

Leveraging Partnerships to Achieve Rehabilitation of Park Assets at Golden Gate National Recreation Area

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GOLDEN GATE NATIONAL RECREATION AREA (GGNRA) was created in part when the Army closed several facilities in the Bay Area over a period of years. GGNRA received hundreds of historic and non-historic buildings, all needing rehabilitation, seismic stabilizing, and lead remediation and asbestos abatement. Our building maintenance and historic rehabilitation challenges are similar to the challenges across the park service.

This paper will present how GGNRA met that challenge through building partnerships with nonprofit facilities-based partners and leasing. I will describe leveraging partnerships (agreement types and outcomes), as well as partnership projects (smaller park projects, GGNRA residential master lease, Fort Mason Center, and Cavallo Point Lodge at Fort Baker). I will also briefly discuss the new NPS National Leasing Team.

GGNRA's partnering mission statement is to enable NPS and GGNRA strategic goals by utilizing sound business and community engagement practices in developing and managing partnerships. We have a variety of agreement types we can use to enter into in-park partnerships, including cooperative agreements, concession agreements, leases, special use permits, and interagency agreements. GGNRA has 35 facility-based partners, including our cooperating association. Our cooperating association and largest park partner is the Golden Gate National Parks Conservancy. Other partners include the Cliff House, the YMCA, Alcatraz Cruises, Bay Area Discovery Museum, the Presidio Trust, and Fort Mason Center. GGNRA has an amazing array of park partners that brings a wide variety of services and visitor experiences to the park.

In GGNRA there are 535 buildings, totaling 1,993,970 square feet. Our partners occupy nearly 60% of our buildings. Early in the park's history, park managers sought partners to occupy the vacant buildings to keep them from being vandalized, or decaying from exposure to the elements. Relevant partnerships were started, many of whom are still with the park.

Our partnership outcomes for FY 2013 included the following:

- \$140 million in leveraged support,
- 5.25 million total visitors served,

Citation: Weber, Samantha, ed. 2016. *Engagement, Education, and Expectations—The Future of Parks and Protected Areas: Proceedings of the 2015 George Wright Society Conference on Parks, Protected Areas, and Cultural Sites*.

Hancock, Michigan: George Wright Society.

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- 120,000 K-12 youth served,
- 1,250 staff employed,
- \$13.25 million in revenue to park,
- 293 buildings assigned facilities, and
- over \$2 million in annual maintenance.

Our partnering infrastructure creates an effective partnering organization, based on incentives, teamwork, culture, communications, and information systems and records. It is important to note that any size park can use this partnering framework.

The 3-part system includes development, management, and revenue management. Development must include strategy and planning, negotiation, contract writing and execution, and partnership and project implementation. Management includes managing visitor and program experience (program, rates, and service quality), operations compliance (cultural, natural, safety, public health and accessibility), asset management (environmental, fire, maintenance), coordination and relationships (communication, operational integration, and issue resolution), branding and marketing (web site, media, events), and annual reviews. Revenue management includes invoicing and receivables, rent and fee analysis, financial reporting, expenditure planning, and project tracking.

Unique to the GGNRA Business Management Division is a historical architect that works full time with park partners. Our historical architect manages over \$2 million of non-profit partner investment annually, and provides systematic management of park partner facility management activities, working with non-profit and commercial partners on the following:

- maintenance plans for each partner each year which aligns with annual reviews, and looks ahead through the end of their current agreement;
- National Historic Preservation Act and National Environmental Policy Act approvals, providing assistance through the compliance process;
- project implementation support;
- documentation of project completion, resolution of issues; and
- tracking and reporting through annual reviews, records management, and NPS facilities management reports.

The GGNRA realty specialist has a master's degree in historic preservation, and oversees \$500,000 to \$1,000,000 annually in repair, maintenance, and rehabilitation work.

Partnership example: Cooperative agreement

A good example of a mission-focused partner with limited financial resources is A Home Away From Homelessness. They have been with the park since 1994, operating out of two facilities, and the duration of the cooperative agreement is five years. No capital investment was required, and they contribute \$18,000 a year in maintenance. The revenue to the park is cost recovery.

Partnership example: Special use permit

NOAA is a long term partner with GGNRA and will be funding a utilities infrastructure project expected to cost about \$900,000. The term of their permit is 5 years. They operate out of 3 buildings, with an annual maintenance contribution as needed. The revenue to the park is cost recovery.

Partnership example: Concession contract

Hostelling International has a 10-year concession contract with the GGNRA, operating out of

four facilities. There was no initial capital investment required. Their annual maintenance contribution is \$188,000, and revenue to the park is a concession franchise fee. They are located at upper Fort Mason and Fort Barry in the Marin Headlands. In 2014 we had over 20,000 guests at Fort Mason and over 10,000 guests at Fort Barry.

Partnership example: Lease

The Hontalas family has owned and operated Louis' restaurant since 1937. The park issued a request for proposals (RFP) in 2010. The Hontalas family was selected to remain and operate the restaurant for a 10-year term. Their initial capital investment was \$575,000, and revenue to the park is market rent (base plus a percentage).

Other partner requirements included the following:

- full compliance with the Americans with Disabilities Act of 1990, including installation of an accessible unisex restroom and an accessible front entrance,
- installation of a secondary emergency exit,
- responsibility for all maintenance and repair of facility during lease, and
- environmentally responsible back-of-house operations and integration of sustainable food and beverage options into the menu.

Partnership example: Residential master lease

There are 28 historic residential buildings, encompassing 38 units at Fort Mason and Fort Barry. NPS issued an RFP in 2012 and selected Gaetani Real Estate as the master lessee for a 10-year term. No initial capital investment was required. There is an annual maintenance contribution of \$450,000 and revenue to the park is market rent. Gaetani collects the rents and utilities charges. We developed a repair and maintenance plan and implement the plan through a reserve of 20% of the gross receipts is rent. The park receives 71.5 % of gross receipts, plus utilities charges.

Partnership example: Lease

The Fort Mason Center has been a park partner since 1977. Their mission is to connect and engage people with arts and culture, inspiring and fostering creativity by providing a vibrant gathering place and a home for thought-provoking programs, events, and organizations. And they respect and preserve Fort Mason Center as stewards of this National Historic Landmark. They operate under a 60-year lease for nine buildings and have recently made capital investments of \$21.4 million. The annual maintenance contribution is about \$1.1 million. Revenue to the park is market rent and cost recovery.

The Pier Shed 2 Rehabilitation Project has accomplished the following:

- performed a seismic retrofit,
- repaired spalling concrete and rusting structural supports,
- installed solar power,
- installed a in-floor heating system,
- replaced non-historic exterior doors, and
- completed ADA compliance.

In 2006, the NPS invested \$12 million to renovated the Fort Mason pier substructure. Fort Mason Center is proposing to sublease Pier 2 for the San Francisco Art Institute's Master of Fine Arts Graduate Program. A new two-level space would be constructed within the historic Pier 2 Shed for the program. It would include 17 studios, classrooms, and workshops, "floating mezzanines," and a public art gallery. The construction budget would be \$14 million.

Partnership example: Lease

The Cavallo Point Lodge at Fort Baker has a 60-year lease term and is comprised of 29 existing historic structures and 14 new facilities. The annual maintenance contribution is about \$1 million. Revenue to the park is market rent and annual cost recovery of \$465,000. An initial capital investment of \$95 million included \$11 million of historic rehabilitation tax credit investment including 30 acres of rehabilitated historic landscaping. It is the first National Park Lodge and the first on the National Register of Historic Places to Gain LEED Gold Certification for Sustainable Design.

NPS historic facility rehabilitation challenge

Based on a 2013 report from the National Trust for Historic Preservation, the NPS is responsible for maintaining over 27,000 historic and pre-historic structures located within the national park system. Of this number, there are approximately 9,600 historic buildings, of which approximately 8,250 are not operated by concessioners. This leaves the NPS with the responsibility of maintaining over 8,000 historic buildings independently, or to authorize their use and maintenance by other parties. For decades, federal appropriation levels have not tracked with the maintenance needs for these historic resources.

As a result, the NPS's maintenance backlog has grown to unprecedented size and reached near-crisis levels. Recent estimates provided by the NPS value the deferred maintenance backlog at approximately \$11.5 billion. Of that deferred maintenance amount, approximately \$4.5 billion is attributable to the unmet needs of historic and prehistoric structures in the NPS system that are listed on the National Register of Historic Places. This includes 2,811 historic buildings that are currently listed as being in poor condition.

Government funding alone has been insufficient to address this crisis, and the assistance of non-federal funding partners is necessary. The NPS has the legal authority to enter into historic leases, cooperative partnerships and permits with non-federal partners. The newly formed NPS Washington Office Leasing Team is responsible for the following:

- making the 'business case' for leasing with upper management,
- advocating for a national leasing expert or champion, and greater staffing capacity,
- developing a draft communication and education strategy to promote awareness,
- developing presentations about current and potential leasing projects,
- working with park managers that are "ready" and identify a list of leasing opportunities, the low hanging fruit,
- exploring a simpler leasing process by identifying self-imposed (NPS) barriers, and
- simplifying the appraisal process.