemplative and active recreation pursuits. There are spectacular vistas of the Pacific Ocean, the Golden Gate, the Marin headlands, San Francisco Bay, and the skyline of San Francisco. The Presidio is operated now as an open base, and visitors hike, bike and tour its scenic trails and drives. The National Park Service currently manages the coastal rim of the Presidio as parkland, where more than 3.5 million visitors a year walk, jog, bike, sightsee, surf, sail, fish, and learn about history. Coastal attractions include Baker Beach and the bluffs along the oceanfront, Fort Point

National Historic Site beneath the Golden Gate Bridge, and the Crissy Field shoreline and Golden Gate Promenade on San Francisco Bay.

Since the 1989 announcement of the closure of the Presidio as a Post, the National Park Service and the Army have worked together developing a transition strategy. We have made substantial progress in upgrading facilities and repairing structures. We have enjoyed good cooperation with the Army, and have completed all but final details of a plan for transition.

Simultaneously, the Park Service has had on-site planners developing a General Management Plan Amendment to establish the concepts under which the Presidio could become a unit of the National Park System. Through the planning process we worked with community groups and coordinated with others to obtain the broadest range of public input to the plan. The Draft General Management Plan was released October 21, 1993. After extensive public review, we expect the Final General Management Plan to be available in June, 1994.

The bill before us today would provide authority to negotiate leases with organizations whose activities and programs are consistent with the purposes of Golden Gate National Recreation Area, as expanded by this Act. This bill would also provide for reinvestment of lease income in the preservation, restoration,

maintenance, repair and improvements in the Presidio properties. This bill would establish a public benefit corporation to facilitate the leasing of the property, and enhance the effectiveness of reinvesting the lease income. The authorities now available to the Department lack the flexibility to accomplish these goals at the Presidio.

During the 1980's the Department of the Army budget for the operation and maintenance of the Presidio ran as high as \$70 million annually. As a unit of the National Park System, the FY 1995 Budget requests approximately \$25 million. We are evaluating options that would allow the current discretionary budget to decline to about \$16 million after the year 2009. These figures reflect the reduction in discretionary budget needs created by the income projected to be received from leases.

We recognize that the Presidio is an opportunity to operate a park in a manner that will reduce, not increase, discretionary public expenditures over time. A pivotal section of the planning process has been the privately commissioned economic analysis assessing the financial feasibility of this strategy for management of the building assets of the Presidio.

The FY '94 appropriation for the operation of the Presidio is \$24,397,000. The \$25 million required for the Presidio is included in the FY 95 budget request of the National Park Service. Also in

the FY 95 budget request is approximately \$8 million for a one-time charge associated with the utility system for the Presidio. For FY 96 and future years, we expect the budget to stay at or below \$25 million, the ceiling set in the legislation before you today.

Because the \$25 million for the Presidio includes both operations and development, its budget is comparable to four of our largest parks: their operating budgets range from approximately \$14 million to over \$18 million, and on average receive approximately \$10 million a year in addition for development projects. When the development is incorporated, as it is in the Presidio budget, the four largest parks receive on average \$24 million to \$28 million each year.

This concludes my statement. I would be pleased to answer your questions.

### STATEMENT OF PAUL W. JOHNSON

Mr. VENTO. We are going to invite Paul Johnson, the Deputy Assistant Secretary to testify and then we will have questions of both of you, Mr. Director. Mr. Johnson, welcome.

Your statement has been made part of the record, please proceed.

Mr. JOHNSON. Thank you, Mr. Chairman. I want to thank Mr. Kennedy here for his eloquent statement. It is a pleasure to appear before you to discuss the status of the Army's transfer of the Presidio of San Francisco to the National Park Service, and I will have to agree now is the time since we are so close to making that happen.

Mr. VENTO. Could you pull your mike closer?

Mr. JOHNSON. This issue is of considerable importance to the Army, as well as the committee, and I appreciate the opportunity to report to you.

Mr. Chairman, in my statement for the record, I agree with the Army's requirement for a continued presence at the Presidio of San Francisco and the process by which we are working with the Department of Interior and the National Park Service to finalize the terms and conditions of the Army's continuing presence at the installation.

We believe that we will be able to finalize an agreement soon and discussions are proceeding in a very positive manner.

In your letter to the Secretary of the Army, you requested the Department's views on H.R. 3433 and H.R. 4078. The Army has provided comments on these bills through established legislative channels. We generally support the enactment of H.R. 3433.

Our comments have addressed two technical concerns, however. First, the legislation must be modified to make clear that the Secretary of Interior shall lease to the Presidio Corporation only property at the Presidio which is not required by the Army.

Second, the Army requires revenues to support the morale, welfare, and recreational activities for its soldiers. It may be necessary, depending upon final negotiations with the Department of Interior, for the legislation to be modified to grant the National Park Service or the Presidio Corporation specific authority to transfer and/or otherwise provide a portion of the concessions, proceeds to the Army's morale, welfare, and recreation fund.

With these exceptions, the Army strongly supports the intent of H.R. 3433 and urges enactment of this legislation. Army representatives stand ready to work with this committee on attempts which will assure that the Presidio Corporation, National Park Service, and the Army can enjoy a long and mutually beneficial relationship at the Presidio of San Francisco.

With regard to H.R. 4078, the Army does not recommend enactment. The provision of this bill would result in the disposing of portions of the Presidio of San Francisco which are critical to the Army's needs and the welfare of its soldiers.

Further, if a decision were made to sell portions of the Presidio, then the Army's position would be that this should be accomplished under provisions of the Base Closure and Realignment Act. Also the Army would be happy to work with the committee to explain in further detail our concerns with this bill.

Mr. Chairman, the Army has been at the Presidio, San Francisco since before the Civil War, and we look forward to our future presence in this new national park, and we look forward to working with the National Park Service and the Presidio Corporation.

This concludes my statement, Mr. Chairman.

Mr. VENTO. Thank you, Mr. Johnson.

[Prepared statement of Mr. Johnson follows:]

RECORD VERSION

STATEMENT BY

PAUL W. JOHNSON  
DEPUTY ASSISTANT SECRETARY OF THE ARMY  
OFFICE OF THE ASSISTANT SECRETARY OF THE ARMY  
(INSTALLATIONS, LOGISTICS AND ENVIRONMENT)

BEFORE THE  
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
COMMITTEE ON NATURAL RESOURCES  
HOUSE OF REPRESENTATIVES  
SECOND SESSION, 103RD CONGRESS

REGARDING  
THE PRESIDIO OF SAN FRANCISCO

May 10, 1994

NOT FOR PUBLICATION UNTIL RELEASED  
BY THE HOUSE COMMITTEE ON NATURAL RESOURCES

Mr. Chairman and members of the subcommittee, it is a pleasure to appear before you to discuss the status of the Army's transfer of the Presidio of San Francisco to the National Park Service. This issue is clearly of considerable importance to the Army, as well as this committee, and I appreciate the opportunity to report to you.

As you know, at the end of this fiscal year, the Army and the National Park Service (NPS) will begin a new relationship, sharing the Presidio of San Francisco (PSF). The details of that relationship are still being worked out between the Army and the Department of Interior (DOI), but I am convinced that a mutually acceptable agreement will be reached.

The Presidio of San Francisco has had a long history of continued military service since its establishment in 1776 by the Spanish. During the western expansion of the United States, the Presidio came under the control of the Department of the Army. It has provided important contributions to American military actions since the Civil War. The Army has taken seriously its stewardship responsibilities at the Presidio. The installation was designated as a National Historic Landmark on June 13, 1962, and was entered on the National Register of Historic Places as a District on October 15, 1966. There are currently 662 buildings, sites, structures and objects listed as contributing to the National Historic Landmark.

The installation consists of 6.2 million square feet of building space and 1,186 units of family housing. The Army currently controls 1,268 acres and 212 acres are irrevocably permitted to the National Park Service, for a total of 1,480 acres. Approximately 700 acres, or 48 percent, are developed and 780 acres (or 52 percent) are open space.

Under the 1988 Base Closure Act (Public Law 100-526), the Defense Secretary's Commission for Base Realignments and Closures (BRAC) determined that the Presidio would close as an Army post. This action affected approximately 2,200 military personnel and 3,400 civilian personnel, who worked at the Presidio in 1989. The 1993 BRAC Commission changed the earlier closure recommendation by directing that Sixth Army Headquarters remain at the Presidio. The Army and the Department of Defense (DoD) had recommended to the 1993 Commission that Sixth Army Headquarters be realigned to Moffett Field, California.

On October 21, 1993, shortly after the BRAC 93 recommendations became legally binding, NPS Headquarters was briefed in detail on the specifics of the Sixth Army Commander's proposed plan for staying at PSF. On October 26, 1993, NPS briefed Army representatives on their general management plan for the PSF. Because the Army had been planning to move all activities off the installation, there were important differences in the two plans. In an effort to reconcile the differences and to fully account for the mission requirements of the Army and Interior, the Under Secretary of the Army and the Counselor to the Secretary of Interior agreed on December 18, 1993, to a process to arrive at a mutually acceptable arrangement for

continued occupancy of the property. The two agencies agreed to intensify local level negotiations under the direction of Army and NPS local leaders, with authority to make adjustments to Headquarters-approved plans. It was agreed that any issues not resolved at the local level by the end of January 1994 would be resolved at Headquarters level.

On February 7, 1994, the Commander of Sixth Army Headquarters and the General Manager of the Presidio Project, concluded their negotiations at the local level, noting that agreement had been reached on a preponderance of issues. Pursuant to this understanding, the Army will retain control of 277 buildings, totalling 1.83 million square feet of building space, adjacent open lands and landscaped grounds, certain roads and parking areas, tennis courts, and a baseball field. The remainder of the PSF, which constitutes approximately 593 buildings, totalling 4.5 million square feet of building space, open space, landscaped grounds and roads, will be used and occupied by NPS. Personal property associated with the child care facility, bowling alley, and fire house will be transferred by the Army to NPS. Additional personal property belonging to the Army also may be transferred to NPS, if determined to be excess to Army needs. Under the agreement, the Army will share the operating expenses which are common to Presidio occupants, and will pay its direct expenses for buildings, facilities, and other property which are used and occupied, pursuant to the formal agreement.

Army and Interior are currently discussing the issues not resolved at the local Presidio level. These issues involve long-term control of the facilities the Army will use; operation of the golf course; family housing needs; and the future of the commissary and the Army and Air Force Exchange Service facilities. Our negotiating teams have met frequently and made significant progress in resolving these issues. While the negotiations are currently at a very delicate stage, it is my view that real progress is being made, and that an agreement can be reached shortly. I am confident that the final agreement will allow the Sixth Army Headquarters to continue its mission from the PSF as the NPS develops this unique resource.

While the Army is committed to reaching a harmonious solution for "cohabitation" with the National Park Service that could last well into the future, we can make no long-term guarantee on future force structure. Moreover, the Base Closure Act requires that the Army consider equally all installations, including PSF, for closure in the 1995 round. Notwithstanding this element of uncertainty, the Army is committed to making both agencies' missions at PSF succeed.

Mr. Chairman, this concludes my statement. Thank you.

[Prepared statement of Mr. Mancini follows:]

STATEMENT OF JAY C. MANCINI  
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
UNITED STATES HOUSE OF REPRESENTATIVES

May 10, 1994

Mr. Chairman and members of the Committee, thank you for the opportunity to testify today on the financial aspects of the Presidio conversion. I am Jay Mancini, a principal of Mancini-Mills, Inc. a real estate development and consulting firm. I am the lead consultant to the National Park Service on real estate and finance matters at the Presidio. My professional career has spanned some 20 years in the real estate development field and during that time I have been involved with the building, leasing and financing of a billion dollars' worth of commercial and residential property.

As management of the Presidio transfers from the U.S. Army to the National Park Service, the task of my team has been to determine how responsibly to manage the park at the least possible cost to the taxpayer. After nearly a year of analysis, we have developed an implementation strategy that will result in savings to the taxpayer and declining federal outlays over time by relying more heavily on capital markets financing than on federal appropriations.

**Savings from the Presidio**

Although Congress included the entire Presidio within the boundary of the Golden Gate National Recreation Area two decades ago, we are now looking at a management change -- from Army to Park Service -- that will save millions annually. As you are all keenly aware, few government programs or agencies have developed implementation

strategies which are designed to reduce costs over time — as such, the Presidio could quite easily become a model for "reinventing government."

I would like briefly to take you through the principal assumptions underlying the implementation strategy for the Presidio. First, we assumed the creation of a non-profit public benefit corporation, such as the entity established by H.R. 3433. This corporation or trust is assumed to be relieved of some of the regulatory burdens borne by governmental agencies. Further, it is assumed that the public benefit corporation will be able to obtain financing and to hire individuals with relevant private industry expertise. The public benefit corporation is also assumed to be able to achieve savings in repair and rehabilitation costs by establishing a private sector style management structure. It is also assumed that the bulk of the Presidio's buildings would be brought into compliance with current building codes over the fifteen year projection period. Lastly, it is assumed that revenues obtained at the Presidio would be used to offset costs at the park.

Under these assumptions, we project the total budgetary commitment by the Department of the Interior to be \$25 million annually, declining to \$16 million by the year 2009. This figure includes operating expenses and rehabilitation and repair outlays at the Presidio.

#### Rehabilitation and Repair

While the annual appropriation of \$25 million dollars would cover all DOI costs associated with the Presidio, the total cost for rehabilitation and repair over the 15 year period from 1995 on is projected to be \$490 million. Sixty eight percent of this total figure,

or \$332 million, would be raised through capital market financing. Approximately \$30 million would be obtained through philanthropic giving. Historic tax credits would account for about \$6 million. Approximately \$15 million would be provided by the Defense Department. The remaining twenty-two percent, \$107 million, represents the total level of appropriated DOI funds needed over a fifteen year period for rehabilitation and repair. **This number is included within the annual appropriations cap of \$25 million.**

#### Operations

The DOI share of Presidio operating costs will decline steadily over time as more tenants are brought into buildings. As revenues from tenants increase, the net operating costs will decline from \$25 million in fiscal year 1995 to \$13 million in 2009. **Net operating costs are also included within the \$25 million annual appropriations cap.**

As net operating costs decline, a portion of the \$25 million appropriation would be allocated toward rehabilitation and repairs needed at the park. The need for this funding would decrease significantly after 2005 allowing the total DOI appropriation to drop to the \$16 million level by 2009.

#### The public benefit corporation --- a critical element

Mr. Chairman, I cannot emphasize strongly enough the importance of the proposed public benefit corporation to the success of this project. Without such a management entity in place, costs would increase significantly. This is why:

- First, by providing some regulatory relief in the management of the real estate operation, and because of a private sector skill base pursuing construction economies of scale, this approach would save 20 to 30 percent over a traditional government-run operation.
  
- Second, by authorizing the public benefit corporation to use a mix of financing techniques, we can reduce the need for federal outlays to approximately 3 of every 10 dollars needed for building upgrades and site improvements from 1995 onward. Clearly, this results in savings to the federal government.
  
- Third, by allowing for the retention of revenues at the Presidio, the corporation would be able to borrow against rental income for building and infrastructure improvements throughout the entire park.

Mr. Chairman, to summarize, we believe that we have developed a strong and effective implementation strategy for managing the Presidio in a manner that both adheres to Congress' mandate to preserve the post in its entirety as a national park and which results in significant savings to the American taxpayer — savings which increase over time. We do this by blending proven private sector financing and management techniques with public sector control and accountability.

Thank you, Mr. Chairman, for the opportunity to testify here today. In the interest of time, I will end my formal testimony at this point. I would be happy to answer any questions you or other members of the Committee may have.

Mr. VENTO. I am pleased to have Chairman Miller join the subcommittee. I don't know what your schedule is but you are going to wait and question?

Mr. MILLER. Yes.

Mr. VENTO. Fine. I appreciate your being here and Mr. Jay Dickey is also here, Congressman Dickey from Arkansas who has taken an interest in matters before the subcommittee as a Member.

Mr. Director, I think your statement was really an excellent statement in defense and a reiteration of the importance and significance of the resource. I almost feel like some of the questions we ask are going to deal with the technical aspects of the issue.

It is apparent to me that the Presidio really defines what San Francisco is. To basically subdivide it or begin to break it up in a way in which you could not coherently deal with the footprint, and even though there has been substantial development on it, to begin to divide or break that up would seem to really cause a whole different character in terms of this area. Even though I admit that some of the developments, of course the golf course is more of a passive thing, I think, as has been suggested, but the health center or the academic center, the Letterman/LAIR center, just would have a different character in terms of what they mean to the community. There are a lot of problems though with it.

Mr. Director, you are recommending about a third of the buildings over a period of time be taken down and removed. That is correct, is it not?

Mr. KENNEDY. Yes, sir.

Mr. VENTO. That will take some time and expense to remove the buildings. The reason for this action is because they have little cultural or historic value. Second, they have no basis economically to be utilized within the plan that you have developed; is that correct?

Mr. KENNEDY. Yes, sir. This is not an unconventional situation. When a national park is created, you save some of the things that are on it that you think are of value that are fundamental to its real character, and you take some things out.

Mr. VENTO. This plan has been developed in concert with the city, with the community, and consistent with the planning process that the Park Service has utilized in most of its parks.

We do have a General Management Plan for this area; is that right?

Mr. KENNEDY. Yes, sir.

Mr. VENTO. It has been approved by the directors, by the Secretary at this point?

Mr. KENNEDY. Yes, sir.

Mr. VENTO. Of course people can disagree with that. We generally don't get into writing the General Management Plan. We may intercede if there is something outstanding, but I have heard nobody complain about some of these buildings that have been proposed to be eliminated.

Mr. KENNEDY. And this wasn't just something that we ginned up ourselves. There has been extensive public discussion with the historic preservation community and the community in general, and there does seem to be a degree of consensus, which is unusual in these matters. We have worked pretty hard to get such a consensus.

Mr. VENTO. The suggestion here of course is that a couple hundred acres already have been ceded to the Park Service by previous actions of the military. The question remains on these 1,300 acres.

Mr. Johnson, you point out there are about 700 acres of developed properties involved here, so there are buildings and other structures. That includes parking lots and so forth, does it not?

Mr. JOHNSON. It would, yes.

Mr. VENTO. It would, yes. And so it isn't necessarily that we are removing a substantial amount and there will be obviously more open space by virtue of that, but the agreement I understand is most complete. We have been having informal discussions, but nobody has signed. Mr. Chandler and Mr. Galvin are joining the Assistant Secretary and Director at the witness table.

We appreciate their presence.

Mr. KENNEDY. Mr. Heyman is counselor to the Department.

Mr. VENTO. Yes. We will be asking some questions of them, I am certain. As you are asked questions, please feel free to yield to them for some insights in this process.

The point I was going to make is the condition of the buildings are such that much of what is folded in, you know, we are talking about reducing the overall costs from \$70 million to \$25 million.

Obviously removing the buildings is part of the expense; is that correct, in that \$25 million request?

Mr. KENNEDY. Yes. Excuse me.

Mr. VENTO. You want to break down the \$25 million? Part of it is rehabilitation, part of it is removal of buildings, part of it is the annual operating expenses.

Mr. Chandler.

Mr. CHANDLER. Yes, sir, Mr. Chairman. In the early years, the \$25 million, most of it will go to operating expenses and as we are able to get more tenants in to lease buildings and pay—provide a revenue stream, then an increasing portion of that will go for repair, rehab costs over time.

So the projection is that the repair, rehab costs for the National Park Service amounts to about \$107 million over 15 years. So as we move forward with the leasing strategy, a reduced amount will be needed for operating costs going from about \$25 million in 1995 to \$16 million in the year 2009.

Mr. VENTO. We hear this total cost, of course, in the numbers that I had seen in reports from Mr. Mancini, of \$300 million dollars. I think it is \$307 million—\$332 million my staff points out to me—and that the National Park Service appropriations over that period, this is the Presidio repair and rehabilitation costs, are projected at \$170 million on page 11 of the document.

What is the document? Give me the cover of the document. I don't see the cover.

Mr. KENNEDY. It is this.

Mr. VENTO. It is the May 1994 *Park for the 21st Century* document that we have before us. We will put it in the record without objection. It will be placed in the record so we know it.

[Editor's note:—This report can be found in the archival file.]

Mr. VENTO. Mr. Chandler, this is the document you refer to, but the point I am trying to make here, of course, is that the \$25 mil-

lion relates to this because a portion of the \$25 million we are talking about from the national level is related to the \$107 million.

In other words, they will be drawing from that \$25 million a portion of the \$107 million for rehabilitation and repair; is that correct?

Mr. CHANDLER. That is correct, Mr. Chairman.

Mr. VENTO. So it isn't all operating costs within that \$25 million. You hope of course that in the future, as the leasing picks up, to reduce that to a smaller number, and that the greater share of those dollars, will come, according to this, from the private sector.

What do we mean by the private sector here?

Mr. CHANDLER. That will come from tenant lease revenues, so that the overall cost for operating the Presidio by all parties, that would involve the Army, Sixth Army that remains, as well as tenants that lease space, the operating cost is about \$38 million a year.

So that some of that cost will be paid directly by tenants, and some of it will be paid as rent revenues that will go to the corporation under the proposed legislation.

Mr. VENTO. I understand that. The point is, the tenants—the Army will have a constant amount provided they remain present for that period of time. Of course that is the unknown.

I mean, I think that we can pretty well assume the Sixth Army, with good service, will stay there. Tenants will increase depending on the real estate market and then the operating expenses. That will include—does this \$25 million include the removal of certain buildings from the site?

Mr. KENNEDY. It does, Mr. Chairman.

Mr. VENTO. So some of the additional cost we have here, it is the full projected cost. Mr. Mancini is at the table and is a specialist in real estate, and is working with the Park Service.

Is it reasonable that tenancy and the option—market options in San Francisco will, in fact, be available in terms of rent to such tenants at prices and at the facilities offered, Mr. Mancini?

Mr. MANCINI. Mr. Chairman, we believe so. In fact, we have taken a very realistic view in terms of rental income that we should be generating.

As you know, we are in one of the great real estate crashes since the 1930s and so we have taken a very pessimistic look at revenue and so the revenues that are projected that ultimately will defray the \$332 million worth of borrowings are, in fact, taking that into account.

Mr. VENTO. So they are not a high-end figure. You are suggesting that they are very conservative figures. Some people on this committee like that word, conservative.

Mr. MANCINI. Yes, we think they are conservative and realistic.

Mr. VENTO. Mr. Heyman, while you are at the table and I have Mr. Johnson here, we are not closed yet, we haven't got everyone signing on the dotted line in terms of the agreement between the Sixth Army, its presence, the complication of legislative language, and the mission here in terms of the conveyance of the property and the legislation before us. But you are satisfied that the outlines of what is being proposed here, the presence of the military, the

revenue from the golf course and the other constituent parts that relate to the military use are pretty much in place; is that correct?

Mr. HEYMAN. Yes, sir. There is only one thing to go. That is the portion of the revenues from the golf course to assure the Army they can carry on the welfare services and morale services. I think we are very close on that. When we button that up, I think we are all done.

Mr. VENTO. What will the role of the corporation be, Mr. Heyman? If Mr. Johnson wants to add anything to this, I would welcome him to do so. What would the Public Benefit Corporation relationship be to the Army presence at the site?

We don't want to call them a lessee. They don't want to be called a lessor. They have a different status in law. I am wondering what the relationship will be. How would you define it?

Mr. HEYMAN. This is an irrevocable permanentee.

Mr. VENTO. And the relationship between the corporation and the irrevocable permanentee?

Mr. HEYMAN. Actually there won't be very much of a close relationship between the two because they will have different physical jurisdictions, but obviously there is going to have to be conversation, three-party conversations between the Park Service, the Army, and the corporation with regard to common property.

Mr. VENTO. So the governing structure for instance, just take one aspect like law enforcement. When you are working with the city, you are going to be working obviously with the Park Service and the Public Benefit Corporation, will the Public Benefit Corporation not have that responsibility?

Am I misstating the role of the Public Benefit Corporation in this instance? But in any case, there has to be a dialogue with whatever law enforcement activities go on.

Mr. HEYMAN. Clearly. My understanding—

Mr. VENTO. The golf course and the other properties.

Mr. HEYMAN. My understanding is that the National Park Service Police are going to be the police presence, obviously with the cooperation of both the City of San Francisco when needed and with the military police that will still be there.

Mr. VENTO. That is a function outside of the Public Benefit Corporation?

Mr. HEYMAN. That is a function outside of the Public Benefit Corporation.

Mr. VENTO. So I misstated. I used the wrong example. An example where you have, for instance, Public Benefit Corporation activities in terms of the land use, such as parking, would that be an appropriate function of the Public Benefit Corporation, Mr. Chandler?

Mr. CHANDLER. Yes. The question is the parking?

Mr. VENTO. I am trying to use an example of where there is a relationship where the Army is using a service that would be under the aegis of the Public Benefit Corporation.

Mr. CHANDLER. In general, the whole Presidio will be conveyed to the National Park Service. The Army will be irrevocably permitted the use and occupancy to maintain the Sixth Army headquarters. The Army will also pay a pro rata share of some of the costs for maintaining services like fire protection, police protection,

work on roads, and that sort of thing. They will pay the direct costs for those areas that they are continuing to use and occupy.

Maybe Mr. Johnson would—

Mr. VENTO. Yes.

Mr. JOHNSON.

Mr. JOHNSON. Any of the common-use areas we will take our share. That is in the negotiations now. And all the facilities that we will use, we will do our own maintenance and operation of those facilities. But all the roads, common grounds, mowing, whatnot, we will share that cost.

Mr. VENTO. That will be an existing contract framework in which others will then fit into and around. If it is a 20 percent payment, or whatever it is for roads, the military or the Army then would pay that particular cost.

What is the length of this permit? What are the conditions do you anticipate in this permit process, Mr. Johnson?

Obviously, there are a lot of details. But I am concerned about the longevity of it, the length of it.

Can you comment on that?

Mr. JOHNSON. Well, we now are getting a permit of five years that will be negotiated from time to time. If we are to be there more than five years, it will be negotiated, but that is the term.

Mr. VENTO. The length is five years, but you have an option to continue it based upon certain criteria to fulfill; is that correct?

Mr. JOHNSON. That is correct.

Mr. VENTO. Certain notice in terms of time if you intend not to continue the use of the area after that period; is that correct?

Mr. JOHNSON. That is correct.

Mr. VENTO. In other words, something like that. I am not drawing a contract up here. I am trying to get an idea of how certain and predictable the presence of the Army will be and what has become a keystone really of this agreement.

In other words, it is obviously the Public Benefit Corporation would then have to absorb responsibilities.

And how many square feet will the Army occupy in this area?

We have about 6.2 million square feet. We are eliminating about 2 million by demolition. It leaves about 4.2 or so remaining, I guess, as my memory serves me.

Mr. Johnson?

Mr. JOHNSON. We will retain 277 buildings, that includes administrative support and housing and 1.8 million square feet. As you know, as we drawdown the Army from time to time and we are getting smaller, we would turn back any facilities we no longer needed.

Mr. VENTO. This represents about 40 percent. In terms of the occupancy area I don't know whether it is 40 percent of value.

Director Kennedy, do you have any comments on this?

Mr. KENNEDY. No.

Mr. VENTO. Do you want to use the microphone?

Mr. KENNEDY. It is 29 of the total but that is before you made the subtraction you just made, sir. You are pretty close.

Mr. VENTO. I think my concern is that we are kind of looking at what the corpus of what is going to be remaining. It is maybe

about 40 percent so the Army presence there, as I said, is very, very important.

Mr. KENNEDY. Yes, it is.

Mr. VENTO. So I want to commend the Park Service for coming to this agreement. At least we hope that it will be signed. It sounds like you have made some real progress.

Also, again, it would reflect a certain commitment in terms of what happens with other facilities to deal with this important permitting.

Let me yield to my colleagues who have been patiently waiting while I have labored through this.

Congressman Miller.

Mr. MILLER. Thank you, Mr. Chairman.

I appreciate the questions that you were asking. I am just sorry I was late for the opening of the hearing. But I just came from the Interior Appropriations Committee where I was there with my tin cup. And I have to say that the more I look at this effort and this agreement, I think the more I appreciate the time that has been spent in trying to craft this, and sharing responsibilities and benefits and especially financial responsibilities, having come from the Appropriations Committee and recognizing the tremendous demands on that subcommittee for almost any purpose that you can conceive of in terms of the public lands, none of which will be fully met.

I think sitting here and listening to the presentations of this panel, I appreciate the effort that your subcommittee and our committee and Congresswoman Pelosi are making to try to thread the needle here, recognizing the tremendous challenge of integrating this park into one of the great cities, and I think, one of the great regions of the world is no easy task. But we are constantly brought back to reality around here on a daily basis about just how much financial obligation we have to shoulder and shoulder on a timely and responsible basis the responsibility to make this the great park that we all seek to accomplish.

So I want to thank the subcommittee for its time and the committee and the panel and recognize that we have a long way to go here. But I would hope that everybody would keep in mind that this is a park and this is a concept that really is required to play under a new set of rules with respect to shared responsibilities in order to bring it about.

I want to commend my colleague from California, our colleague, Congresswoman Pelosi, for just the endless hours that she has spent and will continue to spend on this effort and we want to—we would like to get this done as soon as we possibly can.

I would yield certainly whatever time I have to Congresswoman Pelosi for comments or questions.

Mr. VENTO. Without objection, Congresswoman Pelosi is recognized.

Ms. PELOSI. Thank you very much, Mr. Chairman.

Once again, thank you for taking the time to become very well acquainted with this issue as demonstrated by your very clear questions. And I also want to say how pleased, I am and speaking for my constituents, we are honored that the Chair of the full committee, Mr. Miller, has taken the time he has on this issue.

I was recollecting earlier, Mr. Chairman, that we received news of the Presidio closure at Christmas in 1988. Since then, we have been working on the conversion—the community, the Park Service, the Army. The presentation that you hear today from the two parties involved, the Park Service and the Army, is the result of well over five years and many long hours of negotiation.

Mr. Chairman, I would say that our goal, as you have heard, is to maximize park access to the public and have it reach its fulfillment while we minimize the exposure to the taxpayer. And to that end, we spent a lot of time with the cost analysis.

And Mr. Mancini who is here and has responded to some questions, does have testimony, I don't know if it is the Chair's wish to have him submit it for the record or make his presentation.

Mr. VENTO. Well, if the Congresswoman would yield?

It is up to Mr. Mancini and the Park Service. I think that you want to wait until OMB clears it. And the record will be open and you can submit it at that point; is that correct?

Mr. KENNEDY. Pleased to.

Mr. VENTO. We appreciate the insights. Obviously, it is unofficial in draft form, and that is the basis, that is the nuance. I think the Park Service is trying to get along with its editor. I will put it kindly.

If you have further questions regarding this point? I have a series of questions. Then if you want to join in as I am questioning on some of this—and certainly the Chairman knows how to get my attention.

Ms. PELOSI. I do have some questions which I will do after you, Mr. Chairman.

Mr. VENTO. Feel free to proceed at this time with some questions, Congresswoman Pelosi. Please do.

Ms. PELOSI. Thank you, Mr. Chairman.

Is it appropriate to ask some questions of Mr. Mancini?

Mr. VENTO. Yes. I think he is there as a resource and he can respond to questions, even based on his draft testimony.

Ms. PELOSI. Mr. Mancini, could the Presidio increase its revenue by not complying with the General Management Plan?

Mr. MANCINI. Was the question, could the Presidio increase the revenue by not complying with General Management Plan?

Ms. PELOSI. Yes.

Mr. MANCINI. In today's market conditions, I don't think—I don't think the General Management Plan is a great constraint in today's market conditions, frankly. So I am not sure that, in fact, if we waive the general management plan, if that is the direction of the question—

Ms. PELOSI. The direction of question is that the General Management Plan is what the Presidio must abide by.

Mr. MANCINI. Yes.

Ms. PELOSI. But it enables the Park Service, the Federal coffers to benefit in an appropriate way vis-a-vis the marketplace?

Mr. MANCINI. I agree with that.

Ms. PELOSI. What is the vacancy rate in San Francisco?

Mr. MANCINI. Well the office vacancy rate is in double digits and experts disagree about what that is, but it is—most people readily agree that it is in the 14—12 to 15 percent range.

Ms. PELOSI. Do you have any estimates or projections on the possible cost of Mr. Duncan's legislation H.R. 4078?

Mr. MANCINI. Well, the principle issue I think in Mr. Duncan's legislation is that it calls for the outright sale of several key assets of the Presidio. And then requires rezoning, and during that process of rezoning, we have a number of examples in San Francisco which I think the Congresswoman is well aware of, where, in fact, we have had enormous delay while the whole zoning issue and other issues have been in fact worked out. Yerba Buena took over almost 30 years, as you know.

Mr. VENTO. Would the gentlewoman yield?

You are saying it took 30 years to rezone something?

Mr. MANCINI. I said there were some other issues. Mission Bay was not simply a rezoning or Yerba Buena was not a zoning issue. I know the Mayor of San Francisco can more readily speak to these issues. But we have built in, because of the rezoning issue, at least 10 years of delay before we would get the sales proceeds.

Also, I think under Mr. Duncan's proposal, the Public Benefit Corporation couldn't perform until the rezoning had taken place. In that case, if we, in fact, hold everything else constant, the retrofitted buildings, the rehab of infrastructure and the like, you can readily see that there is a greater proportion that now goes to Federal expenditure as opposed to going to capital markets to borrow, because we don't have the Public Benefit Corporation to do that.

It could add—we have done just a brief analysis. We think it adds at least \$100 million more over that 10-year delay period.

Ms. PELOSI. The Duncan bill would add at least \$100 million.

Mr. Chairman, I would like to point out that when you say the 30 years, that was an unusual situation, but right now in Marin County, there is Hamilton Air Force Base which has been vacant for about 14 or 15 years. It is such a comprehensive rezoning to be done that this is not unusual.

I don't want you to think it is specific to San Francisco, but a transfer of this magnitude takes a great deal of time, especially when you include toxic clean up and other concerns about public use.

Mr. Mancini, the General Accounting Office came up with a figure of a one-time cost to the Presidio between \$700 million and \$1.2 billion. Mr. Chairman, \$1.2 billion.

You are now telling us that the Federal Government would be responsible for only \$107 million in one-time costs.

How do you explain the difference between your figures and those of GAO?

Mr. MANCINI. The differences that are accounted, Madam Congresswoman, in this, as I understand the GAO estimate, included rehabilitating all buildings so there would be no demolition. We account for a demolition of over a million square feet.

We also say that certain buildings, about 300,000 feet would remain inactive. Again, that was not accounted for.

In the GAO report, all those buildings would have been rehabilitated whether or not they had real market significance or not, or occupancy significance.

One of the other differences is that the government itself would, in fact, be rehabilitating all those buildings as opposed to a Public

Benefit Corporation that would take advantage of private sector skill base in order to bring economies of scale and efficiencies to an operation.

And further, not only do we have those efficiencies, but we would have the ability to borrow in capital markets through a Public Benefit Corporation which we wouldn't have if the government in fact were doing this solely on its own.

Ms. PELOSI. As well as the fact that Alternative D, which is their most costly plan, has been rejected by the Park Service?

Mr. MANCINI. Exactly right. That is the differences between A and D primarily.

Ms. PELOSI. Thank you very much, Mr. Mancini.

Thank you, Mr. Chairman.

Mr. VENTO. Thank you.

Mr. Mancini, I notice you said that the demolition of 1 million square feet. We had under the Presidio a preferred alternative that we were looking at and maybe Mr. Chandler can help me if I am misstating, the alternative included 475 historic buildings which had been rehabilitated, preserved, restored or adapted for various types of uses; 264 nonhistoric and 37 historic buildings, totaling 2 million square feet of interiors that would be removed.

Is it 2 million or 1 million?

Mr. KENNEDY. Two.

Mr. VENTO. It is two.

Mr. MANCINI. If I might, I think the difference is that over the 15-year projection period, we estimate only 1 million, perhaps only 1 million will come down.

Mr. VENTO. They would be utilized, so you are talking about a longer lead time.

Mr. MANCINI. Part of the differences are made up in our differences regarding Army tenancy in certain key portions of the Presidio.

Mr. VENTO. One of the issues, of course, is the Letterman/LAIR facility, what is the size of it in square feet, Mr. Chandler?

Mr. CHANDLER. The total square footage is 1.3 million square feet.

Mr. VENTO. So in other words, with the military now, Mr. Johnson testified 1.8 million square feet, 1.3 million square feet, sounds like a total of about 4 million square feet. So what would most of this be?

Mr. CHANDLER. I think they need to clarify, too, that some of the Army use will continue in the Letterman/LAIR complex, so we are looking at about a 1.2 million square foot available space for leasing. The total amount available for leasing as you look at all of the numbers, including, demolition, that would go to the Corporation is about 3 million, and about 2.5 million of that will be available for leasing.

Mr. VENTO. So you are including the Letterman/LAIR under that particular aegis in public benefits?

Mr. CHANDLER. That is correct.

Mr. VENTO. We want to know what the responsibility is we are giving them. In other words, obviously the preexisting agreement with the military in terms of this permit, if change is persisted in the future, we don't know, but we are not hoping anything will

happen to them. But that actually recommends a set of very important accomplishments.

For instance, with the Duncan bill, there are three properties that they discuss disposing of in terms of sale, the golf course, the Letterman/LAIR complex, and the public hospital, the Public Health Service facility.

What is the market condition, Mr. Mancini, for these properties today in San Francisco? Can you give me any assessment of it?

Mr. MANCINI. Yes, sir. I think the—we have already—I don't know if it had previously been mentioned at this table. We went out with an RFQ, the Park Service went out with a RFQ with the Letterman complex.

Mr. VENTO. I think it is important to mention because we got authority for that last fall.

Mr. MANCINI. The Park Service has moved aggressively to lease that facility. We have had 16 responses, I believe, it is. Sixteen responses. So that indicates enormous demand for that space. And the Letterman/LAIR, I might say, one of the issues with the Letterman/LAIR facility is that it is—there is relatively little of this sort of research space available in the general Bay Area in a campus setting of the kind that we have.

So it has attracted great interest and I think we will see quite good revenue from it.

The Public Health Service Hospital, as we said in the implementation strategy which we published in October, we believe that the Public Health Service Hospital is close to a break-even in terms of the costs that have to be invested in it versus the income that is going to be generated. We think that with—it may in fact be a wash, the Public Health Service Hospital, but it would have some demand. There is demand for it.

And finally I think the golf course, we already have concessionaire interests although we haven't quite gone out with our concessions package but we do have—we have been told that we have got quite a lot of interest in the concessions package for the golf course.

Mr. VENTO. But one of the proposals before us would excise those particular portions from the Presidio and really offer them to the private sector. What is the marketplace for—

Mr. MANCINI. We would have—if they were entitled, if they were entitled, and therein lies the issue I was talking about earlier and the issue of delay. If they were entitled, yes, we could in fact sell them but the problem with that is that we begin to have an unraveling. We are depending on lease revenues over time to defray debt and we wouldn't have that if we sold these properties off.

Mr. VENTO. If you took the money from them and put it in a trust fund, you would then have that resource.

Mr. MANCINI. We would probably be asked by the Congress to invest it at a T-Bill rate, which is quite a bit less than the source of rents I think we are going to generate.

Mr. VENTO. One of the options with base realignment and closing, of course, is not to sell such properties, but, in fact, to convey them to a local government authority.

If that option is utilized or you signed an agreement with the Park Service or we change the law here to provide for it—obvi-

ously, the 1972 law now says that this goes to the Park Service. Unless we amended the Base Realignment and Closing Commission, what would be the option for these properties in the absence of the 1972 law?

Mr. JOHNSON. You would have to go through the BRAC process and change that law because we have no authority to sell that property and neither does the Park Service. But if we—if we go back through the BRAC law, BRAC 95, and get it changed, then we do have a procedure where we are the real estate agent for the Department of the Army and we could sell it. But that would take a change in the law.

Mr. VENTO. But don't you have to go through the other military services, GSA? I mean, doesn't one of the provisions under the Base Realignment and Closing Commission offer for these particular properties or assets to the local governments or to the State?

Mr. JOHNSON. Well, they are last in the pecking order. First, you go to Department of Defense and then—

Mr. VENTO. Right, but I am just saying you would have to override that, assuming the GSA didn't want the properties, I would expect that the GSA would look at these and say these are some properties that have some public interest in them. I don't know.

Mr. JOHNSON. If it goes through the BRAC process, we are the GSA. GSA does not get involved with BRAC.

Mr. VENTO. That is why I asked the question. But the point is that there is an option in there where they would or could be conveyed to the city, certainly something like the golf course would be or could be.

Mr. JOHNSON. It could be conveyed. It could be conveyed at fair market value or it could be at public benefit discount. But a golf course is marketable property and would not be transferred at a public benefit discount.

Mr. VENTO. It would not?

Mr. JOHNSON. It would not.

Mr. VENTO. Okay. So the point is, though, of course these properties are integral to the Presidio. One of the things that makes the Letterman/LAIR property as valuable as it is not just because of an unusual research but the campus-type of setting.

Is that correct, Mr. Mancini?

Mr. MANCINI. Yes, sir, that is absolutely correct.

Mr. VENTO. So they are really dependent upon the maintenance of open space and other attributes of this area. Of course, the golf course itself would, you know, be valuable as developed, I suppose, for development purposes. But again, the open space nature of it is recognized as a public interest matter, and of course all of this sort of puts in suspended animation the whole notion of the Presidio being managed as a whole and be integral to the city. But we are just sort of cutting this up a little bit or trying to dissect it to see what the ramifications are of different policy paths that are being proposed.

The revenue stream here is explained as being very high. I think it was very important that Congresswoman Pelosi outlined that. Unfortunately, these types of billions of dollars end up being put into these statements made by various Cabinet Members as to

what the total costs are to the Park Service. But the Public Benefit Corporation would obviously enlist a revenue stream to utilize this.

Now, there is inherent in this also, as was pointed out in, I think, Congresswoman Pelosi's statement, some cleanup costs associated which the military would continue to be responsible for.

Is that correct, Mr. Johnson, the cleanup costs in terms of various substances that have damaged the groundwater there and so forth?

Mr. JOHNSON. That is correct.

Mr. VENTO. So they are estimated, as I understand, to be about \$70 million at this time to clean up. Is there an ongoing cleanup and characterization going on at this site?

Mr. JOHNSON. It is ongoing. The cleanup is ongoing and we will take our responsibility for the cleanup as we do in any installation. It is a cost and we will do it.

Mr. VENTO. It is a little unusual. One of the problems I ran into is that very often the Department of Defense will not convey land in which they still have ongoing cleanup and so the nature of this is a little unusual, dictated by the 1972 law.

Do we have to modify any laws in order for you to accomplish this?

Mr. JOHNSON. As long as the cleanup is ongoing, we can transfer, if it is not—if it is any danger to the health. But we can transfer as long as it is ongoing.

Mr. VENTO. Where are the areas that the cleanup is ongoing?

In the area that you will be a permittee or is it in different areas that the cleanup is taking place?

Is it general throughout the site?

Mr. JOHNSON. It is throughout the site.

Mr. VENTO. It is throughout the site, so it isn't specifically in the area that you are permitting.

One of the questions, Mr. Director, was that a minor boundary adjustment to include the Public Health Hospital in alternatives B and C, that you would like to have such a boundary adjustment. The hospital has been excluded from the boundaries, for whatever reason I don't know.

You know, that is one of the suggestions. Can you comment on that or are you aware of that particular nuance?

Mr. GALVIN. Yes. There were both, in fact, in the alternatives originally prepared for the Environmental Impact Statement which requires us, of course, to consider a broad range of alternatives. There were alternatives for use of the Presidio that contemplated excising the Public Health Service Hospital. However, largely because the nature of the use contemplated in those alternatives didn't indicate any useful—any use for the building.

However, in the preferred alternative and in the selected alternative, we do propose to redraw the boundaries of the Presidio to include the Public Health Service Hospital as part of the proposed conference center. It would be partial demolition of the building even in the preferred alternative.

Mr. VENTO. It would be partial demolition of the building. How key is the Public Health Service building to services in the San Francisco area, Mr. Galvin, or others that are present?

Mr. GALVIN. It is closed. The Public Health Service Hospital is not functioning and has not for some time.

Mr. VENTO. So it is not being used so the cost to demolish it versus rehabilitation—you are going to demolish parts of it, retain parts, and it will be used as?

Mr. GALVIN. The portions that are retained which are historic will be used as a central facility for a conference center.

Mr. VENTO. I see.

Thank you.

So it is an adaptive use of an historic building, then, in that sense?

Mr. GALVIN. Yes.

Mr. VENTO. How many square feet would remain?

Mr. GALVIN. I am not sure.

Bob, do you know?

Mr. VENTO. The question I have, Mr. Galvin, is you will be seeking some study or some modification of the boundary to include this site?

Mr. GALVIN. The Public Health Service Hospital is—of course the title resides in the United States and was a permitted use by the Army. Subsequently, the city took an option to lease, I guess, would be the best way to describe it, or permit it, and that is the—that is the current situation.

The title resides in the United States but the City of San Francisco has a permit to use the building.

My understanding is that they no longer contemplate using the building, will turn the permit back to us. At such time as the property transfers are made between the Army and the National Park Service, it will simply revert to the Presidio once we work it out with the city.

Mr. VENTO. The question is, of course, insofar as the designation. So your view is that the 1972 law prevails in terms of it being conveyed as being the title resides with the United States. So it is not a matter of Mr. Johnson saying no.

I will yield to the gentlewoman from San Francisco.

Ms. PELOSI. I was just going further to the point made about the Public Health Hospital, it was leased to the city with the idea that \$6 million could be obtained for converting it into a usable hospital. But the administration chose to give us \$50,000 instead and that was the end of that and dream did not materialize.

If I may just ask a question, not necessarily related to Public Health Hospital but services. I want the record to show that at the time that the Presidio was supposed to be listed on the base closure, then, Congresswoman Boxer who represented the Presidio, and now Senator Boxer, and I fought the closure.

One of the main reasons was because of the services that Letterman Hospital provided to the active duty personnel and especially the retirees in the area who would not have the services. As you know Letterman, maintaining Letterman Hospital was one of the big expenses of the Presidio and the Army told us it wouldn't be possible to keep the hospital open. At that time, it was not envisioned that any part of the Army would stay at the Presidio.

The question that comes up now from the retirees is how will the Army provide health care for retirees and their families who previously had their services provided by Letterman Hospital?

And I thought Mr. Johnson might address that issue. I raise it because some people are saying, well, because we are going down this path of the Public Benefit Corporation and renting the space, we are depriving the retirees of access to the Letterman Hospital, but in fact that is not the case. Letterman Hospital was conclusively and decisively closed and we had no recourse as far as Letterman was concerned.

But I would be pleased if Secretary Johnson could respond as to what plans the Army does have for meeting the needs of these people.

Mr. JOHNSON. We have a number of plans to take care of retirees and active duty in areas where we have closed hospitals. Of course, we have CHAMPUS and medicare and others. I am not an expert but we did close Letterman and it is no longer available as an Army hospital.

Ms. PELOSI. I appreciate your statement for the record, Mr. Johnson.

Mr. VENTO. As I understand, this was an Army decision in terms of the utilization of that facility; is that correct?

Mr. JOHNSON. It was the Army's recommendation. The Secretary of Defense sent it to the Congress and it was approved as a base closure.

Mr. VENTO. Under base closure. So it just isn't available for that, so it is all part of the same basic base closure agreement?

Mr. JOHNSON. Yes, sir.

Mr. VENTO. Does the gentlewoman have any further questions?

Ms. PELOSI. Well, I did have one more, Mr. Chairman, but it wasn't on that subject.

Mr. VENTO. That is quite all right.

Ms. PELOSI. Since I was raising some of the concerns of constituents about how we proceed, I had a question to the Park Service.

There have been some concerns raised that the National Park Service General Management Plan for the Presidio allows unrestricted development, high-rise buildings and shopping malls. As you know, that is not in any way what our Public Benefit Corporation calls for, and I want the Park Service for the record to respond to my question, please.

Mr. KENNEDY. I can simply confirm what you have just stated Congresswoman, that is not what the General Management Plan calls for and it is not on that basis that the Public Benefit Corporation would be created. It is given a set of very carefully delineated possibilities for development and they don't include any of those pernicious descriptions.

Ms. PELOSI. That does not include unrestricted development, high-rise buildings and shopping malls?

Mr. KENNEDY. No, ma'am.

Ms. PELOSI. Thank you.

Thank you, Mr. Chairman.

Mr. VENTO. Thank you.

One of the concerns, of course, that comes back is you had roads here. You had sewer lines, you had other types of facilities that

have been basically maintained by the military. Obviously, insofar as this becomes Park Service property now, and some of the other things like the utility systems, and so forth, that need to be upgraded, represent a special problem. Obviously, some of those costs can be folded in if the Presidio becomes part of the sewer system of San Francisco, pay whatever your normal rates are with easements, and so forth, especially in a setting like this.

Each of these represents a unique set of circumstances. How are you approaching the problems with regards, for instance, to the utilities, the services, the streets, insofar as the relationship with the community?

Can you give us any insights into that? Will that be part of the responsibility of the Public Benefit Corporation or will that responsibility reside with the Park Service in this instance, Mr. Director?

Mr. CHANDLER?

Mr. CHANDLER. Mr. Chairman, I think first I would like to report that we have been very fortunate that through Department of Defense appropriations, that some \$60 million has been appropriated to date to upgrade the basic infrastructure systems for the Presidio. That includes road improvements, sewer line improvements, both storm and sanitary sewer, electrical system, telecommunications.

So we are working cooperatively with the Army now to upgrade all of those systems, so that what will be conveyed to the National Park Service at the transfer date will be a basic system that is in good shape, that doesn't include a lot of the work that we will need to do on the building to meet code requirements for life safety and accessibility and that sort of thing, but the raw infrastructure of the Presidio is going to be in excellent shape when it is conveyed.

And some of those projects are currently being carried out by the Park Service using DOD funds that have been transferred. Others are being handled directly by the Army. So it is a very good piece of business underway right now.

Mr. VENTO. I understand that has happened. In fact, I know that there is an \$8 million request for a one-time charge associated with upgrading the utility system at the Presidio.

Mr. CHANDLER. That is correct. And I don't know, do you want to respond to that.

Mr. VENTO. That is a Park Service expenditure.

Mr. CHANDLER. That is correct.

Mr. GALVIN. The contemplation there, Mr. Chairman, is that it is a National Park Service responsibility to pay two fees associated with the electrical utility system. The assumption is that we will transfer to a utility company, that may ultimately not be the case. The electrical system rehabilitation is currently being advertised in the Commerce Business Daily and we will evaluate all the proposals that are received.

But the two parts that are requested in the budget are: One, simply a tax that the utility company must pay under existing law if they take over a new system under existing Federal law. And also the other component is the amortization costs that would derive from transferring ownership of the electrical system to a utility company.

It is not our policy nor our intent—it is not our national policy to run utility systems and electrical systems if we can find a utility company to do so. Normally, under these circumstances, we turn electrical systems over to somebody else and pay essentially at the meter as every other customer does.

The second component of the request is that amortization factor results from our transfer of the system. Once the system is transferred, we will never have to pay for it again. If it is damaged in an earthquake or flood or a fire or in 30 years when the system becomes obsolete, the owner would pay for the costs, so about half of that \$8 million is in that category.

Mr. VENTO. What you pay for is just rolled into the rate base. You have an amortization process in which you get some return for what you convey back. Is that your point?

Mr. GALVIN. That is correct.

Mr. VENTO. Of course, you then give easements for that utility, sewer, for other activities.

Mr. GALVIN. Yes, sir.

Mr. VENTO. Whoever happens to be the owner.

Mr. GALVIN. If this is transferred, it would be very characteristic of the way we have dealt with other utility systems in urban areas at places like Gateway and Boston National Historical Park and others.

Mr. VENTO. Well, this is a complication. The city has a special role here—I note in response to a letter that the mayor had suggested that he is in negotiations with you on some of these aspects; is that correct?

Mr. GALVIN. That is correct. The city is one of the potential operators of the utility system and they will—we will be evaluating their proposal along with others in response to the Commerce Business Daily advertisement and will select the one that is most beneficial to the taxpayer.

Mr. VENTO. This operation and maintenance responsibility, then, would be amortized and folded into your rate base in terms of the future after amortization?

Mr. GALVIN. That is correct.

Mr. VENTO. Is that correct?

Mr. GALVIN. That is correct.

Mr. VENTO. So obviously, the military has run its own generation of power, and so forth, on this site for whatever reasons over the years, but you are not going to do that. The Park Service is sometimes forced into difficult situations. If you have a high-cost area, Yosemite or some place where it is very difficult to convey power to maintain lines, utilities are sometimes not willing to supply the area for a reasonable price, in your judgment; is that correct?

Mr. GALVIN. That is correct. There are in—

Mr. VENTO. I don't know if Yosemite is a good example or not. If it isn't tell me.

Mr. GALVIN. In Yosemite, we get our electricity from a public power company, but we own most of the system. We own it.

Mr. VENTO. They wouldn't take over the operation of it for a rate that you thought was acceptable; isn't that correct?

Mr. GALVIN. Right. It is at the end of the line and it is not a commercially feasible system. But even in remote national parks, fre-

quently, I think of the Utah parks, the electrical system is owned by GarKane, a public power company. In some instances, we had to bring it up to standard before we turned it over to them. And that is also the case with the Presidio. But we try to get onto public power at every place that we can.

Mr. VENTO. There is no franchise fee or other factors that would be involved here?

How do they treat utility and other types of costs here in terms of sales tax or other special charges they have in some of the utilities.

They would generally not apply to the current system; is that correct, Mr. Johnson? Sales tax issues like franchise fees?

Mr. JOHNSON. That is correct.

Mr. VENTO. They don't apply, so these are the advantages. But, obviously in terms of privatizing this, then, if you had a private use of it, would these particular assessments apply—this is sort of the factor that has to be evaluated; is that correct?

Mr. GALVIN. That is correct. The origin of the budget request was an agreement between the Army and the National Park Service resulting from the notion that the Army responsibilities with respect to the Presidio would be to bring the system up to standard upon transfer. And that is being done, as Mr. Chandler pointed out.

But the actual decision to transfer this to a public power company is a National Park Service decision or Department of Interior decision. So the agreement was struck between the Army and the National Park Service that they would bring the system up to standard. We would bear the cost of our decision to turn that over to a public power company.

Mr. JOHNSON. Mr. Chairman, that was our contribution to bringing the utility systems up to standard, was the \$70 million that the Army put into the Presidio to do just that.

Mr. VENTO. No, I understand that was important, obviously, with the questions of what was going to happen with the buildings and the conveyance and the requirements. So I appreciate the work that was done on that by Congresswoman Pelosi and others to get the necessary funding which is, of course, the major issue.

There are concerns about the Public Benefit Corporation that we want to repeat and that we would be looking at, and some of these relate to some of the standard rules.

You know, you ask, what is a Public Benefit Corporation? How do we define it as an Agency of the Federal Government? Are they bound by the same sort of the requirements for bidding and for procurement and for dealing with contracts, and so forth, as other agencies of the Federal Government?

And can you respond to that Director Kennedy?

I have some concerns about this. Because some of these may be cumbersome in the view of those that want to streamline the process to be able to do what needs to be done. But many of them also represent safeguards.

Can you talk about that balance or what type of assurances?

I am advised by the General Accounting Office and the study, that we could bring into law things that we specifically feel are important. I know there are some suggestions about that already.

Mr. KENNEDY. Yes, and we have a couple of additional suggestions that we would like to submit to you. We have some thoughts about some amendments that would—that might be considered in markup, Mr. Chairman.

We have got three or four, which I don't think I will read in the record, but I would like to enter into the record. There are three or four technical amendments with regard to the formation of the Public Benefit Corporation we would like to enter.

Obviously, the major reason for doing this process through a Public Benefit Corporation is that it does have greater flexibility, considerably greater than we could have if we were to do it ourselves and therefore greater likelihood of success in the venture.

We will have to work together to find ways that will protect the public interest and provide for that very flexibility. It is not simple.

Mr. VENTO. Of course, there is a great concern of a Public Benefit Corporation. In fact, one of the concerns that I have with the commissions, and so forth, is that we sometimes end up creating entities that are not under the control of the Secretary or the Federal Government and/or the State. So we end up with no accountability in terms of the process and, of course, that is the accounting systems and so forth, the financial records, the auditing of them, I think need to be spelled out specifically.

Obviously, I reference this as an Agency of the Federal Government. We know there are certain requirements that have to be met, or if I put it in the aegis of the county or the city or State, we know that they then have certain accounting requirements.

But the problem, Mr. Heyman, is that the Public Benefit Corporation ends up without specific direction. It would be nice if we had a template of requirements that I could refer to, but I ran into a little bit of this problem in wearing my other hat trying to monitor the Resolution Trust Corporation. The RTC is another one of those public corporations that seem to be an Agency when it was suitable to be an Agency, and to not be an Agency when it wasn't convenient for them.

Mr. Heyman.

Mr. HEYMAN. Mr. Vento, I think a lot is going to have to occur in markup. But let me tell you what our views are. At the present, our view is that this is a Federal Agency and that Federal requirements would be applicable to it except to the extent that they are specifically waived in the bill setting it up. So that there will be careful monitoring of that which would apply and that which would not.

We have a series of suggestions with regard to this. We suggest that Civil Service rules procurement regulations and leasing be waived—and we are certainly open to a good discussion about whether there ought to be substitute language with regard to standards and systems that might be set up by the Corporation.

We will also suggest that there ought to be some additions with regard to the relationship, the program relationship between the Corporation and the Park Service.

First of all, as the bill presently has, the Corporation is meant to carry on its activities consistent with the General Management Plan. The Corporation will make reports annually to both the Sec-

retary of the Interior and to the Congress with regard to not only its financial performance but what it has done programmatically.

We are going to make a suggestion that that report also include an annual work plan, the work plan for the next year so that there can be review and discussion and consultation with respect to that.

In addition to that, we are making a suggestion that the Corporation maintain a liaison with the Golden Gate National Recreation Advisory Committee and that at least once a year that there be a meeting between the Corporation, the Board of the Corporation and that organization.

In addition to that, of course, when one starts to deal with the membership of the Board of Directors of the Corporation, a goodly number of those people are going, to at least in our view, and in the bill presently, be Federal officials. So we think that composite of circumstances will keep the Corporation close enough to the Federal Government to assure accountability and yet on the other hand give it enough flexibility so that it can act as a market organization with respect to efficiencies in its operations.

But again, I think one has to go through these step by step in terms of the agreement.

Mr. VENTO. I agree. I feel, of course, more comfortable if it were an Agency, except for the purposes we would list going the other way. Is there a view that those powers ought to be or could be exercised by the Secretary or by the Director of the Park Service instead?

What is the longevity of it?

Is there a period of time when its mission would essentially be complete and these would be regularized and then could be absorbed? Or do we anticipate it going on for a long time?

Mr. HEYMAN. I think the anticipation presently is that it will go on for a long time. The length of the leasehold that would be created in the Corporation, because it will be dealing essentially with subleases as it leases property to others. But the length of that lease is to be determined on the basis of what is commercially necessary in order for money to be borrowed and plans to be made.

Consequently, I think our conception is that this is really a permanent arrangement.

Mr. VENTO. Well, certainly the agreements that are made have to be in contractual terms; they have to be picked up and carried through by the Park Service and the Secretary. They are basically making contracts in the name of the federal government. There isn't any question of that.

Ms. PELOSI. Mr. Chairman, if I may just on that point.

Mr. VENTO. Yes.

Ms. PELOSI. In the letter that I referenced in my testimony to Supervisor Shelley it states that a preamble should make clear that the Public Benefit Corporation is accountable to the Park Service and to the Congress. That the Public Benefit Corporation would operate according to the mandate of the General Management Plan and the GGNRA enabling legislation with regard to conservation of the resources of the Presidio. That the Public Benefit Corporation and the Park Service will be required to be sensitive to the unique needs and local impact of the Presidio as an urban national park. And that, as I mentioned, the diversity of Bay Area

must be reflected in the equitable access to the park and its economic benefits. And that the Public Benefit Corporation is charged as is the Park Service with the protection of scenic beauty and natural character of the Presidio.

Further to that point, the concerns that the people in the San Francisco Bay area have regarding the number of board positions available to members of the local community—and I know that the subcommittee will have to strike a balance but this is an issue of concern for the board composition to reflect different constituencies and that it also reflect a knowledge about the Presidio.

The board must have a national presence to ensure that it retains a constituency in the Congress, but as a regional resource, we want to be sure that our local area is well-represented on the board. Local participation was intended in the original legislation which enumerated potentially four out of the nine positions to be from the San Francisco area.

In any event, I just wanted to put that fact on the record. It doesn't address the further question of longevity, but it does make the point that this Public Benefit Corporation is accountable to the Park Service, therefore, the Secretary and, ultimately, the Congress.

Mr. VENTO. No, I think it is useful. Obviously, as we are defining new relationships and new responsibilities for the National Park Service in an area like this, we need the type of expertise of the Public Benefit Corporation. The question is, of course, we aren't going to have the City of San Francisco, or the citizens, vote on every lease we make and therein lies the problem. But participation and involvement must exist in some form because of the public nature of this and the relationship with the city and the community.

Mr. Heyman, do you have any response to Congresswoman Pelosi's preamble?

Mr. HEYMAN. I am not in disagreement with that preamble. I think we have some problems of specificity with regard to the act because we do have appointment clause problems and the like. But I think that we can have a board of directors that is properly representative of all the interests.

Mr. VENTO. The bottom line here, of course, is we have got some constitutional limitations in terms of who is on there and who makes the appointments so that ultimately the Secretary of Interior is responsible. You are actually operating the Public Benefit Corporation in his stead and, in essence, he would have the right to ultimately approve or disapprove a lease.

I am certain with the type of confidence in the Public Benefit Corporation that there would be a very unusual circumstance where he would not do so. But I mean ultimately you are operating—

Mr. HEYMAN. We don't have provision in here—at least we have not made provision in here about the Secretary of the Interior approving specific leases; that might be something we should discuss.

Mr. VENTO. I think so.

Mr. HEYMAN. We are a little worried about how detailed reviews ought to be about specific transactions. But if I could just reiterate for a moment, the Secretary of the Interior will be at least under

our proposal making the appointments so the persons who are on there, other than the designated Federal officials, are the Secretary's responsibility.

The Corporation will constantly report annually, as I indicated, plus it will indicate what it is going to do in the year to come. The extent to which the Corporation gets any Federal money is going to be through the Interior's budget, and consequently, there is a powerful tool here.

There is a whole cadre of things that I think will put together in the proper way the operations of the Corporation and the influence and the overseeing of that operation by the Secretary of the Interior.

I suggest, however, we don't get too detailed, because if we do, we start to lose the benefit of a Corporation, which I have all reason to believe if it is given some flexibility, can be a very good economic entity and return a flow.

Mr. VENTO. You know, like a decision on a concession contract for the golf course would be made by the Park Service.

Mr. HEYMAN. That is right.

Mr. VENTO. So you are not into that. But the point where this becomes more important in terms of how this melds together is in the case where we are doing some rehabilitation on buildings that are going to be under the aegis of the Public Benefit Corporation in terms of leasing. And here we have a mixture of some funds from the Park Service, some funds from the lessee or the agreement that is made with the lessee and the Public Benefit Corporation.

And you have got a situation where a small amount of money would be coming from the Park Service being appropriated through the Congress. Therefore the Park Service, the Secretary of Interior, and the Congress by not appropriating would have basically a great deal to say in this instance; is that correct.

Mr. HEYMAN. That is correct.

Mr. VENTO. So that is your point.

Mr. HEYMAN. That is my point.

Mr. VENTO. There are many mechanisms of control in terms of agreement with the Secretary, the Park Service and with the Congress in terms of the small amounts that we appropriate each year. But there are a lot of dollars being spent here that wouldn't come into Washington and go out of Washington because they stay in the Presidio in terms of those rehab and remodeling costs on those buildings that are given to your responsibility.

Mr. HEYMAN. That is correct.

Mr. VENTO. So, of course, this is nothing unusual. This has happened time and again under different laws, with regards to keeping some monies in the park. You can't have it both ways. You can't collect a big amount of money to sell something, bring it to Washington, and then suggest you have no responsibility to the facility at the end of the day.

Well, I have kept you for a long time. I can see that we have really only begun, but we do have a task in terms of writing this charter for the Public Benefit Corporation. As the Director has said, as Mr. Heyman has indicated, this is going to be a real task, so we hope to work closely with you.

We have had a number of interests and concerns expressed, obviously, trying to keep the essence and the value of it in place and at the same time responding to those concerns that I have and others have. This has been I think a useful panel. And I appreciate the hard work and effort of all of you.

Mr. Johnson, Director Kennedy, Mr. Heyman, Mr. Mancini, Superintendent Chandler, and Associate Director Galvin, thank you very much.

Mr. JOHNSON. Thank you, sir.

Mr. VENTO. We are pleased to welcome the Mayor of San Francisco, Frank Jordan, who has worked hard on this particular project.

I yield to my colleague, Chairman Miller or Congresswoman Pelosi, if you have any comments.

Ms. PELOSI. Well, first, Mr. Chairman, I am glad we are having a brief interval of changing panels. I wanted to present to you for your Presidio collection this stein with the seal of the Presidio of San Francisco.

Mr. VENTO. Thank you very much.

Ms. PELOSI. And one for Sandy Scott.

Mr. VENTO. We will find something to put in this.

Mr. VENTO. Thank you very much. This matches my coffee cup. Thank you very much.

Ms. PELOSI. Since we gave Mr. Duncan a picture of Tennessee Hollow, we had to have a gift for you.

Mr. Chairman, as I mentioned in my testimony, we are very honored to have with us today the Mayor of San Francisco, the Honorable Frank Jordan our Mayor for the city and county of San Francisco.

We are very pleased to have him today on behalf of the Presidio, representing the interests of our community concerning the Presidio.

May I say that we are faced with three base conversions in our very small city, and the Presidio being a very unique one, in that it goes from post to national park makes it an unusual base conversion. The Mayor has been very creative and imaginative, as well as energetic and resourceful in helping with this base conversion.

And I can't tell you how much it means for those of us who are working on this issue in Congress, Mr. Mayor, to have you make the effort to be with us this morning, coming this long way for one meeting. But your presence is important, and I join my colleagues in welcoming Mayor Jordan. I yield to the Chairman of the committee.

Mr. MILLER. I thank the Chair for yielding. I want to join in her words of welcome and to thank you, Mr. Mayor, for all of the time and the effort that you and members of city government have put in on this effort, recognizing all of the issues that you have had to deal with in coalescing around this conversion of the Presidio, and to tell you how much we appreciate your staff's help in our deliberations here at the committee and again, welcome to the committee.

Mr. JORDAN. Thank you.

Mr. VENTO. Thanks, Mayor. We appreciate your presence, and we are honored to have you here. It obviously underlines the im-

portance of this key parcel to the fabric of your great city, and we are appreciative of your hard work.

Please proceed with your statement.

**STATEMENT OF HON. FRANK JORDAN, MAYOR, CITY OF SAN FRANCISCO**

Mr. JORDAN. Thank you very much, Chairman Vento, Members of the subcommittee. I am very pleased to be here this morning and part of the afternoon to present our testimony and to give you our insight as far as where we feel our commitments should be, and there is certainly a full partnership with maintaining the Presidio as a U.S. national park, and we realize we have a responsibility as well to do our part to make sure that it is a U.S. park that is revenue generating and pays the bills so that it is cost effective.

I also want to thank the subcommittee for giving me the opportunity to testify today on behalf of House bill 3433, also on behalf of San Francisco and the Bay area as well. I am going to compliment and thank Congresswoman Nancy Pelosi for all of the hard work that she has been showing with her continuing leadership to fulfill the vision of the Presidio.

I would like to start by way of a little introduction. That is over two decades ago, the Congress of the United States recognized the unique beauty and history of the Presidio and included it in the newly formed Golden Gate National Recreation Area.

I applaud the Members of Congress, especially the late Congressman Phil Burton, who had the foresight to recognize this spectacular urban environment for its unique qualities, a national park that preserves this superb combination of natural, historic, scenic, and recreational resources and that is not just for us, but for the generations to come.

That was our vision when the Burton Act was passed more than 20 years ago and it remains our vision today.

I want to congratulate the National Park Service and the Golden Gate National Park Association and completing the draft General Management Plan for the Presidio. It is an impressive achievement that articulates our Nation's vision for the Presidio.

I want to acknowledge and thank the U.S. Army for its stewardship of the Presidio. We are pleased that the Sixth Army headquarters will remain at the Presidio. Its continuing presence offers park visitors contemporary military pageantry and it maintains our longstanding partnership as good neighbors.

The Presidio is one of the most beautiful places in North America. We have all addressed that issue. We are all very proud of its scenic setting, its 1,480 acres include forests, meadows, beaches and headlands, as well as miles of hiking, jogging and cycling trails.

It also offers historic buildings and military installations that chronicle virtually all of our Nation's military history. It is the oldest continuously operated military post in the country, having operated under three flags: Spain, Mexico, and the United States.

It is ecologically significant having been designated by the United Nations environment program as part of its biosphere reserve. The entire Presidio is also a national historic landmark. We in San

Francisco have a special feeling for the Presidio since it was the birthplace of our city.

For those of you on the committee who have not yet had the opportunity to visit Presidio, I would like to invite you to go west and to visit and see the beautiful scenic history as well as the Presidio itself.

The vision for the Presidio is a national vision, fashioned by Congress, the Park Service, and citizens throughout the Nation who have worked for and continue to support its creation.

We are preserving the natural environment and we are maintaining the legendary quality of life that are key factors in our economic success. We are, in effect, investing in our future.

The Presidio will provide new recreational opportunities for visitors from throughout the United States. And I would also say throughout the world, and it is a think tank and a conference center, the Presidio will bring people together to seek solutions to global problems.

The Presidio will reaffirm the Nation's leadership in the environmental industries that are increasingly important to components of our economy.

Now, as far as San Francisco's commitment, I think it is very important that I state the following: Crafting the Presidio plan has taken three years and has required the cooperation of the Park Service, the Golden Gate National Park Association, the Presidio Council and the City of San Francisco.

The Golden Gate National Park Association and the Presidio Council, both private nonprofits whose members are primarily Bay area residents, have raised over \$1 million to date to help finance the Presidio planning effort. I want to publicly thank them for their efforts.

San Francisco has joined with these organizations in crafting the Presidio plan because we value the contributions the Presidio will make to our city and to our region.

As a city government, we have contributed to the development of the plan in significant ways. City staff have provided technical expertise. We have reviewed documents. We have identified potential problems and we have recommended solutions.

We have identified critical policy issues in the conversion of the Presidio and we have open, informed public discussion about the conversion process.

I want to talk now about the legislation that you are considering today, House bill 3433. I believe the proposed Public Benefit Corporation clearly is a pragmatic approach to making the Presidio self-supporting. It is a credible way to obtain and institutionalize the management expertise that is essential for successful implementation of the Presidio plan.

As mayor of the city and county of San Francisco, I am committed and I want to emphasize that I am definitely committed to making this corporation a success. Towards that end, I will be convening a task force of business leaders from throughout San Francisco and the Bay area to help provide the expertise that will be necessary to ensure this corporation can target the tenants that will be necessary to meet the occupancy goals stated in its projections.

We are also committed to providing a level of local services that are essential to ensure that the corporation can be competitive in attracting organizations interested in leasing property.

All of these services are new local services since they were not required by the previous occupant, the Army.

I want to submit for the record a letter that I sent to you, Chairman Bruce Vento, that outlines the city's commitment of services to the Presidio. I will summarize some of those points for the committee.

Mr. VENTO. Yes. Mayor, without objection, the letter will be made part of the record. If there is no objection, so ordered.

[The letter follows:]

Office of the Mayor  
SAN FRANCISCO



FRANK M. JORDAN

March 24, 1994

The Honorable Bruce F. Vento  
Chairman, Subcommittee on National  
Parks, Forests and Public Lands  
U.S. House of Representatives  
Washington, DC 20515-6201

Dear Congressman Vento,

Thank you for your recent letter on the conversion of the Presidio to National Park Service management. On behalf of the people of the City and County of San Francisco I want to thank you for your ongoing efforts to preserve the Presidio of San Francisco. I truly believe that the successful transformation of the Presidio from a military installation to a national park will be a project that will be appreciated by generations to come.

I also want to express my strong support for HR 3433, the legislation that would create a public benefit corporation at the Presidio. I believe that this type of creative legislation represents the type of partnership between the public and private sector that will be necessary to make this project work.

As I stated in my testimony to the Golden Gate National Recreation Area Advisory Commission on December 11, the City and County of San Francisco's commitment to the transformation of the Presidio to a National Park is very strong. City officials and department staff have devoted hundreds of hours over the past three and a half years to help facilitate the smooth conversion of the Presidio and the planning for its future management.

We are very aware of the importance of reducing costs and generating revenues at the Presidio. We understand the difficult economic climate faced by all levels of government, as San Francisco confronts continuing budget shortfalls and the need to make painful cuts in City services. Despite our current economic difficulties, the City and County is committed to providing a range of critical services and valuable technical assistance to the Presidio which will help assure its successful conversion.

Some of these contributions to the Presidio by the City and County of San Francisco are described below.

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#### Utility Services and Improvements

The San Francisco Public Utilities Commission and Department of Public Works are currently assisting the Park Service to explore potential roles for the City in operation and maintenance of the Presidio's water, electrical and sewer systems which could help reduce Presidio operating costs. One possibility would be for the City to assume responsibilities for specific aspects of these utility systems and help implement the ambitious program of conservation and resource management outlined in the Plan, which includes many conservation programs already in place in the City.

The City is currently preparing a Reclaimed Water Plan which includes spending approximately \$25 million to supply 1 million gallons of treated reclaimed water per day to meet the Presidio's irrigation needs. Serving the Presidio has required a significant increase in the capacity of the City's planned reclaimed water treatment plant and delivery system to a total of 14 million gallons in flow capacity. The reclaimed water will reduce the Presidio's potable water demand and treatment and distribution costs and enable restoration of groundwater levels and surface water flows in Lobos Creek. The \$25 million to serve the Presidio represents over 12% of the total City project cost, which is anticipated to be funded from revenue bonds and State loans to be repaid through local sewer service and water rates.

While the rate structure for reclaimed water has not yet been established, it will be set at or below that of potable water. Since the cost of producing reclaimed water will exceed that of potable water, and the Presidio will be consuming primarily reclaimed water, this reclaimed water will be provided at a significant discount.

In addition to the reclaimed water investment, the City is currently constructing an extension to its Richmond Transport project which will eliminate a sewer outfall at the Presidio's Baker Beach. The extension, which added \$2.2 million to the cost of designing and constructing the City's Richmond Transport project, will completely eliminate the possibility of wet weather sewer overflows at the beach, which previously occurred roughly 40 times per year, protecting the health of the public and the natural environment. As with the reclaimed water, these expenditures were funded with bonds repaid from local sewer service charges. Additional City investments made on Presidio land as part of the project include \$300,000 for revegetation and a restoration study

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of Lobos Creek and \$120,000 for new restroom facilities at the beach.

#### Transit and Traffic Improvements

The Draft Presidio Plan and EIS rely on a number of extensions and realignments of existing San Francisco public transit lines to increase service to the Presidio and reduce the impacts of dramatic increases in Presidio visitors. We will incorporate these recommendations in the San Francisco's MUNI transit planning process for capital and operational improvements.

The capital costs of the recommended service extensions of MUNI's 41 and 45 Union lines from the Presidio boundary to the Main Post alone are estimated at \$1.7 million. MUNI estimates its increased operating costs for extending service on the various lines serving the Presidio to be \$300,000 annually. The City and County will pursue potential funding sources for these increased capital and operating costs so these Presidio transit service improvements can be made.

The Park Service and their consultants have concluded that increased express transit service between the Presidio and downtown is also needed to help attract Presidio tenants. A number of options to provide such service are being studied, including expanding MUNI express service. The annual operating cost of such additional service for the county's MUNI transit service would be approximately \$1 million. A large portion of these operating costs are subsidized by the City's general fund.

Longer-range plans to extend bus, light-rail and water taxi service to the Presidio as described in the Draft Presidio Plan would require millions in capital costs and ongoing operating subsidies from MUNI and other operators. The City and County will continue to coordinate transportation planning with the Park Service to realize plans for transit improvements to serve future Presidio visitors.

Traffic improvements to City streets and intersections near the Presidio to accommodate the traffic increases projected in the Plan EIS will cost the City and County an additional \$2.5 million, according to estimates by the Park Service.

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#### Public Safety Services

The City and County will be providing backup assistance from our Police Department, Fire Department and Emergency Medical services staff to the Presidio's public safety operations. We are currently exploring the potential for lease of Presidio facilities by the City's police and fire department. This arrangement could help preserve and upgrade historic buildings while providing Park Service fire and law enforcement personnel with assistance from specially trained City staff and their equipment.

#### Technical Assistance and Services

The City will continue to provide substantial technical assistance from experts in a wide range of City departments to Park Service staff in reviewing infrastructure requirements, overseeing toxic remediation efforts, planning transportation improvements, operating facilities and utility systems, projecting staffing requirements, meeting environmental requirements, and numerous other areas. Over the past three years this collaboration has required an average of one meeting each month by the 85 designated department representatives involved, at a cost of over \$300,000 in senior staff time. This collaboration is expected to extend well into the future given the multitude of operational and planning decision to be made and coordinated between the two agencies.

#### Other City and County Services

In addition to these services of specific value to the National Park Service management of the Presidio, the Presidio's residents, employees and visitors will benefit from a wide range of City and County services which increase the attractiveness of the Presidio as a place to live, work and visit. Among City services provided to residents are public schools, parks and recreation facilities, libraries and public health services. Among services provided to employees are child care services, transit service and City street improvements and employment programs. Among services provided to visitors are convention facilities and services, the San Francisco International Airport, and an unparalleled collection of publicly maintained tourist attractions which make San Francisco a favorite destination for national and international travellers. Because the Army provided many of these services to Presidio employees and residents, and generated far less visitor traffic than is projected under Park Service management, use of these kinds of City and County services and facilities by Presidio residents, employees and visitors is likely to be significantly higher in the future.

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I look forward to working with Congresswoman Pelosi and Park Service representatives to identify opportunities for revenue growth to help support both Park Service and City capital and operational expenses related to the Presidio. Although setting aside local revenues for Presidio services, as you suggested, is constrained by both State law and the City Charter, I am willing to assure City services and improvements to serve the Presidio are a priority in my budget proposals. We will also examine the potential for the City to provide financing assistance.

In closing, I want to reiterate the City's commitment to the transfer of the Presidio to become part of the Golden Gate National Recreation Area, completing the late Philip Burton's vision for a great national park at the Golden Gate. The 1972 federal legislation has helped to preserve for public use some of the most spectacular historic and natural areas in the Bay Area. The City has been a partner with GGNRA in realizing the park's potential since the park's inception. The City recently purchased a key parcel linking Ocean Beach and Land's End with over \$3 million dollars in open space acquisition and sewer project funds for transfer to GGNRA. This land donation was the latest of many City contributions to GGNRA's necklace of waterfront open space which include much of Ocean Beach and Land's End.

We know you share our strong belief that the Presidio's extraordinary historical, natural and scenic resources, coupled with its accessible location, guarantee that it will be a national Park of truly international significance. Its preservation and successful conversion to civilian use is a project which will benefit all Americans. Please let us know if we can be of any further assistance to you in this important effort. Thank you again for your support.

Sincerely,



Frank M. Jordan  
Mayor

Mr. JORDAN. Thank you. The San Francisco Public Utilities Commission and the Department of Public Works are currently assisting the Park Service in exploring potential roles for the city in the operation of the maintenance of the Presidio's water, electrical, and sewer systems.

We are confident that this assistance will help reduce the Presidio's operating costs.

The Presidio plan relies on a number of extensions and realignments of our public transit lines, railway. We will incorporate these recommendations into the operating plans for our transit system to enhance public transportation in the Presidio.

The city will be providing backup assistance from our police department, our fire department, and emergency medical services staff.

Our Public Health Services will assure the safety of retail food establishments and drinking water. The children of Presidio residents will use our public schools and our child care facilities.

We believe that San Francisco's contributions to provide city services and support are vital to achieving the success of this corporation.

I know that the House is considering legislation offered by Congressman Duncan, House bill 4078. My understanding is that this legislation would sell off parts of the park and effectively strip it of its ability to produce revenue.

I believe that this bill is impractical and not supported by the vast majority of residents of San Francisco and the Bay area.

One of the primary assumptions of the Duncan legislation is that significant portions of the Presidio can be sold with the proceeds used to reduce the operating costs for the remainder of the park.

I asked the planning director for the city and county of San Francisco to outline the steps that would be necessary before the property could be rezoned. Based on this analysis of the process and recent past examples, this process could take as long as 10 years, and I know that sounds astounding, but I have seen this and I will have a letter that I will submit also to this committee today showing things like Urbana Center which has taken up to 30 years, and also our latest one, Mission Bay, some of our waterfront projects. It goes on and on.

[The letter follows:]



City and County of San Francisco  
The Planning Department

1660 Mission Street  
San Francisco, CA 94103-2414

March 10, 1994

Mayor Frank M. Jordan  
Room 200, City Hall  
San Francisco, CA 94102

Dear Mayor Jordan:

This letter describes mandated State and local regulations and procedures which would apply to the use of the portions of the Presidio if they were to be sold to private or non-Federal governmental agencies. We understand that this information is more critical given Representative John Duncan's proposed legislation, which would include the Federal government selling off portions of the Presidio, as reported in today's Chronicle. Following is information on the legal requirements in San Francisco for planning and rezoning property to change permitted development or uses. Included are a few case histories of some similar projects to give an idea of the kinds of issues which must be resolved, the procedures to be followed and the time required to complete the process.

The Presidio is currently officially designated as follows:

- a) City Master Plan - Open Space use: Specific guidelines for the Presidio include: limiting new construction to the replacement of existing structures of similar size, and new construction should only be considered for and limited to existing developed areas.
- b) City Zoning Ordinances - "P" use zone, meaning Public District, which applies to all government owned properties and only permits public uses. The "P" designation carries different degrees of City jurisdiction depending on the government level; and
- c) City's Height and Bulk Zoning - "OS" or Open Space Zoning, which does not permit any incremental development on unbuilt land and restricts existing buildings to a height of 40 feet (or 80 feet in the Letterman Hospital complex.)

Should a change in use or new development be requested, processing for new permits would require the following steps under City and State law. In the case of a Public District such as the Presidio, even a change in ownership could, in effect, constitute a change in use. This would include the sale of Presidio land to a private party, even if the use remained essentially the same.

- 1) Amendment of the San Francisco Master Plan and its related policies -- In the case of a project affecting major portions of the Presidio, this would require preparation of an Area Plan for the Presidio which would analyze alternatives to

ADMINISTRATION  
(415) 558-6414

CITY PLANNING COMMISSION  
(415) 558-6414

PLANS AND PROGRAMS  
(415) 558-6264

IMPLEMENTATION/ZONING  
(415) 558-6377

FAX: 558-6400

FAX: 558-6426

Yerba Buena Center is an 87 acre redevelopment project in the downtown area which was initiated in 1960. The Redevelopment Plan was adopted in 1966. Private development was authorized in 1970. Litigation delayed construction from 1970 to 1980. Settlement of litigation allowed construction of Moscone Convention Center to proceed in 1980 along with private development. Major portions of this project are still unbuilt.

Mission Bay is a 325 acre mixed use development of residential and commercial uses on industrial land along the eastern waterfront and is privately owned. The first development proposal was presented in 1981 and a second proposal was presented in 1983. Both proposals were found incompatible with San Francisco Master Plan policies. To help expedite this project a planning program was initiated in 1985 joining the efforts of the San Francisco Planning Department, community groups, developer and other government agencies. A proposal for Citizen Review was released in 1987. An Environmental Impact Report was prepared 1987 to 1990. Plan approval and certification of the EIR by Planning Commission occurred in 1990. The project development agreement and necessary rezoning was approved by the Board of Supervisors in early 1991. A ballot measure to exempt Mission Bay from annual limits on office development was defeated in late 1991. The first building received conditional approval by the Planning Commission in late 1992. Conditions precedent to allow construction have not yet been met, consequently construction has not begun.

University of California at San Francisco use of Laurel Heights facility is the adaptive reuse of the 366,000 gross square foot former Fireman's Fund Insurance complex. UCSF medical school proposed to use existing buildings for teaching and research by its pharmacy school in a residential neighborhood just south of the Presidio. The first EIR was prepared in 1986 by UCSF. A lawsuit filed challenging the adequacy of the EIR resulted in a California Supreme Court judgement in 1988 that overturned the EIR. A second and more thorough EIR prepared in 1988 to 1990 was also challenged. Recently the Court upheld the second EIR (1994). The building is still not used as anticipated by UCSF.

Residential construction, 3 lots adjacent to Presidio, approximately 1/2 acre was initiated in 1989. After 1 1/2 years of technical studies, City Planning staff determined an EIR was not needed; Neighbors appealed determination to the Planning Commission. Based on expert testimony an EIR was determined appropriate; no action by sponsor on EIR; permits pending.

During my 20 years at the San Francisco Planning Department, I have not observed any substantial projects which have included a change of use and/or new development, including those sponsored by the governmental agencies, that have been able to complete the

permit process without extensive citizen initiated involvement, often including litigation, ballot measures and extensive environmental review compliance; the process taking many years. Disposition of portions of the Presidio to the private sector or City or State ownership would be involved in the same process and require a similar amount of time. Given the uncertainty involved, it is highly unlikely that a private party would commit a substantial investment until this process was complete.

If I can supply any further information, clarification or elaboration, please do not hesitate to contact me.

Very truly yours,

A handwritten signature in black ink, appearing to read "L. R. Blazej". The signature is written in a cursive, somewhat stylized font.

Lucian R. Blazej  
Director of Planning

Mr. JORDAN. When you start to rezone, then you have environmental impact reports, then you have public hearings before the city planning commissions, public forums before the board of supervisors, usually lengthy litigation, and it seems to go on and on and on when it comes to rezoning for a property.

During this period, the Park Service could not be assured that it could generate a significant return through the sale of the property. Additionally, because of its inability to lease the property, it could not return revenues to the park that could reduce the annual operating expenses to the park.

Despite these obstacles, if the Park Service were to pursue this course of action, they would pursue it, they could eventually generate significant new tax revenues for my city.

As virtually every major city in the United States, San Francisco has suffered under continuing deficits. Despite our continuous budget deficits, we are willing to limit our opportunities to benefit from a revenue stream because of our commitment to realize the benefits that maintaining the park in its current state would have for future generations, as well as our own.

In creating the Golden Gate National Recreation Area, the people of the United States have secured one of the Nation's most beautiful places for the benefit, the pleasure, and for the use of every citizen, including our upcoming generations.

The foresight of Congress provided for the Presidio to be included in the Golden Gate National Recreation Area and brings an international dimension to our national parks.

Today, I am pleased to reaffirm our city's commitment to these tasks. I personally stand ready to do everything within my authority to preserve the Presidio as a U.S. national park in all its natural splendor.

I would like to conclude by submitting the following documents for the written record: You have one already, Chairman Vento, outlining my commitments and the city's commitments. The others are a resolution approved unanimously by the San Francisco Board of Supervisors supporting House bill 3433, showing our city's commitments.

A second resolution approved by the Board of Supervisors. It is the city's proposal to bid electrical power for the Presidio and to use that bid at cost and also to show that any tenants of the Presidio would receive electrical power, but the money would be plowed back into services for the Presidio. There would be no expenses or no revenue generated for the City of San Francisco.

All of it would be used for the purpose of maintaining this natural U.S. park. And also as referenced in my testimony, a letter from the San Francisco Planning Director describing mandated State and local regulations which would apply to the use of the Presidio if it were to be sold to private or non-Federal agencies.

Mr. VENTO. Thank you, mayor, for your testimony. Without objection, these further documents that you refer to, these letters of support and other commitments, proposed policies are made part of the record.

Amendment of the Whole  
April 27, 1994.

ITEM NO. 12

FILE NO. 244-94-3.1

RESOLUTION NO. \_\_\_\_\_

1 [Presidio - National Park Service Contract]  
2 SUPPORTING THE USE AND SALE OF LOCAL, PUBLIC ELECTRICAL POWER AND  
3 URGING THE MAYOR TO URGE THE PUBLIC UTILITIES COMMISSION AND THE  
4 GENERAL MANAGER OF THE PUBLIC UTILITIES COMMISSION TO AGGRESSIVELY  
5 BID FOR THE NATIONAL PARK SERVICE CONTRACT FOR THE GENERATION OF  
6 ELECTRICITY AT THE PRESIDIO.

7  
8 WHEREAS, The City and County of San Francisco is in a severe  
9 economic crisis, with constant threats to city services in every  
10 department; and

11 WHEREAS, there exists opportunities for the city to generate  
12 revenue through the sale of Hetch Hetchy power and services at the  
13 proposed Presidio National Park; and

14 WHEREAS, The General Manager of the San Francisco Public  
15 Utilities Commission (PUC) has stated publicly that he will  
16 aggressively bid for the National Park Service Contract for the  
17 generation of electricity at the Presidio; and

18 WHEREAS, Continued public ownership of the Presidio electrical  
19 system will increase opportunities for acquisition of low-cost  
20 hydroelectric power, and at the same time facilitate use of the  
21 Presidio as a demonstration site for energy-efficient building  
22 design, energy-saving distribution automation systems, experimental  
23 rate designs, and on-site power; and

24

5

BOARD OF SUPERVISORS

SUPERVISORS ALIOTO, SHELLEY, KAUFMAN, BIERMAN, AND HSIEH

(4)

1           WHEREAS, the City and County of San Francisco would like Hetch  
2 Hetchy Water and Power to submit a proposal to renovate the existing  
3 Presidio electrical system and utilize capital savings and operating  
4 revenue to support a comprehensive energy management program; and

5           WHEREAS, the City and County of San Francisco needs to showcase  
6 information upon which to base a bid; and

7           WHEREAS, the City and County of San Francisco could benefit from  
8 management of the Presidio electrical system by showcasing the  
9 advantages of public power, energy conservation and responsible  
10 resource stewardship and will contribute financially to the Presidio  
11 park and the local economy; and

12           WHEREAS, the benefits to San Francisco include the ability to  
13 keep revenue in the local economy, the ability to create jobs for  
14 local residents, the ability to enhance San Francisco's reputation  
15 as an environmental leader by fostering national and international  
16 interest in energy issues and the ability to provide an example of  
17 successful public ownership and management of electrical power  
18 resources; now, therefore be it

19           RESOLVED, That the Board of Supervisors of the City and County  
20 of San Francisco urges the Mayor to urge the PUC and the General  
21 Manager of the PUC to put forth an aggressive bid and strongly  
22 encourage Hetch Hetchy to consider supplying power to the National  
23 Park Service itself at cost in the operation and ownership of the  
24 Presidio electrical system (Emphasis Added); and, be it

SUPERVISORS ALIOTO, SHELLEY, KAUFMAN, BIERMAN, AND HSIEH  
BOARD OF SUPERVISORS

1           FURTHER RESOLVED, That it is the policy of the City and County  
2 of San Francisco to generate revenue from the sale of Hetch Hetchy  
3 power and services to National Park Service tenants with net  
4 proceeds from such sales to be allocated for support of Presidio  
5 services and programs at the proposed Presidio National Park  
6 (Emphasis Added); and, be it

7           FURTHER RESOLVED, That the National Park Service provide  
8 complete documentation of the electrical system's current condition  
9 and of the electrical system designs proposed by P.G. & E.; and be  
10 it

11           FURTHER RESOLVED, That the National Park Service provide  
12 financial and technical support, including estimates of future  
13 loads, for the development of the Hetch Hetchy Water and Power  
14 proposal, comparable to the National Park Service support of the  
15 P.G. & E Proposal.  
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BOARD OF SUPERVISORS

SUPERVISORS ALIOTO, SHELLEY, KAUFMAN, BIERMAN, AND HSIEH

44

[The prepared statement of Mayor Jordan follows:]

**TESTIMONY OF MAYOR FRANK JORDAN  
TO THE  
U.S. HOUSE OF REPRESENTATIVES SUBCOMMITTEE ON  
NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
ON  
HR 3433-PRESIDIO PUBLIC BENEFIT CORPORATION**

**TUESDAY, MAY 10, 1994**

I want to thank Congressman Vento and the Members of this Subcommittee for giving me the opportunity to testify today on behalf of HR 3433.

Also, on behalf of San Francisco and the Bay Area, I want to acknowledge and thank Congresswoman Pelosi for her continuing leadership in fulfilling the vision for the Presidio.

**INTRODUCTION**

- Over two decades ago the Congress of the United States recognized the unique beauty and history of the Presidio and included it in the newly formed Golden Gate National Recreation Area. I applaud the Members of Congress, especially the late Congressman Phil Burton, who had the foresight to recognize this spectacular urban environment for its unique qualities. A national park that preserves this superb combination of natural, historic, scenic and recreational resources for generations to come was our vision when the Burton Act was passed more than 20 years ago, and it remains our vision today.
- I want to congratulate the National Park Service and the Golden Gate National Park Association on completing the draft General Management Plan for the Presidio. It is an impressive achievement that articulates our nation's vision for the Presidio.
- I want to acknowledge and thank the U.S. Army for its stewardship of the Presidio. We are pleased that the 6th Army Headquarters will remain at the Presidio. Its continuing presence offers Park visitors contemporary military pageantry.

**WHY THE PRESIDIO SHOULD BE A NATIONAL PARK**

- The Presidio is one of the most beautiful places in North America. Its 1,480 acres include forests, meadows, beaches and headlands. It also offers historic buildings and military installations that chronicle virtually all of our nation's military history. It is the oldest continuously operated military post in the

country, having operated under three flags, Spain, Mexico and the United States. It is ecologically significant having been designated by the United Nations Environment Program as part of its biosphere reserve. The entire Presidio is also a national historic landmark.

- We in San Francisco have a special feeling for the Presidio since it was the birthplace of our city. For those of you on the Subcommittee who have not yet had the opportunity to visit the Presidio, I would like to invite you, as my special guest, to come West and see the beauty and the history of the Presidio.
- The vision for the Presidio is a national vision, fashioned by Congress, the Park Service and citizens throughout the nation who have worked for, and continue to support, its creation.
- We are preserving the natural environment and maintaining the legendary quality of life that are key factors in our economic success – we are in effect investing in our future.
- The Presidio will provide new recreational opportunities for visitors from throughout the United States.
- As a "think tank" and conference center, the Presidio will bring people together to seek solutions to global problems.
- The Presidio will reaffirm the nation's leadership in the environmental industries that are increasingly important components of our economy.

#### **SAN FRANCISCO'S COMMITMENT**

- Crafting the Presidio Plan has taken three years, and has required the cooperation of the Park Service, Golden Gate National Park Association, the Presidio Council and the City of San Francisco.
- The Golden Gate National Park Association and the Presidio Council, both private nonprofits whose members are primarily Bay Area residents, have raised over \$1 million to help finance the Presidio planning effort. I want to publicly thank them for their efforts.
- San Francisco has joined with these organizations in crafting the Presidio Plan because we value the contributions the Presidio will make to our city and our region.

- As a city government, we have contributed to the development of the plan in significant ways:
  - City staff have provided technical expertise, reviewed documents, identified potential problems and recommended solutions.
  - They have identified critical policy issues in the conversion of the Presidio and have informed public discussion about the conversion process.

#### **PUBLIC BENEFIT CORPORATION LEGISLATION**

- I want to talk now about the legislation that you are considering today, HR 3433.

I believe that proposed Public Benefit Corporation clearly is a pragmatic approach to making the Presidio self supporting. It is a credible way to obtain and institutionalize the management expertise that is essential for successful implementation of the Presidio Plan.

As Mayor of the City and County of San Francisco I am committed to making this Corporation a success. Towards that end I will be convening a task force of business leaders from throughout San Francisco and the Bay Area to help provide the expertise that will be necessary to ensure that this corporation can target the tenants that will be necessary to meet the occupancy goals stated in its projections.

We are also committed to providing a level of local services that are essential to ensure that the Corporation can be competitive in attracting organizations interested in leasing property. All of these services are new local services since they were not required by the previous occupant the Army.

- I want to submit for the record a letter that I sent to Chairman Bruce Vento, that outlines the City's commitment of services to the Presidio. I will summarize some of these points for the Subcommittee:
  - The San Francisco Public Utilities Commission and Department of Public Works are currently assisting the Park Service in exploring potential roles for the City in the operation and maintenance of the Presidio's water, electrical and sewer

systems. We are confident that this assistance will help reduce the Presidio's operating costs.

- The Presidio Plan relies on a number of extensions and realignments of our existing public transit lines. We will incorporate these recommendations into the operating plans for our transit system for upcoming years.
- The city will be providing backup assistance from our Police Department, Fire Department and Emergency medical services staff.
- Our public health services will assure the safety of retail food establishments and drinking water.
- The children of Presidio residents will use our public schools and child care facilities.
- We believe that San Francisco's contributions to provide city services and support are vital to achieving the success of this corporation.

#### **DUNCAN LEGISLATION HR 4078**

- I know that you are also considering legislation, offered by Congressman Duncan, HR 4078. My understanding is that this legislation would sell off parts of the park and effectively strip it of its ability to produce revenue.
- I believe that this bill is impractical and not supported by the vast majority of residents of San Francisco and the Bay Area.
- One of the primary assumptions of the Duncan legislation is that significant portions of the Presidio can be sold with the proceeds used to reduce the operating costs for the remainder of the park. I asked the Planning Director for the City and County of San Francisco to outline the steps that would be necessary before the property could be rezoned. Based on his analysis of the process and recent past examples this process could take as long as 10 years. During this period the Park Service could be assured that it could generate a significant return through sale of the property. Additionally because of its inability to lease the property it could not return revenues to the Park that could reduce the annually operating expenses for the park.
- Despite these obstacles if the Park Service were to pursue this course it could eventually generate significant new tax revenues for my city. As virtually all major cities in the United States, San Francisco has suffered under continuing

deficits. Despite our continuous budget deficits, we are willing to forestall our opportunities to benefit from a revenue stream because of our commitment to realize the benefits that maintaining the park in its current state would have for future generations.

#### CONCLUSION

- In creating the Golden Gate National Recreation Area, the people of the United States have secured one of the nation's most beautiful places for the benefit, pleasure and use of every citizen.
- The foresight of Congress provided for the Presidio to be included in the Golden Gate National Recreation Area, and brings an international dimension to our National Parks.
- Today, I am pleased to reaffirm our City's commitment to these tasks.

Mr. VENTO. Both bills agree you need a Public Benefit Corporation. As far as the city is concerned, it usually gets involved in any type of economic development that takes place in terms of issue revenue bonds, private purpose bonds we call them now, and obviously there would be a reliance on the part of the city if parts of this were sold.

Are there actual projects taking place, economic development, where there isn't generally involvement by the city in terms of funding support, either through the issuance of private purpose bonds or otherwise?

Mr. JORDAN. Let me tell you, some of the more specific—the commitments that the City of San Francisco will make, one is—part of it has been discussed here already this morning and that is the water and sewer issues.

We are spending \$27.5 million to adjust what we call our Richmond Transport Project where we are looking now for reclamation of water and sewer updates, and that will tie in to make sure that the Presidio will have water, that we can use—reclaim water that can be used for all of the 1,500 acres for maintenance of the trees and shrubbery and grass.

Certainly the sewer updates where you have outflows now will all be readjusted so that that could be put in a proper position. We also have \$1.7 million of overhead extensions in trolley wires, electrical wires for our buses going through the Presidio adding additional lines of 41 and 45.

We are also looking at diesel buses in the Presidio. There would be approximately \$600,000 of annual operating expenses and maintenance for these services for the mini-transportation.

Mr. VENTO. These are all activities that are not now going on because of the nature of this site; is that correct?

Mr. JORDAN. That is correct.

Mr. VENTO. There is no transit service there today. It isn't necessary or it is judged that it isn't possible on the reservation the way it has been managed; is that correct?

Mr. JORDAN. There is some, Mr. Chairman, but it would have to be increased. That is why we are adding the additional wire.

Mr. VENTO. Your transit system, like all of our transit systems, operates at a deficit. In other words, you subsidize those riders on the system to keep air quality and other factors down, like parking lots and extra wide streets?

Mr. JORDAN. Yes. We have two-thirds subsidy, one-third deficit, yet we are willing to commit.

Mr. VENTO. Do you have, in terms of your utility rates, a franchise fee or a type of franchise fee and/or sales tax on those? Sales tax of course is a State determination, is it not?

Mr. JORDAN. We do charge a franchise fee, Mr. Chairman, yes.

Mr. VENTO. Well, this is the consideration, I guess. I mean I understand that that has to go for basic purposes.

So when you are talking about this, you are not talking about relieving anyone because you obviously have no authority with regards to sales tax.

Are there sales tax on utility rates?

Mr. JORDAN. No, there are no sales tax on utilities.

Mr. VENTO. The franchise fee is present and that obviously insofar as generation would be charged, I assume.

Mr. JORDAN. And we also are looking at a commitment to not have any kind of sales tax within the Presidio itself.

Mr. VENTO. I don't know exactly what you are referring to in terms of a sales tax.

Mr. JORDAN. We are not contemplating any sales tax. What we are looking at is to see how we can assist the Presidio itself, whether it is the military that stay there, the U.S. Park Service, or also the Public Benefit Corporation. We are looking to do our fair share.

Mr. VENTO. I understand that. One of the questions I was really trying to refer to is under one of these proposals, you take pieces out.

The Duncan proposal takes pieces of land out. You talked about a 10-year zoning problem that could ensue. It may not happen. Nobody hopes that would happen, supposing that were the decision that were made.

Of course relieving the site of a very important consideration, which I know is near and dear to the hearts of the residents and the mayor, but if you did that, isn't it also likely that developers would come to you and ask you for revenue bonds and other types of funding to help facilitate the economic development or purchase even of those areas?

I mean, are there any major developments that take place in cities today that we don't have developers coming in asking for assistance in terms of facilitating the process?

Mr. JORDAN. No. We certainly have people looking for revenue bonds and they are looking for ways to have the city assist, yes.

Mr. VENTO. Right. So, what the impact is on the taxpayer down the road here in terms of using it as a private purpose is different revenue streams, especially in an environment where everyone is competing and if you don't offer it, the folks in Cincinnati are offering it or the people in Minnesota, I know, so we are always competing against that particular background.

So the idea of what the value would be to the city is I think somewhat diminished. And of course if Letterman/LAIR were to be picked up by the State of California or another person were to buy it, does the State of California pay property taxes to the city of San Francisco?

Mr. JORDAN. No, they do not. No taxes whatsoever.

Mr. VENTO. Is it likely that some of these activities would be either public or nonprofit organizations?

Mr. JORDAN. Yes, that is correct, Mr. Chairman, it would be and we are welcoming that opportunity as well.

Mr. VENTO. Of course now, the issue we set aside of course is that this is the Presidio and if you begin to subdivide it and cut it up and do various things to it, obviously you modify the entire character of what is in essence the heart of the city.

So that is a factor, but I am encouraged by your responses today and in the past in terms of the letter of understanding, it is clear to me that there is an attitude of cooperation and collaboration working with the Park Service, which I think is really necessary to make this work. I hope that we can reciprocate in terms of the public policy path that gets established.

We are obviously concerned about the Public Benefit Corporation. We are concerned in terms of what your working relationships would be with them and how it is defined in terms of appointment. You would have representation on this Commission?

Mr. JORDAN. That is correct, Mr. Chairman, I would be one of the members on the Public Benefit Corporation.

Mr. VENTO. And so of course it does mean that we have this sort of representative form of government where people who don't have direct democracy are involved. I am certain that is of some pause to various individuals, but, you know, if we are going to get this done, we are not going to be able to put every issue up on a referendum vote in San Francisco. I know that would be a deal in some people's mind, but I think that would take even longer than the delays you are talking about with regard to zoning.

As much of Democrats as we are, I think we also recognize the responsibility of those who are elected, like you, to make decisions. Now, you may make wrong decisions.

Have you ever made a wrong decision?

Mr. JORDAN. Not in the last 57 years.

Mr. VENTO. You must be running for reelection. We make some mistakes sometime, that is to say, a Public Benefit Corporation or any artifice we have is no guarantee against making mistakes when we make decisions, so it is possible the Park Service may make mistakes. I have observed a few that they have made.

In fact, the Public Benefit Corporation or others may make mistakes in terms of decisions that end up costing money or sometimes do things that save money. We even sometimes make decisions right, ironic as that may seem in this sort of pessimistic environment in which we work, rather than just a skeptical environment.

But in any case, it is possible. I think we will try and instill into this as much as we can to provide the safety valves and the guards against that, including the appropriators and the authorizers and all the other entourage that make up the Congress and the administration. And hopefully that will result in a better than average batting performance.

I would yield to the gentlewoman who never makes mistakes.

Ms. PELOSI. Mr. Chairman, I agree with what you are saying in terms of how long it might take if we had a direct democracy, in terms of decision-making with the Presidio, but I will say that the more public accountability that we have for the Public Benefit Corporation, the better. This is important in terms of how open the meetings can be and what proceedings of the Public Benefit Corporation be a matter of public record, perhaps the Golden Gate National Recreation Area Commission could be used as a public forum for issues where public views can be aired. Members of the Public Benefit Corporation must defend the decision-making, et cetera, and be accountable to the public for them at the grassroots level as well as through the legislative and appropriation process that the chance of making a mistake might be diminished. At least the legitimacy of the decision would be established, I think, with more public involvement we have in it.

That doesn't mean there is a referendum. It just means that the Corporation must defend its position.

Mr. VENTO. Well, I think that the Public Benefit Corporation offers the prospect for a concentrated and focused effort on the interests of what happens in Presidio, more so than what the Park Service would permit under the normal decision-making process that it employs.

And this is to be borne in mind, that this inures to the benefit of the citizens of San Francisco to have the Mayor there serving that function, to have a cross section of the private sector on it.

Now, of course the decisions, you know, we can say they are democratic. It doesn't mean that everyone agrees. They don't, but that is sort of the nature of how we make decisions. Not everyone on this committee always agrees, but usually the Chairman agrees.

Mr. Chairman, did you have any questions of the mayor or comments?

Mr. MILLER. I don't have a question. I just think that we ought to make it clear that in the context of the Duncan bill, which has substantially complicated this process, but I think it should be very clear for the record, the notion of rezoning this property in that context in 10 years is probably a very conservative notion.

As one who represents the community across the Bay and out into a more rural area where in theory these things are easier to do, six, eight, ten years is not unusual for a major, single purpose subdivision, such as single family housing.

You also have to put it into the context of trying to come up with a large planned project that is compatible with the city and the desires of the city, and, because there is great risk for this park that we cannot have, Director Kennedy and others cannot accept a zoning or a development there that threatens the integrity of the park.

This is a problem we run into very often with the parks, complicated by the fact that you don't know the extent of the Army's tenancy.

And so to suggest that the Duncan bill somehow would be a revenue generator on an immediate basis is sort of how the Federal Government creates deficits. We do it on a wish and a promise, not on the basis of reality or what is happening on the grounds. For people to suggest that somehow this is really the way to finance the development and the protection of the Presidio as a park I think is really to mislead both the public and our colleagues who have signed onto that legislation because the position is just completely indefensible in terms of the budgetary impacts. Clearly there would be long-term adverse impacts on the Park Service budget because we would start to inherit liabilities much faster than we would inherit the benefits, and I think the mayor has accurately characterized the situation that 10 years is realistic, but I also am on the conservative side. It is realistic when you start to sit down and anticipate the kinds of questions that would have to be answered to have compatible zoning given all of those interests, that are not just within the interest of the city, but within the interest of other parties to this arrangement. Again, I want to thank the mayor for his presentation.

Mr. JORDAN. I totally agree with your comments too, Congressman Miller, and I believe that is just exactly—what you said would occur. If we started to be for rezoning, litigation, environmental is-

sues, that it would be an impossible task and we would not have a national park. We would have a national disaster.

Ms. PELOSI. May I?

Mr. VENTO. Yes, Congresswoman Pelosi, without objection.

Ms. PELOSI. Thank you, Mr. Chairman.

In the event that this will draw to the end with the mayor's testimony, I want to thank him for his excellent presentation and his very hard work in the post to park Presidio vision that we have.

I also want to acknowledge the presence of two people who are there with the mayor as resources, who have been resources not only today but ongoing on this issue, Mr. Larry Florin, who is the manager of the city's base conversion issues and Mr. Jim Wunderman who is chief of staff to the Mayor of San Francisco. I just want to thank them for their hard work.

And once again, Mr. Mayor, thank you very much for all you have done and thank you for being with us today.

Mr. JORDAN. Thank you, Congresswoman Pelosi.

Mr. VENTO. Thank you and your associates for your work. We will be in contact with you when we try and get the mark together and make the changes that are anticipated and being discussed today.

**PANEL CONSISTING OF GREG MOORE, EXECUTIVE DIRECTOR, GOLDEN GATE NATIONAL PARK ASSOCIATION; MARY G. MURPHY, CO-CHAIR, NEIGHBORHOOD ASSOCIATIONS FOR PRESIDIO PLANNING; TOM ADAMS, WASHINGTON REPRESENTATIVE, NATIONAL PARKS AND CONSERVATION ASSOCIATION; JOEL VENTRESCA, CO-CHAIR, PRESERVE THE PRESIDIO CAMPAIGN; AND, THOMAS A. SCHATZ, PRESIDENT, THE COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE**

Mr. VENTO. We have a panel of witnesses. At some point, we may either have to put the Chairman in charge of the subcommittee or suspend because we have some activities on the Floor that are coming up. I am pleased to welcome Mr. Greg Moore, the Executive Director of the GGNRA, and Ms. Mary Murphy, co-chair of the Neighborhood Associations for Presidio Planning, Mr. Tom Adams, the Washington representative of the National Parks and Conservation Association, Mr. Joel Ventresca, the co-chair, Preserve the Presidio Campaign, and finally, Mr. Tom Schatz, the President of the Council for Citizens Against Government Waste.

Your statements have all been made part of the record insofar as we have received them, and I assume you all have submitted statements. So we will proceed. We would like you to try to summarize your statements in about five minutes so that we can have some opportunity for questions.

The gentlewoman from San Francisco, Ms. Pelosi.

Ms. PELOSI. Thank you, Mr. Chairman. I wanted to join you in welcoming those on this panel who are from San Francisco who have worked very hard on one side of this issue or another, Mary Murphy, President of the Neighborhood Associations for Presidio Planning.

Mary has been active in our community on the Presidio and has been responsible for bringing many of our neighborhoods together

in support of H.R. 3433. I wish to commend her publicly for her hard work on the Presidio.

Mr. Greg Moore, Executive Director of the Golden Gate National Park Association, the President of the Conference of National Park Cooperating Associations, an expert in the area of philanthropy for national parks.

And also from San Francisco, Mr. Joel Ventresca, who has traveled here to provide his alternative management model. He does not agree with my legislation, but as I mentioned in my opening statement, we all agree that we want the Presidio to be a park, and I join in welcoming him.

Thank you, Mr. Chairman.

Mr. VENTO. A lot of constituents. Well, thanks for your introduction to your friends and colleagues from San Francisco.

Mr. Moore, we have your statement so if you can proceed and summarize, it would be helpful to the subcommittee.

Please proceed.

#### STATEMENT OF GREG MOORE

Mr. MOORE. Thank you, Mr. Chairman and Members of the committee for inviting me to testify today on the legislation before you.

I am Greg Moore, Executive Director of the Golden Gate National Park Association, and we are the official nonprofit cooperating association for the Golden Gate National Recreation Area.

Since the Presidio closure was announced in 1988, we have been actively working with the Park Service to protect the national treasure of incomparable beauty, the Presidio.

Mr. Chairman, I am also President of the Conference of the National Park Cooperating Associations. It is a national network of nonprofit organizations working to support our national parks. And collectively, the member organizations of this conference have contributed over \$100 million in support of our national parks.

All of us working to enhance philanthropic support to our parks are well aware of the leadership that this committee has provided in protecting our national heritage, and we are sincerely appreciative of all your efforts.

In 1991, the park association formed the Presidio Council to address the need for additional expertise in planning for the Presidio's conversion from a military post to a national park. In forming the council, we sought to pull together a breadth of knowledge and experience, enlisting professionals from business and finance, academia, architecture and planning, government, and the philanthropic community.

We have made a special effort to look beyond our local and regional communities to develop a national group of volunteer experts, and the resulting council is an impressive group of people, who have, for the past three years, offered a tremendous breath of expertise to the Presidio's conversion effort, and I would like to submit to the record a listing of the council membership.

Mr. VENTO. Without objection, it will be added to the record.

[The information follows:]

The Presidio Council

James R. Harvey, Chair, Presidio Council; Chair, TransAmerica Corp  
 Toby Rosenblatt, Chair, Golden Gate National Park Association  
 Roy Eisenhardt, Vice Chair, Presidio Council; Director, California Academy of Sciences  
 Joan Abrahamson, President, The Jefferson Institute  
 Rodger Boyd, Executive Director, Economic Development, Navajo Nation  
 Carl Anthony, President, Earth Island Institute  
 Edward Blakely, Professor, College of Environmental Design, University of California  
 M.J. Brodie, Senior Vice President, RTKL; Former Executive Director, Pennsylvania Avenue Development Corp.  
 Dr. Noel J. Brown, Director, Regional Office for North America, UNEP  
 John Bryson, Chair and CEO, Southern California Edison  
 Adele Chatfield-Taylor, President, The American Academy in Rome  
 Richard A. Clarke, Chair and C.E.O., Pacific Gas and Electric Co.  
 Francis Ford Coppola, President, American Zoetrope  
 Robert K. Dawson, Vice Chair, Cassidy and Associates  
 Patrick Foley, Chair and CEO, DHL Airways, Inc.  
 Tully M. Friedman, Hellman & Friedman  
 Herman Gallegos, Chair, Gallegos Institute Investors Corp.  
 John W. Gardner, Stanford Graduate School of Business and former U.S. Secretary of Health, Education and Welfare  
 Jewelle Taylor Gibbs, Professor, University of California  
 William Graves, Editor, National Geographic Society  
 Walter A. Hass, Jr., Honorary Chair of the Board, Levi Strauss & Co  
 Antonia Hernandez, President and General Counsel, Mexican American Legal Defense and Education Fund  
 Roger Heyns, The Hewlitt Foundation, (Ret)  
 Maya Lin, architect and designer, Vietnam Veterans Memorial  
 Gyo Obata, Chair, Hellmuth, Obata, & Kassebaum, Inc.  
 Ellen Ramsey Sanger, Coro Foundation  
 John Sawhill, President and CEO, The Nature Conservancy  
 Lucy Shapiro, Ph.D., Chair, Dept. of Dvlp. Biology, Stanford University School of Medicine  
 Mimi Silbert, President/CEO, The Delancey Street Foundation  
 Virginia Smith, President Emerita, Vassar College  
 Bruce Spivey, MD, President and CEO, Northwest Healthcare System  
 Richard Allan Trudell, Executive Director, AILTP/American Indian Resources Institute  
 Dr. Robin W. Winks, Townsend Professor and Chair, Yale University

Mr. MOORE. In addition to the council of 35 individuals, we have worked to obtain pro bono or paid consulting services, particularly in the financial and management arena, and we have brought in some highly regarded consultants to assist the National Park Service, including Arthur Andersen Company, McKinsey & Company, Keyser Marston Associates, Mancini-Mills and the legal advice of Morrison and Foerster. I think it would be fair to say that the Presidio conversion has perhaps benefited from more outside and objective analysis than most base closures in the country.

As a result, we now have an overall conversion plan with broad public endorsement a complete Environmental Impact Statement, a management plan and financial strategy, and cash and value flow analyses for the next 15 years. As closed bases across the country languish for a variety of reasons, whether community discord, lack of adequate planning or jurisdictional disputes, the Presidio is well on its way to becoming a successful and productive conversion.

In short, Mr. Chairman, I think we have tremendous momentum.

Passage of H.R. 3433 is absolutely critical to maintaining this momentum. All of the financial and managerial experts who have analyzed the Presidio over the past three years have come to the same conclusion, that the most cost-effective way to manage the Presidio as a national park is through the establishment of a non-profit Public Benefit Corporation or trust.

Congresswoman Pelosi's bill is the least cost option for managing the Presidio as a national park. The reason is simple. The alternate proposal, H.R. 4078, would mandate the sale of certain parcels of Presidio land. It would alter fundamental jurisdiction over the land, triggering a complex and lengthy rezoning effort.

It would render the Presidio's financial plan infeasible. It would reopen public debate about the park's future. It would likely necessitate a new Environmental Impact Statement requiring years of preparation and review.

In short, it would infuse a great deal of uncertainty and delay into a process that has moved steadily forward and is now positioned for success. And for the Presidio, delay would quickly translate into higher costs. In a philanthropic context, delay and uncertainty would be disastrous.

Mr. Chairman, I would like to say a few words about the philanthropic potential of the Presidio and the effect your actions could have on the ability to raise funds for the project. First, let me say the Golden Gate National Park Association has provided over \$10 million in philanthropic support to the park in our short history.

Based on our discussions with prospective donors to the Presidio project, we believe that the philanthropic projections contained in a National Park Service implementation strategy can be realized, realized provided the right management structure and Federal partnership is in place.

To achieve these philanthropic goals, five factors are critical. First, that there be certainty of direction and clarity of management. There must be a plan that outlines the full scope of the undertaking and underscores the Federal commitment.

We now have that plan at the Presidio. A clear management structure that can help accept donations and quickly put contributions to work is also required. H.R. 3433 proposes such a structure.

Secondly, public consensus and goodwill is essential. At the Presidio, we have broad public support for the Park Service plan and the Bay area has a high regard for the National Park Service which will help enlist philanthropic donors. Third, we need a uniqueness of vision. The Presidio project is unique and the Park Service plan calls for creating a visionary type of national park.

Fourth, we need to provide for donor visibility at the Presidio. This will enhance philanthropy tremendously and we have at the Presidio a project with a high public profile that we believe will enhance our ability to attract philanthropic giving, and I would add that naming opportunities within the park would also help that effort.

Finally, we need clear Federal commitment. Philanthropic giving cannot be a complete replacement for a strong Federal commitment, but can be effectively used to leverage and enhance Federal appropriations. Many donors have expressed their willingness to contribute significant gifts if there is a strong and consistent Federal commitment to the project, and H.R. 3433 represents such a commitment.

There is no doubt about the effect that H.R. 4078 would have on our ability to obtain the level of philanthropic support needed at the Presidio. As I mentioned earlier, the Park Service plan has solid public endorsement. If Congress were to ignore the support by adopting legislation which greatly reduced the role of the Park Service and its plan and which mandated the sale of parts of the park, we would effectively toss out three years of consensus building and excitement. The result philanthropically would be disastrous.

To summarize, Mr. Chairman, we are fortunate to have had some of the benefit of the best experts available anywhere to assist us in and the Park Service in developing a workable and cost-effective approach to manage the Presidio.

Congresswoman Pelosi has introduced a management approach that adheres to the recommendations of these experts. We at the Presidio Council and the Golden Gate National Park Association believe that the Congresswoman's approach is the best alternative before the committee.

We therefore urge you to report H.R. 3433 out of committee as soon as possible so that we can move forward expeditiously in the most cost-effective manner.

Thank you, Mr. Chairman, that concludes my prepared remarks. I would like to submit to the record a letter from the Presidio Council indicating their support for H.R. 3433 and also the testimony of William K. Reilly who has served as adviser to the Presidio planning and conversion effort.

Mr. VENTO. Yes. Without objection, Mr. Reilly's statement and the support from the group that you indicated will be part of the record.

[The prepared statement of Mr. Reilly follows:]

STATEMENT OF WILLIAM K. REILLY  
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
U.S. HOUSE OF REPRESENTATIVES

May 10, 1994

Mr. Chairman, I appreciate the opportunity to testify today about the Presidio. The Presidio came to my attention while I was Administrator of the Environmental Protection Agency and I toured the facility and was briefed on various aspects of the proposed transfer from the Army to the Park Service.

For many years, I have had an interest in the national parks. At the President's Council on Environmental Quality from 1970 to 1972, I was responsible for land use matters. Later, as President of the Conservation Foundation, we published the report, National Parks for a New Generation, a comprehensive policy report on the national parks. I recall the great debates that attended a proposal to site a jetport for Miami in the Florida Everglades, which CEQ, may it rest in peace, derailed, and I followed the arguments surrounding expansion of the national parks in Alaska, and the controversies about the appropriateness and worthiness of such new parks as the New York and San Francisco Gateways, Georgia's Chatahoochie, Cuyahoga in Ohio, and the Santa Monica Mountains.

The Presidio is unique. It is, in my opinion, an urban national park that belongs among the crown jewels, deserving on natural resource grounds alone. You have seen it, you know its dramatic site, with its views out over the broad Pacific in one direction,

and San Francisco Bay in another. You know its steep cliffs and stunning shoreline and broad lawns, its unparalleled views across the Golden Gate to dramatic and unspoiled parkland.

The Presidio qualifies also on historic grounds, for three centuries of military history under the Spanish, Mexican and American flags, have seen the fort guard the Bay, send and receive troops for several wars, and advance medical practice and technology for battlefield injuries.

The Presidio has archeology dating to the 17th century Spanish fortress, and it is the final resting place of American veterans of almost all of our wars. From the Presidio, military expeditions packed out annually in the spring to secure and control national parks such as Yosemite.

The Presidio has endangered plant and animal species, migratory birds and the potential for restored wetlands. The entire Presidio is contained within an International Biosphere Reserve, a United Nations' designation given to the vast terrestrial and marine preserve surrounding the Golden Gate -- it is the only such reserve in a major urban area.

Scenically, naturally, culturally, historically --- it was on these grounds that Congress mandated, two decades ago, the Presidio's inclusion in the Golden Gate National Recreation Area.

Our challenge now is not one of deciding whether the Presidio should be a national park --- it already is. And fortunately, this national parkland has been obtained at no acquisition cost - - it has been preserved for us through over 200 years of military stewardship.

Our objective must now be to manage this park in a manner that protects it at the least possible cost to the taxpayer. That is the nature of the times we are in -- and the many demands on the federal dollar. These times call on us to think inventively, to make use of the experience gained through other successes in the private and public sectors, to tap into non-federal sources for capital and to develop partnerships with other governments and private and non-profit organizations.

It was in response to fiscal demands that Congress decided to close the Presidio in 1989 -- to reduce the cost of our nation's defense. Now, as the post becomes a park, the savings are already occurring. In its first year as a park, over \$40 million will be saved in operating costs alone. This level of savings will progress as federal outlays for the Presidio decline.

We've succeeded on a few levels already: a splendid national park with no acquisition costs -- and at the same time, an immediate savings for the federal taxpayer.

But even with these overall savings, we are proposing a method for further reducing the annual operating and capital costs that come with the conversion -- costs that can be further reduced through a "re-invented" form of government for the Presidio that maximizes opportunities for private/public partnership. This approach has been carefully researched. The reputed consulting firm of McKinsey and Company reviewed public/private management models throughout the United States and Canada and developed recommendations for the Presidio. The clear preference was for the type of federally chartered public benefit corporation that is reflected in H.R. 3433.

The public benefit corporation that Congresswoman Pelosi has proposed would provide for managerial flexibility and the ability, like any business, to take on debt to finance capital improvements. It would also provide for public review and accountability and would act in accordance with the Organic Act and other laws and with the National Park Service's General Management Plan for the Presidio. This legislation is vital to the success of the park and should be enacted as quickly as possible.

Finally, the passage of legislation authorizing a capable, cost-effective management entity would send an important signal to the philanthropic community. During my association with the Presidio, I have met with many individuals, private foundations

and corporations who have expressed their interest in contributing toward the Presidio's future. The potential for significant giving exists and is indicated by the \$2 million that has already been contributed to Presidio planning -- rarely does the task of planning inspire such generosity. If H.R. 3433 is passed, and the right management team is assembled, private philanthropy will follow, adding tens of millions of dollars to this world-class endeavor.

In closing, I want to emphasize that the time for this opportunity is now. The Army transition is on schedule. Environmental clean-up has begun. The National Park Service's final Presidio plan will soon be released -- a plan with broad public support. Various major tenants are waiting to locate their operations at the Presidio. A framework for increased private philanthropy has been established.

Few base closures have moved forward with such timeliness and consolidated opinion about the future; a national park with world-class resources serving millions of people each year can be provided in a cost-conscious manner.

With a sound management partnership established and appropriate tenants in place, the Presidio will become the showpiece of an American tradition of innovative leadership. It will serve Americans well, both in their roles as taxpayers and as people

who care deeply about the natural and historic legacy they leave to those who follow.

I urge your support for this legislation and for the incomparable opportunity that it represents. Thank you.

PRESIDIO COUNCIL  
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 San Francisco, CA 94123  
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February 17, 1994

*James Harvey, Chair*  
*Roy Eisenhardt, Vice Chair*  
*Joan Abrahamson*  
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*Edward Blakely*  
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*Ellen Ransaw Stanger*  
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*Lucille Shapiro*  
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*Virginia Smith*  
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*Richard Trubell*  
*Robin Wink*  
  
*William K. Kelly*  
*Senior Advisor*  
  
*Greg Moore*  
*GCNPA Executive Director*

The Honorable Nancy Pelosi  
 United States Congress  
 240 Cannon Building  
 Washington, D.C. 20515

Dear Congresswoman Pelosi,

We commend you for introducing legislation (H.R. 3433) that would ensure the cost-effective management of one of America's treasures, the Presidio of San Francisco. As you know, by law the Presidio will transfer to the National Park Service in September 1994.

We are members of the Presidio Council, formed in 1991 to assist the National Park Service in its mission of converting the centuries-old Presidio into a national park. We bring to the project experience in business, government, academia and the arts and a commitment to make the Presidio a truly emblematic national park for the twenty-first century.

Critical to achieving this objective in an era of financial constraint is the establishment of a semi-autonomous management entity with authority to administer the leasing, rehabilitation, improvement and financing of buildings and programs at the Presidio. Such an entity would work in concert with the National Park Service, which would continue its interpretive, protective and preservation activities.

This arrangement, which was recommended by the management firm of McKinsey and Company in 1992, would combine the efficiencies of the private sector with the accountability of the public sector. Financial analysts hired by the Presidio Council have determined that the Presidio Corporation, as structured in H.R. 3433, would save an estimated 20% to 30% of costs associated with a traditional government-administered park.

A project of the GCNPA

We believe that H.R. 3433 would allow for the preservation of a national historic landmark and unparalleled scenic resource at a cost which is consistent with other national parks. We urge its swift enactment.

Sincerely,

**James R. Harvey**, Chair, Presidio Council; Chair, Transamerica Corp.  
**Toby Rosenblatt**, Chair, Golden Gate National Park Association  
**Roy Eisenhardt**, Vice Chair, Presidio Council; Director, California Academy of Sciences  
**Joan Abrahamson**, President, The Jefferson Institute  
**Rodger Boyd**, Executive Director, Economic Development, Navajo Nation  
**Carl Anthony**, President, Earth Island Institute  
**Edward Blakely**, Professor, College of Environmental Design, University of California  
**M. J. Brodie**, Senior Vice President, RTKL; Former Executive Director, Pennsylvania Avenue Development Corp.  
**Dr. Noel J. Brown**, Director, Regional Office for North America, UNEP  
**Richard A. Clarke**, Chair and CEO, Pacific Gas and Electric Co.  
**Tully M. Friedman**, Hellman & Friedman  
**Herman E. Gallegos**, Chair, Gallegos Institutional Investors Corp.  
**Jewelle Taylor Gibbs**, Professor, University of California, Berkeley  
**William Graves**, Editor, National Geographic  
**Walter A. Haas, Jr.**, Honorary Chair of the Board, Levi Strauss & Co.  
**Antonia Hernandez**, President and General Counsel, Mexican American Legal Defense and Education Fund (MALDEF)  
**Roger Heyns**, The Hewlett Foundation (Ret.)  
**Maya Lin**, Artist/Architect  
**James Miscoll**, Vice Chair, Bank of America (Ret.)  
**Gyo Obata**, Chair, Hellmuth, Obata & Kassabaum, Inc.  
**Ellen Ramsey Sanger**, Coro Foundation  
**Lucy Shapiro**, PhD, Chair, Dept. of Dvlp. Biology, Stanford University School of Medicine  
**Virginia Smith**, President Emerita, Vassar College  
**Bruce Spivey**, M.D., President and CEO, Northwest Healthcare System  
**Richard Allan Trudell**, Executive Director, AILTP/American Indian Resources Institute  
**Dr. Robin W. Winks**, Townsend Professor and Chair, Yale University

[Prepared statement of Mr. Moore follows:]

STATEMENT OF GREG MOORE  
HOUSE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS  
U.S. HOUSE OF REPRESENTATIVES

May 10, 1994

Thank you Mr. Chairman and members of the Committee for inviting me to testify today on the legislation before you. I am Greg Moore, Executive Director of the Golden Gate National Park Association. As the official cooperating association for the Golden Gate National Recreation Area, the Park Association has for years worked closely with the Park Service to protect this natural treasure of incomparable beauty, the Presidio.

Mr. Chairman, I also serve as President of the Conference of National Park Cooperating Associations, a nationwide network of non-profit organizations working to support national parks. Collectively, the member organizations of the Conference have contributed over \$100 million for national parks. Everyone involved with parks is well aware of the leadership that this committee has provided in protecting our national heritage and we are very appreciative of your efforts.

In 1991, the Golden Gate National Park Association formed the Presidio Council to address the need for additional expertise in planning for the Presidio's conversion from a military post to a national park. In forming the Council, we sought to pull together a breadth of knowledge and experience --- we enlisted prominent professionals from business and finance, academia, architecture and planning, government and the philanthropic community. We also looked beyond our local and regional communities to develop a national group of volunteer experts. The resulting Council is an impressive group of people from around the country who have, for the past three years, offered a tremendous breadth of expertise to the process.

In addition to this Council of 35 individuals, we have obtained the pro bono or paid services of financial and management experts. We have enlisted the proven analytical services of Arthur Anderson & Co., McKinsey & Co., Keyser Marston Associates, Mancini-Mills and the legal advice of Morrison and Foerster. I would argue that the conversion of the Presidio has benefitted from more outside and objective analysis than any other base closure in the country.

As a result, we now have a conversion plan with public approval, a complete environmental impact statement, a management plan and financial strategy, and cash and value flow analyses for the next fifteen years. As closed bases across the country languish for a variety of reasons -- community discord, lack of adequate planning, jurisdictional disputes -- the Presidio is well on its way to a successful and productive conversion. In short, Mr. Chairman, we have tremendous momentum.

Passage of H.R. 3433 is critical to maintaining this momentum. Virtually all of the financial and managerial experts who have analyzed the Presidio over the past three years have come to the same conclusion -- that the most cost-effective way to manage the Presidio as a national park is through the establishment of a non-profit public benefit corporation or trust. To be successful, this corporation must be relieved of some of the regulatory burdens of government, it must have access to private capital markets, it must have clear lines of authority and review and it must function in cooperation with the National Park Service which should have ultimate jurisdiction over the Presidio.

Congresswoman Pelosi's bill is the least cost option for managing the Presidio as a national park. The reason is simple. The alternate proposal, H.R. 4078, would mandate the sale of certain parcels of Presidio land. It would alter fundamental jurisdiction over the land triggering a complex and lengthy rezoning process; it would render infeasible the financial

plan; it would re-open public debate about the park's future; it would likely require a new environmental impact statement; in short, it would infuse a great deal of uncertainty into the process. Uncertainty normally means delay, and delay results in higher costs. In the philanthropic context, delay and uncertainty are disastrous.

### Philanthropy

Mr. Chairman, I would like to say a few words about the philanthropic potential of the Presidio and the effect that your actions could have on our ability to raise funds for the project. First let me say that the Golden Gate National Park Association has provided over \$10 million in philanthropic support to the park. Based on discussions with prospective donors to the Presidio project, we believe that with the right management structure and federal investment the philanthropic projections contained in the implementation strategy can be realized.

The following five factors are critical to a successful philanthropic effort at the Presidio:

- o **Certainty of direction.** There must be a plan that outlines the full scope of the undertaking and federal commitment. We now have that at the Presidio.
- o **Public consensus and goodwill.** The plan must be strongly supported by the public. At the Presidio, we have broad public support for the NPS plan. In the San Francisco region, we also benefit from an excellent community relationship with the National Park Service.
- o **Uniqueness of vision.** The project must be unique and innovative. We have at the Presidio a plan for creating a visionary national park.
- o **Donor visibility.** We have at the Presidio a project with a high public profile.

We believe our ability to attract philanthropic giving would be enhanced, however, by providing for naming opportunities at the park.

- o **Federal commitment.** Philanthropic giving cannot be a complete replacement for a strong federal commitment but can be effectively used to leverage and enhance federal appropriations. Many donors have expressed their willingness to contribute significant gifts if there is a strong and consistent federal commitment to the project.

In fact, the Presidio's high visibility and its promise as a new type of national park have already generated significant interest among individual donors and philanthropic institutions which we have been in contact with. Already, we have received through the Park Association over \$2.5 million in funds and services for the Presidio planning process — I do not believe there has been another planning process within the national park system that has generated this level of support.

There is no doubt about the effect that H.R. 4078 would have on our ability to obtain the level of philanthropy needed at the Presidio. As I mentioned earlier, the current Park Service Plan has received strong public support. Our community's experience with the National Park Service at the Golden Gate National Recreation Area has already engendered strong philanthropic and volunteer support for the park. If Congress were to ignore this support by adopting legislation which greatly reduced the role of the Park Service and its plan, and which mandated the sale of parts of the park, completely throwing out 3 years of consensus building and excitement, the result philanthropically could be disastrous.

To summarize, Mr. Chairman, we are fortunate to have had the benefit of some of the best experts available anywhere to assist us and the Park Service in developing a workable and cost-effective approach to managing the Presidio. Congresswoman Pelosi has

introduced a management approach that adheres to the recommendations outlined by these experts. We, at the Presidio Council and the Golden Gate National Park Association, believe that the Congresswoman's approach is the best alternative before the Committee. We therefore urge you to report H.R. 3433 out of committee as soon as possible so that we can move forward expeditiously in the most cost-effective manner.

Thank you Mr. Chairman. This concludes my prepared remarks. I would be happy to answer any questions that you or other members of the Committee may have.

### STATEMENT OF MARY G. MURPHY

Mr. VENTO. We are pleased to welcome Mary Murphy, Co-chair of the Neighborhood Associations for Presidio Planning. Mary, please proceed with your statement.

Ms. MURPHY. Good afternoon. My name is Mary Murphy and I am the co-chair of Neighborhood Associations for Presidio Planning, NAPP. NAPP is an umbrella organization consisting of the neighborhood associations of San Francisco, the jurisdictions of which about the Presidio. NAPP was formed specifically because we include the neighborhoods, almost wholly residential, which will be most affected by the conversion of the Presidio from a military post to a national park.

Indeed, many of our residents have property which fronts the Presidio and the Presidio's access points go directly through our neighborhoods. From east to west, we encompass the neighborhoods of the Marina, Cow Hollow, Pacific Heights, Presidio Heights, Presidio Terrace, Lake Street, Lincoln Park, Richmond and Sea Cliff.

I am a practicing attorney and the mother of a four-year old girl and a two-year old boy. My husband and I own a home two city blocks east of the Presidio in San Francisco. Like all the other members of NAPP, I volunteer my time on a pro bono basis. I also serve as commissioner for the city and county of San Francisco on the Board of Permit Appeals, the body which hears and decides de novo appeals of decisions made by the Planning Commission or Department, as well as other city departments.

NAPP unanimously endorses H.R. 3433 which will establish a Public Benefit Corporation, or PBC, to assume the leasing and financing functions of the Presidio National Park. NAPP applauds this innovative approach to government because we believe the private sector expertise offered by the Public Benefit Corporation will ensure fiscally sound management of the park.

By contrast, NAPP roundly condemns H.R. 4078, which proposes to remove the bulk of the Presidio from the jurisdiction of the Park Service. Although H.R. 4078 is not entirely clear on this point, it appears that the Public Benefit Corporation it contemplates would have the power to sell the land placed under its charge. If this is an accurate reading of H.R. 4078, then it is fair to say that H.R. 4078 makes little economic sense.

Before comparing the bills, let me touch briefly on the promise of the Presidio. Throughout the Army's tenure at the Presidio, San Francisco has enjoyed the post's natural splendor. The Presidio is heavily used by local residents for walking, hiking, biking, and playing with our children. Its many graceful, mature wooded areas and sweeping views of the Bay and the Golden Gate make it one of the world's most beautiful places.

It is also the repository of the military history of three different nations and has played an integral role in the history of the American west. The historical significance of the Presidio is not fungible. It cannot be replaced and it must not be destroyed.

As the Presidio's most immediate neighbors, we are committed to ensuring the future Park's success. Our vision for the park, like that of the Park Service, is one in which the Presidio's existing strengths are emphasized, to expand the role it already plays as a

natural respite from urban life, its own space should be enhanced, preserved and expanded.

Further, we support maintaining the Sixth Army's headquarters at the Presidio. Yet, as the Army's presence within the Presidio contracts, certain non-historic structures which at one time served the Army's mission, should be removed because they are not worth the cost of repair and maintenance. Even with the removal of buildings and the expansion of open space, however, the Presidio will have many facilities available for leasing. These buildings can and should be used.

H.R. 3433 leaves with the Park Service the open space of the Presidio and the fleshing out of the General Management Plan for the park through specific site planning, and it turns over the Presidio's built space to the Public Benefit Corporation under the guidance and control of the Park Service and the plan.

The Presidio's existing facilities confer the capacity to pursue the important national goals described in the plan. Yet, for the park to fulfill its promise, it must have private sector expertise and the ability to finance capital improvements that H.R. 3433's Public Benefit Corporation will bring to the Presidio project.

By contrast, H.R. 4078 apparently contemplates selling the Presidio in whole or in part. One hazard of this approach lies in its requirement that at least some of the properties be zoned by San Francisco before they are sold. As a City Commissioner, I can tell you that the Presidio's only zoning is P for public district.

In truth, the Presidio does not have a zoning that permits financially feasible reuse since it has always been Federal land. In short, no land use entitlements adhere to the properties of the Presidio. Zoning the Presidio will require an amendment to the San Francisco master plan, a process which will take many years.

What the authors of H.R. 4078 expect to happen in this no zoning period is unsaid. If the authors truly propose to wait until the land is zoned before selling it, they condemn the Presidio to lying fallow and to inevitably deteriorate while the slow machinery of government grinds forward. On the other hand, if the true intent of H.R. 4078 is to sell the Presidio as quickly as possible, it really proposes to dispose of a valuable Federal asset at a rock bottom price. This is so because real property without a land use entitlement has little, if any, value.

I would like to also add that it is not in my written statement, but it is also important to note that 4078 limits the perspective universe of buyers for the LAIR/Letterman facility to one buyer. That in my view, as a business attorney, is the ultimate buyer's market and as there is no market, interests no competition on the price. The Federal Government is sure to get less than a rock bottom price, if that is possible.

Contrast H.R. 4078's scheme with H.R. 4333, which will quickly reuse facilities by entering into long-term leases and using the existing built spaces to generate income to help preserve and maintain the Presidio's breathtaking natural beauty. There is no doubt from the perspective of sound fiscal management alone that H.R. 3433 deserves your support.

NAPP does believe, however, that H.R. 3433 as originally drafted needs some refinement. For example, a preamble should be added

to clarify that its Public Benefit Corporation is charged with preserving and enhancing the Presidio's natural character and beauty. Further, it should be made clear that the Public Benefit Corporation is accountable to Congress and the Park Service and is to execute the policies of the Park Service as expressed in the General Management Plan for the park.

The preamble should underscore that the Public Benefit Corporation is to operate only within the mandates of the plan. This preamble should also address the park's unique situation as an urban national park, requiring the Park Service and the Public Benefit Corporation to be sensitive to the local impact of the Presidio.

In addition to the preamble, H.R. 3433 should be amended to increase public oversight and accountability. NAPP believes the bill must make clear that the Park Service is responsible for specific site planning. Further, the members of the Public Benefit Corporation's board of directors should be individuals who can and will be continually involved in implementing the General Management Plan.

The Presidio's existing facilities can be reused both for the public's benefit and to offset the operating costs of the park. Implementing the plan will require the Public Benefit Corporation's private sector skills and its authority to borrow and fund capital improvements.

NAPP urges Congress to support and passion H.R. 3433. The Presidio Park is an opportunity for this Nation that is too fine and rare to be squandered.

Thank you for the opportunity to testify today.

Mr. MILLER [presiding]. Thank you.

[Prepared statement of Ms. Murphy follows:]

STATEMENT OF MARY G. MURPHY  
FOR THE U.S. HOUSE OF REPRESENTATIVES  
May 10, 1994

Good morning. My name is Mary Murphy and I am the co-chair of Neighborhood Associations for Presidio Planning ("NAPP"). NAPP is an umbrella organization consisting of the neighborhood associations of San Francisco, the jurisdictions of which abut the Presidio. NAPP was formed specifically because we include the neighborhoods, almost wholly residential, which will be most affected by the conversion of the Presidio from a military post to a National Park. Indeed, many of our residents have property which fronts the Presidio, and the Presidio's access points go directly through our neighborhoods. From East to West, we encompass the neighborhoods of the Marina, Cow Hollow, Pacific Heights, Presidio Heights, Presidio Terrace, Lake Street, Lincoln Park, the Richmond and Sea Cliff.

I am a practicing attorney and the mother of a four year old girl and a two year old boy. My husband and I own a home two city blocks East of the Presidio in San Francisco. Like all the other members of NAPP, I volunteer my time on a pro bono basis. I also serve as a commissioner for the City and County of San Francisco on the Board of Permit Appeals, the body which hears and decides de novo appeals of decisions made by the Planning Commission or Department, as well as other City Departments.

NAPP unanimously endorses HR 3433, which will establish a public benefit corporation ("PBC") to assume the leasing and financing functions of the Presidio National Park. NAPP applauds this innovative approach to government because we believe the private sector expertise offered by the PBC will ensure fiscally sound management of the Park. By contrast, NAPP roundly condemns HR 4078, which proposes to remove the bulk of the Presidio from the jurisdiction of the Park Service. Although HR 4078 is not entirely clear on this point, it appears that the public benefit corporation it contemplates would have the power to sell the land placed under its charge. If this is an accurate reading of HR 4078, then it is fair to say that HR 4078 makes little economic sense.

Before comparing the bills, let me touch briefly on the promise of the Presidio. Throughout the Army's tenure at the Presidio, San Francisco has enjoyed the post's natural splendor. The Presidio is heavily used by local residents for walking, hiking, biking and playing with our children. Its many graceful mature wooded areas and sweeping views of the Bay and the Golden Gate make it one of the world's most beautiful places. It is also the repository of the military history of three different nations, and has played an integral role in the history of the American West. The historical significance of the Presidio is not fungible; it can not be replaced and must not be destroyed.

As the Presidio's most immediate neighbors, we are committed to ensuring the future Park's success. Our vision for the Park, like that of the Park Service, is one in which the Presidio's existing strengths are emphasized. To expand the role it already plays as a natural respite from urban life, its open space should be enhanced, preserved and expanded. Further, we support maintaining the Sixth Army's headquarters at the Presidio. Yet, as the Army's presence within the Presidio contracts, certain non-historic structures which at one time served the Army's mission, but are not worth the cost of repair and maintenance, should be removed. Even with the removal of buildings and the expansion of open space, however, the Presidio will have many facilities available for leasing. These buildings can and should be used. HR 3433 leaves the open space of the Presidio and the fleshing out of the General Management Plan through specific site planning with the Park Service and turns over the Presidio's built space to the PBC under the guidance and control of the Park Service and the Plan.

The Presidio's existing facilities confer the capacity to pursue the important national goals described in the Plan. For the Park to fulfill its promise, it must have the private sector expertise and the ability to finance capital improvements that HR 3433's PBC will bring to the Presidio project.

By contrast, HR 4078 apparently contemplates selling the Presidio, in whole or in part. One hazard of this approach lies in its requirement that at least some of the properties be zoned by San Francisco before they are sold. As a City Commissioner, I can tell you that the Presidio's only zoning is "P" for Public District. In truth, the Presidio does not have a zoning that permits financially feasible reuse since it has always been federal land. In short, no land use entitlements adhere to the properties of the Presidio. Zoning the Presidio will require an amendment to the San Francisco Master Plan, a process which will take many years. What the authors of HR 4078 expect to happen in this "no zoning" period is unsaid. If the authors truly propose to wait until the land is zoned before selling it, they condemn the Presidio to lying fallow and inevitably, to deteriorate, while the slow machinery of government grinds forward. On the other hand, if the true intent of HR 4078 is to sell the Presidio as quickly as possible, it really proposes to dispose of a valuable federal asset at a rock bottom price. This is so because real property without a land use entitlement has little, if any, value. Contrast HR 4078's scheme with HR 3433, which will quickly reuse facilities by entering into long term leases and using the existing built spaces to generate income to help preserve and maintain the Presidio's breathtaking natural beauty. There is no doubt from the perspective of sound fiscal management alone that HR 3433 deserves your support.

NAPP does believe, however, that HR 3433 as originally drafted needs some refinement. For example, a preamble should be added to clarify that its PBC is charged with preserving and enhancing the Presidio's natural character and beauty. Further, it should be made clear that the PBC is accountable to the Congress and the Park Service and is to execute the policies of the Park Service as expressed in the General Management Plan for the Park. The preamble should underscore that the PBC is to operate only within the mandate of the Plan. This preamble should also address the Park's unique situation as an urban national park, requiring the Park Service and the PBC to be sensitive to the local impact of the Presidio.

In addition to the preamble, HR 3433 should be amended to increase public oversight and accountability. NAPP believes the bill must make clear that the Park Service is responsible for the specific site planning. Further, the members of the PBC's Board of Directors should be individuals who can and will be continually involved in implementing the General Management Plan.

The Presidio's existing facilities can be reused both for the public's benefit and to offset the operating costs of the Park. Implementing the Plan will require the PBC's private sector skills and its authority to borrow monies to fund capital improvements. NAPP urges Congress to support and pass HR 3433.

The Presidio Park is an opportunity for this nation that is too fine and rare to be squandered.

Thank you for the opportunity to testify.

**STATEMENT OF TOM ADAMS**

Mr. MILLER. Mr. Adams.

Mr. ADAMS. Thank you, Mr. Chairman. My name is Tom Adams. I am a Washington representative of the National Parks and Conservation Association. NPCA is America's only private nonprofit citizen organization dedicated solely to protecting, preserving, and enhancing the national park system. Founded in 1919 and this year celebrating its 75th anniversary is an organization of citizens protecting America's parks, we have more than 400,000 members.

It is on behalf of our membership that I appear today to state our support for the Presidio's inclusion in the national park system. We believe by every measure that is used to assess whether a unit has park value, Presidio easily exceeds that standard. Its natural, cultural, and recreational resources are of the highest caliber and its historical role has local, regional, national, and international significance.

In many ways, the Presidio reads like a chronicle of the United States. Traces of our colonial, expansionist, and imperialist periods are readily available and on display at the Presidio, as is its role in providing for our national defense and international security that is symbolic of our emergence as a world leader.

We believe that the management strategy selected by the Park Service will allow us to reflect on a previous era of conflict and confrontation while facilitating a new era of understanding and cooperation.

Previous Congresses have showed their vision by recognizing the significance of other parks such as the Grand Canyon, Yosemite, and Yellowstone, and we believe America has benefited from those decisions and that America will benefit from a similar decision with respect to the Presidio.

Critics of saving the Presidio do not dispute the significance of the resource. Instead they will cite cost of the conversion as the reason to not preserve it. NPCA shares this position about cost, but we believe this is a resource of such splendor we simply cannot take a pass on it.

We would also point out that if initial cost were the primary consideration in determining whether to designate national parks, few such areas may exist today. The Presidio must be viewed as a long-term investment for future generations, just as Yellowstone was over 100 years ago, and in 1980 a decision with respect to the Alaska conservation areas.

The 92nd Congress recognized the significance of the Presidio when it authorized the transfer to the Park Service should it no longer be needed for our national defense. We believe that to not preserve the Presidio would be to ignore and abandon our past and deny future generations the opportunity to better understand our Nation's history.

With respect to the legislation before us today, NPCA strongly supports Representative Pelosi's bill, H.R. 3433, and we have included some specific comments in my testimony. We support the Pelosi bill because it seeks to protect the integrity of the Presidio while providing for a solid revenue base to offset its operational cost.

With respect to Representative Duncan's bill, H.R. 4078, we do not support the legislation. We cannot support it—a proposal that will dismantle the integrity of the Presidio and eventually lead to incompatible development immediately adjacent to the remaining Presidio lands.

In the testimony that we heard earlier, we find significance in the additional costs of that legislation as well. We agree with a statement Governor Pete Wilson recently made where he said, we cannot allow three centuries of history to be picked apart.

In conclusion, Mr. Chairman, evidence of the Presidio's strategic importance can be found throughout the post, but our times and defense needs have changed and it is no longer needed to defend our Nation. It is time for Presidio to be opened to the public and preserved in full as a unit of the National Park Service, so let us use the approach advanced by Representative Pelosi, see how it can be improved, and then move ahead so that the Presidio is properly preserved for future generations.

Thank you, Mr. Chairman, for the opportunity to appear today.  
Mr. MILLER. Thank you.

[Prepared statement of Mr. Adams follows:]



## National Parks and Conservation Association



**STATEMENT OF TOM ADAMS  
WASHINGTON REPRESENTATIVE  
NATIONAL PARKS AND CONSERVATION ASSOCIATION  
BEFORE THE  
HOUSE SUBCOMMITTEE ON NATIONAL PARKS, FORESTS, AND PUBLIC LANDS  
ON H.R. 3433 AND H.R. 4078,  
LEGISLATION RELATING TO THE TRANSFER OF THE PRESIDIO  
TO THE NATIONAL PARK SERVICE  
MAY 10, 1994**

Mr. Chairman and members of the subcommittee, my name is Tom Adams. I am a Washington Representative of the National Parks and Conservation Association (NPCA). The National Parks and Conservation Association is America's only private nonprofit citizen organization dedicated solely to protecting, preserving, and enhancing the National Park System. Founded in 1919, and this year celebrating its 75th anniversary as an organization of "Citizens Protecting America's Parks," NPCA has more than 400,000 members.

The late William Penn Mott, former Director of the National Park Service, offered this challenge: "What should the big picture for the Presidio be? Where is the vision that will stir our blood, that will be commensurate with the unique quality, beauty and inspiration of this world-class site? What magic wand can be waived over this special place that will transform it into a noble achievement destined to live forever?"

NPCA agrees with Director Mott that the Presidio is a world-class site and strongly supports the Presidio's inclusion in the National Park System. By every measure used to assess whether an area merits park status, the Presidio more than exceeds the standard. Its natural, cultural, and recreational resources are of the highest caliber, and its historical role has local, regional, national, and international significance. To those who question the wisdom of having included the Presidio in the National Park System, I challenge you to find a more diverse park unit whose resources are in a such close proximity to each other and to so many of our citizens.

In many ways, the Presidio's history reads like a chronicle of the United States. Traces of our colonial, expansionist, and imperialist periods are readily on display at the Presidio. The critical role it has played in providing for our national defense and international security coincides with our emergence as a world leader. For the 21st century and beyond, the Presidio will allow us to reflect on an era of confrontation and conflict while facilitating a new era of understanding and cooperation.

Preserving the Presidio challenges our vision of the future of the National Park System. While no one disputes the significance of this resource, some are saying we should not, as already mandated by law, include the entire Presidio in the Golden Gate National Recreation Area (GGNRA). Those who might extol the virtues and significance of the Grand Canyon, Yellowstone, Yosemite, and our other national parks seek to deny the American people the unique variety of natural, cultural, historical, and recreational opportunities of the Presidio.

The particular opponents of preserving and protecting the Presidio have emphasized the costs associated with making it fully operational as a national park unit. They cite a figure of \$1.2 billion for the total cost, but this "worst case" figure is from a National Park Service management alternative that was rejected. The billion-dollar cost argument is essentially being used rhetorically to support the piecemeal dismantling of the Presidio when, in fact, it has absolutely no relation to the management alternative chosen by the National Park Service.

As an organization of "citizens protecting America's parks," NPCA is also concerned with the cost of the Presidio and the impact of the cost on other park units. That is why we believe the debate should center on how to make the Presidio as financially self-sufficient and self-sustaining as possible. I would point out that if initial cost were the primary consideration in determining whether to designate national parks and wilderness, few such areas would exist today. The Presidio, like other park units, must be viewed as a long-term investment for future generations, just as Yellowstone was more than 100 years ago or the Alaska conservation areas were in 1980 under ANILCA.

Those opposed to saving the Presidio argue that it does not fit into our current national priorities in view of the budget deficits. It is difficult to believe that we are having this debate, even in the shadow of the deficit. To not preserve the Presidio would be to ignore and abandon our past and deny future generations the opportunity to understand our nation's history. This is why the Presidio must be preserved.

Congress recognized as much when it authorized the Presidio's inclusion in the Golden Gate National Recreation Area when the Presidio no longer was needed for our nation's defense. As a result of that congressional declaration, and the recommendation of the Base Realignment and Closure Commission (BRAC), the Presidio will officially be transferred to the National Park Service on September 30, 1994.

The debate now should turn to the management of the Presidio in order to allow the transition to be as smooth as possible. Representative Nancy Pelosi (D-California) has introduced H.R. 3433, a bill to establish a public benefit corporation to manage the leasing, maintenance, rehabilitation, repair, and improvement of property that is transferred to the National Park Service. This approach seeks to minimize the costs to NPS and should be the

vehicle that the House of Representatives uses to address the property management of the Presidio. While NPCA has some concerns with the measure, we support this approach to meeting the management and maintenance needs of the Presidio.

When establishing any kind of board, council, or commission, whether it is advisory or managerial, its size must be limited to a manageable level. Many interested parties will make sound claims for having a seat on the board, but if that temptation is yielded to, the result will be an entity incapable of meeting its responsibilities or fulfilling its mandate. Therefore, the size of the board should not be expanded beyond the nine positions called for in the legislation.

The board's composition also must closely reflect the corporation's objectives and the national significance of the resource. The Presidio corporation's board should be comprised of representatives of the federal government, the State of California, and the City of San Francisco, citizens groups, a representative from one of the entities holding a lease at the Presidio, one individual recommended by the Speaker of the House, and one individual recommended by the Majority Leader of the Senate. NPCA believes that the appropriate role for both the Secretary of the Army and the Secretary of Transportation is advisory.

The qualifications for service for all appointed members of the board should be expanded to include individuals with programmatic expertise and/or experience in resource protection that is consistent with the reasons for the Presidio's addition to the National Park System. The board should also be comprised of at least one member with substantial business experience. The legislation should also clearly state that members of the corporation's board of directors not have any financial interest or possible benefit from the Presidio. As a matter of procedure, all board members should be formally appointed by the Secretary of the Interior.

We also believe that NPS and the corporation need to recognize each other's unique and appropriate roles within the over-arching reasons the Presidio is being preserved. NPS's role is to manage a unit of the National Park System; not to manage the day-to-day operations of the corporation. The corporation must recognize the stewardship role of NPS and its actions must be consistent with the GMP and the authorizing legislation for GGNRA.

H.R. 4078, legislation introduced in the House of Representatives by James Duncan (R-Tennessee) has provoked considerable discussion as an alternative solution to the disposition of the Presidio. However, H.R. 4078 would dismantle the integrity of the Presidio by selling 90 percent of its lands and would promote development immediately adjacent to the remaining Presidio lands by mandating that the City of San Francisco rezone the area to accommodate development on those lands. This approach is short-sighted and would deny the American people the extraordinary value of the resource, both now and for the future. NPCA opposes H.R. 4078.

We cannot, as Governor Pete Wilson has stated, "allow three centuries of history to be picked apart." Evidence of the Presidio's previous strategic importance can be found throughout the post, but times and defense needs have changed; the base is no longer needed to defend our nation. It is time for the Presidio to be fully open to the public and preserved as a park.

In conclusion, NPCA finds that the Presidio has national park qualities and merits national park status. Congress now has the responsibility to develop a management regime that will make the Presidio as financially self-sufficient and self-sustaining as possible. Let us use the approach advanced by Representative Pelosi, see how it can be improved, and then move ahead so that the Presidio is properly preserved for future generations.

## STATEMENT OF JOEL VENTRESCA

Mr. MILLER. Mr. Ventresca.

Mr. VENTRESCA. Chairman Miller, other Members of the committees, my name is Joel Ventresca. I am a member of the City and County of San Francisco Commission on the Environment and I am co-chair of the Preserve the Presidio Campaign.

We have seen orchestrated this morning an appearance that there is overwhelming support for the legislative models for the Presidio that is before the committee from our Congresswoman from our area. That is not true. There is growing opposition and more and more concerns are being raised in San Francisco.

In San Francisco, we have had one public hearing in which this matter was on the agenda and duly noted, and most of the public testimony was against it. I would like to request—I have heard for several hours now a number of erroneous assertions being made today, and I would ask that the record remain open so those can be responded to and made a part of the record from a number of the prior speakers.

Just giving you one example, there is no amendment to the General Management Plan for the Golden Gate National Recreation Area. There is no final certified Environmental Impact Statement on this park yet. The proposed Pelosi and Duncan legislation, H.R. 3433 and H.R. 4078, are unprecedented, inappropriate and dangerous.

No national park area in the country is operated along the lines laid out in H.R. 3433 and H.R. 4078, and they are very similar in language when they talk about the Public Benefit Corporation, the powers that it would be given. Money-making commercial operations controlled by private interests are invited in the Presidio by these proposed laws.

The Pelosi and Duncan legislative scheme introduced the notion that a national park area should be self-sufficient or as self-sufficient as possible. This wrong-headed approach will start the process of privatization and commercialization of all 367 national park units throughout the United States.

The Presidio is one of the most valuable and one of the most beautiful places on earth. The Presidio belongs to all the people of this country and to future generations.

Unfortunately, the National Park Service is planning to change the Presidio, a designated national park, into a business park to be marketed like a shopping mall. The NPS wants to abrogate its responsibility and turn the management of the Presidio over to a tax-free, publicly unaccountable, publicly subsidized corporation that will operate like a private-for-profit super redevelopment agency with awesome powers.

The management model studied and referred to earlier this morning before the NPS developed this unique legislative approach did not fit the conditions of the Presidio. Creeping privatization and commercialization by powerful special interests of the public resources of the Presidio needs to be stopped.

Why should we sacrifice public land and spend public money to subsidize private greed? The NPS wants to create the first profit-making national park in the country in the Presidio, a free enterprise profit-making approach as proposed by the NPS will not pro-

tect the park, it will harm the park. Market pressures should be kept out of the national park, not invited in.

The NPS plans to spend \$777 million on construction and rehabilitation between 1994 and 2010. The construction payroll is expected to be \$40 million annually for the next seven years. They want to double the amount of space in the park for institutional use.

H.R. 3433 is a business park blueprint and we should call it what it is. If you look at the details of it, this proposed legislation lays out the plan to effectively turn over the Presidio to private, bureaucratic, powerful—to a bureaucratic powerful redevelopment corporation.

This inherently progrowth and development-oriented super redevelopment corporation would have extensive powers, which I won't reiterate here, but they are on page 5 and 6 of my statement.

The most troubling one is, in my opinion, that the NPS or the Public Benefit Corporation can market and lease the space available to anyone involved in any business, including for-profit business firms. Turning the management of the leasing of space and the national park over to a corporation is inappropriate and a betrayal of the mission of the National Park Service.

Market forces seeking profits, natural resources, and public subsidies will exploit and plunder an irreplaceable priceless scenic and historic area if this legislation goes through.

The planning process has been hijacked by development and real estate consultants and the private interests they represent, and if you go back and look at my first, to my left, your first panel this morning had two representatives, Mr. Mancini and Mr. Heyman. They represent the two institutions that would benefit most by this legislation, the real estate development industry of San Francisco and the University of California, so it is not surprising that they were sitting right up here with the National Park Service whose mission is a lot different than the real estate industry or the University of California.

The Presidio planning process in San Francisco has been riddled with closed meetings, secret documents, disinformation, undisclosed sources of private funding for planning, significant questions that go unanswered, media questions that are stonewalled, giveaways of public resources that are negotiated behind closed doors, and public meetings where the public isn't even given an opportunity to testify, and there has been numerous open government law violations locally about this issue.

Some neighborhood activists have been intentionally excluded or kicked out of meetings. The Presidio legislative schemes before Congress have all the elements for another Department of Interior teapot domestic scandal which started by letting private interests control public resources, and that is what is at the heart of H.R. 3433 and H.R. 4078, and the best example of this is that the National Park Service was planning to turn over the electrical system to the largest electric utility monopoly in the country, but once it was disclosed, they backed off of it.

But I think that is an indication of how the Public Benefit Corporation will operate, turning over public resources to private interests.

There are a number of organizations working on the Presidio issues that are coming out at it from different angles. For example, San Francisco Tomorrow, which is a 24-year-old urban environmental group is pushing for a local congressional hearing on the Presidio, and I would hope that you would consider that.

The Coalition for San Francisco Neighborhoods, which is the largest and oldest city-wide umbrella organization of neighborhood associations is working to keep UCSF out of the Presidio because of the negative environmental impacts it will have on the park and surrounding the park.

Friends of the Presidio Association, which includes many veterans and military retirees, are trying to reopen Letterman to get health care benefits for military retirees and their dependents, and San Francisco Citizens for Public Power is demanding that an investigation be completed to determine if any statutory, regulatory, or procedural requirements were violated with regards to the NPS attempt to turn over the electrical system to PG&E.

A public interest alternative needs to be formulated along the traditional NPS model that now operates in other outstanding historic, recreation, and national park units throughout the country. Those should be the models we are looking at. The models should maximize public oversight and public access.

Also the Federal, State, and local government should contribute to maintain this magnificent historic natural and recreation area.

In conclusion, while Duncan wants to sell off parts of the Presidio land and buildings to private interests, Pelosi wants to lease parts of the Parkland and buildings to private interests, both are trying to give away public resources to private special interests.

Both legislative schemes, which are very similar in philosophy and intent, are so flawed they should be withdrawn. We must not yield to big business interests that would make our parks places of profit rather than a preservation. Horace Albright, the second Director of the National Park Service between 1929 and 1933 in his farewell address said, and I quote, "I urge you to be ever on the alert to detect and defeat attempts to exploit commercially the resources of the national parks. Often projects will be formulated and come to you sugarcoated with an alluring argument that the park will be benefited by its adoption."

I urge you to take Albright's advice and reject H.R. 3433 and H.R. 4078.

Thank you.

[Prepared statement of Mr. Ventresca follows:]

STATEMENT OF JOEL VENTRESCA

MEMBER OF THE CITY AND COUNTY OF SAN FRANCISCO  
COMMISSION ON THE ENVIRONMENT AND CO-CHAIR OF  
THE PRESERVE THE PRESIDIO CAMPAIGN

House Subcommittee on National Parks, Forests,  
and Public Lands

May 10, 1994

Page One

SAN FRANCISCO PRESIDIO NATIONAL PARK  
THREATENED

by Joel Ventresca

The proposed Pelosi and Duncan legislation, HR 3433 and HR 4078, are unprecedented, inappropriate, and dangerous.

No national park area in the country is operated along the lines layed out in HR 3433 and HR 4078.

Money-making-commercial-operations controlled by private interests are invited in the Presidio by HR 3433 and HR 4078.

The Pelosi and Duncan legislative scheme introduce the notion that national park areas should be self-sufficient or as self-sufficient as possible. This wrongheaded approach will start the process of privatization and commercialization of all 367 National Park units throughout the United States.

The 1,487-acre Presidio of San Francisco is located at the tip of the San Francisco peninsula overlooking the Golden Gate Bridge. Since 1776, the Presidio has been under the control of the U.S. Army. In October, the Army, in accordance with the Federal Base Closure and Realignment Act of 1988 and Golden Gate National Recreation Area Act of 1972, will transfer control of the Presidio, which has outstanding natural, historic, scenic, and recreational attributes, to the National Park Service. The Presidio is one of the most valuable and one of the most beautiful places on earth. The Presidio belongs to all the people of this country and to future generations.

Unfortunately, the National Park Service is planning to change the Presidio, a designated national park, into a business park to be marketed like a shopping mall. The NPS wants to abdicate its responsibility and turn the management of the Presidio over to a tax-free, publicly unaccountable, publicly subsidized corporation that will operate like a private-for-profit-super-redevelopment-agency with

Page Two

awesome powers.

The 19 management models studied, before the NPS developed this unique legislative approach, did not fit the conditions of the Presidio. The San Francisco Redevelopment Agency, notorious for large scale demolition, development and displacement, and the maritime-oriented Port of Oakland were included as "appropriate" models. Only one national park was examined. The Pennsylvania Avenue Development Corporation (PADC), another model, which works with private developers and investors to develop 21-blocks in downtown Washington, D.C., is currently building a mammoth 3.1 million square feet federal building. Upon completion it will be the second largest in the nation. The PADC includes 5 million square feet of office space, 668,000 square feet of retail, and 1,783 hotel rooms. Asilomar, a Monterey, California conference facility run by a private corporation on state lands, was another model the NPS thought was exemplary. However, recent disclosures have embroiled the Asilomar private corporation in a huge scandal involving allegations of financial abuses, misappropriation of funds, sloppy oversight, mismanagement, extravagant lifestyles for the top managers, and bloated salaries and pensions.

Creeping privatization and commercialization by powerful, special interests of the public resources in the Presidio needs to be stopped.

Why should we sacrifice public land and spend public money to subsidize private greed?

The NPS wants to create the first profit-making "national park" in the country in the Presidio. A free-enterprise, profit-making approach, as proposed by the NPS, will not protect the park; it will harm the park. Market pressures should be kept out of a national park not invited in.

#### LAND RUSH

Large institutional interests see the Presidio, which is 5% of the area of San

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Francisco, as a way to expand their empires. The Presidio is the last frontier in San Francisco for developers and real estate interests to exploit. Utilizing public land for private gain should not be tolerated or encouraged.

The potential for commercial development growth in the Presidio is almost unlimited because of the large amount of open space. Growth control limits that apply in the rest of the city do not apply in the Presidio. Ironically, the Presidio is exempt from state, regional, and local land use preservation controls.

Uncontrolled market forces should not be permitted to run wild in the Presidio. The Presidio should not be opened to powerful special interests who see the park as a cash register in a deregulated pro-business environment.

#### BUILDING BOOM

The NPS plans to spend \$777 million on construction and rehabilitation between 1994 and 2010. The construction payroll is expected to be \$40 million annually over the next seven years. A \$473 million construction program is planned for the Main Post, Letterman, Fort Scott, and Public Health Service Hospital on 361 acres of the Presidio. The amount of land dedicated to institutional use would double. The business park model in 2010 is projected to have a payroll of \$127 million, 5,500 employees, and four million plus square feet of space.

#### UCSF KNOCKING AT THE DOOR

The NPS and the University of California, San Francisco (UCSF), a medical/research complex, are working together to have UCSF take control of 55 acres and 1.3 million square feet of building space in the Presidio. Both are trying to cut the deal quickly and enter into potentially a 99 year lease this summer. The NPS even pushed through Congress special interest legislation recently to expedite the process. It was attached as a rider to S 433 which had to do with Louisiana.

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It was signed into law by the President before a single newspaper article was written about the issue in San Francisco. The NPS announced in March that over 500,000 square feet of new construction would be permitted in this area of the park. Numerous demolitions will be allowed for expanding building footprints and construction projects.

UCSF is planning to develop a second main campus which will be equivalent in size to UCSF's Parnassus 3.5 million square feet campus. The Presidio may be the secret target for UCSF's huge expansion.

Once UCSF is in the national park, it will grow and grow just like the Parnassus campus without regard for its neighbors. Currently, the 1976 growth control space (3.55 million gross square feet) and population (13,427 average daily population) limits, which were agreed to by the University of California Regents, on the UCSF Parnassus campus are being violated. Any growth control limits on UCSF in the Presidio would probably be ignored as well in the future. Promises made to the community by the university are continually broken especially when they relate to land use issues.

HR 3433: THE BUSINESS PARK BLUEPRINT FOR A NATIONAL PARK

On November 3, 1993, Congressperson Nancy Pelosi introduced in the House of Representatives H.R. 3433 which sets up a Presidio Redevelopment Corporation to manage the leasing and development of over four million square feet of building space in the Presidio forever.

This 14-page proposed legislation, which was referred to the Committee on Natural Resources for review, lays out the plan to effectively turn over the Presidio to a for-profit, private, bureaucratic, powerful redevelopment corporation. The redevelopment corporation would operate without local public control and without local oversight. There would be no local accountability.

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This inherently pro-growth and development-oriented super redevelopment corporation would have extensive powers to:

- lease, maintain, rehabilitate, and develop property within the Presidio.
- enter into long-term leases with tenants.
- keep all proceeds from the leasing of properties which is projected to be \$24 million a year.
- allow as few as three San Franciscans to be on the 14 member Board of Directors.
- guarantee a seat on the Board of Directors to a specific pro-growth oriented person who consistently supported large-scale developments on the San Francisco Planning Commission for over a decade.
- permit Board of Director members to serve for up to 12 years.
- permit as few as four closed Board meetings a year.
- hire a highly paid, powerful czar exempt from any civil service merit system who would serve as Executive Director of the corporation's operations.
- allow the Executive Director to hire a non-civil service, non-union staff without limits on what salaries could be and without any specific affirmative action requirements.
- procure the services of any consultants, organizations, and contractors without any specific affirmative action program.
- market and lease the space available to anyone involved in any business.
- obtain up to \$25 million in federal public funds annually.
- sue without Board of Director members being held liable.

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- adopt any rules and regulations to conduct business.
- exercise "perpetual succession".
- exempt itself from all U.S., California, and City and County of San Francisco taxes.
- bar individuals and organizations from having access to financial records.
- turn over all interests and assets to the federal government in the event of failure or default.
- borrow funds from the U.S. Treasury and private sources.
- provide collateral to secure indebtedness.
- set land use regulations.

Turning the management of the leasing of space in a national park over to a corporation is inappropriate and a betrayal of the mission of the NPS.

Market forces-- seeking profits, natural resources, and public subsidies--will exploit and plunder an irreplaceable, priceless scenic and historic park area, if this federal legislation goes through.

The Presidio is attracting those who are willing and able to make money off the public bounty.

The planning process has been hijacked by development/real estate consultants and the private interests they represent. The park will be driven by outside investors willing to invest and make a profit off a natural resource.

The Presidio will be a national park like no other because it will accommodate inappropriate land uses to generate revenues.

Muir, Audubon, and Thoreau helped establish the national park system to protect places from the ravages of development, to take lands off the market forever, and to ensure public

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control. The Presidio planning process and the Presidio-related federal legislation in Washington is moving in the opposite direction in all three areas.

A national park should not be seen as an opportunity to create a money making machine.

#### CLOSED PROCESS

The Presidio planning process in San Francisco has been riddled with closed meetings, secret documents, disinformation, undisclosed sources of private funding for planning, significant questions that go unanswered, media questions that are stonewalled, giveaways of public resources that are negotiated behind closed doors, public meetings where the public is discouraged from making comments, and open government law violations. Some neighborhood activists have been intentionally excluded or kicked out of meetings.

The April 27 letter claiming that nine nearby neighborhood associations unanimously unconditionally endorsed HR 3433 and welcomed bio-tech, high-tech, and other growth industries going into the Presidio national park is a complete fraud.

The Presidio legislative schemes before Congress have all the elements for another Department of Interior Teapot Dome scandal.

Public resources were turned over to private interests by Secretary of Interior Albert Fall starting in 1921. In 1929, Fall was convicted of accepting a bribe from a company that benefited from land leases in California. In 1931, he became the first former cabinet member to be sent to prison. It all started by letting private interests control public resources, and that is what is at the heart of HR 3433 and HR 4078.

#### THE ELECTRIC SYSTEM GIVEAWAY

The National Park Service secretly tried to give away the multi-million dollar electrical system in the Presidio to Pacific Gas and Electric Company (PG&E), the largest private

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electric utility monopoly in the United States. The Department of Interior was about to pay PG&E to renovate the system and then pay PG&E to take ownership. Future revenues generated by this electrical system were to flow to PG&E. The taxpayers were to pay everything, and PG&E was to pay nothing and get millions in revenues each year.

This incident exposes the fact that the 1913 Raker Act, which relates to public power in San Francisco, has not been implemented as intended by Congress and should be investigated.

This incident also demonstrates how the Presidio Corporation will work.

Giving away public resources to private interests is what HR 3433 and HR 4078 is all about.

#### SAN FRANCISCO CONCERNS

Only one San Francisco public hearing has ever been held on HR 3433 in which it was on the agenda and properly noticed to the public. Most of the public testimony was negative.

A number of local organizations are working on Presidio issues:

San Francisco Tomorrow, a 24-year-old urban environmental group, is pushing for a local Congressional hearing on the Presidio.

In Defense of Animals is fighting to keep animal-related biomedical research out of the Presidio and other national park areas.

The Coalition for San Francisco Neighborhoods, the largest and oldest citywide umbrella organization of neighborhood associations, is working to keep UCSF out of the Presidio because of the negative environmental impacts it would cause in the park and around the park.

Friends of the Presidio Association, which include many veterans and military retirees, is trying to reopen Letterman hospital in the

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Presidio for military retirees and their dependents.

Preserve the Presidio Campaign is working to block the Pelosi and Duncan giveaway Presidio corporation federal legislation and to create a constructive alternative.

San Franciscans for Public Power is demanding that an investigation be completed to determine if any statutory, regulatory or procedural requirements were violated with regards to the NPS attempt to turn over the public power electrical system in the Presidio to the for-profit, private PG&E corporation.

#### ALTERNATIVE

A public interest alternative needs to be formulated along the traditional NPS model that now operates in other outstanding historic, recreation, and national park units throughout the country. The model should maximize public oversight and public access.

The Congress should explore the possibility of giving some of the same powers to the NPS as is proposed for the HR 3433 corporation if it would help preserve the Presidio for future generations of Americans.

The federal, state, and local government should contribute to maintain this magnificent historic, natural, and recreation national park area.

#### CONCLUSION:

While Duncan wants to sell off parts of the Presidio land and buildings to private interests, Pelosi wants to lease parts of the park land and buildings to private interests.

Both are trying to give away public resources to private special interest.

Both legislative schemes, which are very similiar in philosophy and intent, are so flawed they should be withdrawn.

We must not yield to big-business interests

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that would make our parks places of profit rather than of preservation.

Horace Albright, the second Director of the National Park Service between 1929 and 1933, in his farewell address said, "I urge you to be ever on the alert to detect and defeat attempts to exploit commercially the resources of the national parks. Often projects will be formulated and come to you sugar-coated with an alluring argument that the park will be benefited by its adoption."

I urge you to take Albright's advice and reject HR 3433 and HR 4078.

Joel Ventresca is a member of the City and County of San Francisco Commission on the Environment and is Co-Chair of the Preserve the Presidio Campaign.

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Profile:

Joel Ventresca for over two decades has been a neighborhood, environmental, and community activist in San Francisco. He currently serves as President of the Coalition for San Francisco Neighborhoods, Co-Chair of the Preserve the Presidio Campaign, Director of San Francisco Tomorrow, Chair of San Franciscans for Public Power, and as a member of the City and County of San Francisco Commission on the Environment.

## Opinion

# Presidio park threatened

BY JOEL VENTRESCA

FEDERAL LEGISLATIVE hearings over the next few weeks — during the second week in May, the House Natural Resources subcommittee on National Parks, Forests, and Public Lands will discuss HR 3433, and on April 28 the Senate Energy and Natural Resources subcommittee on Public Lands, National Parks, and Forests will discuss S 1639 — could start the process of privatization and commercialization of all 367 National Park Service units throughout the United States.

The National Park Service is planning to change the Presidio, a designated national park, into a business park to be marketed like a shopping mall. The NPS wants to abdicate its responsibility and turn the management of the Presidio over to a tax-free, publicly subsidized corporation that will operate like a private, for-profit, super-redevelopment agency with awesome powers.

This proposed HR 3433/S 1639 scheme is unprecedented, inappropriate, and dangerous. No national park in the country is operated along the lines laid out in these bills. If the legislation passes through Congress, it will open the door to converting other national parks to money-making commercial-operations controlled by private interests.

A free-enterprise, profit-making approach, as proposed by the NPS, will not protect the park; it will harm the park.

Large institutional, development, and real estate interests see the Presidio, which accounts for 5 percent of the area of San Francisco, as the last frontier in San Francisco for them to exploit.

The potential for commercial-development growth in the Presidio is almost unlimited because of the large amount of open space. Growth-control limits that apply to the rest of the city do not apply in the Presidio. Ironically, the Presidio is exempt from state, regional, and local land-use preservation controls.

The NPS plans to spend \$777 million on construction and rehabilitation between 1994 and 2010. The construction payroll would be \$40 million annually over the next seven years. A \$473 million construction program is planned for the Main Post, the Letterman com-

plex, Fort Scott, and the Public Health Service Hospital. The amount of land dedicated to institutional use would double. The business park model in 2010 is projected to have a payroll of \$127 million, 5,500 employees, and more than 4 million square feet of space.

The NPS and the University of California at San Francisco are working together to have UCSF take control of 55 acres and 1.3 million square feet of building space in the Presidio. Both are trying to cut the deal quickly and enter into what would potentially be a 99-year lease this summer. The NPS even pushed through Congress special-interest legislation to expedite the process. It was attached as a rider to a completely unrelated bill and was signed into law before a single newspaper article was written about the issue in San Francisco. The NPS announced in March that it would permit more than 500,000 square feet of new construction in this area of the park.

UCSF is planning to develop a second main campus that will be equivalent in size to its 3.5 million-square-foot campus on Parnassus. The Presidio may be the secret target for UCSF's huge expansion.

Turning the management of the leasing of space in a national park over to a corporation is inappropriate and a betrayal of the mission of the NPS.

Muir, Audubon, and Thoreau helped establish the national park system to protect places from the ravages of development, to take places off the market forever, and to ensure public control. The Presidio planning process and the Presidio-related federal legislation in Washington are moving in the opposite direction in all three states.

A public-interest alternative needs to be formulated along the traditional NPS model that now operates in other outstanding historic, recreation, and national park units throughout the country. The model should maximize public oversight and public access. ■

*Joel Ventresca is cochair of the Preserve the Presidio Campaign, which is working to block federal legislation on the fast-track giveaway Presidio Corporation and to create a constructive alternative. Write: Preserve the Presidio Campaign, 202 Grant St., San Francisco, CA 94117; call (415) 731-1434, or fax (415) 824-9770 FAX.*

# Editorial

## Guest Column

— By Joel Ventresca, president, Coalition for San Francisco Neighborhoods

### Keep the Presidio Ours

The National Park Service is planning to turn the Presidio into a business park that would be controlled by a tax-free corporation operating like a super-redevelopment agency with awesome powers.

The Presidio, which is five percent of San Francisco, is a national park. However, the NPS is trying to market it like a shopping mall. Turning the Presidio into the first profit-making "national park" in the country won't protect the park; it will harm it.

Large institutional interests see the site as a place for expanding their empires. The potential for uncontrolled growth in the Presidio is almost unlimited. The growth-control limitations that apply in the rest of the

city do not apply there.

The NPS and the University of California, San Francisco, are reportedly plotting to provide 60 acres and 1.1 million square feet of Presidio space to UCSF. They are trying to cut the deal quickly. UCSF is planning to develop a second main campus, which would be about the size of its 3.5-million-square-foot Parnassus campus. The Presidio may be the target for UCSF's huge expansion.

The Coalition for San Francisco Neighborhoods opposes a UCSF move into the Presidio. Once in, UCSF would grow and grow, as it has done with its Parnassus campus, without regard for its neighbors. Currently, the 1976 growth-control space and

population limits on the Parnassus campus are being violated. Such limits on UCSF in the Presidio would probably be ignored as well.

Public control, public oversight and accountability would be lost with a corporation leasing the space in the Presidio. Market forces — seeking profits, natural resources and public subsidy — would exploit and plunder an irreplaceable, priceless, scenic and historic park area.

The Presidio is exempt from state, regional and local land-use controls. Market forces should not be permitted to run wild, as though the Presidio were a cash register in a deregulated environment.

The Presidio — the last frontier in San Francisco for large-scale institutions, developers and real-estate interests to exploit — is attracting those who want to make money off the public bounty. The planning process has been hijacked by development/real-estate consultants and the private interests they represent. The park's future is being shaped by outside investors.

Muir, Audubon, and Thoreau helped establish the national park system to protect places from the ravages of development, to take lands off the market forever, and to ensure public control.

But if developers get their way in the Presidio, then the whole 70,000 acres of the Golden Gate National Recreational Area would be endangered. Other open-space areas in the GGNRA would be seen as potential development sites for making a profit.

Bay Area open-space preservation battles have always been fought to keep developers out, not to invite developers in. A national park should not be a money-making machine.

Call 731-1434 for additional information.

### STATEMENT OF THOMAS A. SCHATZ

Mr. MILLER [presiding]. Thank you.

Mr. Schatz.

Mr. SCHATZ. Thank you very much, Mr. Chairman. I appreciate the opportunity to testify today on the amendments to the Golden Gate National Recreation Area. My name is Tom Schatz and I represent the 600,000 members of The Council for Citizens Against Government Waste.

You and the Members of this subcommittee are faced with a simple task: How to transfer the Presidio from the Department of the Army over to the National Park Service and what form a Public or Private Benefit Corporation would take.

There have been some issues raised that I was not aware of prior to my testimony today that would obviously have an impact on how to proceed in that direction. Clearly no one wants to see this land sit around for 10 years waiting for rezoning.

On the other hand, it is possible that if the interests involved push hard enough, some of those local issues might be resolved a little more quickly. I think that remains to be seen, and may be a result of precedence affecting other areas of the city that may or may not have an impact in this case.

Now, clearly our concern is cost to the taxpayer and what the best way to avoid excessive costs in the long run will be while preserving and protecting the Presidio itself. Both bills obviously attempt to answer that question, and I think that is clearly the intent of both Congresswoman Pelosi and Congressman Duncan.

Obviously, there is a difference of opinion on which one would do the better job.

One of the more interesting results of our research into this issue is the fact that under the original plan in 1972, there is evidence that once the Army ceased using the Presidio, it was contemplated that not every single acre would be turned over to the Park Service.

In fact, in Congressman Duncan's Floor statement last year, he cited a figure of somewhere around 494 acres out of the 1,488.

Now, clearly the Army's retention of its presence has an impact on the overall resolution of what was really intended and what this subcommittee and the committee itself and the Congress will end up doing. We favor, by the way, a public/private partnership.

We think that is a better way to manage this particular piece of property, while again making sure that the essence is preserved and perhaps the preamble that was discussed earlier would in fact make sure that this entity moves in the right direction and does not rip apart or tear apart the park itself which again is not our intent.

Looking at the history of the National Park Service's management of some of the smaller enterprises around the country, like Union Station when it was the National Visitor's Center and was in fact a complete disaster, I believe that we should move carefully in terms of providing the Park Service with oversight and management of this particular piece of property.

In looking at the potential for leases, the potential for small scale development in the park, with a 14 to 16 percent vacancy rate in the city, I think the financial projections made that were discussed

earlier today should be carefully examined and perhaps looked at by some other outside experts in terms of what will be the most viable way to protect the interests of taxpayers in the long run.

In fact, the National Park Service has managed locally the Hassel warehouse and despite its location at Fisherman's Wharf, apparently they haven't done a very good job of leasing much of that particular property. The private interests have done much better.

There is also in terms of the ultimate funding for this project, a real question about what, as you mentioned, Mr. Chairman, the Interior Subcommittee on Appropriations might do. If the leasing figures are not what they are expected, this park really comes in and competes with every other park in the country, including the Golden Gate National Recreation Area as it already exists, which is seeking \$70 million for safety projects, asbestos removal, historic building restoration, and restroom improvements.

Sequoia has a \$140 million shortfall to rehabilitate existing facilities, and \$342 million in shortfall for repairs and rehabilitation at Yosemite. So again our major concern is the financial viability of any plan to transfer the Presidio and make sure that it does not become another burden to the National Park System and to the taxpayers.

I don't think that we want 10 years or 15 years from now a new Director of the National Park Service coming in and including in his remarks a comment about the park system which would include the Presidio, the kind of remarks that Director Kennedy made last October where he said, "The condition of some parks is in many instances genuinely desperate and disgusting. There are buildings that aren't safe, buildings with asbestos in them and parks with hazardous waste all over the place."

We encourage the subcommittee to move forward expeditiously but cautiously in terms of what the impact will be on the American taxpayers. We don't want this kind of assessment to be made for this particular park which is truly one of the gems of the country.

You have the opportunity to finance the transfer of the Presidio in a cost-effective manner, and I urge you to do so while protecting the historic resources and open spaces at the Presidio. There may be portions of both bills that can be combined that would be a sensible solution and would be a benefit to both the residents of San Francisco and the residents of this country and to the taxpayers.

Thank you very much, Mr. Chairman. I will be happy to answer any questions.

Mr. MILLER. Thank you and thank you to the entire panel for their testimony.

[Prepared statement of Mr. Schatz follows:]

STATEMENT OF THOMAS A. SCHATZ  
PRESIDENT  
CITIZENS AGAINST GOVERNMENT WASTE  
SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND  
PUBLIC LANDS  
MAY 10, 1994

MR. CHAIRMAN, THANK YOU FOR THE OPPORTUNITY TO TESTIFY TODAY ON THE AMENDMENTS TO THE GOLDEN GATE NATIONAL RECREATION AREA. MY NAME IS TOM SCHATZ, AND I REPRESENT THE 600,000 MEMBERS OF THE COUNCIL FOR CITIZENS AGAINST GOVERNMENT WASTE (CCAGW).

YOU AND THE MEMBERS OF THIS SUBCOMMITTEE ARE FACING THE UNENVIABLE TASK OF DETERMINING THE FATE OF THE PRESIDIO IN SAN FRANCISCO. ONE DECISION -- TRANSFERRING THE PRESIDIO'S LAND AND BUILDINGS TO THE NATIONAL PARK SERVICE AS PART OF THE GOLDEN GATE NATIONAL RECREATION AREA (GGNA) -- WAS MADE BY LAW MORE THAN TWENTY YEARS AGO. THE NEXT STEP, THE MECHANICS AND FINANCING OF THE TRANSFER, IS WHAT THIS SUBCOMMITTEE MUST DETERMINE. THE CHOICES, WHILE COMPLICATED, ARE ALSO SIMPLE.

IF THE SUBCOMMITTEE APPROVES THE NATIONAL PARK SERVICE PLAN AND H.R. 3433, REPRESENTATIVE PELOSI'S BILL, WHICH INCLUDES A PUBLIC-PRIVATE PARTNERSHIP, MINIMAL ANNUAL APPROPRIATIONS, AND GREAT RELIANCE ON PRIVATE SECTOR PHILANTHROPY, IT WOULD BE THE LARGEST UNDERTAKING OF ITS KIND FOR THE PARK SERVICE.

IF THE SUBCOMMITTEE APPROVES THE PLAN EMBODIED IN H.R. 4078, REPRESENTATIVE DUNCAN'S BILL, IT WOULD PRESERVE THE ESSENTIAL NATURAL RESOURCES

OF THE PRESIDIO UNDER THE AUSPICES OF THE PARK SERVICE, BUT REQUIRE UP FRONT FINANCING OF THE PROJECT BY SELLING OFF NON-HISTORIC ASSETS INCLUDING THE GOLF COURSE AND MEDICAL RESEARCH FACILITIES.

THE GENERAL ACCOUNTING OFFICE AND THE PARK SERVICE AGREE THAT CONVERSION WOULD COST \$700 MILLION TO \$1.2 BILLION. MR. CHAIRMAN, THE ANNUAL SAVINGS FROM ALL BASE CLOSINGS ARE ESTIMATED AT \$1.5 BILLION ANNUALLY BEGINNING IN FISCAL YEAR 1998. THIS PART OF THE PROJECT ALONE WOULD EAT UP THE EQUIVALENT OF NEARLY A YEAR'S WORTH OF SAVINGS.

THE PELOSI PLAN WOULD BE A GENUINE GAMBLE FOR TAXPAYERS IF PRIVATE MONEY DOES NOT APPEAR TO HELP OFFSET THE \$39 TO \$40 MILLION IN ANNUAL OPERATIONS AND MAINTENANCE EXPENSES. ONE ONLY NEED LOOK AT THE CONSTRUCTION GOING ON IN WEST POTOMAC PARK FOR THE FDR MEMORIAL, ORIGINALLY INTENDED TO BE CONSTRUCTED WITH PRIVATE FUNDS, TO RECOGNIZE WHAT HAPPENS WHEN SUCH FUNDS DON'T KICK IN: TAXPAYERS COUGH UP THE MONEY.

UNDER THE PELOSI PLAN, THE NATIONAL PARK SERVICE WOULD RECEIVE 1,488 ACRES. TAXPAYERS WOULD BE SUBSIDIZING, AT AN UNDETERMINED EXPENSE, CONFERENCE CENTERS, 360 NON-HISTORIC BUILDINGS (INCLUDING A BOWLING ALLEY, WAREHOUSES, 1,500 HOUSING UNITS, AND A COMMISSARY). IN ADDITION,

TAXPAYERS WOULD CONTINUE TO PROVIDE FOR THE GOLF COURSE, PET CEMETERY AND OTHER "OPEN-SPACE" BUILDINGS. WITH THE ARMY RETAINING PART OF THE PRESIDIO FOR ITS USE, THIS FIGURE WOULD BE ADJUSTED, BUT WOULD STILL MEAN THAT THE PARK SERVICE WOULD BE TAKING ON A MASSIVE NEW BURDEN.

UNDER H.R. 3433, FUNDING WOULD COME FROM FEDERAL SUBSIDIES WITH A CEILING OF \$375 MILLION ANNUALLY, AND PRIVATE LEASE PAYMENTS. MR. CHAIRMAN, THE PARK SERVICE IS NOT A REAL ESTATE MANAGEMENT COMPANY. THE FEDERAL GOVERNMENT HAS PROVEN ITSELF INEPT AT SUCH ACTIVITIES -- JUST ASK THOSE WHO HAVE DEALT WITH OR BEEN AFFECTED BY THE DECISIONS OF THE RESOLUTION TRUST CORPORATION.

CAN WE REALLY EXPECT THE PARK SERVICE TO FOCUS ON THE BOTTOM LINE KNOWING THAT APPROPRIATORS ARE STANDING READY TO BAIL THEM OUT? THIS IS NOT A SPECIFIC INDICTMENT OF THE PARK SERVICE, ONLY A FACTUAL ASSESSMENT OF THE COMPLETE LACK OF BOTTOM-LINE INCENTIVES THROUGHOUT THE FEDERAL GOVERNMENT.

THE OCTOBER 1993 GAO REPORT ON THE PRESIDIO CITES A \$1.2 BILLION BACKLOG OF DEFERRED MAINTENANCE AND RECONSTRUCTION AT THE PARK SERVICE. IF THE PRIVATE FUNDS ARE INSUFFICIENT, THE PRESIDIO BECOMES JUST ANOTHER NATIONAL PARK BEGGING FOR HELP -- LIKE GGNA ITSELF, WITH A \$70

MILLION REQUEST FOR SAFETY PROJECTS, ASBESTOS REMOVAL, HISTORIC BUILDING PRESERVATION, AND RESTROOM IMPROVEMENTS; SEQUOIA NATIONAL PARK WITH ITS \$140 MILLION SHORTFALL TO REHABILITATE EXISTING FACILITIES, AND \$342 MILLION FOR YOSEMITE NATIONAL PARK.

MR. CHAIRMAN, THE PRESIDIO IS A PRECIOUS HISTORIC RESOURCE THAT SHOULD BE PRESERVED. BUT DO WE NEED TO BREAK THE BANK TO DO IT, AND DOES THE PARK SERVICE NEED EVERY INCH OF PRESIDIO PROPERTY THAT IS NOT REMAINING WITH THE SIXTH ARMY?

REP. DUNCAN HAS PROPOSED REASONABLE ANSWERS TO THESE QUESTIONS.

H.R. 4078 PROVIDES FOR UP-FRONT FINANCING FOR THE \$1.2 BILLION FUNDING AND PROJECTED FEDERAL COST THROUGH 2010 BY THE SALE OF THE GOLF COURSE AND MEDICAL RESEARCH FACILITIES. IF THE ARMY INSISTS THAT ONE OR BOTH OF THESE ASSETS REMAIN IN FEDERAL HANDS AND NO ALTERNATIVE SALE OF ASSETS IS AVAILABLE, THE COST TO TAXPAYERS WILL, OF COURSE, INCREASE DRAMATICALLY. MR. DUNCAN'S BILL ALSO TURNS OVER 1,288 ACRES TO A PUBLIC BENEFIT CORPORATION, LEAVING 200 ACRES TO THE PARK SERVICE.

ROGER KENNEDY, DIRECTOR OF THE NATIONAL PARK SERVICE, ADMITTED LAST OCTOBER THAT "THE CONDITION OF THE (PARKS) IS IN MANY INSTANCES GENUINELY DESPERATE AND DISGUSTING. THERE ARE BUILDINGS THAT

AREN'T' SAFE, BUILDINGS WITH ASBESTOS IN THEM, AND PARKS WITH HAZARDOUS WASTE ALL OVER THE PLACE." MR. CHAIRMAN, IF THE PRESIDIO TRULY IS THE GEM EVERYONE AGREES IT IS, DO WE WANT IT TO BE INCLUDED IN SUCH AN ASSESSMENT BY A FUTURE DIRECTOR OF THE NATIONAL PARK SERVICE?

YOU HAVE THE OPPORTUNITY TO FINANCE THE TRANSFER OF THE PRESIDIO IN A COST-EFFECTIVE MANNER. I URGE YOU TO APPROVE THE PLAN IN H.R. 4078, TO PROVIDE PROTECTION OF THE HISTORIC RESOURCES AND OPEN SPACES AT THE PRESIDIO WITHIN THE CONTEXT OF THE LAW ESTABLISHING THE GGNA, AND TO PROTECT THE INTERESTS OF TAXPAYERS.

MR. CHAIRMAN, I WOULD BE GLAD TO ANSWER ANY QUESTIONS YOU OR YOUR PANEL MAY HAVE.

Mr. MILLER. At this point, I recognize Congresswoman Pelosi.

Ms. PELOSI. Thank you very much, Mr. Chairman. I, too, welcome the opportunity to ask some questions of our witnesses, and I think that I will start in reverse order starting with the gentleman who just made his presentation.

Earlier, and I think you were here to hear, Mr. Mancini mentioned that the Duncan bill could cost \$100 million more over the period that we are talking about than the legislation that I am proposing.

Could you comment on that, please?

Mr. SCHATZ. Well, as I mentioned, Congresswoman, there is clearly some information of which I was not aware prior to preparing my written remarks and which I noted. Our interest is to do what makes sense to taxpayers.

Clearly we are not opposed to transferring the Presidio. That wouldn't make sense. What we want to do is ensure that we don't have a burden in the future and whether your plan or the Duncan plan is beneficial today, we are also concerned about the future management, the future ability and the future competition with other aspects and other parts of the National Park Service.

If that is indeed the fact, then it is worth reexamining which plan makes the most sense.

Ms. PELOSI. Well, your comment that we might put more pressure on for making it less than 10 years for zoning. Ten years has been acknowledged as a conservative amount of time that would be needed for rezoning where these properties would lie empty and at a cost to the taxpayers in the present tense and over the long range, so I think the Duncan bill, in addition to the fact that we oppose it fundamentally in that it would sell off and leave only 200 acres as actual park for the Presidio, I think does not achieve our original goal which is to maximize the park availability to the public and minimize the exposure to the American taxpayer. We certainly share your view in that regard.

I do want to address one other point that you made about the Burton legislation, the GGNRA, in which you question the transferring of all the property. We do have a letter which I did submit for the record earlier from the American Law Division of the Congressional Research Service.

If I may, Mr. Chairman, just two sentences from it. It says, in sum, the statutory language is quite clear and is confirmed by the legislative history. The language in the House report is merely incomplete and does not support any inference contrary to the statutory language.

Therefore, the enumerated areas of the Presidio transfer to the Secretary of Interior in 1972 and absent any more recent direction by Congress, Interior jurisdiction over the remainder of the Presidio lands is to follow when those lands are found to be in excess of the needs of the Department of Defense.

I can make that letter available to you because it is more specific in the letter, too. That is the conclusion to it.

Thank you, Mr. Schatz.

Mr. SCHATZ. Thank you, Congresswoman. I would appreciate seeing that letter. Thank you.

Ms. PELOSI. I did want the record to show, Mr. Chairman, that 1,000 people have testified at three informal hearings on the Presidio and at five advisory commission meetings, so I think the impression that is being presented here that there hasn't been any opportunity for public input is an erroneous one. Indeed, this process has been open to public comment to the extent of 1,000 people that we were in San Francisco for a hearing that you chaired, Mr. Chairman, a few years ago on the Presidio when we were talking about the transition, the accountability of the Army, and at that time the then mayor of San Francisco, Art Agnos, talking about the vision for the Presidio and what would make sense and what would not make sense.

So that was a hearing at which we had public participation beyond the elected officials in San Francisco. I know that it would be desirable to have many public hearings on many subjects every place in the country, but the economic constraints as well as the time constraints do not necessarily allow, but this committee has had a hearing in San Francisco on the subject of the Presidio and, as I say, has public input been taken by the Park Service.

Mr. Ventresca, since I am referencing your remarks, I will be very direct and say in the course of your remarks, I see some statement which quite simply are not true, and that a closer look at the Burton legislation that it is based on would indicate that, for example, when you say it would double the amount of space for institutional use, I think everyone is aware that there will not be any net gain of developed space in the Presidio. That was the law when the Army was there.

Since the Burton legislation, the Park Service worked with the Army that if they ever had to add space, they had to take space down. So there was no net growth of space in the Presidio and indeed in the plan for the Presidio post-park transformation that indeed there will be less developed facilities in the Presidio than there are now.

So I take issue with your statement that there will be double the amount of space.

I do agree with you, I think we all agree that the Presidio belongs to all people of this country and to future generations. As we have said, you have heard over and over again in this hearing, the Presidio must provide accessibility to the public with a vision that is ecological, environmentally sound that is global in its concept, educational in its purpose, but also affordable and we believe where we disagree is that the Park Service should never try to earn—try to subsidize a park with some of the funds that come in that are in furtherance of the vision of the particular park, the Presidio in this instance.

So we do have that fundamental disagreement and it springs from the fact that we simply cannot afford to have the Presidio unless we can generate some income from it, but that income should be generated in a manner which is consistent as I have said with the environmental, global, educational vision that we have for the Presidio.

Also, and then I wish you would respond—  
Mr. VENTRESCA. I would be happy to.

Ms. PELOSI. I just wanted to make one more point, though. You say in your statement, market and lease the space available to anyone involved in any business.

I have to say, Mr. Ventresca, that with all the hospitality I can conjure up in welcoming you here, I cannot resist saying that that is a totally irresponsible statement and it simply is not true.

Now, maybe it will be news to you that leasees in the Presidio have to be consistent with park purposes. And if that is news to you, then perhaps it will be good news, but if you are ignoring that or refuse to believe it, then there is no way we can respond to your question if you refuse to believe what is the law and what will continue to be the law as far as the Presidio is concerned.

I invite your comments.

Mr. VENTRESCA. Yes.

Let's start with the last item first. The mission of the Presidio is to find in the planning documents that were released in late October, the amendment to the General Management Plan and the Environmental Impact Statement report.

The future of the Presidio is described so broadly with no list of restricted uses included that in effect, any business—as a matter of fact, the legislation says any individual, organization, corporation, could be considered for going into the Presidio. The language is in the legislation itself.

If you do not restrict the land uses and we don't have restrictions yet in the planning process, we have no master plan and we have no final EIS, and there are no restrictions in the legislation itself, then what that means is that if you wanted to put a dozen biotechnology firms in the Presidio, there is nothing that would prohibit it.

And you could go right down the list. Any other inappropriate land use that could be considered, it is not prohibited currently with the planning documents or with the legislative schemes that are before Congress, not only in the House, but also in the Senate.

Let's go to the openness issue that you raised a minute ago. Only one San Francisco public hearing has been held on H.R. 3433. It was introduced in the Congress on November 3rd of 1993. And that was before the Base Closures Committee, the Board of Supervisors of San Francisco on April 14th, it went about four hours, and most of the public testimony had criticisms concerns about the legislation itself. That was it.

That was the only window, period, that San Franciscoans had to give input into this legislation. And it has raised a major concern because when the speed-up lease of the Letterman complex went through the Congress, it went through the House and the Senate on a voice vote, and the President signed it before there was a single article in San Francisco about it.

And it allowed the National Park Service to speed up the leasing of the Letterman complex, which is 55 acres of the Presidio and 1.3 million square feet, which you heard this morning. That went right through the Congress and the President signed it, and we didn't even know it happened in San Francisco.

Ms. PELOSI. If I may—

Mr. VENTRESCA. OK. Another point, the issue, the amount of land dedicated to institutional use would double. That is in the Environmental Impact Statement.

Also, you talk about an open process. Well, just this last week we learned that the NAPP group, which we also have a representative from the NAPP group on this panel here this afternoon, disclosed that a secret letter was sent to Congresswoman Pelosi's office with the long list of neighborhood concerns that people had around the site. And no one locally in San Francisco has been able to get a copy of that letter.

And the cochair of that group was quoted just last Friday in the newspaper in San Francisco, the San Francisco Independent dated May 6th. And I quote, "We thought that it would be better not to share that with the Congress," quote unquote. Marry Murphy, co-share of NAPP.

So what is going on is we are seeing an orchestration that you are supposed to believe everybody supports this legislative scheme. Well, it is not the case. And there is an important need for a local congressional hearing in San Francisco about the Presidio.

This Presidio legislation lasts forever once it is adopted if it is adopted by the House and the Senate and the President.

It doesn't have a sunset clause. San Francisco will be faced with following this law forever. And so it is a very important issue. Now, just a few weeks ago, Fort Ord, which is being closed, had a local congressional hearing about that transfer that is going on.

Why can't San Francisco have a congressional hearing on this important issue that involves 5 percent—

Ms. PELOSI. Mr. Chairman.

Mr. VENTO. Mr. Chairman, what was the question?

Ms. PELOSI. I was challenging—

Mr. MILLER. More importantly you make a series of accusations here that simply aren't supportable on the record or by fact.

Mr. VENTRESCA. Every statement I made can be documented.

Mr. MILLER. It can't be supported because your suggestion is when the Congress passed the previous piece of legislation that somehow that simply happened. No, it happened after a series of public hearings. It happened after debate on the Floor. The same is true for the Senate of the United States. The hearing on Fort Ord was not on the conversion of that facility; it was the generic question of unexploded ordnances and unexploded ordnances throughout the west, and that hearing was developed because this committee over the last year has been looking at that issue on the public lands generally. So you know, Mr. Ventresca, you sit here and make a lot of statements, but they just don't square with the law, the record, the intent, of this issue. Simply don't square with that.

It may be your view and you are certainly entitled to that view in this committee room and everywhere else, but at some point, you have to square with the fact, the law and the intent that is taking place. You know you made a whole series of suggestions. Again, you are welcome to them, but they simply don't square with the record of this committee or the things that happened. I appreciate all the innuendos. If you add them all, you got a massive conspiracy.

But the fact is they just don't pan out that way. So don't attribute something from the hearing that went on in Fort Ord that something that is being denied the citizens of San Francisco or the Bay Area when, in fact, that wasn't the hearing at all.

Mr. VENTRESCA. Well I hope we can have a hearing in San Francisco on H.R. 3433.

Mr. MILLER. That is a different issue, but don't try to bootstrap your way by misleading the public about what happened somewhere and then didn't happen somewhere else. You know better than that, much better than that.

Ms. PELOSI. Would the gentleman yield?

Mr. VENTRESCA. I am asking that the committee consider a public hearing in San Francisco.

Mr. VENTO. Well, I think the point is we will take it under consideration. You certainly have an opportunity to speak on the issue today.

I thought when you were answering your question, that you were giving testimony again because I didn't know what the question was. I walked in and you were five minutes into your statement. The truth I must say, as a subcommittee person that sat through the hearings on the limited authority granted with regards to leasing for the Letterman/LAIR complex, that in fact, that did go through the regular process.

We did mark it up. It was marked up in full committee. We did have a hearing on it. And obviously the record was open. I don't remember any testimony coming in from you on that particular topic.

Mr. VENTRESCA. We didn't know about it in San Francisco.

Mr. VENTO. I am not responsible for what they print in the newspaper. We have a process here, it may be imperfect in your view, but we try the best we can to open this process up so we can get the necessary information. We leave the record open.

You have got witnesses that come from across the spectrum here. Some of the members of the committee are not favorably disposed to various activities and various proposals before us. It may be an imperfect process, but there may be in San Francisco activities that the city council is doing that I am not aware that affect the Presidio.

You know we operate or try to operate in good faith. And the fact is that it is probably an imperfect process, but it is the only basis in which we have to function. I think there is a lot of concern that is expressed about trying to get the governance structure, in essence, to what is going on.

Mr. SCHATZ, you raised some questions here with regards to the gamble that is being taken with regards to the measure that Congresswoman Pelosi has expressed, and you recognize similar types of risks with regards to the Duncan legislation?

Mr. SCHATZ. Mr. Chairman, I wish that you had been here for my earlier remarks.

Mr. VENTO. I read them.

Mr. SCHATZ. I made some other statements that were very different from my written remarks based on obviously additional information that came up, not just at this hearing, but since the time that I prepared my remarks.

For example, as Congresswoman Pelosi pointed out, the estimate this morning that it would cost \$100 million more to do the Duncan bill than to do the Pelosi bill, our concern is very simply what is best to taxpayers and how to expedite this transfer in a cost-effective manner, and obviously there are provisions in both bills that might be combined that make sense.

We were also not aware of a 10-year zoning problem in the City of San Francisco that has a major impact on the premise of the Duncan bill. If that could be done expeditiously and the funds could be put into a trust of some kind and we could move on from there, that would obviously be a different situation.

Mr. VENTO. I was going from the written statement.

Mr. SCHATZ. I understand that.

Mr. VENTO. I appreciate your willingness to keep an open mind on these issues because we have had some discussions about existing park designations, dollars spent. We have to deal with the world the way it is, not the way we wish it would be.

Mr. SCHATZ. In that regard, Mr. Chairman, one of the other concerns I did raise and, as you know, it is an ongoing one and I know you are concerned about it, is what happens if several years from now the Presidio is coming begging for funds.

I mean that is what we are all trying to avoid here, then it becomes just another entity of the Park Service competing for very limited resources. Given the fact that this is an important piece of property, I just want to make sure we are careful about that.

Mr. VENTO. I think the other aspect is the way we keep our books, that is to say everything that is sold ends up being a value in terms of getting something back, but if we hold it as an asset, it is valueless.

Nobody else keeps accounting methods like we do. In other words, by holding, we don't lose anything and in fact it has been demonstrated here that we could phase in or make other types of plans in terms of excising certain pieces of it.

If it does end up being a problem and not being integral, if we can think up some new type of mechanism in terms of transferring, we are always looking for opportunities for philanthropy or for private/public partnerships in terms of what happens.

It just so happens we now possess or own this by virtue of the government. I was listening to some of the complications. Immediately what I thought was of that all of a sudden you get transboundary problems if you end up putting units adjacent to you and you don't have the control over them, immediately you have transboundary problems or can you sell that land with certain types of covenants on it which would in fact eliminate those types of problems.

I think the point is when you get done doing that at the end of the day, do you in fact have problems that adversely affect the rest of the resource?

And so I think we have a lot of work to do in terms of some of the Public Benefit Corporations. Ultimately, of course, some of the questions that were being raised earlier really speak to the Park Service and its power, and that is one of the reasons I said that the Park Service can make mistakes, Congress can make a mistake, a Public Benefit Corporation can make a mistake.

Obviously the question of trying to interface properly with an urban community is a difficult one. One of the issues here that we all pay attention to is this whole idea of commissions and establishment of commissions, which is a big deal with regard to a lot of Members, they seem to need the commission.

The truth is the commission ends up being not accountable to the city or the Federal Government. Who in the hell are they accountable to? I know we don't need another political subdivision in San Francisco. You have got enough. And I would like to see people like Joel Ventresca and the others the job that they have to do and provide the facility where we can properly interface so we have some real common interests here in terms of what we want.

And of course much of what gets discussed in dollars and cents doesn't deal with the essence of what that property represents to the community and to the Nation as an integral whole. So I will put it that way, Mr. Chairman.

I wanted all of you to know I was on the Floor dealing with some legislation, that I had to leave, and I appreciate George Miller's sticking around and taking over.

Mr. ABERCROMBIE.

Mr. ABERCROMBIE. Thank you very much.

Ms. Murphy, I would like to direct—here I am.

Ms. MURPHY. I am sorry.

Mr. ABERCROMBIE. I would like to direct my comments and my questions to you principally. Speaking as someone who has enjoyed the Presidio, going through the Presidio and speaking as someone whose brother lives in Marin County adjacent to it, and we pass through it lots and lots of times, someone who has spent some time there, I am interested in speaking to you to try and clarify this as someone from outside the California area right now.

You are presently a Commissioner on the Board of Permanent Appeals.

Ms. MURPHY. That is correct.

Mr. ABERCROMBIE. OK. I am interested in that because as an ex-city council member myself, I have had to appear in front of the Board of Permanent Appeals as a supplicant.

Do you wield the same kind of power that is wielded by the Board of Permanent Appeals in Honolulu, as they say, raw hanging judge?

Ms. MURPHY. I would never say that about myself.

Mr. ABERCROMBIE. Do have you that kind of power? They do in Honolulu. In other words, even the city council can do as it will, but when it comes to appeals, we are not in the same position as everybody else going in there with our eyes cast down or into the middle distance and hoping that commissioners such as yourself will do as we ask.

I do have a serious purpose behind my question. Do you have that kind of power?

Ms. MURPHY. It is fair to say that the Board of Permanent Appeals in San Francisco has very broad power. As I said in my statement, we do hear appeals de novo, we take testimony again, we can find facts de novo.

And we also have broad discretionary powers under Article 26 of the San Francisco Charter.

Mr. ABERCROMBIE. You are a practicing attorney, what is your—do you have a special field as an attorney?

Ms. MURPHY. Well, I guess it would be fair to say that I practiced in the real property area and given the economy in recent years, I have seen my share of insolvency work, although I am not a bankruptcy lawyer. It is a sad comment.

Mr. ABERCROMBIE. Further in your testimony you state on page 4, as a city commissioner, I can tell you that the Presidio's only zoning is P for public district.

Ms. MURPHY. That is correct.

Mr. ABERCROMBIE. In truth, the Presidio does not have a zoning that permits financially feasible reuse since it has always been Federal land. When you say financially feasible, are you referring to the kind of development which is ordinarily associated with land which becomes available to business?

Ms. MURPHY. That is correct. That is correct. What I meant—

Mr. ABERCROMBIE. Other than in a restriction called public district?

Ms. MURPHY. Yes. What I meant by that was referring to the fact that if the property were to be transferred, it would, even if you were to use it for the same de facto use like, for example, the golf course is used as a golf course before by the Federal Government and then is sold to a private corporation or individual who proposes to continue that same de facto use, it is in fact a de jure change in use, and that is what triggers the requirement for an amendment to the master plan.

And it is clear that reuse under a leasing system which is what is proposed in H.R. 3433 where the fee simple title to the property remains with the Federal Government does not pose a problem because you don't have that transfer of the land triggering the requirement of rezoning.

That is what I meant.

Mr. ABERCROMBIE. Would it not be the case with 3433 that the public district zoning would be intact?

Ms. MURPHY. Yes, that is correct it would be intact still.

Mr. ABERCROMBIE. What does public district zoning mean in San Francisco? I have an idea what the equivalent is in Hawaii.

Ms. MURPHY. That is a use zoning which basically means anything that is held by a public entity. All sorts of things are zone P, like City College. You know you do find P districts around town.

And so it is a little complicated, but essentially if a public entity holds it, then it is a P district and that is the use, which will cover a lot of uses.

Mr. ABERCROMBIE. So the practical effect of such zoning is that for a private entity or a private enterprise to mount—would have to in effect mount a campaign to undermine the intent and meaning of that zoning as it is historically and customarily understood in San Francisco?

Ms. MURPHY. You mean if they wanted to buy the property?

Mr. ABERCROMBIE. Yes, because part of the contention here is not necessarily buy the property, but use the property. Part of the contention here, which I am trying to deal with as a Member, is that somehow if we pass this legislation, the Presidio will be vulnerable

in some way that is not quite clear to me. Vulnerable in some way to massive development.

I have had—I have undergone similar things in Hawaii where we try to do something with land, public land—land that has a certain zoning for public use and the accusation is made almost immediately that this is some kind of subterfuge by the hotel industry to get a hold of it due to various and sundry things, all of which is impossible under the zoning, and all of which would require rezoning and legislative activity by the city council such that it would create a fire storm of publicity at a minimum, and probably political retribution if such zoning or such activity was undertaken, and I am trying to determine whether there is a similar circumstance with public zoning—excuse me, with public district zoning in San Francisco as it would apply to the Presidio.

Ms. MURPHY. I understand your question now. Let me clarify. Under H.R. 3433, the public district zoning would remain entirely intact because the fee simple title to the property will not pass from Federal hands, what will govern—what goes on in the Presidio will be the General Management Plan, which is an amendment to the plan for the GGNRA, and whatever under 3433 it makes the plan, the blueprint for what can and cannot go on in the Presidio.

By contrast if 4078 were passed and lands were sold, then this issue which you are raising, and you are precisely correct in your characterization of it in my own opinion.

Mr. ABERCROMBIE. Do you want to repeat that? The Chairman isn't here. I want it on the record that I was presently correct on something. Mr. Vento, as you can see, is now totally animated at this process.

Ms. MURPHY. I will go even further. You were both brilliant and correct. It is true. If there were some change in the fee title, ownership of the property, that would trigger a change in use under the law so, for example, you have your nefarious developers or whomever your nefarious character is who wants to come in and buy the property hold fee simple title to the property, which is contemplated by 4078 and not by 3433, that change in ownership triggers the rezoning requirement, the amendment to the San Francisco master plan, and I think that process in itself, I think 10 years is a very conservative estimate, and then you have the whole—once you get it rezoned, you have to go to planning, get things passed, have a whole series of public hearings there, and then you get to come to the all powerful board of permanent appeals who can throw you out on your ear.

Mr. ABERCROMBIE. Mr. Ventresca has amply demonstrated that. I doubt that San Francisco will go quietly into the rezoning area. I will give you credit on that, Mr. Ventresca, you are in this instance a watch man at the gate in that regard.

Just one final point—

Mr. VENTRESCA. Could I just interject something, Congressman?

Mr. ABERCROMBIE. Certainly.

Mr. VENTRESCA. The Presidio is exempt in State, regionally, and local planning controls of any type. You take one step into the Presidio, it is Federal jurisdiction.

San Francisco has very tough zoning controls that restrict development, but none of that applies in the Presidio. Those protections are not there. So the only protections that will exist will be the amendment to the General Management Plan for the GGNRA and the EIS which are not completed yet.

Mr. ABERCROMBIE. Well—

Mr. VENTRESCA. And also—

Mr. ABERCROMBIE. OK. That is a bone of contention, but I don't understand the—

Mr. VENTRESCA. One final point—

Mr. ABERCROMBIE. Just a moment. I don't understand Ms. Murphy's testimony to be that the protection of public district zoning would not apply to the Presidio.

Mr. VENTO. If the gentleman would yield. This is held by the military now. It is being conveyed to the Park Service. They obviously have sole jurisdiction over it.

In fact, the legislation that Congresswoman Pelosi is setting in place will in fact provide for a Public Benefit Corporation, which will have public members. The mayor will be on the board as well as others. But I think the thing is we entrust things to the Park Service with a 1916 Organic Act, amended in 1978 by Phillip Burton, which has a few limitations, quite a few limitations on what the Park Service can and must do. So it is probably at least as restrictive if not more restrictive than most municipalities would provide in terms of this instance, if they are properly utilized.

Mr. ABERCROMBIE. Yes. OK. I understand that, and I just find it difficult to believe that someone could come rough shod into the Presidio without creating what I said was a fire storm out there, and for the Park Service which, Jim, believe me, I can tell you as a Member of this committee now for some years that the Park Service does not court that kind of publicity.

Let me ask you another just couple of concluding points because you also say you are a neighbor. When you say you live a couple of blocks east, what does that mean, of the Presidio because it is quite a large area? Where would that be if I was coming across the Golden Gate Bridge and turning right instead of down by the—I would be going towards the sunset; is that right?

Ms. MURPHY. No. No. I live in the area that is called Cow Hollow. If you were to go two blocks east to orient yourself, it is always nice to think of Alcatraz, that is north. I mean, if you are not familiar, I presume you know—

Mr. ABERCROMBIE. Yes, I am.

Ms. MURPHY. If you were to go east two blocks from the Lombard Gate, Lyons Street, two blocks east of Lyons Street.

Mr. ABERCROMBIE. So you are a literal neighbor?

Ms. MURPHY. I am. I just wanted to add one thing to your previous point. One point I actually meant to make in addition to the rezoning problem, it is very likely that anything that would happen in the Presidio if the land were transferred, would also be subject to the provisions of the California Environmental Quality Act or EQA which is very—it is State law.

That is not a San Francisco issue, that is a California issue and that, too, is just another element in the delay in which you were

talking about. I think it supports again what you were saying. I am sorry to interrupt.

Mr. ABERCROMBIE. That is all right. This is a rather unique circumstance and I do respect the hesitation that would come from Mr. Ventresca and others who might have some trepidation as to what might take place because you have an extraordinary number of buildings.

This was an Army post since 1846, if I remember correctly, and has gone through a series of transmutations through all of that time, World War II, all the rest of it, and in fact it has housing, if I remember from my background material, 1,500 people I think, they are going to reduce it to about 500 people to live there.

So inevitably there will be certain kinds of activities, stores, commissaries, et cetera. I know there is interest in Hawaii in a museum aspect, historical aspect of the military presence there.

As a neighbor, then, literally and as the—are you still the president or cochair, excuse me, of the Neighborhood Association?

Ms. MURPHY. Yes, I am.

Mr. ABERCROMBIE. There are series of associations, I take it, around the—

Ms. MURPHY. There are nine neighborhood associations which are part of our group.

Mr. ABERCROMBIE. As people who have to live with the results of whatever is done here, live with it more than abstractly, are you content with the context within which this leasing will have to take place?

What I mean by that is given the number of buildings that are there. Some of it obviously will have to be torn down, some will maybe turn into museums, some will have to be active in sense of a neighborhood.

You will have to have stores. You will have to have other things like that. Are you content that with whatever modifications come to the development corporation or the board of directors, or whatever it is, that that kind of thing could be done and still preserve the character of the Presidio?

Ms. MURPHY. I am pleased you asked me that question because it gives me an opportunity to respond to some of the accusations, Mr. Ventresca has made.

Mr. ABERCROMBIE. Why don't we leave those aside?

Ms. MURPHY. I just want to state for the record though that all of the concerns of the neighborhoods have been expressed in my testimony today before you and in a letter that we have sent to Chairman Vento, which actually deals with some issues that are not specifically associated with the bill that is before you today, but with other issues, like security, that pose a problem for the neighborhoods.

So I want to make it clear that all the neighborhood concerns have been expressed to this committee and obviously, for us, I mean, if we lived in an ideal world where money grew on trees and rain water became beer, with a name like Murphy, I have to wish for that, I mean, you should have an enormous park right in my backyard and you should pay for it all, and it would all be great with you.

We realize that money doesn't grow on trees and that is why we are concerned with the financial feasibility of the plan for reusing the park because from our perspective, although obviously we have concerns about things like congestion and traffic and transportation plans and we are concerned about realizing a community liaison committee which the Congresswoman has proposed to have the Park Service create because that would be a Park Service function, not a Public Benefit Corporation function, we want to obviously preserve the residential character of our neighborhoods and to have the park have as little of an adverse impact on our neighborhoods as possible.

At the same time, it would be financially irresponsible to not reuse the buildings to generate revenue for the park and, from our perspective, there is an advantage, a safety advantage in reusing the buildings because vacant buildings in an urban environment will pose a problem of vandalisms, squatters, you name it, and as neighbors that would not thrill us, we would rather see those buildings occupied and we would rather see them occupied with tenants who fit within the parameters of the plan.

The plan has as its goal very noble humanitarian ideals, and I think that with the plan as the firm blueprint for what can go on in the Presidio, the neighbors have endorsed 3433. We are unanimous in our endorsement.

Our group voted unanimously to have me come here and testify before you today and we worked collectively on my statement here because we want this to be a park. We are very committed to that park, and if it isn't a financially viable park, then it is a disaster to us.

Mr. ABERCROMBIE. I just want to say for the record, Mr. Chairman, and I will conclude, thank you for granting me this length of time, that I wish also that we could fund all the national parks the way I would like to see them so that they would be, quote, "free" like the Smithsonian.

The Smithsonian is obviously not free, money has to be raised for it, but I wish it could all be that way. Just parenthetically, at the Wright Brothers site in the outer banks of the Carolinas, that is going to be inundated with people very shortly because of the 100th year Anniversary.

Now, literally this area at Kitty Hawk at Kill Devil Hill literally changed the entire history of human kind of three-and-a-half million years of history changed in a few seconds down there. And it was quite extraordinary a place to be.

It is not funded with interpreters the way it should be. We had the advantage, I am happy to say, of being there at a time in which the Park Service happened to have one. Two remaining interpreters there who gave us a presentation that very frankly you, as citizens and Mr. Schatz, I can tell you in terms of the taxpayers would have been thrilled to see that the people were there literally rising to their feet and applauding this interpreter as he recounted what happened at Kitty Hawk.

Something which seems rather prosaic and obvious to us most of the time was recreated in such a way down there as to offer a brand new insight as to what had taken place.

Now, they can't finance everything. They have lost interpreters down there. In Oahu where I come from in Honolulu, we have no national park at all, believe it or not. I would like to see one there in a very fragile part of our coastline. But I recognize that absent some kind of public/private partnership, some kind of fee system, that the park system is unlikely to be able to manage the privates in a way that does serve the public and national interests.

I am in full sympathy, believe me, and Mr. Vento, who has had to deal with this over and over again as the subcommittee Chair. The sympathy and empathy with trying to keep and have and preserve a national park system at a minimal cost to the public and to the taxpayer individually is the goal here.

But getting specifically then to the Presidio as a case in point within this general context, I can't figure out a way for the Presidio to be sufficiently funded in an operating context unless some leasing activity, even a museum activity, some kinds of the activities that are contemplated in 3433 takes place.

It is not because we enjoy it and it is not some kind of a trick, I can assure you. It is an honest attempt to try to come to grips with the operating and maintenance questions, and in this instance, I think the Presidio I think is luckier than a lot of other places because it has within it facilities and a history of use of facilities which is compatible with the leasing concept that will do—I hope will do minimum and I trust does minimum harm to the atmosphere and the goals of the Presidio environment.

Thank you. I appreciate the time to be able to insert that.

Mr. VENTO. I think the point is the Historic Leasing Act does provide for, under regular law, recognition of such use of such facilities whether managed by a park or the special benefit corporation as is anticipated here, which is a further refinement of that, so it is completely compatible with this.

The one issue with regard to the units of the Park Service that isn't considered generally in terms of this is the economic development aspect, that is of secondary importance. It is not something that receives preeminent consideration in whether something qualifies as a park or not. There are initiatives that bring forth that particular economic development issue into consideration as a recognized element within areas that are not publicly owned.

This is of course not one of those areas. And we don't intend for it to become one of those areas in the sense that it has this primary environmental cultural and recreational value here.

Congresswoman Pelosi has additional questions for the panel.

Ms. PELOSI. Well, I have a couple of comments, Mr. Chairman, and the first I will take up where we were talking about hearings and again thank this committee for the hearing that it had in San Francisco.

Hearings don't always take place after the legislation. They are a way to draw information before the legislation is shaped, and the visit that this committee made there brought out some community comment that was helpful to us in shaping the legislation. This has been a five and a half year process for us since Christmas of 1988.

The other point I want to make is that I really am very grateful to my colleagues in Congress because so many Members have come to California, to San Francisco and walked the grounds of the Pre-

sidio, visited the sites, whether it is the appropriators on the Department of Defense Subcommittee on Appropriations, Mr. Murtha and his colleagues there, Mr. Dicks and other Members of the Subcommittee on Appropriations where Mr. Murtha also served, and Mr. Regula being the Ranking Member coming out a number of times on the issue of the Presidio and the GGNRA, as well as other manifestations of interest from the national level, the Trust for Historic Preservation, Mr. Moe, visited there.

The interest and the attention from the Congress and from those who can help us on a national level has been extensive to the point of \$69 million from the DOD Subcommittee on Appropriations for infrastructure repair for the Army to transfer as a good neighbor.

I would, Mr. Schatz, wish to refer you to the last page of the bill, the very last sentence in the bill in fact that should allay some of your concerns about unlimited exposure should the properties not be leased, which I have every confidence they will. For purposes of the Presidio, there is authorized to be appropriated to the Secretary and the Corporation such sums as may be necessary, but the aggregate of funds appropriated for purposes of the Presidio under the act entitled, An Act to establish the GGNRA in the State of California, and for other purposes approved, you see the dates, may not exceed \$25 million in any fiscal year.

So we again, part of our goal was to cap the exposure to the taxpayer on this. Part of that \$25 million won't be needed for operating costs, but will go into infrastructure and rehabilitation, as you heard from the testimony earlier, but nonetheless there is a cap and we just have to live within that \$25 million cap.

In addition to that, I want to read the first sentence of my bill which says, "There is established within the Department of the Interior a Public Benefit Corporation to be known as the Presidio Corporation. The Corporation shall manage, in accordance with the purposes set forth in section 1 of the Act entitled, An Act to establish the Golden Gate National Recreation Area in the State of California."

Now, this is I think very important because it is the first sentence of the bill and the bill references that this Public Benefit Corporation will be in accordance with the Golden Gate National Recreation Area legislation.

And if I may just request the committee's indulgence, reference that legislation's purposes were to preserve for public use and enjoyment certain areas possessing outstanding natural historic scenic and recreational values to provide for the maintenance of needed recreational open space necessary to the urban environment and planning, and then it goes on to say concerning the use and preservation of resources, Congress further stipulated that the Secretary of Interior will preserve the recreational area in its natural setting and protect it from development and uses which will destroy the scenic beauty and natural character of the area and utilize the resources in a manner which will provide for recreational and educational opportunities consistent with the sound principles of land use, planning and management.

And then goes on to say when all of this is not in excess of the needs of Department of Defense, the Presidio and become part of the Golden Gate National Recreational Area. I am not reading from

the bill, but from the appendix to our bill which quotes the purposes of the GGNRA.

So I think that while in our legislation we do not enumerate everything that is in GGNRA legislation, it is based on that and must be managed in accordance with the purposes of the GGNRA.

And for that reason, I feel comfortable as a Representative of San Francisco saying that we are putting forth, I believe, an excellent proposal. Let's stipulate right off the bat as Ms. Murphy mentioned, not everyone is going to get 100 percent of what they would like to see in an ideal situation, but we have to minimize exposure to the taxpayer, maximize the enjoyment for the public, and preserve this incredible natural resource for our children and our grandchildren and for the whole country.

I believe that in accordance with this legislation, we will have the Presidio as a model of base conversion, that reflects the diversity of our community in every aspect in participation and in economic and enjoyment wise, and it will be a tremendous resource as far as American history is concerned.

I had the pleasure of a couple of weeks ago of attending with some who were in this room a ceremony that the African-American community hosted to celebrate and commemorate the issuance of the Buffalo soldier stamp, but it was held at the Presidio because we have a museum there recognizing the participation of African-American soldiers in our American history, starting very early on in that history, and I believe that the Presidio will be a beautiful natural resource environmentally, the jewel that we all know it to be, but it will also reflect history of our country.

The tradition is there because the Army was there. And the jobs that can be there for our community, but in an environmentally sound way. I close by saying I think that we have a responsibility to honor Phillip Burton's legislation.

Without him, we would not be able to make this transformation. Without this committee's cooperation, we wouldn't be able to make this transfer from post to park, and so we have a responsibility to his legislation, to honor its purposes as we go forward with the Public Benefit Corporation and with that, I would like to thank the witnesses for being here and for their testimony, and thank the Chairman for his time.

Mr. VENTO. Yes. Thank you for your statement and reminding us of the work that Phil Burton championed. Actually he was at the cutting edge of some of these urban parks and some of the unique problems that we face because of it. There were a few details that were left for us to fill in when he did this in 1972, I don't know if he realized the type of challenge it would represent.

Ms. PELOSI. Would you yield?

Mr. VENTO. I would be happy to yield.

Ms. PELOSI. You remind me of a story that George Miller loves to tell when he is talking about this legislation. Years ago and I think because whatever our point of view we all recognize how wonderful the Presidio is. Phillip was saying isn't it beautiful, isn't the Presidio beautiful, isn't it beautiful, and they all said, oh, yes, it is so lovely. We all love going there. He said, no, no, no. I mean my bill, my act, my bill.

So I know he would be very proud of the fact that the Wilderness Society, the Trust for Public Land, the Sierra Club, the League of Conservation Voters, the Environmental Defense Fund, the Earth Island Institute, and many other organizations that he worked with are supporting this legislation today.

Mr. VENTO. I am sure they would be. It is like the ash from Mount St. Helens; It takes a long time to settle. So it is with us for a long time, so we are in the process of trying to settle that and sort it out. In the end, I guess that you know those of us that believe in the park system and believe that the Federal Government can do some things right hope that we can strive to do this properly.

Clearly the goal is clear, especially in this instance there should be no ambiguity with regards to that and I hope that we can achieve it. This panel has been helpful, challenging and cajoling in pointing out concerns and support for this measure. We very much appreciate it.

The record will stay open for 10 days so that all of those constituents that have statements they want to make about the subject matter, the Pelosi or Duncan bill, can put it in and Members can put in their further statements.

Of course we will be studying that very carefully and any further observations with regards to that. We hope we can come up with a consensus bill on this matter that represents what is good for the taxpayers and for the public in terms of this magnificent resource.

The meeting stands adjourned.

[Whereupon, at 1:57 p.m., the subcommittee was adjourned.]



**A P P E N D I X**

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**MAY 10, 1994**

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**ADDITIONAL MATERIAL SUBMITTED FOR THE HEARING RECORD****STATEMENT OF  
THE HONORABLE JAMES V. HANSEN  
SUBCOMMITTEE ON NATIONAL PARKS,  
FORESTS AND PUBLIC LANDS  
ON H.R. 3433 AND H.R. 4078  
PRESIDIO/GOLDEN GATE NRA  
MAY 10, 1994**

Mr. Chairman, I look forward today to the next chapter in the controversial, \$1.2 billion Presidio story. The fundamental concerns which I had 6 months ago when we last considered this proposal remain unaddressed.

First, is it really in the best interest of the National Park Service to expand the agency's mission from protection of America's natural and cultural heritage to the role of a real estate developer? Because of legislative proposals to consider jazz parks, baseball stadiums and a whole manner of economic development projects within the context of the National Park Service mission, this

Committee is already considering legislation which would lead to refinement of the National Park Service mission. Mr. Chairman, I don't think there will be many votes in this Committee or in Congress to include medical research in the National Park Service mission, regardless of its importance to mankind.

Second, the fundamental questions about the cost of this plan remain unanswered. I think some of the National Park Service attempts at "new math", for example, arguing that funds spent to date to implement their plan should not be included in the overall cost estimate are highly creative. However, when this country cannot afford to fund essential education, public safety, health care or social security

benefits, how do we justify this effort? When the National Park Service already faces a 37-year backlog in construction and a 25-year backlog in land acquisition, what will be the impacts on the protection of the natural and cultural heritage of this country from diverting a minimum of \$375 million over the next 15 years to the Presidio? I hope we will hear in the testimony today how the state and local governments intend to financially contribute to a partnership to save the Presidio.

This National Park Service plan calls for \$600-700 million in private sector contributions. We sit here well over 4 years into the transition and these funds remain more a hope than a reality. If we are going to succeed

with the private sector, the last thing they need is the constraints of a Federal government bureaucracy. For these reasons, Mr. Chairman, the only responsible course of action for Congress is to limit the role of the Federal government and the National Park Service at the Presidio.

STATEMENT BY THE HONORABLE JOHN J. DUNCAN, JR.  
BEFORE THE HOUSE SUBCOMMITTEE ON NATIONAL PARKS,  
FORESTS, AND PUBLIC LANDS  
MAY 10, 1994

H.R. 4078

Mr. Chairman, thank you for scheduling my legislation, H.R. 4078, before the Subcommittee today. Your efforts to move forward with this project are appreciated. H.R. 4078 currently has 72 bipartisan cosponsors.

Mr. Chairman, first let me say that H.R. 4078 does not provide for the selling off of the Presidio to the highest bidder, nor does it allow for the development of high-rise condominiums.

H.R. 4078 is similar to the National Park Service plan in that it provides for most of the developed lands within the Presidio to be managed by a quasi-government public benefit corporation, similar in scope to the Pennsylvania Avenue Development Corporation here in Washington, D.C.

About 200 acres along the bay and coast, consisting of Crissy Field, Fort Point and other open space lands, would continue to be managed by the National Park Service.

The major area in which my bill differs from the National Park Service plan is the funding mechanism.

The National Park Service proposes to fund their plan through a combination of rental receipts and taxpayer funding. For the first full year of Presidio operations, the National Park Service has requested over \$33 million from Congress.

My bill would fund the Presidio through a combination of rental receipts and the sale of the Public Health Service Hospital, golf course and Letterman/LAIR Complex.

It is important to note that H.R. 4078 would provide for the sale of the Letterman/LAIR Complex to the University of California at San Francisco. The hospital, after being sold, would be required to be used in

accordance with the National Park Service plan.

Similarly, after being sold, the golf course must be used as a golf course. No development would be allowed at the Presidio under H.R. 4078.

Unfortunately, despite the fact that the National Park Service is already unable to take care of the lands and facilities entrusted to its care, the Agency faces continued pressure for expansion of its responsibilities.

The Golden Gate National Recreation Area has nearly tripled in size from its original authorization of 23,000 acres less than 25 years ago. Golden Gate is currently seeking nearly \$70 million for a variety of life safety

projects, asbestos removal, historic building preservation, restroom improvements and so on.

The same funding shortfall exists at other National Parks in the State of California.

For example, Sequoia National Park has identified a shortfall of \$140 Million to fix up its existing facilities, and Yosemite National Park needs \$342 million.

This funding shortfall exists throughout the National Park System. A report recently submitted to Congress documents a 37-year, \$5.6 billion, backlog in funding for major Park facilities and a 26-year, \$1.2 billion, backlog

in funding for previously authorized land acquisition, assuming no inflation and no expansion of the Park System.

With an estimated total cost of \$1.2 billion (GAO), the impact of this new park proposal on the rest of the park system could be significant.

National Park Service Director Roger Kennedy recently stated, "The condition of the places is in many instances genuinely desperate and disgusting. The physical condition of the plant is in rotten shape. The working conditions, pay scales and housing conditions of the professional park staff are a national disgrace."

In light of these budget realities, it is simply impossible for the National Park Service to take on a new project of this magnitude. Any funding for the Presidio can only be provided by taking funds from other already underfunded park areas.

In addition, it is undesirable to expand the mission of the Park Service to include such activities as medical research and international cultural affairs, as currently proposed in the Presidio plan.

Finally, the National Park Service has no real expertise in real estate management, and I believe that the best way for the Presidio public benefit corporation to succeed is

to strip away the layers of Federal bureaucracy, not perpetuate them.

To date, neither the City of San Francisco nor the State of California has come forward to provide any significant financial commitment to the realization of this project.

The choice before Congress will be a clear one. Preserve the Presidio at a cost of hundreds of millions of taxpayer dollars or preserve the Presidio at no cost to the taxpayer.

I believe that H.R. 4078 can save very scarce federal dollars and protect the Presidio at the same time.

**OPENING STATEMENT**  
of  
**THE HONORABLE JAY DICKEY**  
Fourth District - Arkansas  
Before the  
**National Parks, Forests and Public Lands Subcommittee**  
Hearing Regarding  
**Golden Gate National Recreation Area and the Presidio**

May 10, 1994

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Mr. Chairman, thanks for holding this hearing today regarding pending legislation proposing differing methods of protecting and managing the historic Presidio on San Francisco Bay, when most of the U.S. Army vacates the base.

While my preference is that the California Congressional Delegation and the National Park Service resolve the controversies that surround the inclusion of the Presidio in the Golden Gate National Recreation Area, I do have some concerns. They basically center on the apparently large operation and other costs that may be thrust upon the National Park Service budget obligations, apparently depending on the success of the Presidio Corporation. It seems to me, loading additional and significant costs on the National Park Service seriously threatens the already large backlog of unfunded construction projects and further stretches limited National Park Service operating funds for other National Parks across the country.

Nonetheless, I look forward to learning more about the various options and will review the testimony to be presented today.

Thank you .

***Urban Habitat Program*** a project of Earth Island Institute  
300 Broadway • San Francisco, CA • 94133 • 415/788-3666 • Fax 415/788-7324

**Policy Board**

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**Statement of Carl Anthony**

**House Subcommittee on National Parks and Public Lands  
House of Representatives**

**May 10, 1994**

Honorary Members of Congress:

I appreciate this opportunity to share my thoughts as well as my hopes for the Presidio of San Francisco and the public benefit corporation that is proposed in H.R. 3433.

My name is Carl Anthony and I am the President of Earth Island Institute and the Director of the Urban Habitat Program. I also serve as the Chairman of the East Bay Conversion and Reinvestment Commission. For the past three years, I have been involved with the Presidio Council and the National Park Service, as well as a network of environmental and grassroots organizations committed to contributing to creating a Presidio into a model urban national park.

The public benefit corporation proposed in Congresswoman Pelosi's bill is the best management alternative available to making sure that the Presidio becomes a national park with a sustainable future. Over the past years, I have witnessed the tremendous growing challenges to our federal government to address important public initiatives such as protecting our natural resources and converting former military facilities. I am encouraged that the approach to meeting these challenges, as exemplified in H.R. 3433, is not simply selling these public resources to the highest bidder, but to develop creative management approaches that guarantee these resources remain in the public domain.

My involvement with the Presidio project and my belief that it will indeed become a national park that we can all be proud of, is motivated by three key

components of a vision that the public benefit corporation outlined in H.R. 3433 will help achieve.

The first, is the site itself. The entire Presidio represents a valuable contribution to this nation's history - telling the stories of the indigenous people who first inhabited to the site, the Spanish, Mexican and U.S. armies, the Buffalo soldiers, as well as the thousands of men and women who defended our country and treated our wounded at the Letterman Army Hospital. As a national park, the Presidio's buildings, its open spaces, and its relation to one of the most dynamic urban spaces in this country provide us an opportunity to demonstrate how we - individually and collectively - can take care of our lands, learn to live more delicately on this earth, and co-exist with each other.

In its new post-military role, the Presidio must remain a public resource. H.R. 3433 ensures that ownership of the Presidio remain entrusted to the national government and ultimately to the public. The Duncan bill however, proposes the sale of the Presidio's park lands and facilities, which will strip the Presidio of the very resources that make it a unique site and a national treasure.

Secondly, the Presidio and the plan for its role as a national park, represents the involvement of a diverse public that is committed to making sure that future activities on the site are rooted in principles that preserve the environment and work toward social and economic justice. For the last two years, the Urban Habitat Program that I direct, has worked to integrate the perspectives of the inner-city and people of color into the planning process for

the Presidio. The Presidio General Plan is a product that has included a wide range of public and which establishes a common definition and vision for restoring our communities and the environment they are part. H.R. 3433 requires that the public benefit corporation follow this plan and the directive of the public that created it; the public benefit corporation proposed by Congressman Duncan would not be required to adhere to this plan generated by the public, nor would it limit the development of open space the it argues it is designed to protect.

Thirdly, the Presidio represents a model for military base conversion and creation of a national park that is cost-effective, accountable to the public, and reduces financial liability for the federal government over the long-term.

Last year, I was appointed by Congressman Dellums to oversee the East Bay Conversion and Reinvestment Commission, charged with initiating the conversion and re-use planning for 5 military installations in Alameda County. My experience with the base conversion effort has made it blatantly clear that new creative management approaches must be implemented to leverage limited federal funds.

The public benefit corporation proposed by Congresswoman Pelosi sets a model for cost-effective base conversion. With the establishment of the public benefit corporation as outlined in H.R. 3433, it is expected that in 1995, it will cost 55% less to operate the Presidio as a national park than it did as a military base. By 2003, the Presidio will cost 80% less to operate than it did in 1989. Furthermore, the bill places a yearly cap on federal appropriations, and encourages the leverage of these funds to encourage philanthropic

investment. By creating a this public benefit corporation, the federal government will provide savings to its taxpayers while establishing parklands for public use.

Mr. Duncan's proposal unfortunately appears to create additional costs to the public taxpayer. His proposed bill requires the federal government to manage property until local zoning changes are made and the necessary private financing is secured to rehabilitate the buildings in order to sell on the private market. Based on my experience as a planner and architect and as a planning commissioner, I know that this process is a long and complicated one that could tie up any property transaction for more than 10 years. In the meantime then, additional federal costs will be incurred for security and maintenance that is necessary to protect unleased property from vandalism and deterioration.

Above all, I am concerned about the public accountability over the management of the Presidio and its resources. If the Presidio is to remain a public resource, then its management must be accountable and representative of the public it serves. The Duncan bill fails to address this key aspect of public resource management, and would simply transfer ownership of the Presidio to a public benefit corporation.

The Pelosi bill however, advocates for the ownership of the Presidio to remain in the hands of the federal government to be managed by the National Park Service. Through long-term leasehold authority, the public benefit corporation will be an appropriate partner to the Department of Interior/National Park Service to maximize the benefits of public

accountability while addressing critical management and financial challenges in operating the Presidio as a public resource. My organization and the network of environmental and community organizations that are committed to the Presidio, have advocated for an even more expanded role of the public in the management of the Presidio, an issue that the Congresswoman has noted and will continue to work with us on.

The Presidio is too valuable a national resource to turn over to private short-term interests. The public benefit corporation as proposed in H.R. 3433 is one small step toward ensuring that the Presidio become viable addition to the national park system. I encourage all of you and other members of Congress to recognize the value of this site as a public resource and the Presidio's new role as a national park - to hold on to the valuable stories of the development of this country as well as set forth new directives for our nation in restoring our environment and our communities.

Thank you.

SIERRA  
CLUB



730 Polk Street San Francisco, CA 94109 415-776-2211 Fax: 415-776-0350  
In reply: Presidio Task Force 1717 Mason St. San Francisco CA 94133 415-441-6700

**Testimony of Michael Alexander, chair, Sierra Club Presidio Task Force,  
to the House Subcommittee on National Parks, Forests and Public Lands,  
for hearings May 10, 1994, on H.R. 3433.**

Mr. Chairman and members of the subcommittee, thank you for the opportunity to testify.

Recently, an aged and very wise friend and I discussed the Presidio, and the competing legislative proposals for its management goal: to keep it or to sell it.

He told me a story from his generation:

"By 1900," he said, "the government had sold most of its groves of coast redwoods to private interests. Then, during the depression, it sold off pretty much what was left, often at 50 cents an acre.

"Just 30 years later, with the groves rapidly disappearing, a new generation understood that a unique asset was being lost. So the children of the depression repurchased a small portion of the redwoods that their fathers had sold. It cost our generation of taxpayers a billion dollars."

Mr. Chairman, there is only one Golden Gate. It is a symbol of this nation, known around the world. The Presidio is its keystone. It is a national park. The federal government owns it. The way to waste a billion dollars is to sell it off, only to once again saddle our children with the cost of correcting our folly.

The issue, Mr. Chairman, is how best to keep, protect and enrich this national symbol and unique asset, at the lowest cost to today's taxpayers, and their children.

In H.R. 3433, you have the mechanism for sustainable success. The Sierra Club strongly and fully supports H.R. 3433.

Thank you, Mr. Chairman.

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For Immediate Release  
May 6, 1994  
Contact: (415) 956-3567

STATEMENT of COMMISSIONER NEIL EISENBERG  
TO THE UNITED STATES CONGRESS  
(Commissioner Eisenberg Represents  
San Francisco on the G.G.N.R.A.)

As a minority of one on the Golden Gate National Recreation Advisory Commission, I urge you; I beg you; I beseege you; to proceed slowly on Rep. Nancy Pelosi's legislation to transfer control of San Francisco's Presidio to a public benefit corporation. We are dealing with an enormous public treasure. I am certain that in the limited time that you have allotted to consideration of this measure, you will not be able to fully explore the ramifications of this bill in terms of National Park Policy.

You need to know that, to date, the Park Service has acted as if it is auctioning off public property to the highest private bidder.

The electrical infrastructure of the Presidio was literally given to P.G.& E., a powerful San Francisco Utility. Public protest stopped this criminal transfer of an enormously valuable asset and now the electrical contract is out to public bid.

You need to know that the destruction of Letterman Hospital will adversely impact 300,000 military retirees and their dependents. I brought forward a resolution to simply examine the dimension of this impact and I was ruled "out of order". The treatment of military retirees in San Francisco is a national scandal of the very worst order.

Therefore, you owe it to the people of San Francisco to bring your hearings to those who will be affected directly by this legislation. For the sake of public decency you must hold a hearing here, in San Francisco, where 6 million people in the Bay Area will be affected.

To take the ownership and control of the Presidio out of the hands of the Federal Government and place this gem in the hands of

private citizens is unthinkable. Before you take this precipitous step let the people have a fair hearing.

A handwritten signature in cursive script, reading "Earl Eiseley". The signature is written in dark ink and is positioned to the right of the typed text above.



MAR 07 1994

GOVERNOR PETE WILSON

March 1, 1994

The Honorable Bruce Vento, Chairman  
 The Honorable James Hansen, Ranking Member  
 House Subcommittee on National Parks,  
 Forests and Public Lands  
 812 O'Neill Building  
 Washington, D.C. 20515

Dear Chairman Vento and Ranking Member Hansen:

I write today in strong support for the incorporation of the Presidio of San Francisco into the National Park system. The Presidio is a great treasure not only to the Bay Area and California, but is also a nationally significant resource. Having guarded the Golden Gate continuously for three centuries, the Presidio deserves special recognition as one of the nation's foremost natural and historical resources.

I understand that legislation (H.R. 3433) has been introduced that would establish a public benefit corporation to manage the Presidio. I hope you will give this legislation your full consideration. By incorporating proven private sector techniques into Presidio management, we can provide resource protection and public programs at a vastly reduced cost to the taxpayer. Studies indicate that this savings could be as much as 30%.

It has been suggested, as an alternative, that all or part of the Presidio be sold on the open market, or transferred to the State. The State of California is presently operating under very serious fiscal constraints and it is not financially feasible for California to assume the responsibility for management of the Presidio. Moreover, if the Presidio is sold on the open market, there is no way to guarantee its preservation as a national and historic resource.

Again, let me reiterate my strong support for inclusion of the Presidio in the National Park system, and enactment of H.R. 3433.

Sincerely,

A handwritten signature in cursive script that reads "Pete Wilson".

PETE WILSON

cc: California Congressional Delegation

## NEIGHBORHOOD ASSOCIATIONS FOR PRESIDIO PLANNING

2608 Green Street  
San Francisco CA 94123  
(415) 929-0105

April 27, 1994

Presidio Heights  
Association  
of Neighbors

Presidio Terrace  
Association

Pacific Heights  
Residents Assn.

Cow Hollow  
Association, Inc.

Marina Civic  
Improvement &  
Property Owners  
Association, Inc.

Planning Assn.  
for the Richmond

Sea Cliff  
Association

Lincoln Park  
Neighborhood  
Association, Inc.

Lake Street  
Residents  
Association

Congresswoman Nancy Pelosi  
240 Cannon Building  
Washington, DC 20515

Re: HR 3433

Dear Congresswoman:

I write on behalf of Neighborhood Associations for Presidio Planning ("NAPP"). NAPP is an umbrella organization consisting of the neighborhood associations of San Francisco, the jurisdictions of which abut the Presidio. NAPP was formed specifically because we comprise the neighborhoods, almost wholly residential, which will be most impacted by the conversion of the Presidio from a military post to National Park. Indeed, many of our residents have property which fronts the Presidio, and the Presidio's access points go directly through our neighborhoods. From East to West, we encompass the neighborhoods of Marina, Cow Hollow, Pacific Heights, Presidio Heights, Presidio Terrace, Lake Street, Lincoln Park, the Richmond and Sea Cliff.

NAPP unanimously endorses HR 3433, which will establish a public benefit corporation ("PBC") to assume the leasing and financing functions of the Presidio National Park. NAPP applauds this innovative approach to government because we believe the private sector expertise offered by the PBC will ensure fiscally sound management of the Park.

The Presidio Park faces unique challenges because of its urban setting. The location of the Park will be one of its greatest strengths; as an urban park, it will be the most accessible park within the national park system. Further, the Park's existing facilities confer the capacity to pursue the important national goals of global health and climate change. The Park has the opportunity to take advantage of the intellectual synergy of the Bay Area, where the cutting edge, growth industries of high-tech, bio-tech and multimedia converge. The Presidio Park will clearly fulfill the traditional role of all national parks of providing a natural respite from urban life. With proper management, the Park could become a center of research and learning that would both advance peacetime goals and

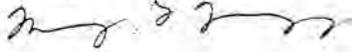
Congresswoman Nancy Pelosi  
April 27, 1994  
Page 2

enhance this nation's competitive position in critical emerging growth industries. With private sector skills to aid the Park Service, these laudable ends could be achieved while the Park generates revenue to make it as self-supporting as possible.

The PBC will be the keelson of the Park's success in all these matters. For the Park to fulfill its awesome promise, it must have the private sector expertise and the ability to finance capital improvements that the PBC will bring to the Presidio project. NAPP urges Congress to support and pass HR 3433. The Presidio project is an opportunity for this nation that is too fine and rare to be squandered.

Thank you for your time and attention.

Sincerely,



Mary G. Murphy  
Co-Chair NAPP





## LOS CALIFORNIANOS

Dedicated to the Preservation of Alta California's Heritage

355 Erica Drive  
 South San Francisco, CA 94080-4131  
 (415) 583-0424

May 6, 1994

MAY

Honorable Nancy Pelosi  
 Member of Congress  
 Washington, D.C. 20515

Dear Congresswoman Pelosi:

You can be sure that *Los Californianos* is intensely interested and extremely supportive of your efforts as shown by your sponsorship of HR 3433.

Many of our statewide membership numbering about 700 men and women are descendants of those in the Anza Expedition, which arrived to establish the Presidio on June 27, 1776. My own interest is great because two sets of my great, great, great grandparents were in that expedition with their children. Both of the men were soldiers for the Presidio.

People who visit the area should be able to feel some sense of history, because there is plenty of it there. It must be preserved.

The conservationist values are equally important and combine quite well with the historic values.

We thank you for your taking the lead in saving the Presidio.

Sincerely,

F. J. de Larios  
 Vice President

# San Francisco Historical Society

Post Office Box 569  
San Francisco, CA 94101  
(415) 567-2725

APR 11 1994

April 4, 1994

Hon. Nancy Pelosi  
House of Representatives  
240 Cannon Office Building  
Washington, D.C. 20515

Dear Congresswoman Pelosi:

It has been a matter of some concern that your proposed legislation for the future of the Presidio of San Francisco should include provisions detrimental to the elements of historical preservation that are essential to this resource: notably, the by-passing of the National Park Service and the Department of the Interior in matters of historical preservation by a public benefit corporation.

Needless to say, such a corporation's interests would many times be in conflict with the long-term historical preservation requirements of the Presidio.

It strikes me that this provision of your proposed legislation is not compatible with the sentiments of a city which for the past three decades has placed historic preservation at a premium in its urban priorities.

Although I realize that legislation is usually changed at conference time, I have not heard that you were amenable to changing this provision.

On behalf of the one thousand members of the San Francisco Historical Society, by board resolution, you are urged to change this provision of your proposed legislation dealing with historic preservation.

Very truly yours,



Charles L. Fracchia  
President

CAF:bg

# PRESERVE THE PRESIDIO CAMPAIGN

202 Grattan Street ■ San Francisco, CA 94117 ■ (415) 731-1434

May 19, 1994

Committee on Natural Resources  
 Bruce F. Vento, Chair  
 Subcommittee on National Park, Forests, and Public Lands  
 1324 Longworth House Office Building  
 Washington, D.C. 20515  
 (202) 226-7736  
 (202) 225-0449 (FAX)  
 Attention: Sandy Scott

Subject: Additional Comments for the Record of the May 10, 1994  
 Hearing on H.R. 3433 and H.R. 4078 Regarding the  
 Presidio of San Francisco

Dear Chair Vento:

H.R. 3433 states that the Presidio corporation "may enter into contracts...with any...private...organization, person, firm, association, organization, or corporation for the occupancy of any property within the Presidio which the (Presidio) Corporation manages." (page seven, lines 14-20)

Any individual, organization, and corporation involved in any business or any inappropriate land use in the park can be accommodated to generate revenues as long as the enterprise or activity is related to research, health, science, demonstration projects, and other broad, ill-defined park purposes (See S. 1549). Exemptions from legal and regulatory requirements will be made available for potential tenants (See S. 1549). There is no list of prohibited land uses. Planning guidelines are loose and vague. There is no adopted General Management Plan Amendment or completed Environmental Impact Statement for the Presidio. No Building Code exists. In other words, the Presidio Corporation set up by H.R. 3433 will have the power to market and lease space available to anyone involved in any business.

The National Parks and Conservation Association has stated that the National Park Service "plans to market the Presidio like a shopping mall." (National Parks Magazine, March/April 1993 issue, page 35.)

The Neighborhood Assn. for Presidio Planning is an ad hoc,

Page Two

unrepresentative group which has closed meetings. There are no detailed minutes or bylaws. There are many neighborhood groups adjacent to the Presidio that are not involved with NAPP.

Of the nine groups identified on the NAPP letterhead, not one has produced any documentation that their Board of Directors or General membership voted to unconditionally endorse H.R. 3433 before an April 27, 1994 letter by the Co-Chair of NAPP to Nancy Pelosi was written endorsing H.R. 3433 without conditions. In fact, the letter was sent before NAPP participants had seen it.

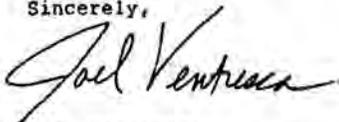
Several neighborhood groups have concerns about HR 3433.

Site development, including building rehabilitation, of the Presidio is expected to cost \$777 million (Environmental Impact Statement draft page 218).

Privately commissioned economic analysis has biased the decision making process. The Golden Gate National Park Assn. has put \$ 2.5 million into the Presidio planning process but refuses to disclose where they got the money from.

Enclosed is a set of articles from the San Francisco Bay Guardian to be added to the record of this hearing.

Sincerely,



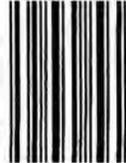
Joel Ventresca



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