

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

**Wednesday, April 23, 2008**

**1:08 P.M.**

Location: Los Angeles City Hall  
Board of Public Works Session Room, Room 350  
200 North Spring Street  
Los Angeles, California  
And  
State Capitol  
Department of Finance  
CAP Weinberger Conference Room, Room 1145  
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. Thomas Sheehy (via teleconference)  
Ms. Betsy Reeves  
Mr. James Irvine Swinden  
Mr. Jon Vein  
Assemblymember Karen Bass, represented by Mr. Max Espinoza (via teleconference)  
Senator Christine Kehoe, represented by Ms. Deanna Spehn

Staff in attendance:

Ms. Diane Matsuda, Executive Officer  
Ms. Marian Moe, Deputy Attorney General  
Mr. Joe Klun, Assistant Director (via teleconference)  
Mr. Frank Ramirez, Research Program Specialist  
Ms. Francelle Phillips, Research Analyst  
Mr. Tony Planchon, Research Analyst  
Mr. Mike Neff, Research Analyst  
Ms. Kathleen Cronin, Research Analyst (via teleconference)  
Ms. Mimi Morris, Bureau Chief, Administrative Services Bureau

**Also present:**

Ms. Lori Gardner, Madera County Resource Management Agency  
Mr. Rayburn Beach, Planning Director, Madera County Resource Management Agency  
Mr. Grady Billington, Vice President, San Joaquin Valley Paleontology Foundation

Mr. Russell Branson, Administrative Services Director and Treasurer, City of Roseville  
Mr. Mike Shellito, Assistant City Manager and Community Services Director, City of Roseville  
Mr. Jon Mooney, Environmental Director, Wiyot Tribe  
Mr. Gary Wooten, Mayor of Sutter Creek (via teleconference)  
Mr. Bernard Parks, Councilmember, Los Angeles City Council  
Eric Garcetti, President, Los Angeles City Council  
Mr. Isaac Kos-Read, Townsend Public Affairs, for Museum of Latin American Art (via teleconference)  
Dr. B. J. Mitchell, Board President, Tehachapi Performing Arts and Museum Center

### **1. Roll Call**

Mr. Planchon called the roll.

### **2. Closed Session**

Chairperson Hildreth adjourned the meeting into closed session.

Back on the record: Legal Counsel Moe reported that the Board met in closed session with counsel. She opened the meeting back into public session.

### **3. Chairperson's Report**

- Chairperson Hildreth noted that this meeting is the last meeting for Board Member Suzanne Deal Booth as well as Executive Officer Diane Matsuda.
- The Board will be discussing various options on how to deal with money that has been currently returned to the Endowment when a project has voluntarily withdrawn from funding. Beginning discussions for a policy regarding this issue will occur today under Agenda Item 10.

### **4. Approval of Minutes from December 13, 2007 and February 27, 2008 Meetings**

Upon motion by Delegate Sheehy, seconded by Board Member Booth, a roll call vote of all Board Members was taken. The following voted to approve the minutes of December 13, 2007:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

Upon motion by Delegate Cash, seconded by Board Member Martinez, a roll call vote of all Board Members was taken. The following voted to approve the minutes of February 27, 2008:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

## 5. Executive Officer's Report

Ms. Matsuda reported on the following items:

- This will be her last meeting as Executive Officer and she thanked everyone for their strong support and commitment to this program. The Board's leadership has allowed staff to create a solid foundation on which to expand upon.
- Ms. Mimi Morris, currently Chief of Administrative Services at the California State Library was introduced. Ms. Morris will serve as a liaison between the Board Chair, Board members, and CCHE staff, particularly at the CCHE Board meetings. There is a strong commitment from both staff and management to make sure grants continue to be monitored at the same level and attention as has always been performed.
- The Mexican Heritage Corporation, located in San Jose, California has voluntarily withdrawn from further funding consideration. They currently have a planning grant of \$100,000 with CCHE.

Chairperson Hildreth said the Board has shown trust in her to be able to have an effective transition, but if in the future, additional funds are identified for the Endowment, she will come to the Board to revisit the staffing pattern for the Endowment and consider filling the Executive Officer position.

## 6. Review of Round One Projects (Action)

### 6.1 Round One Applicant: Madera County Resource Management Agency, located in Chowchilla, California for the amount of \$1,403,234

Ms. Matsuda said this project is coming before the Board to review and consider the approval of the change of the project location of the museum, the time line for CEQA compliance, and workplan that is being proposed.

At the last Board meeting, the Madera County Resource Management Agency came before the Board indicating they were in the process of purchasing land from a private landowner to build a building. It was unclear at that time as to the length of time it would take to complete the negotiations with the current landowner and other issues regarding the rezoning of the land to be purchased. This item was tabled until this meeting in order that the applicants could obtain further information and report back to the Board.

Ms. Gardner, with Madera County Resource Management Agency, reported that they have successfully concluded negotiations for the land purchase in Madera. There is an agreement with the landowner and the contract is in the County Counsel's office being developed for the purchase of the nine acres of property that is across the street from the landfill. This is the proposed new location for the Fossil Discovery Center. She provided an aerial photograph of the property and then introduced Mr. Ray Beach, Director of the Resource Management Agency.

Delegate Sheehy asked the details regarding the rezoning. Mr. Beach said the only real issue was the adjoining property of the seller. He wanted to include land use change on the draft pending plan for the area. His request was recognized. Preliminary environmental review of the site has been initiated. The review has been positive across the range. Closure of the environmental review process is anticipated within 90 days, adoption of the full conditional use permit within six months, and initiation of construction immediately thereafter.

Board Member Reeves asked how much money has been raised for this project outside of the state. Mr. Beach said they continue to push in this area and are placing some of the park resources towards this effort. The local purchase price has been raised; \$105,000 has been covered by the county and local resources and he continues to work with the Foundation to seek additional funds.

Mr. Grady Billington, Vice President, San Joaquin Valley Paleontology Foundation said the Foundation's primary goal is education. They are in the process of applying for two grants with the Chukchansi Rancheria Indian Reservation for equipment and other items needed to prep fossils. The Foundation is collaborating with Dr. Joyce Bluford and Dr. Schwartz.

Mr. Terry Dolph, President of the San Joaquin Valley Paleontology Foundation, said the Foundation has several donors that have guaranteed gifts towards the operation of the Discovery Center. The Foundation has a 12-member Board and 60 volunteers. It is working to do outreach to the schools and high schools.

Upon motion by Board Member Reeves, seconded by Delegate Cash, a roll call vote of all Board Members was taken. The following voted to allow Madera County Resource Agency to continue with its project:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

## **7. Review of Round Two Projects (Action)**

### **7.1 Applicant: City of Roseville, located in Roseville, California for the amount of \$725,625**

Ms. Matsuda said this project is before the Board to review and consider the approval of the budget for their project and the proposed workplan to begin in 2009 for the construction of the Maidu Interpretive Center. This project was heard at the last Board meeting and was tabled until the applicant could come back with further assurances that they would be able to financially undertake the project within the time specified. Mr. Russell Branson and Mr. Mike Shellito from the City of Roseville were introduced.

Mr. Branson said there is a total amount of \$4.7 million from city funds, the grant from the Board, as well as from other state grants. The city money is a combination of public facility fund fees and citywide park fund fees. These fees have been collected for many years and it is not related to the general fund. The design of the new buildings has been completed. This has been a long-term commitment for the city and the money is in place. The project will begin on March 23, 2009 and be completed by December 31, 2009.

Mr. Shellito, Assistant City Manager and Community Services Director said the construction drawings for the project are complete. The CEQA is complete. The project will be bid in the fall and it is hoped they will break ground as early as January or February of 2009. The project is fully funded and the City of committed to building it.

Upon motion by Delegate Cash, seconded by Board Member Vein, a roll call vote of all Board Members was taken. The following voted to approve the City of Roseville's workplan:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

## **7.2 Applicant: Wiyot tribe located in Eureka, California for the amount of \$310,000**

Ms. Matsuda said this is a project to consider the approval of funding for the rehabilitation of the structures on Indian Island in Humboldt Bay. In February 2007 the Board granted an extension because the EIR conducted had not been completed. Last week the lead agency passed the resolution for the project and approved the final findings and statement of overriding consideration. This project will allow the Wiyot Tribe to reestablish the Tuluwat Village world renewal ceremony on the original site where the members of the Wiyot people and their ancestors have inhabited for over one thousand years.

Mr. Jon Mooney, Environmental Director of the Wiyot tribe and Project Manager for the Tuluwat Restoration Project thanked the Board and staff for working with them and for their support for this project.

Upon motion by Board Member Imura, seconded by Board Member Swinden, a roll call vote of all Board Members was taken. The following voted to approve the CCHE Board Resolution 08B-4-49, resolution approving the CCHE grant and authorizing the Executive

Officer or designee to process the approved grant for the Wiyot tribe for the Tuluwat Restoration Project:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

## **8. Review of Round Three Projects (Action)**

### **8.1 Applicant: Nevada County Land Trust located in Nevada City, California for the amount of \$300,000**

Ms. Matsuda said this project is before the Board to consider approval of the reduction in the amount of CCHE funding from \$300,000 to \$150,000. A letter was received from Mr. Joseph William Byrne, from the Nevada County Land Trust explaining the reasons for the reduction.

Upon motion by Board Member Vein, seconded by Board Member Imura, a roll call vote of all Board Members was taken. The following voted to accept the Nevada County Land Trust request of reducing their allocation to \$150,000:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

### **8.2 Applicant: The Museum of Latin American Art located in Long Beach, California in the amount of \$1,239,367.50.**

Ms. Matsuda said this item is before the Board to consider the approval of funding for the construction of the museum addition.

Mr. Bob Myers, President of the Museum of Latin American Art and Project Director said this project is for a storage facility for a permanent collection, as well as a conservation center. It will also free up gallery space and add approximately 25 percent more museum art viewing space to the gallery. The design process has been completed and the work building permit is being obtained from the City of Long Beach. The construction period should be completed in late January or early February with a grand opening scheduled for late February or early March.

Delegate Sheehy noted that he has a conflict of interest on this project and he will not be voting.

Upon motion by Board Member McDonald, seconded by Board Member Booth, a roll call vote of all Board Members was taken. The following voted to approve Resolution 08C-3-11 approving a CCHE grant and authorizing the Executive Officer or designee to process the approved grant for the Museum of Latin American Art project:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves

**8.3 Applicant: City of Sutter Creek, located in Sutter Creek, California for \$870,750**

Ms. Matsuda said this project is before the Board to approve funds to be used for the acquisition of land, cleanup, and the restoration of Knight Foundry. This is one of three projects that the Board approved during the Round Three process for land acquisition.

Mr. Gary Wooten, Mayor of Sutter Creek, said he appreciates the support of the Board. The Foundry is moving forward with the land acquisition and the restoration will start immediately after the acquisition which should be in August.

Upon motion by Delegate Cash, seconded by Board Member Imura, a roll call vote of all Board Members was taken. The following voted to approve Resolution Number 08C-4-50 and approve the CCHE funding and authorizing the Executive Officer to process the approved grant to the City of Sutter Creek:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

**9. Proposed Policy Regarding CCHE Grant Agreement Extensions of Time**

Ms. Matsuda said in the past the Board has granted extensions for projects when specific reasons for the delay have been provided. Extensions are granted on a project-by-project basis for up to a period of three to six months. CCHE is now reaching a point in its program where more projects are requesting extensions. Staff is respectfully requesting that the Board consider a policy that would be implemented for all projects. The proposed policy that is before the Board today would require staff to report to the Board, on a quarterly

basis, where the projects are with their workplans and highlight those projects that are six-plus-more months behind in their workplan.

Chair Hildreth said it is important to create a framework for projects that are not abiding to their time line, particularly in light of the fact that the Board has a time limit on the expenditure of these funds. By identifying projects that are not coming to fruition the Board would be able to reallocate those funds.

Board Member Reeves said the proposed policy is a prudent one, but she is concerned about projects not being able to raise funding due to our economic downturn. There may be projects that are in a vulnerable position and they should be identified as soon as possible.

Delegate Sheehy pointed out that by extending projects the Board further extends administrative resources which could ultimately become a problem for the program.

Upon motion by Delegate Sheehy, seconded by Board Member Swinden, a roll call vote of all Board Members was taken. The following voted to adopt the last paragraph in the staff report in terms of the extension framework and that staff report to the Board on a quarterly basis:

Board Member Swinden  
Board Member McDonald  
Board Member Vein  
Board Member Booth  
Board Member Martinez  
Board Member Imura  
Delegate Cash  
Board Member Reeves  
Delegate Sheehy

Delegate Spehn asked staff to send a copy of the new policy to all of the current applicants so they are apprised of their status. Ms. Matsuda said the new policy will also be posted on the website.

Chair Hildreth introduced Councilmember Parks, whose district the Board is meeting in. Councilmember Parks thanked the Board for the grant that was given to the Vision Theater. This will be the focal point for not only cultural but financial activities in the Leimert Park area.

Eric Garcetti, President, Los Angeles City Council was introduced to the Board. Mr. Garcetti welcomed the Board and thanked them for their hard work. His district is the recipient of two grants; Echo Park and Barnsdall Park.

## **10. Discussion of options to consider for funds returned back to the general grant fund**

Chair Hildreth noted that this is a preliminary discussion to consider options for funds returned back to the Endowment by the projects who have voluntarily withdrawn from further funding consideration. This is the first public hearing regarding this matter.

Ms. Matsuda provided the following information:



CCHE has a current total dollar amount of \$840,000 (and possibly \$990,000) of funding that is in the general grant fund. It is anticipated that there may be other projects from all three rounds that will not be able to fulfill CCHE requirements within the timeline specified and thus, additional amounts of money may also be added. At this time, however, it is difficult to predict the total amount of available funds. Funding must be encumbered by June 30, 2010 and liquidate all the grants by June 30<sup>th</sup> 2012.

Options to consider:

Option 1 focuses on grants that that the Board deliberated on in August 2007. There are 41 project grant applicants that the Board has reserved funding for. This option would entail that they provide to the Board a one-page narrative. The Board would determine if further consideration should be given on a case-by-case basis and also determine the level of funding for a particular project.

Option 2 has a larger pool base with a pool of 73 grant applicants who applied in the Round Three process and met the minimum threshold requirements. This group of applicants would be required to submit a two page narrative to the Board and the Board would again decide on a case-by-case basis as to the level of funding that these projects would receive.

Option 2A would only focus on 32 of the Round Three projects. These projects scored the minimum percentage but did not receive a reservation of funding.

Option 3 refers to Round Two and Round Three project grant applicants who scored the minimum threshold percentage. This pool consists of 188 grants totaling \$260 million.

Option 3A reduces the pool by looking at Round Two and Round Three project grant applicants who scored the minimum threshold percentage but did not receive a reservation of funding. This pool consists of 102 grant applicants totaling \$135 million.

Option 3B would only look at Round Three project grant applicants who scored in the top 25 percent of their division but did not receive a reservation of funding. This pool consists of 18 grant applicants totaling \$25 million.

Board Member Swinden asked if Round One could be included in Option 3B. Legal Counsel Moe said the concern would be that an applicant who applied for Round One applied with information that was particular to the Round One criteria; the criteria for Round Two and three was different from Round One criteria.

Delegate Sheehy said the Board, when choosing an option, should take into consideration the amount of workload that is involved because there is limited staff and Ms. Matsuda is leaving. He would support options that narrow the field of opportunity. In this way the amount of money that is available will do more good if it is focused on a few projects as opposed to being diluted over a great number of projects.

Option 4 would look at all rounds and project grant applicants who have either received an approval of funding or reservation of funding. They would be asked to

submit a two page narrative to update their current information. The Board would make its determination on a case-by-case basis. The pool would consist of 156 grant applicants totaling \$125 million.

Option 5 would be the general grant application process. It would only consist of the planning grants. This could be open to any eligible applicant. It would mean the creation of a new grant cycle of funding and a cap would need to be set of \$300,000 for planning grant applicants.

Option 6 would open it up to all eligible applicants, create a new cycle of funding and grant criteria, and then the Board would determine what level of funding it would like to award the particular projects that come forward.

Chair Hildreth asked Ms. Matsuda to provide her point of view regarding the options. Ms. Matsuda said limiting the amount of applicants who would be able to apply for the funding would be a disadvantage because there would not be a diverse pool eligible, however it would allow the remaining staff to continue to monitor projects at the same level as in the past. One of the main reasons to take this narrow approach is so there would not be a pool of people that would have to learn the process. To have an applicant who already knows the process will save time.

Delegate Espinoza asked what the staffing would look like if CCHE received additional grant applications. Chair Hildreth said if there were another grant cycle then she would strongly recommend to focus on the planning grants. Staff would have to be geared up, possibly some temporary or limited term retired annuitants for the process of reviewing the applications, but once CCHE went through the awarding of the applications the planning grants would not take as much monitoring. She said the Board should look at its staffing plan and its requirements to staff this program based on five percent or less of the bond funding to see if there is room to add capacity.

Delegate Spehn recommended that the Board consider projects in Round Two and Three that are not funded because they went through a much more detailed rigorous preparation and review period and met the minimum threshold.

Board Member Imura said she would like to add to Delegate Spehn's comments that the option would allow the Board the opportunity to possibly identify projects in areas that it was not able to fund in the first three rounds.

Board Member Reeves asked the Board to look at the information that was provided for Option 3B. Option 3B talks about nine projects from Round Two and nine projects from Round Three. These applicants scored in the top 25 percent of their division but did not receive a reservation of funding.

#### Public Comment

Mr. Isaac Kos-Read, representing the Latin American Museum of Art in Long Beach spoke strongly in favor of Option 1.

Mayor Wooten (Sutter Creek) respectfully suggested that the Board consider Option One and to look at some of the projects that were cut.

Dr. B.J. Mitchell from Tehachapi, California gave a strong plea for the Board to consider Option Five.

#### Board Comment

Board Member McDonald said he would support either Option One or Four.

Chair Hildreth said staff is looking for guidance as to how the Board wants to move forward. She felt it would be helpful to narrow down the options.

Delegate Sheehy said he supports limiting the options, and preferably to the applicants that have been working with staff, in order not to start a whole new process. He said he is prepared to support a narrower option.

Board Member Swinden said he supports Option 3B.

Board Member Vein said he also supports 3B but he is concerned about the dollars available. Chair Hildreth said it could be a rolling kind of process where as soon as the Board knew that something was going to be falling by the wayside it would get that money out the door. Ms. Matsuda said it would be hard for her, at this point, to know what the dollar figure would be, but she will know more after August. Board Member Vein said he would like to re-visit this but he does like Option 3B.

Chair Hildreth asked whether the Board agreed that they would not consider opening up another completely new round. Delegate Sheehy said he would vote "no" on an option to open up a completely new round.

Delegate Sheehy asked staff to report back on Option 5 of the planning grant. He is in support of Option 5 but would like to have more information.

Delegate Cash recommended that since a decision does not have to be made today that more information should be provided on the amounts available. He would like the Board to take this opportunity to try to fund projects in areas that were somehow skipped or were underfunded or underrepresented.

Board Member Martinez said she believes that the field should be narrowed down and Option 3B provides a framework.

Board members applauded and thanked the efforts of both Ms. Matsuda and Board Member Booth.

#### **11. Adjournment**

Upon motion by Board Member Vein, seconded by Board Member Booth, the meeting was adjourned at 4:15 p.m.