

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

Thursday July 24, 2008

10:00 A.M.

Location: State of California Resources Building Auditorium
1416 Ninth Street
Sacramento, CA

Members of the Board in attendance:

Ms. Susan Hildreth, Chair
Mr. Mike Chrisman, represented by Mr. Bryan Cash
Ms. Georgette Imura
Ms. Carmen Martinez
Mr. Michael Genest, represented by Mr. Thomas Sheehy
Ms. Betsy Reeves
Mr. James Irvine Swinden
Mr. Jon Vein
Assemblymember Mike Davis
Senator Christine Kehoe, represented by Ms. Deanna Spehn

Staff in attendance:

Ms. Mimi Morris, Interim Executive Director
Mr. Joe Klun, Assistant Director
Ms. Marian Moe, Deputy Attorney General
Mike Neff, Project Specialist
Ms. Angela Kwong, Office Technician
Ms. Francelle Phillips, Project Manager
Ms. Kathleen Cronin, Project Manager
Mr. Atif Sarwar, Student Assistant

Also present:

Mr. Barry Brouillette, Rural Media Arts and Education Project
Mr. William Lindemann, State of California, Department of Parks and Recreation
Ms. Laura Phillips, Rural Media Arts and Education Project
Mr. Anthony Radanovich, Rural Media Arts and Education Project
Mr. Alan Ehrgott, American River Conservancy

1. Roll Call

Ms. Kwong called the roll; a quorum was established.

2. Chairperson's Report

Chair Hildreth welcomed Assemblymember Mike Davis, recently appointed by Speaker Karen Bass, to serve as her replacement on the California Cultural and Historical Endowment Board.

Chair Hildreth announced that the goal for this meeting is to complete the agenda before lunch. The Board will take public comments, before it goes into closed session.

The topic of policies and procedures for returned funds will be taken up in great detail at the October Board meeting. If Board members have any concerns or comments about the reallocation of CCHE funds they should feel free to send their comments to Interim Executive Director Mimi Morris.

3. Approval of Minutes from April 23, 2008 Meeting

Upon motion by Delegate Cash, seconded by Board Member Reeves, the April 23, 2008 minutes were approved unanimously.

Chair Hildreth said that she had received a public comment card from Dr. Mitchell who asked for a correction to the minutes. The minutes reflect that she favored number six for the reallocation when in fact she is in support of number five.

Delegate Sheehy moved, seconded by Board Member Vein to modify the minutes to correctly reflect Dr. Mitchell's comment in support of option number five. The motion passed unanimously.

4. Interim Executive Director's Report

Ms. Morris reported on the following items:

- Recent project updates: A Sacramento Bee article describing the Tahoe Maritime Museum (a Round Three project), an announcement regarding a weekly history class to be held this fall at the rehabilitated John Marsh House (a Round Two project), and a web page dedicated to the Stanton Macdonald-Wright Mural series at the Santa Monica Public Library (a Round One project).
- Staff has been working diligently on a new approach to managing the large volume of data regarding the 155 projects. An in-house database is now being used to track both programmatic and fiscal information. A searchable database online, complete with photos and project descriptions should be available within a few months.
- Project Reports:
 - There are two projects that are six months behind; the Richmond Natatorium and the Balboa Park California Tower in San Diego.
 - Round Three Applicant Status Report: There are 8 Round Three projects on today's agenda being presented for approval of funding. The remaining 7 projects will come before the Board at the next board meeting.
 - The CCHE Project Status Report: The final page of this report shows a total of grants awarded from all the funding rounds. There is a balance available in the

general grant fund of approximately \$1.5 million, with anticipated additions from two Round Two reductions bringing the balance up to over \$2.2 million.

- There will be an update on the general grant fund and a full discussion of the options for funds returned back to the general grant fund at the next Board meeting

5. Review of Round Two Projects (Action)

Chair Hildreth noted that project 5.3, the Fort Mason Foundation, has been withdrawn from the agenda because there is a signed grant agreement for this project.

5.1 Round Two Applicant: City of Lomita in the City of Lomita for \$150,000 (Resolution No. 08-BP 4-14)

Ms. Morris said this is a Round Two planning grant applicant that plans to expand the Lomita Railroad Museum. As they are unable to fulfill the original scope of work they have requested a reduction in the amount of funding from CCHE from \$150,000 to \$75,000.

Upon motion Board Member Imura, seconded by Delegate Cash. Resolution No. 08-BP 4-14 was approved unanimously.

5.2 Round Two Applicant: Empire Mine Park Association located in the City of Grass Valley for \$1,286,220 (Resolution No. 08-B 1-45)

Ms. Morris said this is a Round Two project grant interested in the restoration of the Empire Mine. The applicant is requesting a reduction in their grant from \$1,286,220 to \$620,600. The applicant believes that even with this reduction they will still be able to fulfill the original scope of the project to provide underground mine tours for the public. After reviewing the scope of work, staff believes this project can be successfully completed.

Mr. Lindemann, District Interpretive Specialist with the Sierra District of California State Parks, said with the reduction of this project the integrity of the original scope, which was to bring people in, is still preserved. What has been reduced is the permanent, exterior support structures that were designed to facilitate maintenance and tour operations. These have now been converted to modular structures. In addition, the conveyance method for the tour has been removed. This will be replaced by a fully accessible walking tour on an unpaved but compacted trail. It is hoped that at some point in the future enough funds will be raised to install the conveyance method.

Upon motion by Delegate Sheehy, seconded by Board Member Reeves. Resolution No. 08-B 1-45 to approve the reduction from \$1,286,220 to \$620,000 was carried unanimously.

5.3: Round Two Applicant: Fort Mason Foundation in the City of San Francisco for \$100,000 (Resolution No. 08-BP 3-4)

This item has been withdrawn from the agenda.

6. Round 2 Presentation and Deliberation of Funding for the Rural Media Arts and Education Project (Action)

Chair Hildreth said she will not be voting on this project.

6.1 Applicant: Rural Media Arts and Education Project in the City of Mariposa for \$1,630,640

Ms. Moe said this is a special presentation by Rural Media Arts and Education Project as a result of a litigation settlement. Ms. Moe explained that the Board had previously been provided with grant application summaries from each of the Round Two Division One projects to compare with this project as well as other materials from the April 2006 meeting. Based on these materials and the presentation the Board will now consider Rural Media Arts and Education Project's application and compare it with the other eligible projects from Round Two Division One, using the same criteria from Round Two.

As with all the other eligible Round Two projects the Board has the option to approve funding for this project but is under no obligation to do so. If the Board decides to fund this project the amount of funding is at the Board's discretion considering CCHE's finances, the merits of the project in comparison to other Round Two Division One projects and using the criteria from Round Two.

Mr. Brouillette provided a presentation on the Rural Media Arts and Education Project.

Mr. Vein said it has been some time since the original application and asked what has happened since then in terms of funding. Mr. Brouillette said after the purchase in 2006, at the time of the original application, extensive damage was found. A \$100,000 grant was secured from USDA. This money was used in the beginning process of restoration to stabilize the building.

Mr. Swinden said in the application on page 12 under Project Budget Summary of CCHE Funds typically there is an explanation of why an additional amount over and above the ten percent for indirect costs is being requested and he did not see an explanation. Mr. Radanovich said he was of the understanding that it had been included and he could certainly provide the explanation at a later date.

Mr. Swinden asked Mr. Radanovich if he felt that the work that has been done has eliminated some of the contingency costs. Mr. Radanovich said that he felt that probably some of the indirect costs could be reduced.

Mr. Cash asked if the cost that is being requested is what will be needed to complete the project or could the amount be less. Mr. Radanovich said yes, the amount could complete the project.

Chair Hildreth asked the applicant to address the fact that they are asking for 100 percent matched reduction. Most of the projects that have asked for this type of reduction have at least been able to display what their in-kind contribution would be in terms of local labor, donations, etc. Mr. Radanovich said going into the project \$17,000 was received in local support. To date there has been a good response from the community providing free labor. In-kind services have been received in terms of engineering as well and the current contractor has reduced his cost to reflect some in-kind services.

Ms. Reeves said it might be better if the Board had more information about in-kind donations. Mr. Vein said there needs to be clarity as to whether the budget is an accurate go-forward product; how much of the contingency does the applicant feel can be taken away.

Ms. Moe clarified that the Board has 30 days from today's date to make a decision. The Board does not have to make a decision today but they have to inform the applicant of their decision 30 days from today's date. The decision that the Board makes would have to be made in public session. If the Board does not make a decision today then another meeting would be required before the 30-day deadline.

Mr. Swinden asked the Board to consider the following proposal: That the Board consider funding this project. He would feel comfortable if the Board reduced the contingencies down to its standards. Mr. Swinden suggested that the indirect costs be reduced by ten percent and that the contingency costs be reduced by 5 percent bringing the new total to \$1.3 million.

Upon motion by Delegate Cash, seconded by Board Member Vein, a roll call vote of all Board Members was taken. The following voted to fund this project at \$1.3 million and noting that there is a 100 percent waiver of the match (as described in Resolution Number 08-b 1-59):

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

7. Review of Round Three Projects (Action)

7.1 Applicant: Dana Adobe Nipomo Amigos in the City of Nipoma for \$861,166.91 (Resolution No. 08-C 1-10)

Ms. Morris said this project is before the Board to consider approval of funding for \$861,166.91 for the acquisition of 29 acres surrounding the Adobe and for the restoration of the site.

Chair Hildreth noted that the Board members received a resolution in their packet. There are a number of contingencies and terms of the real estate transaction that would have to be in place in order to make this project happen. She asked for a motion to approve Resolution 08-c1-10 for Dana Adobe Nipoma Amigos.

Upon motion by Board Member Vein, seconded by Board Member Imura. Resolution No. 08-C 1-10 approved unanimously.

7.2 Applicant: Kennedy Mine Foundation in the City of Jackson for \$145,125 (Resolution No. 08-C 1-36)

Ms. Morris said this item is before the Board to consider the approval of funding for the construction of an archive facility for Kennedy Mine artifacts.

Upon motion by Board Member Swinden, seconded by Delegate Cash. Resolution No. 08-C 1-36 was approved unanimously.

7.3 Applicant: Fullerton Historic Theatre Foundation in the city of Fullerton for \$1,983,375 (Resolution No. 08-C 1-36)

Ms. Morris said this item is before the Board to consider the approval of funding for the restoration of the historic Fullerton Fox Theatre (Reso. No. 08-C 1-36).

Upon motion by Board Member Martinez, seconded by Board Member Swinden. Resolution Number 08-C 1-36 was approved unanimously.

7.4: Applicant: Project Restore in the city of Los Angeles for \$1,935,000 (Resolution No. 08-C 2-2)

Ms. Morris said this item is before the Board to consider approval of funding for the restoration of the Hollyhock House at the Barnsdall Park Art Park, pending the approval of the lease by the Board of Recreation and Parks and the Los Angeles City Council.

Upon motion by Delegate Sheehy, seconded by Board Member Swinden. Resolution Number 08-C-2-2 was approved unanimously.

7.5: Applicant: American River Conservancy, in the City of Placerville for \$483,750 (Resolution No. 08-C 2-11)

Ms. Morris said this item is before the Board to consider approval of funding for the stabilization and restoration of the Graner Farmhouse, the site of the Wakamatsu Tea and Silk Farm Colony.

Mr. Alan Ehgott, Director of American River Conservancy offered to answer any questions that Board members might have. There were no questions.

Upon motion by Delegate Cash, seconded by Board Member Imura. Resolution Number 08-C 2-11 was approved unanimously.

7.6: Applicant: Old Globe Theatre, dba The Old Globe in the City of San Diego for \$1,635,075 (Resolution No. 08-C 3-25)

Ms. Morris said this item is before the Board to consider approval of funding for the construction of updated facilities in the Old Globe campus.

Upon motion by Board Member Swinden, seconded by Board Member Reeves. Resolution Number 08-C 3-25 was approved unanimously.

7.7: Applicant: City of Merced in the City of Merced for \$1,935,000 (Resolution No. 08-C 4-20)

Ms. Morris said this item is before the Board to consider approval of funding for the restoration of the auditorium and lobby of the Merced Theatre.

Upon motion by Board Member Reeves, seconded by Board Member Martinez. Resolution Number 08-C 4-20 was approved unanimously.

7.8: Applicant: Sacramento Housing and Redevelopment Agency, in the City of Locke for \$290,250 (Resolution No. 08-C 4-58)

Ms. Morris said this item is before the Board to consider approval of funding for the construction of a handicapped-accessible restroom and parking lot for the historic Locke Boarding House.

Upon motion by Board Member Imura, seconded by Board Member Vein. Resolution Number 08-C 4-58 was approved unanimously.

8. Authorization for Chair or her designee to process and enter into Grant Agreement (Resolution No. 2008.01)

Ms. Morris said this item is before the Board to approve a motion to allow the Board Chair to process grant agreements or allow a designee to conduct this role. This role has been handled by the Executive Officer of CCHE. Since this position is vacant this motion will allow staff to continue to enter into grant agreements with the 20 named applicants included in this motion.

Upon motion by Board Member Vein, seconded by Delegate Cash. Resolution No. 2008.01 was approved unanimously.

9. Public Comment

There was no public comment.

10. Board Member Comment

Delegate Davis said he thoroughly enjoyed his first meeting and looks forward to future meetings.

11. Administrative Matters

Chair Hildreth said Board Members will be polled for suggested dates for the upcoming meeting in October. A location will be determined and Board Members will be advised of the date and location for the October meeting.

12. Closed Session

The Board recessed into closed session at 11:17 a.m. The Board reconvened in open session and Ms. Moe reported that the Board had given her direction regarding the litigation.

13. Adjournment

Upon motion by Delegate Sheehy, seconded by Delegate Cash, the meeting was adjourned at 11:33 a.m.