



PHOTO COURTESY FORT BAKER RETREAT GROUP

## **GOLDEN GATE NATIONAL RECREATION AREA**

### **SAN FRANCISCO, CA**

One of the largest urban parks in the world, Golden Gate National Recreation Area protects significant historic, cultural, natural, scenic, and recreational resources. In addition to rich natural ecosystems and habitats, the park interprets thousands of years of human history from Native American cultures, to the frontiers of the Spanish Empire, to American maritime and military heritage, to the development of modern-day San Francisco. Established in 1972, the park manages more than 366 historic structures,

5 National Historic Landmark districts, and 13 National Register of Historic Places properties. Every year, more than 15.6 million visitors are drawn to the diverse experiences offered at the park and spend approximately \$392.1 million in local communities. To better steward the historic buildings, the park began to enter into formal historic lease agreements in the early 2000s. Now the park has approximately 30 leasing partners who help to maintain and fund the park while creating new opportunities for visitors.

# HISTORIC LEASING IN NATIONAL PARKS

*“Our long-term lease and partnership with the Golden Gate National Recreation Area has allowed us to develop a unique funding structure to finance a \$50 million historic rehabilitation of Fort Mason’s Pier 2.”*

**Rich Hillis,**  
Executive Director,  
Fort Mason Center  
for Arts & Culture



PHOTO COURTESY FORT MASON CENTER FOR ARTS & CULTURE

## FORT MASON CENTER FOR ARTS & CULTURE

Intermittently over the past 200 years, Spanish, Mexican, and American forces have fortified this hilltop promontory overlooking the San Francisco Bay. Renamed Fort Mason in 1882, the post became incorporated into the park when it was established in 1972. After 40 years of partnering with a local nonprofit, the park signed a 60-year lease in 2006 with the Fort Mason Center for Arts & Culture (FMCAC). The lessee pays an annual rent to the park and also contributes to a maintenance reserve fund, where they far exceed their minimum requirement every year. As part of the lease, the park is financially responsible for shoring up the substructure of the piers and FMCAC develops the superstructure. After identifying a for-profit investor, FMCAC used the historic tax credit to tackle Pier 2 and is now looking to rehabilitate Pier 3. FMCAC has subleased many of its buildings to other nonprofits and for-profit entities to create a thriving campus for the arts. The campus—which includes five buildings on land and two pier buildings—now hosts five theaters, two art schools, an art supply shop, a bookstore, a café, and two restaurants.



PHOTO COURTESY FORT BAKER RETREAT GROUP

## CAVALLO POINT LODGE AT FORT BAKER

Built in 1905 as a U.S. Army post, Fort Baker was the last military post added to the park in 2002. When the park became interested in leasing the space, the Fort Baker Retreat Group—an ambitious partnership between Passport Resorts, Equity Community Builders, and Ajax Capital Group—signed a 60-year lease in 2006 with a goal of preserving the fort and rehabilitating it into a hotel and retreat center. The scale of the restoration and the length of the lease allowed the lessee to use the historic tax credit, which was a critical investment component of the project. The Fort Baker Retreat Group preserved 29 historic buildings and built 14 new ones in a green fashion, making the hotel at Golden Gate the first national park lodge with a LEED Gold certification. In addition to paying an amortized base rent, the lessee also spends around \$1 million annually to maintain the premises, which includes 198,000 square feet of buildings within a 30-acre historic landscape. Now a destination spot, the Cavallo Point Lodge offers historic accommodations, cooking classes, a luxury spa, and event spaces.

## A PROBLEM

The National Park Service (NPS) maintains a network of 417 parks and sites that protect some of our nation's most spectacular historic, cultural, and natural resources. However, after 100 years of operation and inconsistent public funding, the NPS faces a deferred maintenance backlog estimated at \$11.6 billion—of which approximately

47% is attributed to historic assets. Deferred maintenance in our national parks puts historic and cultural sites at risk of permanent damage or loss, and in the absence of funding, the condition of these assets will continue to deteriorate and become more expensive to repair and preserve in the future.

## A SOLUTION

Leasing of historic buildings in the National Park System is an effective and proven public-private partnership that can be used as part of the suite of options necessary to abate the NPS deferred maintenance backlog. The NPS has the legal authority to enter into lease agreements whereby the park maintains ownership of the building, but the lessee is responsible for the preservation and maintenance needs of the structure. For long-term commercial leases of 55 years or more, the lessee is able to utilize the federal historic tax credit and receive a 20 percent credit for qualified rehabilitation expenses. Historic leasing partnerships

alleviate the burden on the NPS to maintain historic buildings by reducing maintenance costs and the repair backlog for the park, allow reallocation of scarce resources to other priority projects, create opportunities for private investors, provide services for visitors and residents of gateway communities, and bring iconic historic buildings back to life. The National Trust for Historic Preservation plays a leading role in advocating for the use of leasing by the National Park Service by providing research and guidance about best practices and highlighting opportunities to leverage this innovative preservation tool.

*The House Appropriations Committee has also noted, in part, that “leasing of historic park buildings has proven to be an effective public-private partnership that has brought private investment to the repair and maintenance of historic park resources.”*

House Report 114-170, accompanying the Department of the Interior, Environment and Related Agencies Appropriation Bill, FY2016; House Conference Report 114-632, Department of the Interior, Environment, and Related Agencies Appropriations Bill, 2017 and Consolidated Appropriations Act, FY2017



**National Trust for  
Historic Preservation®**

The National Trust for Historic Preservation, a privately funded nonprofit organization, works to save America's historic places. Visit us at [SavingPlaces.org](http://SavingPlaces.org).

**For more information, contact:  
Pam Bowman  
Director, Public Lands Policy  
[pbowman@savingplaces.org](mailto:pbowman@savingplaces.org)  
(202) 588-6347**