

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

**Wednesday, August 22, 2007
9:00 A.M.**

Location: Stanley Mosk Library and Courts Building
914 Capitol Mall, Room 500
Sacramento, California

Members of the Board in attendance:

Ms. Susan Hildreth, Chair
Ms. Suzanne Deal Booth
Mr. Mike Chrisman, represented by Mr. Bryan Cash
Ms. Georgette Imura
Ms. Carmen Martinez
Mr. Robert V. McDonald
Mr. Michael Genest, represented by Mr. Vince Brown and Ms. Anne Sheehan
Ms. Betsy Reeves
Mr. James Irvine Swinden
Mr. Jon F. Vein

Representing the Assembly:

Assemblymember Karen Bass, represented by Mr. Espinoza
Assemblymember Hector De La Torre

Representing the Senate:

Senator Christine Kehoe, represented by Ms. Deanna Spehn
Senator Don Perata, represented by Mr. Greg Schmidt

Staff in attendance:

Ms. Diane Matsuda, Executive Officer
Ms. Marianne Moe, Deputy Attorney General
Ms. Rachel Magana, Executive Secretary
Mr. Frank Ramirez, Research Program Analyst II
Ms. Francelle Phillips, Research Analyst II
Ms. Kathleen Cronin, Research Analyst II
Mr. Tony Planchon, Research Analyst II
Mr. Mike Neff, Research Analyst II
Mr. Bill Batts, Architectural Associate
Ms. Angela Kwong, Office Technician

1. Roll Call

Chair Hildreth called the meeting to order at 9:12 a.m. A quorum was established.

2. Chairperson's Report

The Chair noted that when tomorrow's gathering is adjourned the two day meeting will be concluded in memory of Walter Gray, a Board member of the Endowment since it started, who passed away earlier this year.

3. Approval of April 26, 2007 Minutes

Ms. Booth moved approval of the April 26, 2007 Minutes; seconded by Ms. Sheehan. Motion carried unanimously.

4. Executive Officer's Report

Executive Officer Diana Matsuda noted a fax received on 8-21-07, a courtesy copy of a lawsuit that has been filed against the California Cultural and Historical Endowment (CCHE) Board Chair and Executive Officer in their official capacities, as well as the California State Library and the CCHE, by the Rural Media Arts and Education Project. The suit was filed in Superior Court of San Francisco County. The copy has not yet been reviewed.

CCHE recently received a copy of a letter sent to Senator Abel Maldonado from the Attorney General's Office, which inquires whether CCHE funds could be used to fund projects with religious affiliations.

Executive Officer Matsuda provided an overview of CCHE activities thus far:

- In 2002, AB 716 was passed, which created the CCHE. Also in 2002 Proposition 40 passed, which allocated \$210 million for cultural and historical resources. CCHE received \$128 of the \$210 million to distribute in competitive grants, with \$6 million reserved for administrative costs.
- Of the \$122 million available for competitive grants, the CCHE Board divided that into three rounds of funding: Round 1, up to \$35 million; Round 2, up to \$43 million; and Round 3, up to \$43 million.
- Round 1 applications became available to the public in October of 2004; in December 2004 the Board deliberated and reserved funding for 33 projects totaling up to \$35 million.
- Round 2 applications became available to the public in September of 2005; in April of 2006 the Board reserved funding for 45 projects and 33 planning grants.
- Round 3 applications became available to the public in October of 2006, with a deadline application date of March 1, 2007.
- Today's meeting will reserve funding for projects and the possible approval of projects for planning grants.
- A total of 184 grant applications were received, with a cumulative total of over \$218 million.

- Before the Board today are 50 project grant applications and 13 planning grant applications: 11 from Division 1, 10 from Division 2, 11 from Division 3, and 18 from Division 4, totaling a little over \$88 million requested. The 13 planning grants will be presented tomorrow (Thursday).
- Funding available for Round 3 is up to \$43 million. Some monies have been rolled over and some put aside for expenses; grant total of available monies is \$44,545,821.
- All projects in Round 3 must be encumbered by June 30, 2010 and all projects must be liquidated by June 30, 2012.

5. Review of Round One and Two Projects

5.1 Capitol Unity Council. Amount requested: \$2,200,000.

The Council applied for a grant during Round 1, then subsequently informed Board staff that, after completing their design development phase, they were advised by their project manager that it would be more cost effective to demolish the existing building and start anew. At that point they had expended \$400,000 of grant monies.

In February of 2007 the Board instructed the Council to return to the Board and provide an updated status report on CEQA compliance, budget and timeline; this information was supplied to the Board in April 2007. The new information was provided to CCHE legal counsel for review and all new information was deemed in order.

Mr. Robert Harris, PhD, asked that their grant be reinstated; the Board complied with the request.

5.2 Mexican Museum, City and County of San Francisco. Amount requested: \$2,400,000.

Initially this was a Round 2 project that was approved for funding in February 2007. At about that same time the Redevelopment Agency of San Francisco, landlord for the museum, was entering into an agreement with their next-door neighbor to create a plan that would utilize both spaces to create a new live-work area. Subsequently, Executive Director Matsuda informed the Museum of the Board's concern about the proposed changes in the project and the effect that would have on project timeline and other capacity issues.

Victor Marquez, President of the Board of Trustees, requested that the grant approved in February 2007 be allowed to continue in amended form. He stated that the San Francisco Mayor's Office remains extremely supportive as does the Redevelopment Agency. The project has also received unanimous support from the Board of Supervisors.

They are in the process of finalizing a partnership agreement with the San Francisco Fine Arts Museum, the De Young Museum and staff.

They have hired a renowned museum planner and reduced the size of the actual net square footage to make it more sustainable.

Mr. Tom Peterson discussed the new building, which will be a combination mixed-use museum, commercial and residential project.

Board member Swinden asked how the grant money will be used; Mr. Peterson stated that the \$2.4 million would be essentially paying for the very same individual line items and components that have already been proposed and approved.

In response to a question from Board Member Sheehan, Deputy Attorney General Moe stated that it's not really the same project that was previously before the Board.

Chair Hildreth expressed concerns about whether the timelines could be maintained. Mr. Marquez responded that City support remains intact and willing to expedite the process.

Chair Hildreth commented on the significant reduction in square footage. Mr. Marquez responded that the gallery space remains essentially the same. Also, another benefit of the mixed use project is an understanding that they will benefit from the restaurant that will be next to the museum; thus, they no longer will need to build their own restaurant (the agreement with the restaurant is not finalized). In addition, the Museum will share profit from that restaurant.

Mr. Peterson added that another benefit of being in the larger project is that all common and public areas and community areas, hallways, restroom, lobbies, etc. are not the museum's burden anymore. Rather, they become a part of the master project.

Mr. Marquez also mentioned that they are adjacent to the Jewish Museum, which is under construction; across the street from the Museum of African Diaspora; down the street from the City Museum, and close to the new Bloomingdales project, which includes the Filipino Cultural Center. Thus, they are in a great location.

Delegate Cash asked what kind of experience the developer has in doing projects like this. Mr. Peterson responded that the developer, Millenium Partners, has extensive experience, including work on the Metreon at Yerba Buena Center, The Four Seasons Hotel, and the residences above the L.A. Sports Club.

Deputy Attorney General Moe asked for clarification on the CEQA documentation. Mr. Marquez responded that it will be an EIR document and the Redevelopment Agency would become the lead agency.

Deputy Attorney General Moe stated that the Board needed to understand that the 18 month timeline may be realistic, but after the necessary actions are completed the applicant will still have to come back to the Board for approval of the new CEQA documentation and the Board will have to reserve their grant monies until after those additional approvals.

Board Member McDonald commented that the Board had previously approved all the paperwork on the original project and now the Board is looking at a brand new project that is being asked for approval again.

Mr. Marquez reiterated that the thread of the grant remains the same -- the showing of the largest collection of California-based Mexican Art; that the new mixed-use museum is an improvement on the old.

Executive Officer Matsuda summarized the letter sent to the Mexican Museum from CCHE, which expressed concern regarding the change in the architect, the concern about the CEQA process, and the reduced capacity of the Museum. In addition, since the Museum does not have an executive director, the Board is not sure how far out the timeline will be pushed.

Board Member Sheehan, while stating she thought it would be a wonderful project, asked if the Board would be legally vulnerable if they approved the amended grant.

Deputy Attorney General Moe stated that the Board has recognized that some projects do change as they go through implementation, but those recognitions were primarily for projects that were further along than this one, which is in an earlier stage of development. Thus, the Board must make a judgment call as to whether there has been a material change in this project such that the Board doesn't think it's the same project. The Board has the discretion to make that decision, and it needs to make some factual determinations that it is not a material change in order to continue on.

Board Member Vein asked if, legally speaking, if there is a material change, is the Board obligated to not approve it, or is it still within their discretion. Board Member Reeves asked what the Board has done in the past, is their precedence for a decision? Deputy Attorney General Moe responded that, in the past, when there was a material change, the Board has asked the applicant to withdraw the application or not continue the reservation of funding.

Chair Hildreth commented that she did not know of a project that changed with the magnitude of the present case -- although she does understand that the thread is certainly still consistent.

Board Member Booth remarked that it seemed like a stronger project and she is greatly impressed with reducing the size and scope and making it part of a complex.

Board Member Sheehan, while reiterating the worthiness of the project, asked if counsel could look through the day to determine if the Board wanted to act on the project or continue it, what findings would need to be made within the Board statutes that would allow them to do that. How can the Board become more comfortable with taking the next step, one way or another?

Deputy Attorney General Moe stated she would be glad to look at it more closely and give additional feedback.

Board Member Swinden concurred that it seemed a stronger project and then proposed that they table the item until more information is received from legal

counsel, and then address the issue again later in the day. Board Member Cash seconded the motion. The motion was unanimously approved.

5.3 Chabot Space and Science Center. Amount requested: \$171,000.

Executive Officer Matsuda stated that the initial planning grant application requested funding to create plans to rehabilitate the original Chabot buildings. Since then the organization has experienced two new executive directors and a change in focus of their plans. They are now requesting that Endowment funds be used for planning documents to install a telescope at their facility and their original grant be reduced to \$62,500.

A representative of the Center was not in attendance.

Executive Officer Matsuda stated that the Board does not have further information as to specific plans that will be created around the installation of the telescope nor its specific history. Many of the questions regarding project thread are still unanswered at this time.

Board Member Reeves made a motion to withdraw the application, seconded by Board Member Vein. The motion was passed unanimously. The \$171,000 allocated to the planning grant is now available for further allocation.

(Later in the day a letter was received from the Center, dated August 17, indicating that, after careful consideration, the Center had decided not to proceed with their request for modification and therefore respectfully withdrew their application.)

6. Discussion to set aside a portion of Round Three funding for subsequent distribution

Chair Hildreth stated that Senator Kehoe had sent a letter to the Board suggesting that consideration for funding not be limited to the requirement that applicants receive 70 percent as a minimum in all their categories of review plus be in the top 25 percent in their division, which would extend projects under consideration to projects that had received 70 percent or above in all categories, thus broadening the field to some extent.

Board Member Sheehan expressed concern that implementing the suggestion would look like the Board was changing the rules at the 11th hour; that such a change would affect the perceived transparency of the process. Thus, she would be reluctant to support it.

Board Member Cash addressed the concern of geographic distribution of funds. Executive Officer Matsuda stated that four counties not receiving funding in the past will be considered during this round. Nineteen of 58 counties have received no funding to this point, which may be reduced to 15 depending on the four counties to be considered during this round.

Chair Hildreth asked Ms. Deanna Spehn, representing Senator Kehoe, to comment. Ms. Spehn stated that the Senator simply wanted to raise the issue because geographic distribution has been discussed several times by the Board and that the

Senator is satisfied with the decision by the Board in terms of whether they act or not.

Board Member Vein stated that he was also not inclined to change the rules at the 11th hour.

Board Member Swinden also concurred and stated that he would not be opposed to any money that fell out of any of the three prior rounds be allocated to a special round for those projects that would have qualified had they not qualified because of the 25 percent rule. Board member Reeves expressed approval of this idea; Chair Hildreth concurred that it may be a good compromise.

Chair Hildreth reminded the Board that they are not compelled to advocate the total \$44.5 million available.

Board Member Sheehan motioned that the proposal not be adopted today, seconded by Board Member Cash. It was unanimously approved.

7.a. Round Three Grant Application Review and Selection

Chair Hildreth commented that all presentations today are time limited to five minutes. A Public Comment opportunity not to exceed two minutes will be available immediately following the presentation. An opportunity for more general public comments will be available at Thursday's meeting.

Executive Officer Matsuda summarized that the Board will now hear 50 project grant applications who met their criteria -- scoring within the top 25 percent of their division and then also scoring the minimum threshold percentage of 70 percent or above in sections 2 through 4. She also reiterated that presentation of 13 planning grants would occur tomorrow (Thursday).

Deputy Attorney General Moe briefly reviewed the requirements of AB 716 and stated that if any questions arise on projects that involve land acquisition she would be happy to try to address those.

Division 1

Proposed Grant number 2. Fiddletown Preservation Society, Inc., Amador County.

Amount requested: \$225,000

Purpose: to preserve two historical structures representing the Chinese community.

Presenter: Carl McDanel, Project Manager, Restoration of Chinese Structures (ROCS Project); and Board of Directors member, Fiddletown Preservation Society.

When asked about the meaning of a work plan item titled "updates of \$124,000" Mr. McDanel responded that the updates involve structural stabilization and the addition of palm beams and diaphragms.

Mr. McDanel also clarified that the updated request proposal was actually for \$214,950 and that the CEQA permits have all been approved.

Proposed Grant Number 10. Dana Adobe Nipomo Amigos, San Luis Obispo County.

Amount requested: \$916,480

Purpose: to purchase 23 acres surrounding the adobe and for restoration of the adobe.

Presenter: Mr. Herb Kandel, President and acting Manager, Rancho Nipomo Dana Adobe; also representing the Land Conservancy of San Luis Obispo County and San Luis Obispo County.

Mr. Kandel clarified that they are requesting the grant money to purchase the 23 acres listed as Parcel 4 in the accompanying materials.

Deputy Attorney General Moe asked about an environmental oil spill on the property. Mr. Kandel responded that there is oil leakage from a Conoco Phillips pipeline that has existed there since the 1930's. Some environmental contamination has occurred on Parcel 1 and possibly the corner of Parcel 4. Conoco Phillips has been doing repairs and the Regional Water Quality Control Board is reviewing those repairs. The full extent of the leak is unknown at this time. Deputy Attorney General Moe hoped this could be clarified before a final decision is made.

Proposed Grant number 11. Sierra Historic Sites Association, Madera County.

Amount requested: \$224,565

Purpose: to renovate the existing structures in the Fresno Flats Historic Park.

Presenter: Ms. Monica Moulin, Vice President and Board Member, Sierra Historic Sites Association Board.

Ms. Moulin clarified that the actual number of yearly visitors to the site is between 4-5,000.

Executive Officer Matsuda explained that the Association would need to find another alternative to the donation of the lease to fulfill their match of monies for the project, as the lease is dated from 1999 and only new resources are allowed for matching monies. This would need to be done prior to funding approval.

Proposed Grant number 13. Point Arena Lighthouse Keepers, Inc., Mendocino County.

Amount requested: \$1,384,600

Purpose: renovation of the lighthouse tower and immediate area surrounding the site.

(Note: this was a recipient of a Round 2 CCHE planning grant of \$200,000)

Presenter: Ms. Pauline Zamboni, Project Manager, Point Arena Lighthouse Keepers, Inc.

Proposed Grant number 14. Tahoe Maritime Museum, Placer County.

Amount requested: \$300,000

Purpose: for construction of a new museum.

Presenter: Mr. Tom Bredt, Board and Project Manager, Tahoe Maritime Museum.

Proposed Grant number 20. Environmental Nature Center, Orange County.

Amount requested: \$1,916,750

Purpose: for creation of an indoor learning center.

Presenter: Bo Glover, Executive Director and Project Manager, Environmental Nature Center.

Proposed Grant number 24. Sahm Fow Chinese Community, Inc., Yuba County.

Amount requested: \$342,683

Purpose: for the rehabilitation of the Bok Kai Temple.

(Note: this was a CCHE Round 1 grant recipient that voluntarily withdrew from funding because of long-term control issues)

Presenter: Ms. Janice Soohoo Nall, President, Sahm Fow Chinese Community.

Executive Officer Matsuda verified that this project basically has the same costs as was requested in Round 1.

Proposed Grant number 8. Kennedy Mine Foundation, Amador County.

Amount requested: \$150,000

Purpose: to construct an archive of historic records on the mine.

Presenter: Mr. William Braun, President, Kennedy Mine Foundation.

Mr. Braun clarified that the documents to be archived are the intellectual property of the Kennedy Mine Foundation, as the Foundation is a public benefit corporation.

Proposed Grant number 31. San Jose Taiko.

Amount requested: \$1,250,000.

Purpose: not stated.

Presenter: No presenter was in attendance.

Proposed Grant number 32. Landmark Heritage Foundation, Alameda County.

Amount requested: \$202,102

Purpose: for the major maintenance of the facility.

Presenter: Ms. Mary Breunig.

Proposed Grant number 36. Fullerton Historic Theatre Foundation, Orange County.

Amount requested: \$3,000,000

Purpose: for the renovation of the Fox Theatre.

Presenter: Mr. Jon Wagner, Executive Director, Fullerton Historic Theatre Foundation.

Executive Officer Matsuda verified that CCHE policies allow an applicant to use up to 30 percent of their total amount as a loan or a line of credit, and the applicant has presented a matching fund requirement plan using more than 30 percent; thus, in terms of the Board, if the Foundation would like to use a loan they would be limited to \$900,000 rather than the \$1.250 million indicated in the project description. The applicant would need to show other funding to fulfill the remainder.

(End of Division 1 presentations)

Division 2

Proposed Grant number 2. Project Restore, Los Angeles County.

Amount requested: \$2,514,815

Purpose: for the restoration of a Frank Lloyd Wright building known as the Hollyhock House.

Presenter: Mr. Kevin Jew, Chief Operating Officer, Project Restore.

Mr. Jew explained that the House is a city facility and will remain a city facility. Project Restore is a public/private partnership that was created with the city in 1986.

Proposed Grant number 4. California Museum for History, Women, and the Arts, Sacramento County.

Amount requested: \$3,000,000

Purpose: for the renovation of their two main galleries.

Presenter: Mr. Steve Wiersema.

Mr. Wiersema explained that the Museum's mission has evolved beyond the title of the Museum (originally called the Golden State Museum and then the Museum for History, Women and the Arts and now the above name) and they will be positioning it as the state's history museum.

Proposed Grant number 7. Capital Unity Council, Sacramento County.

Amount requested: \$3,000,000

Purpose: for the fabrication and installation of several gallery exhibits.

Presenter: Mr. Robert H. Harris.

Mr. Harris clarified that the timeline calls for finishing the exhibits no later than October 2009.

Proposed Grant number 11. American River Conservancy, El Dorado County.

Amount requested: \$2,278,500

Purpose: for the acquisition of land.

Presenter: Mr. Ehrgott.

Mr. Ehrgott clarified that State Parks and Recreation will own the land.

Deputy Attorney General Moe pointed out that the proposed grant doesn't really fit the normal template for Endowment projects, which typically focus on either restoration or a new project. It also doesn't follow Endowment's requirement that the applicant have the exclusive control of the premises for (usually) 20 years. It is possible that it could be restructured in a way that would require some future commitment to the restoration or a historical project, but the commitment isn't there as part of the current project. It is basically acquisition of the open space with potential for a future historic project.

Mr. Ehrgott elaborated that State Parks will eventually own the underlying fee title portion but the American River Conservancy would maintain a conservation easement indefinitely that would control the use of the land. Mr. Ehrgott further stated that the commitment of the Conservancy is long term and indefinite; that it will own a part of that title in taking on and monitoring the conservation easement over time.

Board Member Reeves expressed concerns about being able to grant money for an acquisition of land with no guarantees.

Mr. Ehrgott responded that yes, perhaps that is a weak spot of the grant, but they do feel very, very confident and very optimistic that the funds will be in place prior to their contract date of January 31, 2008 and that the Board can rest assured that the project will actually be completed and closed prior to the release of CCHE funds.

Board Member Reeves asked if there was any way that the Board can vote on the project in such a way as to give the community an opportunity on the condition that they could raise the money. Deputy Attorney General Moe responded that the difficulty would be if the organization is relying upon funding from the Endowment and then acquires the property and has their bridge loan and then are not able to meet that condition, then that would probably pose problems for them; i.e., if the condition can't be met and the money is therefore not there from the Endowment.

Proposed Grant number 13. San Francisco Museum and Historical Society, City and County of San Francisco.

Amount requested: \$3,000,000

Purpose: for creation of the San Francisco Museum.

Presenter: Mr. Erik Christoffersen, Executive Director, San Francisco Museum and Historical Society.

Mr. Christoffersen verified that the matching funds requirements have all been fulfilled.

Proposed Grant number 18. Crystal Cove Alliance, Orange County.

Amount requested: \$2,804,194

Purpose: for preservation of 46 cottages.

Presenter: Mr. Dan Gee, Chairman and Project Manager, Crystal Cove Alliance.

Mr. Gee clarified that California State Parks owns the cottages, which are rented out. The Crystal Cove Alliance has a 20 year concession contract to operate the facilities, which includes both overnight and food service.

Proposed Grant number 19. Western Center Community Foundation dba Western Center for Archaeology and Paleontology, Riverside County.

Amount requested: \$394,241

Purpose: for the creation of a simulated dig site.

Presenter: Mr. Bill Marshall

Proposed Grant number 21. Angel Island Immigration Station Foundation, Marin County.

Amount requested: \$3,000,000

Purpose: for the preservation of the historic hospital building.

Presenter: Ms. Kathy Owyang Turner, President of the Board and interim Executive Director, Angel Island Immigration Station Foundation.

(Mr. Vince Brown, Department of Finance, replaced Ms. Anne Sheehan as representative for Mr. Michael Genest. Ms. Sheehan had another commitment.)

Proposed Grant number 23. Berkeley Society for the Preservation of Traditional Music dba Freight & Salvage Coffee House, Alameda County.

Amount requested: \$1,398,602

Purpose: to create a new theatre in Berkeley's new art district.

Presenter: Mr. Steve Baker, Executive Director, Freight & Salvage Coffee House; and Project Manager, New Home Capital Project.

Proposed Grant number 24. San Francisco Planning and Urban Research Association, City and County of San Francisco.

Amount requested: \$1,800,000

Purpose: for the creation of the new Urban Center.

Presenter: Ms. Diane Filippi, Director, San Francisco Planning and Urban Research (SPUR) Urban Center.

(End of Division 2 presentations)

Division 3

Proposed Grant number 1. Discovery Science Center, Orange County.

Amount requested: \$1,600,000

Purpose: for the completion of the installation and display of the Delta Rocket III Interstage and RS-68 rocket booster engine.

Presenter: Mr. Joe Adams, President, Discovery Science Center; Project Manager, Delta Projects.

Mr. Adams specified that the CCHE funding is directed towards building the platforms, which are the structural supports that holds the rocket in place.

Proposed Grant number 8. Zoological Society of San Diego, San Diego County.

Amount requested: \$3,000,000

Purpose: for the creation of the Elephant Odyssey Experience.

Presenter: Mr. Ed Lewins, Exhibit Coordinator, Elephant Odyssey Experience.

Proposed Grant number 11. Museum of Latin American Art, Los Angeles County.

Amount requested: \$1,293,500

Purpose: for the renovation of new property to house art and staff.

Presenter: Mr. Robert Myers, President and CEO, Museum of Latin American Art.

Proposed Grant number 14. Pasadena Playhouse, State Theatre of California, Inc., Los Angeles County.

Amount requested: \$3,000,000

Purpose: for acquisition of land.

Presenter: Mr. Sheldon Epps, Artistic Director, Pasadena Playhouse.

Mr. Epps explained that the grant monies, combined with matching and other funds, would be used to purchase the entire portion of the property, including the Playhouse and the six-story support building.

Assemblymember Portantino expressed his support and reiterated that the City of Pasadena has stated that they will work with the state on whatever covenants, deed restrictions or other requirements the state may have, as the City wants to preserve this historic location as well.

Proposed Grant number 15. Autry National Center of the American West, Los Angeles County.

Amount requested: \$165,000

Purpose: to extend the elevator to all floors of the facility.

Presenter: Ms. Faith Raiguel, Vice President and COO, Autry National Center.

Proposed Grant number 16. California Academy of Sciences, City and County of San Francisco.

Amount requested: \$2,000,000

Purpose: to create a permanent California exhibit in their new facility.

Presenter: Mr. Greg Farrington, Executive Director, California Academy of Sciences San Francisco.

Proposed Grant number 17. Kidspace: A Participatory Museum dba Kidspace Children's Museum, Los Angeles County.

Amount requested: \$3,000,000

Purpose: to create an exhibit focusing on engineering and technological achievement and innovations in southern California.

Presenter: Mr. Michael Shearing, Exhibits and Facilities Director, Kidspace.

Mr. Shearing explained that, although the entire design process will re-start and the project will need to go back to the City of Pasadena and go through the entire construction permitting process again, they were still able to build into their current schedule the liquidation timelines necessary to maintain CCHE eligibility.

Proposed Grant number 21. California State Railroad Museum Foundation, Sacramento County.

Amount requested: \$3,000,000

Purpose: for seismic upgrades of their facility.

Presenter: Ms. Cathy Taylor, former Museum Director, California State Railroad Museum.

Ms. Taylor clarified that the Foundation doesn't privately own the structures; rather, they are currently leased. Eventually the structures will be owned by State Parks but that is part of a complicated process that is not completed as yet.

This project will be a partnership between State Parks and the Foundation.

Proposed Grant number 22. Crocker Art Museum Association, Sacramento County.

Amount requested: \$1,805,400

Purpose: to construct dedicated rooms on California art from the Gold Rush to the present.

Presenter: Ms. Lial Jones, Museum Director, Crocker Art Museum.

Proposed Grant number 25. The Old Globe Theatre dba The Old Globe, San Diego County.

Amount requested: \$3,000,000

Purpose: to support the construction of a new public plaza and theatre center.

Presenter: Mr. Louis Spisto, Executive Director, The Old Globe.

Mr. Spisto elaborated that the \$3 million would be allocated for the theater stage, mechanical equipment and the lighting and audiovisual equipment.

Mr. Spisto confirmed that they have secured the matching funding.

Proposed Grant number 26. Museum Associates dba Los Angeles County Museum of Art, Los Angeles County.

Amount requested: \$3,000,000

Purpose: for rehabilitation of the May Company Building.

Presenter: Ms. Melody Kanschat, President, Los Angeles County Museum of Art (LACMA); Project Manager, LACMA rehabilitation of the May Company Building.

(Board Member Booth excused herself for the hearing of this proposed grant as she is a trustee on the LACMA Board).

Ms. Kanschat clarified that the \$3 million in Endowment support will be used to replace the electrical and mechanical systems. Construction would begin in the spring of 2008 and be completed by 2010.

(end of Division 3 presentations)

Division 4

Proposed Grant number 1. San Francisco Recreation and Parks Department, City and County of San Francisco.

Amount requested: \$3,000,000

Purpose: for the restoration of the rotunda and colonnade of the Palace of Fine Arts.

Presenter: Ms. Lena Chen, Project Manager, Palace of Fine Arts project.

Ms. Chen explained that this grant would be used by the partnership of the City and County of San Francisco and the Maybeck Foundation and is the third phase of the overall project.

Chair Hildreth mentioned that the Board has received communication from Mayor Newsom that this is the city's first priority for projects.

Proposed Grant number 2. Parks and Community Services Department of the City of San Ramon, Contra Costa County.

Amount requested: \$282,549

Purpose: for the restoration of the Forest Home Farm.

Presenter: Mr. Jeff Eorio, Parks and Community Services Director, City of San Ramon.

Executive Officer Matsuda explained that, because there is no specific breakdown of what CCHE will pay and what the City of San Ramon will pay for all the tasks and deliverables noted in the work plan, the actual amount requested would need to be reconciled.

Proposed Grant number 5. City of San Dimas, Los Angeles County.

Amount requested: \$2,000,000

Purpose: for the restoration of an 1880's shingle-style railroad hotel.

Presenter: Mr. Blaine Michaelis, Executive Director, San Dimas Redevelopment Agency.

Proposed Grant number 14. City of Santa Rosa Recreation and Parks Department, Sonoma County.

Amount requested: \$1,004,737

Purpose: for the renovation and restoration of the DeTurk Round Barn House.

Presenter: Mr. Bill Montgomery, retired Deputy Director, Santa Rosa Recreation and Parks Department; and acting Project Manager, DeTurk Round Barn Historic Preservation and Community Building Project.

Proposed Grant number 17. Redevelopment Agency of the City of Santa Cruz, Santa Cruz County.

Amount requested: \$2,855,000

Purpose: for the conversion of the Tannery Ancient Art Studio.

Presenter: Mr. Scott Dennis, Lead Architect.

Executive Officer Matsuda stated that the project description details a loan amount in excess of the 30 percent allowed by CCHE policy. Joe Hall, City of Santa Cruz Redevelopment Agency, stated that they are aware of the discrepancy and have sent a letter to staff clarifying how they will change their funding formula to meet CCHE guidelines.

Proposed Grant number 20. City of Merced, Merced County.

Amount requested: \$3,000,000
Purpose: for the restoration of the Merced Theatre.

Presenter: Mr. Bill Cahill, Assistant City Manager, City of Merced.

Mr. Cahill clarified that the Merced Theatre Foundation has been the primary vehicle for raising community support and donations and will operate the theatre on a long-term lease; the city will be the owner of the real estate and the building.

Proposed Grant number 25. Oakland Redevelopment Agency, Alameda County.

Amount requested: \$2,470,000
Purpose: for the restoration of the Oakland Fox Theatre.

Presenter: Mr. Jeffrey Chew.

Proposed Grant number 28. California Polytechnic State University, City of San Luis Obispo, San Luis Obispo County.

Amount requested: \$780,000
Purpose: for the renovation of the Old Power House.

Presenter: Mr. Joel Neel, Project Manager and Associate Director of Facilities, Planning and Capital Projects, Cal Poly.

Mr. Neel confirmed that the project could meet the bridge loan requirements and thus be funded and meet the CCHE timelines.

Proposed Grant number 31. City of Los Angeles Department of Cultural Affairs, Los Angeles County.

Amount requested: \$3,000,000
Purpose: for the renovation of the Vision Theatre.

Presenter: Mr. Ernest Dillahay, Performing Arts and Cultural Facilities Director, Department of Cultural Affairs.

Chair Hildreth stated that Mayor Villaraigos has informed the Board that this project is their second priority.

Executive Officer Matsuda clarified that the Board would be able to obtain all the information and breakdown of tasks and deliverables needed if the Board decides to reserve funding for this project.

Proposed Grant number 35. City of Chowchilla, Madera County.

Amount requested: \$722,195
Purpose: for the creation of the Welcome Center.

Presenter: Ms. Ellen Bitter, Project Manager, City of Chowchilla.

Proposed Grant number 37. City of Roseville, Placer County.

Amount requested: \$1,500,000
Purpose: for the creation of the Maidu Interpretive Center.

Presenter: Ms. Paula Finley, Park and Recreation Manager, City of Roseville.

Proposed Grant number 46. City of Los Angeles Department of Recreation and Parks, Los Angeles County.

Amount requested: \$2,275,000

Purpose: for the rehabilitation of the Echo Park Boathouse.

Presenter: Mr. Darryl Ford, City of Los Angeles Department of Recreation and Parks.

Proposed Grant number 48. Port San Luis Harbor District, San Luis Obispo County.

Amount requested: \$830,525

Purpose: for the rehabilitation of the light tower.

Presenter: Mr. Steve McGrath, Facilities Manager, Port San Luis Harbor District.

Mr. McGrath noted that he became aware just today about an omission and error in the application which reduces the request for funding to \$671,037.

Proposed Grant number 49. San Bernardino County Museum, San Bernardino County.

Amount requested: \$3,000,000

Purpose: to create the Hall of Geological Wonders.

Presenter: Mr. Eric Scott, Curator of Paleontology, San Bernardino County Museum, and acting Project Manager, CCHE grants.

Proposed Grant number 50. City of Sutter Creek, Amador County.

Amount requested: \$1,074,706

Purpose: for the acquisition and renovation of the Knight Foundry.

Presenter: Mr. Rob Duke, City Manager and Police Chief, City of Sutter Creek.

Deputy Attorney General Moe pointed out some issues related to site cleanup and subsequent transfers of ownership that complicate the vesting of the ownership interest requirement in Endowment statutes.

Chair Hildreth commented that it's an enormously important project that is vastly complicated and thus the Board would have to take the proposed grant under advisement.

Proposed Grant number 58. Sacramento Housing and Redevelopment Agency, Sacramento County.

Amount requested: \$300,000

Purpose: for the rehabilitation of the Locke Boarding House.

Presenter: Mr. Greg Wessel, Assistant Director, Housing and Community Development, Sacramento Housing and Redevelopment Agency.

Board Member Brown clarified that, although the proposed project sounds like a reasonable request, if the project is going through the Budget Change process then

it still has to go through Department of Finance and then through the legislative approval processes and thus is far away from any sort of a commitment.

Deputy Attorney General Moe pointed out that the project has some difficulties with the Board's existing long-term control policy, because the State Parks is the owner and is going to have long-term control. Sacramento Housing and Redevelopment is going to be doing the short-term construction portion. Thus, the Board would have to revisit that policy to go through the current arrangement.

Proposed Grant number 59. Santa Clara County Park and Recreation Department, Santa Clara County.

Amount requested: \$1,918,629

Purpose: for the restoration of the Casa Grande grounds.

Presenter: Mr. Mark Frederick, Construction Manager, Santa Clara County Parks and Recreation Department; and Project Manager, restoration of the Casa Grande New Almaden.

Proposed Grant number 60. Vista Irrigation District, San Diego County.

Amount requested: \$190,000

Purpose: for the restoration of the Warner-Carrillo Ranch House.

Presenter: Mr. Roy Coox, Assistant General Manager and Treasurer, Vista Irrigation District.

Recess:

The meeting recessed at 9:20 p.m.