

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

**Thursday, October 26, 2006
10:00 A.M.**

Location: Rancho Santiago Community College District
 Board of Trustees Meeting Room
 2323 North Broadway
 Santa Ana, California

Members of the Board in attendance:

Ms. Susan Hildreth, Chairperson
Ms. Suzanne Deal Booth
Mr. Michael Chrisman, represented by Mr. Bryan Cash
Mr. Michael Genest, represented by Mr. Vince Brown
Ms. Georgette Imura
Ms. Carmen Martinez
Mr. Bobby McDonald
Ms. Betsy Reeves
Mr. James Irvine Swinden
Mr. Jon Vein

Representing the Senate

Senator Christine Kehoe, represented by Ms. Deanna Spehn

Representing the Assembly

Assemblymember Hector De La Torre

Staff in attendance:

Ms. Diane Matsuda, Executive Officer
Mr. Joseph Klun, Assistant Director
Ms. Rachel Magana, Executive Secretary
Ms. Marian Moe, Deputy Attorney General
Mr. Frank Ramirez, Research Program Specialist
Mr. Clarence Caesar, Research Analyst

1. Roll Call

Chairperson Hildreth called the meeting of the California Cultural and Historical Endowment meeting to order at 10:00 a.m. A quorum was established.

Mr. McDonald welcomed the Board to the Rancho Santiago Community College District building.

Chairperson Hildreth announced that Senator Perata has appointed Ms. Carmen Martinez to the Cultural and Historical Endowment Board.

2. Chairperson's Report

Chairperson Hildreth explained that the main topic of discussion for today's meeting is the proposal for Round 3, the grant application, for both the project and planning grants. The Board will be allocating \$43 million in awards. This will be the third and final round of funding.

At today's meeting the Board will be reviewing projects that will be considered for an approval of funding. Many of these projects were discussed at the last Board meeting in September and are administered by non-profits but located on actual real property of The California Department of Parks and Recreation.

After this meeting a tour will be provided at the Discovery Museum, a completed project from Round 1.

There were no comments from the public.

3. Approval of Minutes for September 7, 2006 (action)

Mr. Brown said the minutes of September 7 indicated that Tom Campbell represented the Director of Finance at the meeting when, in fact, it was he. He asked that the minutes are corrected to reflect this correction.

Mr. McDonald moved approval of the September 7 minutes with Mr. Brown's requested change; seconded by Mr. Brown. The motion carried unanimously.

There were no comments from the public.

4. Executive Officer's Report

Ms. Matsuda updated the Board on the following three items:

- The San Francisco Museum and Historical Society (from Round 1) was able to get the approval of the San Francisco Board of Supervisors, as well as the signature from Mayor Gavin Newsom, to have their DDA signed and ready to go. They have completed the procedural requirements that the Board asked of them and staff will be working with them to enter into a grant agreement.
- An interim audit was received from the Department of Finance, who examined the Julia Morgan Center for the Arts. There were no matters found to be of material weakness.
- Three projects have indicated that they wish to be removed from further consideration. They are: the Orange County Historical

Archives Project, Prelado de Los Tesoros de La Purisma and the Friends of Antelope Valley. Therefore, the new total of Round 2 grants is \$42,076,472.

Public Comment

There were no comments from the public.

5. Approval of Funding for Round Two Project Grant Applications

Ms. Matsuda presented the following projects:

▪ 5.1: Eastside Arts Alliance

This Project, in the City of Oakland, County of Alameda, in the amount of \$114,420 will be for the construction of a cultural center that will house a 150-seat theater, kiosk, display cases, and an exterior mural.

There were no questions or comments from the public.

Mr. Cash moved to approve Resolution 6-B2-15-8 for Eastside Arts Alliance; seconded by Ms. Booth. The motion carried.

▪ 5.2: Rancho Los Alamitos Foundation

This project, in the City of Long Beach, County of Los Angeles, in the amount of \$1,500,000 is for the restoration of six historic barns and the restoration of the surrounding landscape through the 1949 original layout.

There were no questions or comments from the public.

Mr. Brown moved to approve Resolution No. 6-B2-1 for Rancho Los Alamitos Foundation; seconded by Mr. McDonald. The motion carried.

▪ 5.3: Rosie the Riveter Trust

This project, in the City of Richmond, the County of Contra Costa, in the amount of \$2 million, is for the rehabilitation of the Maritime History Center for Working Families into an interpretive historical center as part of the Rosie the Riveter/World War II Home Front National Park.

There were no questions or comments from the public.

Ms. Imura moved to approve Resolution 6-B1-32 for Rosie the Riveter Trust; seconded by Ms. Martinez. The motion carried.

▪ 5.4: Santa Barbara Trust for Historic Preservation

This project, in the City of Santa Barbara, County of Santa Barbara in the amount of \$322,685 is for the renovation of a studio building into a

cultural and research collection facility in the El Presidio De Santa Barbara State Historic Park.

Public Comment

Sally Fohse from the Santa Barbara Trust for Historic Preservation thanked the Board for considering this grant application.

Mr. Brown moved to approve Resolution 6-B2-17 for Santa Barbara Trust; seconded by Ms. Reeves. The motion carried.

▪ 5.5: Sunnyvale Historical Society and Museum Association

This project, in the City of Sunnyvale, County of Santa Clara, in the amount of \$600,000 is for the construction of the Heritage Park Museum in the Orchard Heritage Park in Sunnyvale, California.

There were no questions or comments from the public.

Ms. Booth moved to approve Resolution 6-B1-17 for Sunnyvale Historical Society and Museum Association; seconded by Ms. Imura. The motion carried.

▪ 5.6: Tulare County Historical Society

This project, in the City of Visalia, the County of Tulare, in the amount of \$1,451,870 is for the creation of the History of Farm Labor and Agriculture Museum in Mooney Grove Park.

There were no questions or comments from the public.

Ms. Reeves moved to approve Resolution 6-B1-31 for Tulare County Historical Society; seconded by Mr. Cash. The motion carried.

▪ 5.7: Vallejo Community Arts Foundation

This project, in the City of Vallejo, County of Solano, in the amount of \$220,000 is for the rehabilitation of the Empress Theater into a performing arts theater.

There were no questions or comments from the public.

Ms. Imura moved to approve Resolution 6-B1-25 for Vallejo Community Arts Foundation; seconded by Mr. Brown. The motion carried.

▪ 5.8: Viet Heritage Society

This project, in the City of San Jose, County of Santa Clara, in the amount of \$1,300,000 is for the construction of the Vietnamese Heritage Garden in Kelley Park in San Jose.

There were no questions or comments from the public.

Ms. Booth moved to approve Resolution 6-B1-46 for Viet Heritage Society; seconded by Ms. Reeves. The motion carried.

- 5.9: Anza-Borrego Foundation

This project, in the City of Borrego Springs, the County of San Diego in the amount of \$75,789 is for purchase and permanent installation of artifact and document storage/curation units within the newly completed Begole Archeological Research Center at the Colorado Desert District headquarters complex of the California State Parks.

There were no questions or comments from the public.

Ms. Reeves moved to approve Resolution 6-B1-70 for Anza-Borrego Foundation; seconded by Mr. Brown. The motion carried.

- 5.10: California State Railroad Museum Foundation

This project, in the City of Jamestown, county of Tuolumne in the amount of \$300,000 is for the restoration of the Sierra Steam Locomotive No. 3 to its original 1929 appearance and to bring it into compliance with the Federal Railroad Administration operating standards, as well as to pay for the display and interpret it at Railtown of the 1897 State Historic Park.

There were no questions or comments from the public.

Mr. McDonald moved to approve Resolution 6-B3-12, the California State Railroad Museum Foundation; seconded by Mr. Swinden. The motion carried.

- 5.11: Empire Mine

This project, in the City of Grass Valley, County of Nevada in the amount of \$1,286,220 is for the construction and installation of underground and above-ground exhibits and other educational and support facilities that will become components of the Empire Mine tour.

Chairperson Hildreth noted that material on this project was not included in the Board packet. The material was disseminated to the Board members for their review.

Public Comment

Mr. Lindemann thanked the Board and the staff for their assistance in helping pursue the Empire Mine goal. He advised that the tunnel (850 feet) is complete and the rail bed is in. He extended an invitation to the Board and staff to tour the tunnel.

Mr. Brown inquired about the funding for mitigation of hazardous materials of this site which was in last year's budget. Ms. Moe said when the Department of Parks and Recreation approved this project they imposed several mitigation measures. One had to do with ensuring that the hazardous materials would be monitored and cleaned up. They have since had some enforcement actions with both the State Water Resources Control Board and the Department of Toxic Substances, both of which, ended up in satisfactory settlement. The Endowment Board has also made those same mitigation measures regarding hazardous materials a condition of this project. The issues with the hazardous materials has to do with the audit. The CCHE Board is funding the parking lot.

Ms. Reeves asked when the project will be completed. Mr. Lindemann said the projected completion date is 2011. He clarified that the site for the construction for the CCHE project is not within the toxic soils area and there were no toxic soils found in the audit.

Mr. Cash asked if the CEQA process has been completed on this project. Mr. Lindemann said it was approved as part of the general development amendment plan approved by the State Parks in 1996.

There were no questions or comments from the public.

Mr. Swinden moved to approve Resolution 6-B1-45, the Empire Mine Park Association; seconded by Mr. McDonald. The motion carried.

- 5.12: Friends of the Antelope Valley Indian Museum

This item was removed from further discussion per a letter from Friends of the Antelope Valley Indian Museum requesting withdrawal of further consideration for funding.

- 5.13: Fort Ross Interpretive Association

- This project, in the City of Jenner, County of Sonoma in the amount of \$72,000 is for the installation of security and environmental measures as a part of the larger Rotchev House restoration and preservation project.

There were no questions or comments from the public.

Mr. Brown moved to approve Resolution 6-B 1-5, the Fort Ross Interpretive Association; seconded by Ms. Martinez. The motion carried.

- 5.14: Sierra State Parks Foundation

This project, in the City of Bridgeport, County of Mono in the amount of \$275,000 is for the stabilization of 8 of the 13 currently endangered buildings in the Bodie State Historic Park.

Public Comment

Ms. Marguerite Sprague thanked the Board for their consideration of this project. She also thanked Tony Planchon, her contact person at CCHE for his responsiveness and help.

There were no questions or comments from the public.

Ms. Imura moved to approve Resolution 6-B1-17, Sierra State Parks Foundation; seconded by Mr. Swinden. The motion carried.

6. Approval of Round Three Grant Application Form and Criteria

Chairperson Hildreth said this agenda item is for approval of grant application form and criteria. She encouraged the audience to participate in discussions on this subject during the public comment period.

Ms. Matsuda introduced staff members and then provided the following presentation:

- This is the last scheduled round, Round 3, and staff is proposing that the Board consider in July of 2007 \$43 million for this round.
- Staff proposed that there be four specific sections instead of six general sections.
 - The first section would be called the Administrative section and the changes for Round Three are:
 - Multiple applications can apply for planning and project at the same time but Director must indicate order of priority.
 - DPR contract needs to be signed before applicant can be approved for funding.
 - Section two would be called Substantive and this is where the heart of the project thread would be reviewed. The project thread would be divided into four sections.
 - Section three is the Review Process and the following changes for Round Three were proposed as:
 - Four separate and independent review processes will take place
 - CCHE staff will make final point allocation of Sections 1 & 2
 - Individuals with specific expertise will review:
 - Section One – CCHE staff
 - Section Two – Panel → CCHE staff
 - Section Three – California State Library and CCHE staff
 - Section Four – Bidding process → Contractor
 - Section Four is for the applicant to speak to their sustainability, both financially, operationally, and programmatically. The following changes for Round Three were proposed as:
 - Matching fund requirement:
 - Division One 75%
 - Division Two 30%
 - Release of CCHE fund requirement

- One year after reservation of funding is made
 - Planning grant applications need permission from landowner
 - Multiple applications require letter of priority
- Staff is recommending extending the deadline for applications for Round 3 to March 1.
- Under Section 1, Administrative Information, the applicant will be asked to provide general information, information about how Endowment funds are going to be used, their timeline, property arrangement, CEQA, historic resource, and multiple applications.
- Under Section 2, Project Thread, the specific sub-questions will be asked: Mission, goals and objectives of organization; significance of thread; current programs illustrating thread; promotion of thread upon completion of project; overall contribution to California Culture and history; audience; and public access.
- Under Section 3, Capital Assets Project Information, the following information will be requested: Needs assessment, information regarding the facility and staff operating facility, technical team members, and work plan.
- Under Section 4, Organizational Capacity will look at Staff leadership, organizational governing body, matching funds, financial management and capacity, and sustainability.

Planning Grants

- Under Section 1 of the planning grant application Administrative Section, general information will be looked at, as well as the Endowment funds and how the funds would be used to help further develop particular technical plans; the property arrangement; historic resources; and multiple applications
- Section 2, the project thread: focus will be placed on the mission, goals and objectives of the organization; significance of the project thread; programs illustrating the thread; overall contribution to California culture and history; the current audience or the potential audience; and the public access.
- Under Section 3, Planning Documents focus is placed on: type of plans to be pursued; work completed to date; information regarding the facility and staff operating facility; technical team members; and work plan.
- Under Section 4, Capacity focus is placed on: Organizational leadership of staff; matching funds; financial management; source of funds for planning (contributed income and earned income).

Public Comment

Allan Krauter, representing Kern County Board of Supervisors as well as the Kern County Museum said the Museum is in Round 2 planning. He has not received a signed contract and is worried that he may not get the planning work done in time to apply for Round 3 project funding. He asked if the new guidelines that Ms. Matsuda just outlined would preclude someone from applying if staff is still working on Round 2 work. Chairperson Hildreth said it would not preclude him from submitting for a project in Round 3.

Board Comments

Ms. Spehn said she does not have a problem with staff reconciling the scores, but asked if it would be possible for Board members to see what the initial scores were and what the cumulative number was. Ms. Matsuda said this would be available to the Board members, as well as to the public.

Mr. De La Torre asked if the \$35 million for the 30 projects in Round 1 is actual or was it what was budgeted. Ms. Matsuda said the \$35 million is what the Board allocated for that round, however funding for the round fell below \$35 million because three projects fell out from Round 1. The Board will not know until all the money is out whether this is the actual or just the allocated amount. Everything left over from Rounds 1 and 2 will be pushed over into Round 3.

Mr. De La Torre suggested that one of the four staff members in the review process be a legislative member so that they can explain to the legislators why an applicant may not have made it through the round. Ms. Spehn agreed with Mr. De La Torre. She said the legislators would have assurance that the process was followed and they can go back to their communities and assure them that everything was done according to the guidelines. The legislative representative could serve as an observer to the administrative process.

Mr. Brown said he would be concerned that even if the legislative representative was only an observer, that this might hint to and spread the perception that there is a legislative intrusion into an objective review process.

Mr. Swinden said he would have the same concern as Mr. Brown. He suggested having a process that after the vetting had been completed and the projects to come before the Board had been determined, the legislative representative then be allowed to have information about the projects that were not funded. This would provide them with a clear understanding in order to be able to talk with their constituents.

Mr. De La Torre said this would be nothing more than a staff briefing. It is his feeling that a legislative representative should be seeing the process itself versus a staff briefing. They would be there as an observer and not involved in the scoring process.

Mr. Cash asked how and when applicants are informed that they will not proceed on to the next level. Ms. Matsuda said a letter is sent to those applicants after the initial review. Mr. Cash asked if they have an opportunity to respond. Ms. Matsuda said there is no reconsideration process regarding eligibility. If there is information that is missing, and it is not an eligibility factor, then applicants have been allowed to provide further information.

Ms. Reeves asked if a process could be instituted whereby the legislators could be informed in a timely manner about those projects that will not be going forward. Ms. Matsuda said the staff would not have a problem sharing this information with the legislators before it is received by the applicants.

Chairperson Hildreth said the process being proposed to the Board has a threshold for consideration by the Board of the projects that score 25 percent and above. She asked the Board if they would be willing to have the projects in the top 25 to 35 percent provided to the legislative representatives. This would broaden the range of projects a bit and it would give the legislators an opportunity, if they are interested in some of these projects, to ask that they be considered along with the top 25.

Mr. Brown said he would definitely be opposed to this. If the Board were to widen the band for competition it would defeat the purpose of scoring.

Ms. Imura moved to allow a representative from one of the four legislative ex officio members of the Board to be present as an observer in the step process only.

Mr. Cash said he would like to make a different motion. Mr. Cash moved that staff inform all the legislative members of the status of projects after the administrative eligibility review; seconded by Ms. Reeves. Motion carried.

Chairperson Hildreth deferred to the Board members for questions about other elements of the process that Ms. Matsuda presented.

Mr. De La Torre asked for clarification on the proposed change for the release of CCHE fund requirement from 9 months to 1 year. Ms. Matsuda said the reason for this recommendation is to make sure that Round 2 applicants have enough time to re-apply in Round 3.

Ms. Reeves suggested that Section 4 of the project applications carry more weight and to modify the weight of some of the other sections. She suggested increasing the point value on Section 4 to 35 points.

Mr. Swinden suggested decreasing Part A in Section 3 to 7 points; Part D to 8 points, and add 5 points to Section 4. This would result in Section 3 having a value of 25 points. Mr. Brown suggested that the 5 points being added to Section 4 should go under sustainability. The point ranking would be: Section 1= 10 points, Section 2 = 30 points, Section 3 = 25 points and Section 4 = 35 points.

Mr. Swinden moved to reduce Section 3 by 5 points, decreasing Part A in Section 3 to 7 points; Part D to 8 points, and add 5 points to Sustainability in Section 4; seconded by Ms. Reeves. Motion carried.

Ms. Spehn said in regards to multiple applications, what was the staff's reasoning as to why they need to know the applicants priority on which project they would prefer to see funded. Ms. Matsuda said it was to help the Board in making their decision by understanding what the organization's priority might be.

Public Comment

B.J. Mitchell, with the Tehachapi Museum and Performing Arts Center Project, said AB716 has a section which states that priority should be given to communities that are historically underserved. She would hope that there would be some way for those who feel they are in this category to be able to make a case. She asked that they be afforded counseling from CCHE staff.

Mr. Brown moved to approve the proposed Round 3 grant application form and criteria; seconded by Mr. McDonald. Motion carried.

Ms. Matsuda asked the Board for an effective date on the application form and criteria in order to post it and make CD-Rom copies. Chairperson Hildreth said the goal date should be November 1, 2006.

7. Next Meeting Dates and Proposed CCHE Calendar for 2007

Ms. Matsuda presented the proposed calendar for 2007 as follows:

- February 22, 2007 to discuss Round 2 projects that have not resolved all issues related to their project and to update the Board on the status of Round 1 and Round 2 projects.
- April 26, 2007 to provide the Board with the status of the Round 3 grant applications.
- July 26 and July 27, 2007 to review the Round 3 grant applications that have ranked within the top 25 percent of their division.
- The last scheduled Board meeting will be held in September and the Board would begin to approve funding for the project grants.

Mr. McDonald requested that the July dates be moved to August 2nd and 3rd.

After discussion, it was decided to move the February 22nd date to February 15th; keep the April 26th date as is, move the July 26th and 27th dates to August 2nd and 3rd and the last meeting to be September 27th in Los Angeles.

Mr. McDonald moved to approve the 2007 calendar as discussed; seconded by Ms. Booth. Motion carried.

Mr. McDonald asked Ms. Matsuda to provide the Board with a status report at the next Board meeting as to the status of the projects from Round 1.

There were no questions or comments from the public.

8. Public Comments

Mr. Fowler, Mission San Miguel, said at the September 7, 2006 meeting he requested a response from the Attorney General's office. He asked for the status of his request. Ms. Matsuda said a letter from the Attorney General's office was sent to his attorney immediately after the September 7 meeting. Mr. Fowler said the letter has not been received. Chairperson Hildreth said staff will be sure that he gets a copy immediately.

9. Board Member Comments

Ms. Reeves asked how much time people have to finish their projects from the time they are granted the money. Ms. Matsuda said it is project specific. The bond currently requires the Board to have all projects completed by 2009. Chairperson Hildreth said she is in discussions with the Department of Finance to determine a workable end date for expenditures. The projects do not receive their money until they submit an invoice to CCHE.

10. Administrative Matters

There were no administrative matters discussed.

11. Public tour of the Discovery Science Center

12. Adjournment

The meeting was adjourned at 2:00 p.m.