

STATEMENT OF CRAIG MIDDLETON
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SUBCOMMITTEE ON NATIONAL PARKS, FORESTS AND PUBLIC LANDS
COMMITTEE ON NATURAL RESOURCES
UNITED STATES HOUSE OF REPRESENTATIVES

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Thank you, Mr. Chairman, for the opportunity to address members of the committee today regarding H.R. 6305, which makes technical corrections to the Act that established the Presidio Trust and authorized its stewardship of the Presidio of San Francisco, a historic military post, national park site and national historic landmark district. That Act, which is commonly referred to as the “Trust Act,” established the Presidio Trust as a unique government corporation designed for the specific work for which it was authorized – to preserve the Presidio’s incomparable resources and to manage them in a manner that eliminates the need for annual federal appropriations by 2013.

A decade has passed since the Presidio Trust assumed jurisdiction over 80% of the Presidio, and the message I have to share with you is a positive one: the unique model for reinventing a renowned military post as a financially self-sustaining national park is indeed working. In fact, ten years after our assumption of jurisdiction over the Presidio, there is very significant progress not only in accomplishing the financial goals that Congress set out for the Trust, but also in preserving the 469 historic buildings and the landscapes that comprise the Presidio and in creating more opportunities for all segments of the public to enjoy this incomparable park at the Golden Gate. The Trust has developed strong partnerships with the National Park Service and the Golden Gate National Parks Conservancy to implement various aspects of our plan for the park.

The Presidio is our nation’s largest and most ambitious historic preservation project. A military post since the days of the Declaration of Independence, the Presidio has stood sentinel over the American West and played a role in many of the seminal military events of

the 19th and 20th centuries. The National Park Service managed the transition of the Presidio from a military base to a park, and began the process of acquiring additional revenues from initial leasing of buildings at the site. The Park Service also developed a General Management Plan for the area which was widely supported by the general public and, with congressional help, secured funding for infrastructure and building renovation, as well as rehabilitation and environmental cleanup. Today, nearly two-thirds of the Presidio's buildings are in use. The park is generating revenue that – in combination with federal appropriations – is restoring and operating the park and reducing its reliance on federal funds.

Several members of this committee were instrumental in the passage of the Trust Act. I want to acknowledge them today and thank them for their support, which has been strong and bipartisan.

At various times during the past decade, Congress has amended the Trust Act to address issues that were not foreseen when it passed the Act in 1996, and to refine the authorities under which the Presidio Trust operates. H.R. 6305 is an example of that necessary fine tuning. It reflects current thinking as the Trust moves into its second decade, equipped with a proven track record in projecting and managing revenues and expenses, and more experience in rehabilitating historic buildings and infrastructure at the Presidio.

With much of the rehabilitation of the post complete, the Trust is now beginning to turn some of our attention to public programming. Our objective is to create opportunities for people from all walks of life and all backgrounds to experience the Presidio – not just as an historic Army post, but also as a new and unique national park site. H.R. 6305 clarifies the partnership between the Trust and the National Park Service in the delivery of interpretive programming and visitor services. The Trust and the Service would become equal partners in the provision of public programming at the Presidio. This partnership would also extend to the development and operation of a visitor center in a centrally-located building to be determined by both agencies. In keeping with this partnership, the bill would add “education” and “program development” to the criteria that the President should consider when appointing individuals to the Trust's Board of Directors. Together, these provisions reflect a

growing interest on behalf of the Trust to fund and engage in program-related activities that serve the public at the Presidio. We have engaged numerous organizational partners for these endeavors, which include history and archeology programs for fourth-graders, camping programs for young first-time campers, environmental education programs for local youth, and innovative research and preservation programs that engage community volunteers in the stewardship of the Presidio.

The Trust prides itself on its attention to the bottom line and recognizes that investment in building rehabilitation can yield operating revenue. In the past decade, the Trust has demonstrated that preservation and revenue generation can go hand in hand. While preserving more than 200 historic buildings, the Trust has also developed a strong financial foundation, primarily through building reuse, in anticipation of its need to sustain the Presidio without federal appropriations within the next five years. Currently, Presidio operations run in the black and net operating income and appropriations are reinvested into the rehabilitation of the Presidio. Through this cycle of investment and revenue production, the Trust intends to create a park that is financially sustainable.

A critical part of the financial equation is, of course, projecting and controlling operating costs. The Trust has sought to limit annual increases in the costs we control to 3% in order to create enough net operating income to continue our efforts to rehabilitate remaining buildings, landscapes and infrastructure within the park. A key component of cost is related to law enforcement. The Trust Act requires the Trust to contract with the U.S. Park Police for law enforcement services. The costs and level of service are negotiated annually with the U.S. Park Police and formalized through an Interagency Agreement. The arrangement has worked well for the Presidio; the U.S. Park Police do an admirable job of protecting the park. However, annual costs have averaged \$3.6 million since 2000. Fixed costs, reflecting salary, retirement, and other costs have escalated within the federal government by over 3.5% per year. Despite this, the U.S. Park Police has worked with the Trust to provide appropriate law enforcement services within operating budgets. Additionally, as activity on the Presidio as increased under the Trust's purview with more tenants, more special events, and a growing resident population, law enforcement needs are increasing and the Park Police is handling an increasing number of service calls and property crimes. HR 6305 attempts to address these

issues by shifting the cost of law enforcement from the limitation on appropriations that is otherwise applicable to the Trust's operations. We will work with the NPS to find a more effective way to manage public safety costs at the Presidio.

H.R. 6305 would also add a new provision to the Trust Act that would establish for two years a voluntary group to provide advice on the repurposing of Fort Scott, which is a beautifully situated former military fort within the Presidio. Currently unoccupied except for some temporary uses, Fort Scott is situated atop bluffs overlooking the Pacific Ocean with beautiful views of the Golden Gate Bridge and the San Francisco skyline. The Trust would like authority to convene a panel of national experts, that would sunset in 24 months, to provide the Board of Directors of the Trust with expertise and advise relative to the reuse of this incomparable Presidio resource.

The Presidio's transformation into a national park is one of the most interesting and remarkable base realignments in the country – one that is bringing together funding and expertise from government, the private and non-profit sectors, and the philanthropic community. Congress created the Presidio Trust to lead this effort. Thank you for standing with us over the past decade. We look forward to your continued support as the Presidio fulfills its role in the public life of the nation.

Again, I want to thank you, Mr. Chairman, and members of the Committee for inviting me to testify today, and for your continuing work on behalf of all of our national parklands. I would be pleased to address any questions that you may have.