

**CALIFORNIA CULTURAL AND HISTORICAL ENDOWMENT
BOARD MEETING
MINUTES**

**Wednesday, May 18, 2005
9:30 A.M.**

Location: Ronald Reagan State Building
300 South Spring Street, Auditorium
Los Angeles, California

Members of the Board in attendance:

Ms. Susan Hildreth, Chairperson
Ms. Marie Acosta
Mr. Tom Campbell, represented by Mr. Robert Campbell
Ms. Cynthia Campoy-Brophy
Mr. Michael Chrisman, represented by Mr. Walter Gray
Ms. Suzanne Deal Booth
Ms. Georgette Imura
Senator Christine Kehoe, represented by Ms. Deanna Spehn
Mr. Bobby McDonald
Ms. Betsy Reeves
Mr. James Irvine Swinden
Assembly member Hector de la Torre, represented by Juan Torres
and Senator Richard Alarcon, former Legislative Representative

Staff in attendance:

Ms. BranDee Bruce, Graduate Student Assistant
Ms. Michelle Itogawa, Student Assistant
Ms. Diane Matsuda, Executive Officer
Ms. Rachel Magana, Executive Secretary
Ms. Marian Moe, Staff Counsel
Mr. Frank Ramirez, Research Program Specialist
Ms. J. Oshi Ruelas, Research Program Specialist
Ms. Susan Takeda, Research Program Specialist

1. Roll Call

Chairperson Hildreth called the meeting to order at 9:45 a.m. She welcomed Deanna Spehn to the Board, as well as, Greg Schmidt who Senator Perata appointed as his representative. Mr. Schmidt was not able to attend this meeting. Board members introduced themselves and a quorum was established.

2. Approval of Minutes from August 24, August 30 and December 13-14, 2005

Ms. Acosta moved approval of the August 24, 2004 minutes; seconded by Ms. Booth. Motion carried unanimously.

Ms. Matsuda noted one change to the August 30, 2004 minutes. The change is on page 4; second bullet point under "Frequently Asked Questions" should read "match" rather than "audit"

Mr. McDonald moved approval of the August 30, 2004 minutes as corrected; seconded by Mr. Campbell. Motion carried unanimously.

Mr. Gray annotated his copy of the minutes for December 13th and 14th to accurately reflect when he left and returned to the proceedings, as well as a correction to December 13, 2003 minutes, page 6, item 5 under "Declaration of Board members regarding Conflict of Interest". His statement was captured in the first person and should be corrected.

Ms. Matsuda offered corrections to the December 13, 2004 meeting as follows: First page under "Members of the Board in attendance" should reflect Assembly Member Hector De La Torre rather than Assembly Member Marco Firebaugh, and Assembly Member De La Torre was represented by Mr. Juan Torres rather than Mr. Art Torres.

Chairperson Hildreth noted that December 14, 2004 minutes mentioned one project as the Golden State Museum and it should have been the Monterey County Redevelopment Agency.

Mr. McDonald moved approval of the December 13-14, 2004 minutes as corrected; seconded by Ms. Booth. Motion carried unanimously. There were no comments from the public.

3. Chairperson's Report

Chairperson Hildreth asked Ms. Matsuda to introduce herself and staff. Ms. Matsuda introduced herself as the Executive Officer of the California Cultural and Historical Endowment; Marian Moe from the California Attorney General's Office; Oshi Ruelas, Research Program Specialist; Frank Ramirez, Research Program Specialist; Susan Takeda, Research Program Specialist; Rachel Magana, Executive Assistant and Michelle Itogawa and BranDee Bruce, Student Interns; Clarence Caesar, Historian and Bill Batts, retired annuitant and architect were also introduced although they were not present.

Chairperson Hildreth explained that the primary purpose of this meeting is to review all projects for which funds have been reserved. Staff is recommending approval for 13 projects. A status update will be provided for all 33 projects, and action will be taken on 13 of the projects. Chairperson Hildreth assured those present that if their project is not on the list of 13 for which action will be taken today, there will be subsequent Board meetings when action can be taken. The Board is still interested in all 33 projects.

Chairperson Hildreth asked Board members to check their availability for a meeting on July 7, 2005.

4. Executive Officer's Report

Ms. Matsuda reported as follows:

- Matching Funds – The Board, at its July 2004 Board meeting, voted to implement a matching fund requirement for all applicants. They also indicated that they would consider in-kind resources as well as cash matches. The Board stated that they would consider a request to reduce a match requirement based on a case-by-case basis.

Although there is not a specific definition as to what constitutes a match requirement in the legislation, §20071 does allow CCHE to consider sources of funding from other funding agencies and in-kind resources as part of a match. Research has been conducted to determine how other public grant-making agencies have asked applicants to demonstrate the requirement of matching funds, and in comparing this information to the information that has been presented to the applicants, it is very clear that the common goal is to encourage applicants to generate new/other resources of support for their project.

Items that are not considered in-kind contributions are: (1) items that are already in possession of the applicant; (2) resources that have already been expended by the Applicant at the time the Grant Agreement is signed; (3) items that are not directly affiliated with the capital assets project; and (4) funding from other public sources that have not been appropriated for the project or clearly earmarked to be used toward other identified capital asset projects.

Ms. Acosta stated that it was her understanding that some of the organizations may have their match in hand, but have not been moved forward. They need to start spending money on projects before their construction expenses increase. What does the Board do in a situation where it may be hampering the success of a project? Ms. Matsuda explained that the purpose for this meeting is to review and approve action for those projects that have documented not only the information about match, but all the other areas that are important before proceeding into a grant agreement stage.

Mr. Gray inquired as to the effective date of the grant. Ms. Matsuda clarified that if the Board approves funding for a particular project at this meeting, the next phase would be the grant agreement phase, and it is at that time, once the signatures are obtained, that the project can start expending approved line items to be reimbursed from the Endowment. The grant agreement will have an effective date noted. The date cannot be retroactive.

Ms. Matsuda indicated that the information that has been supplied to the public in the grant agreement, as well as the “Frequently Asked Questions” clearly indicates what is considered to be an in-kind contribution. The applicant is aware that they have the ability to request for a reduction in the match at the time the applicant applies for their project, and not after funds have been awarded. Ms. Matsuda explained that staff is now in the process of fine tuning and reviewing budgets and asking applicants to specifically identify their matching fund requirement. She understands that while there have been a number of months that have passed and that circumstances do change, the applicant is allowed to provide alternative ways in which they believe they would be able to fulfill that matching fund requirement.

Ms. Moe said that it is important for the Board to apply the rules that have been set forth in the application criteria and the “Frequently Asked Questions” equally to all the applicants. The criteria are very clear that until the grant agreement is signed, the funds should not be spent so it would be a concern to the integrity of the process to try to make a case-by-case exception.

Senator Alarcon felt that the Board should establish some broad criteria that could be used for exemptions, and when those exemptions are used, people must fit very tightly into that criterion.

Public Comment

- Brady Westwater said that in the grant application it states that if space is donated, a letter of commitment from the landowner must be shown. He asked if a letter doesn't exist, can a projected budget be submitted during this phase or would it need to be submitted on another phase? His second question was if a project is one hundred percent dependent on city funding for its match, is it still eligible?
- Michael Hager, Executive Director of the San Diego Natural History Museum, said a \$6 million exhibition will open in June of next year. They have raised over \$4 million in match for this project: \$2 million from the National Science Foundation; \$2 million from a private gift. They need the authority to spend the match as soon as possible, and he requested that the Board make the effective date of the award today.
- Barry Howard urged the Board to consider having dollars expended immediately after notification of an award rather than waiting for a contract to be signed, because the more a project is delayed, the more expensive the project becomes due to rising costs.

Chairperson Hildreth said she understands from the public comments, that they would like the Board to reconsider the date when matching funds could be spent on a project. This will be noticed on the agenda for the next meeting.

5. Review of proposed Conflict of Interest Code for Board Members and Staff and direction to staff on process for adoption

Ms. Moe advised that every state agency is required to adopt a conflict of interest code. The code is proposed and then it is noticed under the rule-making procedures, which is a fairly lengthy procedure involving publication, sending it to the Office of Administrative Law, and eventually adopting it. It is effective after the Fair Political Practices Commission has adopted it. She asked that the Board provide direction to the staff as to whether they should go forward with the noticing procedures, get the rule-making process going and then bring it back to the Board for adoption.

Chairperson Hildreth suggested bringing this up for action later in order to give the Board a chance to review the Conflict of Interest Code.

There was no public comment.

6. Presentation of information on 33 projects under consideration for cycle one for CCHE and status report on all projects.

Ms. Matsuda presented the following status report for the 33 projects under consideration for cycle one:

- Angel Island Immigration Station Foundation – This is on Angel Island in the County of Marin. The request is for \$3 million. The Endowment funds will be used to fund Phase 3 of the project, which is to rehabilitate the former hospital into an interpretative center, library, assembly area, research and administrative center.
- The California Museum for History, Women and the Arts, formally known as the Golden State Museum Public Benefit Corporation is located in the City of Sacramento, County of Sacramento, requesting \$375,000. The museum is undertaking a large project totaling \$14 million to reconstruct the current museum to focus on the historic and contemporary contributions of California history, women and the arts. Endowment funds will be used to pay for the planning, research, design and construction documents.
- Bishop Museum and Historical Society is in the City of Bishop, County of Inyo, requesting \$111,595. This is for the construction of two additional structures to the museum to house a stamp mill and textiles that predates the Civil War. Also included will be the creation of an interpretive display.
- City of Santa Monica, located in the City of Santa Monica in the County of Los Angeles requesting \$113,241. This project is to conserve and install a mural created by Stanton MacDonald-Wright depicting the film industry and early influence of the Pacific Rim. This mural will be housed in the new Santa Monica Library which will open in December of 2005.
- City of Inglewood, located in the City of Inglewood, in the County of Los Angeles, requesting \$160,000. This is a mural restoration project involving a mural depicting transportation, created by Helen Lundeburg as a WPA project in 1939-1940. The Endowment Funds will be used to help conserve the mural panels, construct a wall to hold the panels in place, and to install an interpretive kiosk.
- Imperial Valley College Desert Museum Society is located in the City of Ocotillo in the County of Imperial requesting \$244,642. This project is to complete the museum. The exterior shell has been constructed, but they are in need of funds to fulfill the interior portion of the museum. The interior will consist of a gallery, auditorium, and archeological lab with a permanent artifacts storage room, library, art department and ADA compliant restrooms.
- The City of Watsonville, located in the City of Watsonville, in the County of Santa Cruz requesting \$300,074. This project will create a California Agricultural Workers History Center in the new four-story multi-use civic center in Watsonville. The Center will be located on the second floor of the Watsonville public library. The building is expected to be complete in 2007.
- The Julia Morgan Center for the Arts in the City of Berkeley, County of Alameda requesting \$303,900. This building was designed by Julia Morgan as a church, and is now used for a multitude of projects

including a theater, a yoga studio, a ballet school and a preschool. The Endowment funds will be used toward the emergency repair on this structure, including the roof, sewage, electrical and structural.

- The Bay Area Electric Railroad Association, in the City of Suisun, County of Solano requesting \$310,520. The Endowment funds will be used to finish construction of a third car house on the museum grounds to house the electric cars that are being damaged by natural elements. The expected completion date for this project is June 2006.
- The Monterey County Redevelopment Agency, in the City of Castroville, in the County of Monterey requesting \$380,060. This project is to rehabilitate a former Japanese language school into a cultural enrichment center for youth. The newly adapted building will house exhibits, classroom space and an annex to an outdoor educational facility.
- Nihonmachi Little Friends in the City of San Francisco, County of San Francisco requesting \$78,000. The Endowment funds will be used toward the historic stucco repair of the Julia Morgan Building, and will also include funds to provide for a new boiler and to provide for new historic casement windows as well as replacement of some of the historic roof tiles.
- The Friends of Marysville Bok Kai Temple, Inc. in the City of Marysville, in the County of Yuba requesting \$429,300. This project will assist with the rehabilitation of an 1880 Chinese Taoist Temple by specifically paying for the mural restoration and improving ADA access.
- The Mojave Desert Heritage and Cultural Association in the City of Goff, in the County of San Bernardino requesting \$499,500. This project is to construct a building on the museum grounds to house a library, and archive of information on the Mojave Desert community. It is expected to be complete by 2007.
- Table Mountain Rancheria in the City of Friant, County of Fresno requesting \$617,620. Endowment funds will be used to assist in the reassembly of four of seven buildings that were part of the original Fort Miller complex. Specifically, these buildings include a block house and adobe officers' quarters and a commanding officer's quarter.
- Angel's Flight Railway Foundation in the City of Los Angeles, County of Los Angeles requesting \$996,350. This is a railroad system that has been used by downtown residents and employees, but has not been in operation since 2001. The Endowment funds will be used to pay for specific safety upgrades, track repair, and train repair and restoration.
- The City of Brentwood in the City of Brentwood, County of Contra Costa requesting \$892,839. The Endowment funds will help pay for the second phase of emergency stabilization for the John Marsh home, specifically to focus on the exterior masonry wall and to brace the structure against earthquakes.
- The Japanese American Museum of San Jose, located in the City of San Jose, in the County of Santa Clara requesting \$1,010,766. This is to construct a new museum structure that will be 4600 square feet, and will use the property where the current museum is and donated land from next door to build a larger museum and a parking lot.

- Dunbar Economic Development Corporation in the City of Los Angeles, County of Los Angeles requesting \$648,000. This project is in the process of creating an historic Central Avenue Jazz District. As part of the effort the two phases will include the rehabilitation of the interior of the Dunbar Hotel and enhance the Ralph Bunche House Restoration Project. Endowment funds will be used to renovate the first floor exhibits and gallery space and restore murals at the Dunbar Hotel, and rebuild the carriage house at the Ralph Bunche House.
- The Knight Foundry Corporation in the City of Sutter Creek, County of Amador requesting \$50,000. Endowment funds will pay for an environmental assessment to determine if there are any on-site toxics in or around the surrounding area of the foundry. This foundry is the only water-powered foundry left in the United States.
- BRAVA For Women in the Arts/Brava Theater Center is located in the City of San Francisco, County of San Francisco requesting \$1,338,024. Endowment funds will be used to create an addition as well as renovation of the theater facilities to include a new second story, renovate two dressing rooms, and renovate a small studio.
- Breed Street Shul located in the City of Los Angeles, County of Los Angeles requesting \$235,000. Endowment funds will be used to do some seismic retrofit work for the main and rear buildings and is part of a larger project to rehabilitate the whole building to make it into a multi-use facility.
- The Madera County Resource Management Agency in the City of Chowchilla, County of Madera requesting \$1,403,234. This will create a portable structure to house museum and exhibit areas on the landfill. The Endowment funds will pay for the land stabilization where the structures will be placed, planning and exhibit fabrication and installation.
- The Discovery Science Center in the City of Santa Ana, County of Orange requesting \$262,000. This is to incorporate the Delta III Rocket as a part of the Discovery Science Center. The Endowment funds will be used to pay for the structure of the rocket, the foundation of the rocket and for site preparation.
- The Go For Broke Educational Foundation located in the City of Los Angeles, County of Los Angeles requesting \$1 million. This project is to construct a permanent exhibit and learning center next to the Go For Broke monument.
- The San Diego Natural History Museum located in the City of San Diego, County of San Diego requesting \$2,887,500. This project will renovate 8700 square feet of museum space to display artifacts found in California. The Endowment funds will be used to pay for the remodel of the gallery, construction, fabrication and permanent exhibits.
- The Cesar Chavez Foundation, located in the City of Keene, County of Kern requesting \$2,500,000. This project is to rehabilitate one of the structures on the grounds to create a library and an archive room, conference and retreat center, meeting room and staff offices.
- The San Francisco Museum and Historical Society located in the City of San Francisco, County of San Francisco requesting \$2,887,500. This is a large project to restore the Old Mint into a San Francisco Museum. The total cost of the entire project will be \$55 million. The

Endowment funds will be used to construct a glass skylight that will connect the two buildings together in the atrium.

- The Latino Theater Company in the City of Los Angeles, County of Los Angeles requesting \$4 million. This project will renovate the Los Angeles Theater Company to accommodate four theaters and a museum.
- The Capital Unity Council located in the City of Sacramento, County of Sacramento requesting \$2,200,000. This project will reconstruct the building to house an interactive learning and exhibit space and a multi-cultural museum at a total cost of \$10 million. The Endowment funds will be used to pay for the architect and design schematics, permits, upgrades and exterior renovation.

Public Comment

- Joseph Hawkins, President of the Board of Directors for One National Gay and Lesbian Archives – Reminded the Board that their project was considered in the first round and then was removed. He has provided everything that was missing and wanted to let everyone know that he was present. He is interested to find out what happens to the money that he hopes to receive.
- Leslie Perovich from the Discovery Science Center stated that they are excited about their project. The Boeing rocket arrived and they are in the process of restoring it. They have CEQA approval for the parking lot and construction has started on the parking lot where the Boeing rocket will be installed. She encouraged the Board to meet again quickly because their project is ready to go. She informed the Board that the rocket has been valued at \$64 million.

Chairperson Hildreth addressed Mr. Hawkins' comments and asked if he questioned whether he would have an opportunity in this round since he was noted as being positively supported. Mr. Hawkins said his specific question was what kind of application process will he have to go through; will he have to reapply? Chairperson Hildreth said that it is her hope to discuss the second cycle later in the meeting, but it was her view that anyone who had not received funding, no matter how favorably they were reviewed, would need to come back in a second cycle.

Senator Alarcon offered the comment that he felt it would help people to have information about why staff is not recommending them for moving forward and it was his feeling that it would be beneficial for the Board to hear both Item 6 and 7 before public comments are made. After some discussion it was decided to reserve discussion on the 13 projects that fulfilled all their obligations as originally planned in Item 7.

Ms. Matsuda provided the following information for the 33 projects:

- Angel Island Immigration Station Foundation – CEQA information is needed from this project. They expect to have CEQA compliance between August and October of 2005 instead of April 2006 as originally indicated. There was also information that the staff needed about who was going to serve as the

project manager for this project, as they did not identify an executive officer until very recently.

Public Comment

- Mr. Charles Green stated that he is the interim Executive Director at Angel Island Immigration Station Foundation and a new executive director has been appointed and will be joining them from Washington DC. He asked if the expenses associated with CEQA would be eligible costs for reimbursement by CCHE. Ms. Moe said that the Board could not authorize a grant award prior to full completion of CEQA compliance. The rules the Endowment set up are that expenditures that are spent prior to approval of the project are not part of the Endowment-funded project.

Ms. Brophy asked if the Endowment funds could pay for the CEQA process and Ms. Moe said that there is some precedent in certain state programs in allowing grant money to be expended for the CEQA review only, but this cannot be a commitment in any way for anything beyond the planning and environment review phase. The Board cannot make a commitment to fund the entire project until CEQA has been completed. The Board can only approve those portions that have either no environmental effects or are used for the environmental review phase.

Discussion ensued regarding the CEQA policy and it was decided to direct staff to come to the next meeting with clear documentation about CEQA information both on the website and in all other documentation and to continue to work with the Angel Island project in order to move this forward. Board members would like to receive the draft policies before the staff presents them at the July meeting.

- The City of Inglewood is located in Los Angeles County. At the time of the site visit, CCHE staff noticed a large tree in the area where the mural was to be placed. The tree is a healthy large multi-trunk ficus and is at least 50 to 75 years old. The way in which the Office of Historic Preservation requires the mural to be structured would cause the removal of the tree. Discussions are occurring with the City of Inglewood regarding this issue.
- Julia Morgan Center for the Arts located in the City of Berkeley, Alameda County. Ms. Matsuda stated that it was her understanding that the Endowment recently received a letter from the applicant's bank indicating that they are going to extend their credit line to fulfill the match requirement. In addition, information has been received that CEQA compliance has been fulfilled and this will be on the agenda as an action item for July's meeting.
 - Ms. Acosta urged the staff in the future to bring to the Board everything that they are recommending and that the agenda be left open so the Board could take action. Ms. Moe said this can be done as long as the project is named and there would be an option to take action on each project listed.
 - Ms. Matsuda stated that staff is working with legal counsel to draft the grant agreement for Board approval.
- Nihonmachi Little Friends is located in the City and County of San Francisco. This project is requesting a match fund reduction. The City and County of San

Francisco will serve as the lead agency and the applicant notified staff that a categorical exemption should be decided some time in June 2005.

- Friends of the Marysville Bok Kai Temple are in negotiations with the fee simple owners to enter into a long-term lease. Information is still needed from them regarding the clarification and identification of matching funds.
- Table Mountain Rancheria – new matching information has been received indicating there are substantive changes to in-kind contributions. This is a project in which the Endowment will serve as the lead agency. Thus, the Endowment will need more time to prepare the environmental documents for review.
 - Mr. Pennell said that this project involves a reassembly of unstabilized adobe brick and the window of construction due to weather is an issue so he would like to point out that further delays adds to the cost of the project. In February he advised CCHE staff that they would be the lead agency and that CalTrans would help facilitate the CEQA process through the review. He requested that the Board direct staff to assist Table Mountain Rancheria in CEQA by allowing a face-to-face meeting with CCHE, Table Mountain Rancheria, the State Clearing House and his engineering consultant to come to finalization of this process. He forwarded a letter to the Board from CalTrans indicating that they were recommending a determination of a mitigated negative declaration on the project.

Ms. Moe indicated that the information that the applicant is presenting is different from the subsequent information The Endowment was initially told that CalTrans was not going to serve as lead agency, but had done an initial study. CCHE staff has contacted the CalTrans representative who said they performed a courtesy study, which is not the same as an environmental study. An environmental study will need to be done before a report can be completed, but she will be happy to meet with them and develop an action plan to move their project forward.

- The Japanese American Museum of San Jose is located in San Jose, County of Santa Clara has two issues that still need to be resolved. The first one is regarding an appraisal of the donated real property that they wish to use as a fulfillment of their match requirement, and the second is regarding CEQA.
- The Dunbar Economic Development Corporation is located in the City of Los Angeles, County of Los Angeles. One of the unresolved issues is that CCHE has not received the clarification and identification of the matching funds, specifically regarding the legal owner of the Dunbar Hotel.

Public Comment

- Mr. Chapple said the Dunbar Hotel's legal ownership might be easier understood if his legal counsel met with CCHE's legal counsel because it is more complex than just a general transfer. He also stipulated that the funds that he thought they were going to get for their match did not materialize and so they are back to fund raising. He asked if he will have another opportunity for this project to be heard, and Chairperson Hildreth stated that after the attorneys meet this project could be presented in July.
- BRAVA is a project in the City of San Francisco, County of San Francisco. Clarification and identification of matching fund requirements need to be

received by CCHE. On May 16, 2005, CCHE, received a revision of how the matching fund requirement will be fulfilled, but staff has not had a chance to review it yet.

- Mr. Torres pointed out that the Board can make a finding that in order to provide a project to an underserved community they can, pursuant to AB716, waive the local match requirement.

Public Comment

- Ms. Ellen Gavin, Director of Brava informed the Board that they raised \$400,000 in cash match and \$200,000 of in-kind matches and she said she would like the Board to consider that \$700,000 be used from the equity in the building. There is \$3 ½ million in equity in the building. She asked the Board to be open and consider flexibility in this issue of matching funds.
 - After much discussion regarding the match, Chairperson Hildreth asked CCHE staff to come back to the Board at its next meeting with policies or further definitions on the match for their consideration.
- Breed Street Shul – there is still information needed regarding a match clarification and identification of the match requirements, including the waiver request for a match.

Public Comment

- Mr. Steven Sass stated that he received a questionnaire in January from CCHE and he immediately responded to it but didn't receive any feedback. In April he received some additional questions, and again, responded immediately and didn't hear anything back. On May 9 he was asked for information about the match and the budget, even if he had responded that day, it would have been too late to be considered. His building permit is up in November and he would like to make himself available to answer anything that he can in terms of waiver or match in hopes to resolve any outstanding questions the staff may have.
- Madera County Resource Management Agency – information is still needed regarding the project, and specifically the maintenance and sustainability plan that this project has, as well as information on the reduction of match.

Public Comment

- Ms. Elissa Brown said that she sent documentation regarding the match waiver in the initial application, as well as answered follow-up questions and she hasn't been asked for anything more in this specific area. The maintenance and sustainability plan was provided by their consultant DLM & Association. She would definitely like more detail about what specifically is needed and then she would be happy to respond. Ms. Matsuda recommended that staff sit down with Ms. Brown during the lunch break to identify these areas so that there is a clearer understanding about the issues of maintenance and sustainability and the reduction of the match.
- The Discovery Science Center is in the City of Santa Ana, County of Orange. Information and clarification about the match as well as compliance with CEQA is still pending.

Public Comment

- Ms. Perovich said she submitted documentation for the value of the Boeing rocket, which is \$4 million. She has a grant request for \$262,000 and she believes that the value of the Boeing rocket will definitely meet their match. She is going for CEQA compliance again at the beginning of June and hopes to be back for the CCHE Board meeting in July.
- Go For Broke Educational Foundation – the lead agency for CEQA will be the City of Los Angeles, and the City is still reviewing the environmental documents.
- The Search to Involve Pilipino Americans is a project in the City of Stockton, County of San Joaquin and there are some areas where clarification is still needed. The first one being a clarification of project goals, the second is a clarification and identification of the matching funds, and finally clarity is needed about the participants and their particular roles.

The other project regarding the applicant, Search to Involve Pilipino Americans is in regard to a project in San Francisco in the County of San Francisco. A clarification of how the project site will be utilized to carry out the program's proposal is needed. In addition, the lease agreement requires the applicant to pay a monthly rent of \$1 per year for the first five years and then the lesser of 25 percent of the market value or \$10 per square foot for the second five years and a market rate from the 10th through the 20th year. CCHE requires at least a 20-year lease, and we believe this may cause some financial challenges to the applicant. The environmental impact report has been received, but not the notice of determination. Clarification of matching funds and the various roles the non-profit entities will play are needed as well.

Public Comment

- Mr. James Santa Maria, consultant for the Search to Involve Pilipino Americans said that for the Stockton project SIPA will provide the match through a line of credit. They have a financing partner who will extend a \$1.5 million line of credit, not only for the Stockton project but for the San Francisco project as well. With regard to the project partners, again in San Francisco he is looking at specifically a local group and that group is called the Filipino American Development Foundation. The actual project is called the San Francisco Filipino Cultural Center. The development entity in Stockton is a tripartite agreement; the Urban Legacy, SIPA and Little Manila Foundation. In San Francisco, again tripartite agreement; the Forest City Development, along with SIPA and Filipino American Development Foundation.
- The Autry Center is located in the City of Los Angeles, County of Los Angeles. This project expects CEQA compliance in late July of this year and they are going to apply with a negative declaration.

Public Comment

- David Burton, Associate Director for Government Affairs at the Autry National Center said he was confused with the issue of being able to recoup funds related to compliance with CEQA. He also stated that with respect to project timelines he would recommend that as the Board moves forward with its future cycles that they focus on the timeliness presented by the applicants and the stipulation that

applicants cannot release their matching funds until this grant is completely in place creates some issues for the applicants.

Ms. Booth said that this issue raises the question about emergency relief, and in the case of buildings that need immediate attention, how would the Board respond to this in a way that also complies with guidelines. Ms. Matsuda explained that the way that legislation is written is that all projects need to go through a competitive grant process. This may be an area that the Board may consider for the next cycle of funding – to create a separate program or a separate division for those projects that require immediate emergency stabilization, but it would still need to be competitive.

Chairperson Hildreth asked if the Board could adopt a policy at today's meeting, or would they have to await to adopt it at July's meeting to be retroactively applied to some of the projects that are being approved today. Ms. Moe stipulated that because this item was not agendized for Board action for this meeting, that it could not be adopted at this meeting. She mentioned that the staff is aware of the Board's desire to have more flexibility than what is in place now and will come back with some suggested policies that will still be consistent with the criteria that are in the original grant application standards and the Frequently Asked Questions.

- The Oakland Museum of California is located in the City of Oakland, County of Alameda. Staff, in their final report, said a copy of the final lease agreement between the Oakland Museum and the City of Oakland, the fee title owner of the building was needed. The Endowment did receive a letter from the City Administrator of Oakland, but there was a discrepancy in the letter that required some verification. The formal MOU is expected in September of 2005.
- The Oakland Redevelopment Agency is located in the City of Oakland and County of Alameda. The City of Oakland Planning Commission will serve as the lead agency for this project. They are awaiting information regarding mitigated negative declaration for CEQA.
- The San Francisco Museum and Historical Society is located in the City and County of San Francisco. Information and clarification is still needed regarding the matching funds. Regarding CEQA, there has been some delay obtaining the mitigated negative declaration.
- The Latino Theater Company is located in the City of Los Angeles, in the County of Los Angeles. CCHE is still awaiting detailed information from the applicant regarding the matching fund requirement and information about CEQA.

Public Comment

- Mr. Tom Gilmore, a local developer in downtown Los Angeles, stated that it is very important for the Board to look at this application carefully with regard to LATC and the Latino Theater Company. It is his belief that they are inappropriately attempting to leverage the Endowment funds to make a case to the City that these funds are being made available to them without having the adequate knowledge from the City that the assets that they are committing on behalf of the City is in any

way available to them. They were the second choice of the competitive process of the City's, and it is his belief that they are currently involved in a process with the Endowment that is leading the Board to make its largest award to someone who has no right to that award.

- Ms. Fran de Leon with Will & Company wanted to make the Board aware that there has already been quite a controversy regarding the Los Angeles Theater Center. There has been a lot of bad press surrounding the City Council's decision to receive file, primarily and because the RFP was only received and filed after the bid enhancement of the \$4 million of the Endowment grant.
- Mr. Colin Cox explained that this issue has become a very ugly political fight for the use of this space that the Endowment is about to become embroiled in with this project. He said that if they use it as part of the RFP it is a bid enhancement, and if they don't he sees it as a fraudulent claim to the Endowment that they had the right to make a claim for this grant when they were in no way in possession of the building that he has been operating for the last 12 years with agreement of the City of Los Angeles and the Cultural Affairs Department.
- Ms. Tricia Carey with the Office of the Chief Legislative Analyst verified that the City Council voted to approve in concept the LATC leasing for a period not less than 20 years in exchange for making necessary capital improvements and a long-term commitment of funds to operate and maintain the facility. The action that the City Council took authorizes a lease for at least 20 years; no less than 20 years.
- Ms. Edith Perez, attorney and a partner with the Law Firm of Latham & Watkins said her firm is the pro bono counsel for the Latino Theater Company and she feels it is important for the Endowment Board to understand that there was an RFP issued by the City of Los Angeles. However the RFP was never acted on. It was never awarded. It was an outside panel of five people who scored the proposals. The five people, three of them consisted of city-related people, and at that time it was a very different RFP than what the City needs now given its deficit. Since there was a question earlier regarding what the last action taken by the City Council was she will submit a letter to the board from the President of the City Council to clarify this issue.
- Mr. Brady Westwater reiterated that the second cycle of funding is for projects that didn't have all their funding or documentation in place so anyone who didn't have it was told to wait for the second cycle. The Latino Theater Company had no funding, no building, no lease and no grant. Their application states in one place that they are acquiring the structure as a grant from the City of Los Angeles; another place stated the City of Los Angeles was giving them a grant to buy the building, and in another place in their application it states they are giving them a long-term lease. The application says three totally different things for the matching funds. Only one can be correct. This is why the CLA's report states they are going to investigate fraudulent statements. The Endowment stipulates that they want applicants to show substantial support from the community, however that's not the case with this project since one hundred percent of the money for their match comes from the City of Los Angeles, which violates guidelines. The

Endowment also requires that if a project has a lease they must have a copy of a letter confirming that, and if they don't then they will have to go for the second round. He questioned if the Endowment is following their guidelines or if projects are being pushed by very powerful people in Sacramento.

Chairperson Hildreth asked Ms. Moe if an applicant changed, for instance if this situation resulted in an entity other than the Latino Theater Company coming forward to assume this activity would the application be nullified. Ms. Moe advised that she would need more information to make a more definitive decision. Mr. Swinden felt that the Board should continue with their process, and given what has come before the Board today, they will take it under consideration. The staff will continue doing their job in providing recommendations.

7. Board member review and discussion of the projects under consideration for cycle one and possible action on 13 projects from Cycle one of CCHE.

Before reviewing the 13 projects Mr. Swinden moved that the resolutions be amended to reflect the possibility that each of the grants could be subject to a reduction of 10 percent of the amount awarded; seconded by Mr. McDonald. Motion carried unanimously.

Review and action was taken on the following projects:

- Project A4, the Bay Area Electric Railroad Association, in the City of Suisun, County of Solano, requesting \$310,520 to construct a third car house at the Western Railway Museum.

Public Comment

Mr. Phil Kohlmetz, Executive Director of the Bay Area Electric Railroad Association advised the Board that he would be happy to make himself available to answer any questions that they may have regarding this project.

Mr. Brophy asked if the Board passes a resolution today for the 13 projects, wouldn't they be able to begin to spend their match now. Ms. Moe said they would not. Ms. Imura suggested that if it is necessary that the Board comply with another meeting requirement, then she would be willing to meet sooner than July. Ms. Acosta stated that her interpretation and understanding was that this was to be a quicker process, and if it cannot be moved along today, then she felt a notice should be posted for the Board to meet in ten days. Chairperson Hildreth said that it is her sense that the Board would be willing to meet as soon as possible in order for the projects to begin.

- Mr. Swinden moved to approve the resolution of the Bay Area Electric Railroad Association for the grant that is outlined in the resolution, subject to the change; seconded by Mr. Gray. Chairperson Hildreth clarified that by approving this motion, the Board will allow the Executive Officer or other staff to enter into grant agreement negotiations with the grant applicant to begin grant process. Motion carried unanimously.

- The San Diego Natural History Museum located in the City of San Diego, County of San Diego, requesting \$2,887,500 for the renovation of an 8,700 square foot area in the museum to install a permanent display of artifacts about California.

Public Comment

Mr. Hagar urged the Board to resolve the spending of matching funds as soon as possible. His project is in the process of expending funds now so they really do need to be able to spend their match money as soon as possible.

- Ms. Booth moved to approve Resolution No. 05-A30 on the San Diego Natural History Museum, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. McDonald. Motion carried unanimously.

(Mr. Gray excused himself from the meeting for the following two projects.)

- The California Museum for History, Women and the Arts, the Golden State Museum Public Benefit Corporation is a project in the City of Sacramento, the County of Sacramento for \$375,000 for designs, specifications, planning and research for the reconstruction of the California Museum for History, Women and the Arts.
 - Mr. McDonald moved to approve Resolution A18 on the California Museum for History, Women and the Arts, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. Campbell. Motion carried unanimously.
- Project A10, the City of Brentwood, County of Contra Costa for \$819,839 to pay for the stabilization of the John Marsh home.

Public Comment

Ms. Karen Wahl, administrator from the City of Brentwood stated that she was pleased to have partnered with the State Parks and with the John Marsh Historic Trust for this project. John Marsh Historic Trust has been working on this at a grassroots level for some time. The State Parks has been the backbone of this project and the City of Brentwood just recently became involved as a fiscal partner.

Marianne Hurley, project manager for the immediate stabilization project, which was a partnership between Parks and the non-profit supportive group for the John Marsh house, commented that regarding the Endowment's funding conditions, a memorandum of understanding between the City of Brentwood and California State Parks was needed. This has been signed therefore the condition has been met.

- Mr. Campbell moved to approve Resolution A10 on the City of Brentwood, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. Campbell. Motion carried unanimously.

(Mr. Gray returned to the meeting for balance of the projects)

- Project A9, the Cesar E. Chavez Foundation, in the City of Keene, County of Kern for \$2,500,000. This project is to restore and rehabilitate one of the buildings on the Cesar Chavez grounds to create an exhibit hall, a library, a conference room and meeting room.
 - Mr. Brophy moved to approve Resolution A9 on the Cesar E. Chavez Foundation, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Ms. Acosta. Motion carried unanimously.
- Project A8, the Capital Unity Council in the City of Sacramento, County of Sacramento for \$2,200,000 to renovate a two-story building to convert into an interactive learning and exhibit space and multi-cultural museum, that will be called the Capital Unity Center.
 - Ms. Imura moved to approve Resolution A8 on the Capital Unity Council, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Ms. Booth. Motion carried unanimously.
- Project A22, the Knight Foundry Corporation in the City of Sutter Creek, County of Amador for \$50,000. This project is to conduct an environmental assessment for on-site toxics in and around the foundry.
 - Mr. Gray moved to approve Resolution A22 on the Knight Foundry Corporation, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. Campbell. Motion carried unanimously.
- Project A2, Angel's Flight Railway Foundation in the City of Los Angeles, County of Los Angeles for \$996,350. This grant is to pay for the safety certification plan needed to assist with the repair and renovation costs of the train track. Ms. Matsuda stated that a revision to the resolution needs to be made: Language under the second to last paragraph starting "whereas the approval of this grant application...", it should read, "whereas approval of this grant application shall be conditioned upon grantees complying with all applicable laws and regulations and participating in a safety certification process with the Public Utilities Commission, the PUC's certification that the safety plans are safe to operate".

Public Comment

Tom Welborne, President of the Angel's Flight Railway Foundation said he wanted to know if the Board could affirm that an award date could be the date that an organization's own funds may be expended and will count for the match.

- Ms. Brophy moved to approve Resolution A2 Angel's Flight Railway Foundation, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. Swinden. Motion carried unanimously.

- Project A12, City of Santa Monica in the City of Santa Monica, County of Los Angeles for \$113,241 for the restoration of 38 murals that will be conserved and installed in the Santa Monica Public Library.

Ms. Karen Ginsberg, Assistant Director of the Community Services for the City of Santa Monica said she was very anxious to get started on this project. She applauded the Board for their consideration to meet soon and to re-look at the start date for use of matching funds.

- Ms. Booth moved to approve Resolution A22 City of Santa Monica, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. Campbell. Motion carried unanimously.
- Project A13, City of Watsonville in the City of Watsonville, County of Santa Cruz for \$300,074. This is for the construction of a California Agricultural Workers History Center within the new multi-use facility.

Ms. Reeves asked for clarification of what the money would be used for and Ms. Matsuda explained that the City of Watsonville is in the process of constructing a multi-use facility. Within this multi-use facility the Watsonville Public Library will be housed and on the second floor of the Watsonville Public Library will be the California Agricultural Workers History Center.

- Mr. Campbell moved to approve Resolution A13 City of Watsonville, County of Santa Cruz for \$300,074, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Mr. McDonald. Motion carried unanimously.
- Project A25 Mojave Desert Heritage & Cultural Association, in the City of Goff, County of San Bernardino for \$499,500. This is to construct a new library archive building on the museum grounds.
 - Mr. McDonald moved to approve Resolution A25 Mojave Desert Heritage & Cultural Association, in the City of Goff, County of San Bernardino for \$499,500, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Ms. Brophy. Motion carried unanimously.
- Project A26, the Monterey County Redevelopment Agency, City of Castroville, County of Monterey for \$380,060. This is to rehabilitate a schoolhouse to create a cultural enrichment center.
 - Ms. Reeves moved to approve Resolution A26 Monterey County Redevelopment Agency, in the City of Castroville, County of Monterey for \$380,060, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Ms. Booth. Motion carried unanimously.

- Project A19 Imperial Valley College Desert Museum Society, in the City of Ocotillo, County of Imperial for \$244,642 to provide for interior construction costs for the museum.
 - Ms. Acosta moved to approve Resolution A19 Imperial Valley College Desert Museum Society, in the City of Ocotillo, County of Imperial for \$244,642 to, which will authorize the Executive Officer or staff to enter into grant agreement negotiations with the applicant; seconded by Ms. Reeves. Motion carried unanimously.

Mr. McDonald asked to return to tabled Item 5, review of proposed Conflict of Interest Code for Board Members and Staff and direction to staff on the process for adoption. He moved to direct staff to go through the process for publication and to come back to the Board for adoption; seconded by Mr. Swinden. Motion carried unanimously.

8. Draft of Conceptual Paper for Round One, Cycle Two of CCHE Grants

Ms. Matsuda announced that copies of the matching fund documentation that was provided to the Board earlier is on the back table and available to the public.

The draft conceptual paper for Round one, cycle two of CCHE Grants is a synopsis of the discussion that took place at the July Board meeting. This concept paper is to help get the Board started in discussing future rounds because there are many people who are interested in knowing how the Board will proceed in subsequent rounds.

Public Comment

Dr. B. J. Mitchell representing the Tehachapi Performing Arts and Museum Project requested that rather than write a new conceptual paper, that applicants be allowed to rewrite their original grant application to show that they now comply with all of the requirements. She believes that her project has met all the requirements, and would now like to rewrite those portions of the original grant rather than starting over and doing a conceptual paper and if she could have permission to do that it would be appreciated.

Ms. Matsuda clarified that when applying for the second cycle, applicants would not necessarily have to avail themselves of the concept paper process. She explained that this conceptual paper is merely a proposal for the Board to consider. It is up to the Board whether they would like to have a conceptual paper process or at all.

Isaac Kos-Reed from Townsend Public Affairs said he supports the concept of the concept paper in spirit, but would recommend looking at the 244 unfunded applications that represent approximately \$400 million in requests, or more than four times the funding remaining from Proposition 40 that the CCHE has under its purview and to treat those as concept papers and expedite the funding as much as possible, keeping in mind that June of 2006 or November of 2006 will provide a very ripe opportunity for potentially securing additional funding for the Endowment from a legislative bond proposal.

Mark Dierking, Executive Director of the Children's Museum of Los Angeles touched on the timeline. He explained that his project didn't make the first round and they are very interested in the second round. His project has full CEQA

compliance and NEPA compliance and has GAT funding. He said that if the timeline pushes out into January of next year then the Endowment's goal to get the money out to the public as soon as possible is compromised. His argument is that the timeline is far too long.

Joseph Hawkins spoke to the One National Gay and Lesbian Archives. He said it is his hope that during the second round that there will be some consideration for those projects who applied in the first round. He hopes the Board will consider these applications in a favorable manner and as quickly as possible.

Mr. Barry Howard said he is particularly interested in the issue of the concept paper. He said that a concept paper would be fine for an organization that did not have their act together during the initial submittal of applications, but with the 276 applications that were submitted, only 33 ended up for final consideration. He felt it would be more efficient to have a clear response from the CCHE with respect to those who almost qualified in the first round in order that they could revise, modify or update their initial proposal and submit it for the second cycle in the round rather than waiting for Round 2. This would eliminate having to generate yet another paper on the part of the applicant.

Esther Jantzen representing the Dorland Mountain Arts Colony stated that Dorland Mountain Arts Colony is an organization that had been totally destroyed by fire a year ago and they would like to rebuild. Her concern regarding the concept paper is that it seems like the intention of the paper is to provide those applicants that don't know a lot about grant writing with a lot of hand holding. She wondered if there was perhaps a way the staff could accommodate those applicants who need this kind of hand holding and at the same time provide those who have already done the grant application with perhaps less hand holding.

Heather Fowler from the Kern County Museum Foundation stated her project is one of the 240 projects that weren't funded. She felt that it was important for CCHE to provide feedback to those organizations who were not funded because if they don't know where they had errors or why the project is not fundable then the process is not transparent.

Cindy Stankowsky, Director of the San Diego Archeological Center commented that the concept paper does not give the public a chance for comment. On the original concept paper public comment was allowed.

Ms. Reeves asked when the Board decided on the concept paper and whether it was only for the first round. Ms. Matsuda advised the Board that at the July 2004 Board meeting there was a motion made to implement a conceptual paper cycle for the remaining three cycles of funding. Ms. Reeves asked if it was possible to have workshops in different sections of the state to provide help to those applicants who needed guidance. She stated that the Board tried to support and encourage as many projects as they could and perhaps were ambitious in terms of numbers of projects and this is why people did not have the attention that they may have had if the Board had taken few projects. The second round would allow this because there is only \$15 million to be given out.

Ms. Brophy feels strongly that applicants should be allowed to come back with the same application that they submitted originally but with edits instead of having to rewrite everything. In addition, she feels that it is important for staff to provide their comments back to the applicants. Ms. Matsuda said she thought that the Board was interested in considering each round separate and independently from each other and to look at those grant applications separately and not as a carry over from a subsequent round. Ms. Moe said there is a concern about giving out narrative comments before the end of the decision making.

Ms. Matsuda said she felt that a lot of lessons were learned from the first cycle of funding and there are some parts of the grant application that should not be rushed, mainly to make sure people have enough time to put an application together. She urged the Board to consider this when they put together specific deadline dates.

Ms. Reeves asked that because some of the grants come from areas where there is not a lot of information about how to write grants, how is this taken into consideration with the readers? How do the grants get disseminated to the readers? What is the geographical mix?

Ms. Matsuda said there needs to be discussion about how readers should be utilized. The question regarding how dissemination is given out to people who may not live in a more popular area, was to create a CD ROM that provided the same information as was provided at the informational meeting. By using these types of technological support measures, a lot of people can be reached that don't have either the economic means or the time to come to one of the informational meetings. Also, during the last cycle of funding she tried to have at least two reviewers per grant application: one particular grant reviewer familiar with the geographical area as well as the content area of the applicant, and a second reader who may not have had any familiarity with that project.

Mr. Gray said that Ms. Matsuda used a very important term: lessons learned. He feels that the majority of the audience would be most appreciative if the Board takes the intervening time between now and the next grant application cycle, whenever that would be, and revise the existing materials and reflect the concerns that have been heard at today's meeting as well as the challenges that staff experienced with our existing process, and spend the effort to perfect the existing system to a greater degree rather than add an additional process.

Mr. Campbell stated that the interest in the Board initially proposing the first round was that there were a number of organizations that were ready to go, but no one thought there would be 276 applications. He feels that this fact alone may indicate that there may not be a need for a conceptual paper process.

Ms. Brophy asked if the 20 remaining applications, once staff receives the outstanding items, will they move forward? Will this happen on a rolling basis? How will they get approval to move forward? Ms Matsuda said that staff is in constant communication with the remaining 20 projects that are

being reserved for funding. The information will be submitted to the Board on a rolling basis. As soon as staff believes they have all the information together for the Board's review, they will ask that the project be considered as an action item on a future agenda. Funds that are reserved are not being awarded unless Board action is taken.

Mr. Swinden proposed that the Board not go forward with a conceptual paper. He suggested that there is merit in getting back to the individual applicants who were not funded in this round. He said that perhaps through the website the Board could propose that anyone who is interested in having their original application and comments back to submit a letter requesting that as opposed to having to send all of them back out.

Mr. Torres said that the Legislature is considering some park bonds and he feels it is important that the Endowment not be sitting on any funds to demonstrate the need to invest in the Endowment for future bonds. He feels the Board should think about moving up the cycles of the awarding funds. He also stated that he would be concerned if an applicant received guidance from the staff to fix something in their application, and have the applicant fix those areas of their application and then assume that they would be funded. It should be clear that the guidance from staff does not at all indicate the result of the applicant being funded. He also feels that there needs to be more discussion regarding the match issue.

Ms. Acosta also agrees that a concept paper is not needed. She asked what kind of deadlines are required when CCHE is asked to be the lead agency for CEQA. Should these organizations look for another lead agency? She also asked if staff wanted to report about the study that was in the legislation. Is it being postponed?

Ms. Matsuda said that it is not known what kind of staff time is needed when it serves as a lead agency. There is a great deal of legal responsibility in serving as a lead agency and staff will be working very closely with a state agency who does have the staff and expertise to do this. She has not received any commitment or entered into any interagency agreements to actually start doing any kind of environmental assessment. In regards to the study in the legislation she is aware there is a deadline placed on that, and more than likely she will request the Board to request an extension on that because she has not had the time in finding out how comprehensive this study should be.

Ms. Brophy commented that she wanted to reinforce the concept that an emergency response for endangered buildings should be looked into. She also asked the question on how the 13 approved projects can move forward and write up a grant agreement if the Board does not know the final dollar amount? Ms. Moe said the grant agreement could include a clause that would reflect the Board's action today of having the up to 10 percent reduction in each grant agreement subject to the completion of the cycle. If there is a deadline for the completion of the cycle then they would have an end date knowing whether that 10 percent is going to come through or not.

9. Public Comment

- Thomas Benitez, Executive Director at Self Help Graphics, stated that Ms. Matsuda is a beleaguered person and remarkably resilient. He said she has to please the public, the Board and the politicians. He said he has great respect for the work that she has been doing. With that in mind, he said she should get out of the business of bonding the projects because if nothing else he feels if an applicant is successful on a proposal they would want her to carry their paper and save themselves money because it is an overhead cost. This is a tremendous conflict of interest. He feels that the second type of conceptual paper is moot because a conceptual paper is essentially already out in the field as a letter of intent. There is a choice between getting a second cycle accelerated or going through a concept paper and 90 percent of the people remaining are going to say “forget the cycle paper”. Regarding readers: he suggested that there should be some categorization along the way in terms of the size of organizations, and the way the guidelines are presented. They are skewed essentially toward capital projects. There is an opportunity for staff to learn from the field and that exchange is vital and perhaps a panel process could be set up. He likes the idea of an emergency plan being built into this program.

10. Administrative Matters

Mr. Campbell said that this would be his last Board meeting and he would like to make the following remarks:

- He acknowledged the staff and the wonderful work they have done. It has been a pleasure working with the staff over the last year and a half.
- It has been a most rewarding experience working with the Board and having the opportunity to engage in this tremendous effort. The work that has been performed by the Board has been outstanding and it has been an honor and privilege to have been a part of this process.

Chairperson Hildreth advised that an e-mail will be sent in regards to a meeting date in June and asked Board members to hold July 7 as a meeting date for July.

11. Adjournment

Mr. Campbell moved to adjourn the meeting; seconded by Ms. Brophy. Motion carried unanimously. The meeting was adjourned at 5:00 p.m.