

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

**Wednesday, November 19, 2008**

**10:30 A.M.**

Location: Environmental Nature Center, Oak Room  
1601 E. 16<sup>th</sup> Street  
Newport Beach, 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. Robert McDonald  
Mr. Michael Genest, represented by Ms. Jeannie Oropeza  
Ms. Carla Sands  
Mr. James Irvine Swinden  
Mr. Jon Vein  
Assemblymember Mr. Mike Davis  
Senator Christine Kehoe, represented by Ms. Deanna Spehn

Staff in attendance:

Ms. Marian Moe, Deputy Attorney General  
Ms. Mimi Morris, Interim Executive Director  
Ms. Francelle Phillips, Project Specialist  
Mr. Frank Ramirez, Program Manager  
Mr. Tony Planchon, Research Analyst

**Also present:**

Mr. Andrew Merriam, Port San Luis Lighthouse Keepers  
Ms. Ellen Bitter, City of Chowchilla  
Ms. Nancy Red, City Administrator, City of Chowchilla  
Mr. John Chavez, Chowchilla City Council  
Mr. Waseem Ahmed, Chowchilla Chamber of Commerce and Planning Commission  
Mr. Robert Mackensen, Chowchilla District Historical Society  
Ms. Diane Tanaka, Go for Broke National Education Center  
Mr. Tom Butt, Rosie the Riveter Trust  
Ms. Jan Williamson, 18<sup>th</sup> Street Arts Center  
Mr. Alan Ziter, NTC Foundation  
Mr. David Burton, Autry National Center of the American West  
Ms. Pam Hannah, Southwest Museum of the American Indian  
Mr. Luke Swetland, Autry National Center of the American West  
Ms. Teri Mountford, City of San Ramon  
Ms. Jean Pasco, Orange County Archives

Dr. B.J. Mitchell, Board President, Tehachapi Performing Arts and Museum Center  
Mr. George Newell, Executive Director for the Tannery Arts Center

### **1. Roll Call**

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

### **2. Chairperson's Report**

Chair Hildreth welcomed new Board member Carla Sands to the meeting

She advised the Board that she attended the City of Auburn School Park Preserve Cooper Amphitheater's ribbon cutting ceremony. She encouraged Board members to visit the amphitheater. She has also been invited to attend the Carnegie Library and Tech Center in Calexico for their opening on December 6.

Chair Hildreth reviewed the agenda with those present.

### **3. Approval of Minutes from July 24, 2008 Meeting**

Upon motion by Board Member Cash, seconded by Delegate Oropeza, the July 24, 2008 minutes were approved.

### **4. Interim Executive Director's Report**

Ms. Morris reported on the following items:

- The Fresno Metropolitan Museum of Art and Science opened to the public after an \$18 million renovation to expand the museum's exhibit space. The Endowment's contribution of \$2.5 million will preserve one of the valley's most remarkable architectural monuments and also provide an important gathering spot and forum space in the California Central Valley community. (Photographs of the Fresno Museum, as well as other projects which are coming to a close were distributed.)
- The City of Calexico, with Endowment support of \$714,000 has completed the transformation of its Carnegie Library into a cultural history and technology center. The center will provide Internet access to the public and a much-needed meeting space for local community groups. The grand opening will be held on December 6, 2008 and all Board members are welcome to attend.
- The Academy of Science in San Francisco opened its doors to reveal their renovated structure and exhibits, a project that has been in the making for over ten years. A virtual visit of this project can be viewed at [calacademy.org](http://calacademy.org)
- Staff is working towards the creation of an online searchable database. In the meantime, a static snapshot of the 156 Endowment projects have been posted on the Endowment's website ([endowment.library.ca.gov](http://endowment.library.ca.gov)) Staff is working to turn this listing into an interactive version of photos of each project and a link to each project's respective website. It is hoped to have this in place by April of next year.

- Of the 156 projects, 30 have been closed out, 11 are in the process of closing out, and approximately 115 of them are still active.
- Project Reports:
  - There are eight projects that are six months behind (they will be discussed further along on the agenda).
  - Round Three Applicant Status Report: There are 7 Round Three projects that have not yet had their reservation of funding converted into an approval of funding.
  - 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 \$943,000.

Ms. Morris asked Board members to think about the possible need for a maximum time allowed for a project between their approval of funding and their execution of a grant agreement.

The Endowment program has a final date of June 30, 2010 for the encumbrance of project funds. There is a two-year liquidation period after that date, but all funds must be fully encumbered as of June 30, 2010 according to the current statutory authority or the funds will be lost. There are 20 projects with approved funding which are not yet in grant agreement and there is currently no maximum time established between the approval of funding and the establishment of grant agreements.

In order to avoid too many stragglers, Ms. Morris proposed a time limit of 90 days in order to ensure that all the funds are utilized.

## **5. Approval of Funding for Round Three Projects with Reserved Funding (Action)**

### **5.1 Capital Unity Council located in the City Sacramento for \$1,451,250 (Resolution No. 08-C 2-7)**

Ms. Morris said this is a Round Three project grant application to consider approval of funding for the fabrication and installation of several galleries.

Upon motion Board Member Vein, seconded by Board Member Imura a vote of all Board Members was taken. Resolution No. 08-C 2-7 was approved unanimously.

### **5.2 Crystal Cove Alliance located in the City of Newport for \$1,451,250 (Resolution No. 08-C 2-18)**

Ms. Morris said this is a Round Three project grant application to consider approval of funding for the restoration of historic cottages and creation of a small village center. She pointed out that the staff report incorrectly indicated that this is the second and final phase. In fact, there is a third phase that is the final phase, and that includes restoration of 17 more cottages.

Upon motion by Board Member McDonald, seconded by Board Member Swinden a vote of all Board Members was taken. Resolution No. 08-C 2-18 was approved unanimously.

**5.3 Discovery Science Center in the City of Santa Ana for \$1,161,000 (Resolution No. 08-C-2-7)**

Ms. Morris said this is a Round Three project grant application to consider approval of funding for completion of the installation of the Delta III Rocket Interstage and an RS-68 Rocket Booster Engine.

Upon motion Board Member McDonald, seconded by Board Member Vein a vote of all Board Members was taken. Resolution No. 08-C-2-7 was approved unanimously.

**5.4 Pasadena Playhouse State Theatre of California, Inc. (PPST) in the City of Pasadena for \$967,500 (Resolution No. 08-C 3-14)**

Ms. Morris noted that there is a change to this item. This item is listed under approval of funding for the acquisition of the playhouse. This applicant is actually still working through the details of the acquisition and will need more time. Accordingly, this Round Three project grant applicant is requesting an extension to their funding reservation until the next Board meeting. Staff believes this project is moving forward and making progress and it is reasonable to move ahead.

Mr. Cash asked how long it will take for the appraisal to be approved by DGS. Ms. Phillips said this project is in the middle of the approval process at DGS and negotiations are still occurring with the Playhouse. Ms. Morris said she believes this project will be moving forward quickly.

Upon motion Board Member Swinden, seconded by Board Member Imura a vote of all Board Members was taken. Resolution No. 08-C 3-14 was approved unanimously.

**5.5 Port San Luis Harbor District in the City of Avila Beach for \$649,228.30 (Resolution No. 08-C 3 4-48)**

Ms. Morris said this is a Round Three project grant application to consider approval of funding for the restoration of the Point San Luis Lighthouse.

Andrew Merriam, past president of the Point San Luis Lighthouse Keepers, offered to answer any questions the Board might have. No questions were asked.

Upon motion Board Member Cash, seconded by Board Member Swinden a vote of all Board Members was taken. Resolution No. 08-C 3 4-48 was approved unanimously.

**6. Extension Requests for Round Three Projects with Reservation of Funding (Action)**

Chair Hildreth said when the Board allocated the last round of funds in August 2007 the goal was for all projects to have an approval of funding by August 2008. Some projects are not ready to come before the Board for approval of funding. For this category of projects, staff is recommending extensions of time for their reservation of funding.

**6.1 The California Museum for History, Women and the Arts in the City of Sacramento for \$1,935,000 (Resolution No. 08-C 2-4)**

Ms. Morris said this is a Round Three project applicant and they are working to raise the required match and they are requesting an extension to their funding reservation until the next Board meeting.

Mr. Swinden asked if the applicant has indicated what percentage of match they will bring in. Ms. Morris said they are close to 50 percent of the match to date but this is one of the CCHE grantees that is being hit hard by the current financial situation. Chair Hildreth said she and staff have been working with this applicant very closely and they understand if they are not able to achieve this match they will be coming back and asking for a reduction of allocation based on the match that they are able to provide.

Upon motion Board Member Swinden, seconded by Board Member Cash a vote of all Board Members was taken. Resolution No. 08-C 2-4 was approved unanimously.

**6.2 City of Chowchilla in the City of Chowchilla for \$698,724 (Resolution No. 08-C 4-35)**

Ms. Morris said this is a Round Three project applicant and they would like the Board to consider an extension for the approval of funding for the creation of the Chowchilla Heritage Welcome Center because they are still working on CEQA compliance. The Board made the August 2007 funding reservation to reconstruct the 100-year-old Dodge Brothers Garage Building at either the same historical location or a nearby location.

The plan has now changed to reconstruct the building in a location far removed from the original site. In addition, since the August 2007 reservation of funding, the Board has learned that the building is in the process of being registered as a Heritage resource per Chowchilla's heritage preservation ordinance and qualifies as a historic resource for the purposes of CEQA.

Per the Round Three Application, release of CCHE funds reserved, applicants with funding reservations were allowed one year, until August 2008, to resolve all issues related to their projects.

Based on Board policy that was adopted at the April 23, 2008 Board meeting regarding projects that are more than six months behind, the following options are also available for addressing the City of Chowchilla's delayed project start: (1) allow the project to continue toward meeting the CEQA and site control requirements; (2) remove the reservation of funding for the project; (3) set a deadline for the requirements to be met. If the requirements are not met by that date, the funding for the project could automatically revert back into the general grant fund; (4) take other action as the Board deems prudent.

Staff recommends that the Board consider extending the reservation of funding until such time as the Environmental Impact Report is certified by the City and the City makes a decision on how to implement the project.

In light of the pending designation of the Dodge Brothers Garage Building as a local historic resource, if the City persists with their plan to demolish this historic resource, staff recommends that the Board withdraw the funding reservation per the Endowment's Do Not Harm Policy.

Ms. Ellen Bitter, project manager for the City of Chowchilla said she is requesting a time extension in order to complete the CEQA process. The close of the public comment period is today, November 19 and she has been forwarding any comments received on the EIR.

The City has had three evaluations completed. One engineer, who specializes in historic rehabilitations, presented an objective study that the building can be renovated. It has some serious construction issues and conditions, but yes, it can be renovated. He (Justin Capp with Welty & Associates) outlined steps on how to accomplish the renovation.

The City of Chowchilla had construction personnel and contractors evaluate this project and apply the costs that it would take for the renovation. The council deemed that this was not a project it could undertake. There was no one else waiting to adopt the building and take it forward, so the city concluded that for safety reasons and to move ahead, it needed to deconstruct the building, recognizing the historic fabric, and preserve materials, preserve features, architectural features and do another project.

The decision was made prior to the Round Three grant application. The City made application to the Board with the understanding that potentially the building could already have been taken down before any funding agreement, and the CEQA process would then focus on rebuilding a new building, either at that site or another location. Since that time, there have been incidences in the city with the potential for economic development, commercial development that have caused the City to look at some other options.

When the City came to the Board in August 2007 it had two locations, the existing site and a second site. Since then, with the development of the downtown revitalization plan and creation of a historic district, there are two other potential locations that the City is considering. Some might say they are too far away from the existing site. However, they are within what is to be a newly created historic district that contains numerous historic buildings that are still standing.

The City is confident that this project still meets the intention of the grant, that the merits on which the funds were reserved for the creation of the Welcome Center, replicating the historic building and what it represents and the use of the building are why the City continues pursuing this project.

The City has concerns with the report and with the resolution that suggests that if it continues along this path that would dictate that the funds be removed from the project when actually the city is continuing with the path on its original application.

The matching fund source is the redevelopment agency. They are involved in removing blight, creating economic vitality, and that potential support may not be available if the city is forced to retrofit the building where it stands.

The City is asking the Board to consider striking the last line adopting the information contained in the report which leads it to the conclusion that if the City moves forward with its original plan funds will have to be removed.

Ms. Nancy Red, City Administrator for the City of Chowchilla said the City is concerned and focused on historic preservation in its community and history of Chowchilla and this is why they made their application to this Board.

In the last three to four years the City has restored two buildings that are in the downtown redevelopment boundary. Both of those buildings were considerably above the budget that was originally presented. The City of Chowchilla's budget is very small and it does not have additional funding to go in the direction of retrofitting the current building. She completely supports the project manager and her request and presentation to this Board.

Mr. John Chavez, with the Chowchilla City Council, said he has an existing business in the downtown business district since 1925. History is a big part of his family and the City of Chowchilla. Because he sits on the City Council he understands the need to find a balance between the constraints of the city's budget and the importance of keeping the history.

Chair Hildreth asked Mr. Chavez to expand on where his business is and about a new historic district; what the context of this is compared to a downtown revitalization plan. Mr. Chavez said the building being discussed is on First Street and his business is in the middle of Third Street.

Mr. Waseem Ahmed, a member of the Chowchilla Chamber of Commerce and Planning Commission, said the City has an opportunity to obtain grant money to deconstruct and construct the building to the extent feasible and economically possible. This building is going to be condemned because it is a safety hazard. In order to move this forward a new building will need to be reconstructed. Given the current state of the economy, it is vital that the funding be secured to protect the community and to secure the business.

Mr. Robert Mackensen, a consulting preservation architect commissioned by the Chowchilla District Historical Society, said he has specialized in the field of historic preservation for over a quarter of a century. He has also served on the State Historical Building Safety Board.

In a letter dated January 28, 2008 to Ms. Diane Matsuda from the City of Chowchilla the City states that the building has been evaluated three times in the last eight years by structural engineers and noted that the Welty engineering firm performed the most recent report dated August 2004. However there was an omission of the full statement from Welty – "If deterioration is allowed to continue, the building will become a collapsed hazard under its own weight." The same most recent Welty report concluded with this statement: "It is our opinion, however, that this structure can be successfully refurbished and used as a public space.

The building is now surrounded by a chain link fence. After every earthquake, [areas of?]the building of questionable stability are fenced off, eliminating public access and possible hazards to life safety; but engineering and building professionals are routinely

permitted access in order to evaluate and shore up the damaged building. Chowchilla has summarily refused access to the building by a leading professional engineering firm despite the fact that the City's own attorney publicly stated he could produce documents that would remove any liability from the City.

No evidence is provided that makes it essential, in terms of life safety, to dismantle this building. Rite Aid will occupy the remainder of the block and they have embraced the concept of working with historic buildings and the preservation community in their pursuit of both growth and good public relations. The only thing needed is the City administration's willingness to negotiate a refinement of the CCHE grant that makes it possible for Chowchilla to retain both the historic structure, and the necessary financial support associated with the CCHE grant.

The Chowchilla District Historical Society and numerous members of the Chowchilla community request that this Board direct the City to explore the rehab on-site alternative as a condition for reconsideration.

Ms. Oropeza asked if there is a sense of what the costs would be with a rehab in the existing site compared to moving it would be. Ms. Bitter said at the time the Council made the decision the cost to deconstruct and rebuild the building was going to save the City about \$200,000.

Chair Hildreth asked what the overall project cost would be if the City were just doing new construction and adding some of the exterior. Ms. Bitter said in order to get to an occupiable structure with the architectural features it would cost \$1.4 million.

Mr. Vein asked the significance of moving the building to the historic area other than opening up the commercial aspect. Ms. Bitter said her understanding is the historic district and guidelines for development and redevelopment in the historic district will tie architecture into that period (early '20s and '30s which is when Chowchilla really boomed.) Outside of that zone, there is more flexibility to the commercial district.

Mr. Swinden said there must be some validity as to why the City is going to move the building from the site it is on to some other site. Ms. Bitter said the City has to weigh all factors and upon conclusion of the environmental document the next step will be to make the decision of where the building would be located.

Ms. Red said the City initiated the process of redevelopment of downtown to (1) the establish the redevelopment agency to start the funding process; (2) develop a comprehensive plan downtown for all of Chowchilla's history. There was a concern that the downtown area would become extinct and there has to be a certain number of buildings within an area that can be clearly identified as historic. There is one block within the downtown area that has this number of buildings. This finding was after the original application was submitted.

There is one other area, the old community park that has the oldest homes in the community surrounding it, but it is outside the downtown area. So there were only two identifiable areas that the City could find structures to focus on.



Mr. Swinden noted that the City is not planning on moving the building from the present site. Mr. Bitter confirmed that this is correct. The community only has so many funds and it is a balancing act.

Mr. Cash asked if there has been any consideration of doing the deconstruction and reconstruction in the current area. Ms. Bitter said this is one of the options being considered.

Ms. Martinez asked if the City has a master plan that allows the Dodge Brothers building to remain where it is as a welcome center. She asked if this was the original vision. It sounds as if the master plan has changed several times. Mr. Red said when the application was submitted, the council had made the decision not to restore the building, knowing the cost would be beyond its abilities. So at that time it was planned to deconstruct and reconstruct the building onsite. Since the process is now moving forward there is more information available and the four sites were brought in to play as far as the location.

Ms. Martinez asked Mr. Mackensen if he was objecting to deconstructing the building and reconstructing it in the historic park. Mr. Mackensen affirmed that this is correct. Of the four alternatives there is no alternative being explored to repair the building onsite.

Mr. Vein said a statement was made that the City seemed to be bordering on misstating to the Board by taking segments out of the most recent evaluation. He asked for clarification. Ms. Red said there have been numerous records, meetings, public meetings, open meetings, documentation available throughout this process. Mr. Vein said he heard language was taken out and it seems as though there was some sort of intent to mislead the Board. Ms. Red said she does not believe they mislead the Board because the application is still today what it originally was when they applied. As far as the engineering report, she does not believe there was any intent to mislead anyone because this information has always been available in totality.

Ms. Imura asked if the citizen's group is also opposed to deconstructing the building and reconstructing it on the existing site. Mr. Mackensen said deconstruction and reconstruction erases the building as an historic building. Regarding costs, his contacts specify that special stabilization of the building would cost not more than \$500,000 and to deconstruct the current building and create a reinforced brick building has got to cost more under the historic building code.

Chair Hildreth asked who appoints the Chowchilla Heritage Preservation Commission; how do they operate; and how long have they been in existence? Ms. Red said they have been in existence for four years. There is representation on that board which is dictated by the ordinance of various backgrounds and influences.

Chair Hildreth asked Mr. Mackensen if he had a point of view on the Historic Preservation Commission. Mr. Mackensen said he believes this Commission was convinced that the building was beyond repair; they were convinced there was no alternative to demolition. With the initial evidence, and the decision of the City to refuse access to professionals to make an informed decision, makes him concerned over their action.

Ms. Red said the City Council appoints individuals to the Chowchilla Heritage Preservation Commission.

Ms. Martinez asked what examples exist of a historic building being converted or transformed into a Rite Aid. Ms. Red said there are no examples. The Rite Aid is currently in a shopping center that was built in the '70s at the west end of the community. Rite Aid is looking to relocate in the downtown area. They want to locate within one of the blocks that are in the downtown area which is one of the sites of the current location.

Mr. Cash asked if it is known when the historic designation will occur. Chair Hildreth said it appears that the building is undergoing consideration for some kind of landmark or historic status and it is unclear when it is going to be conferred. This may impact the Board's decision. She asked what the process of this designation and who ultimately is the approving authority. Ms. Bitter said the document and the report have been reviewed and comments made, and it was approved by the Heritage Preservation Commission at their last meeting. It will be brought before the Planning Commission next Tuesday for approval.

Ms. Red clarified that this has not been agendized but the next step would be to present it to the planning commission once it is agendized. The Council is the one who has authority to designate.

Chair Hildreth said once the EIR is completed and submitted to this Board then the Board will make its own findings.

Mr. McDonald moved to approve staff's recommendation and set a deadline for requirements to be met and if the requirements are not met by that date, funding for the project will automatically revert back to the general grant fund.

Mr. Swinden said he would like to make an amendment to the motion. He would like to make sure that the motion does not restrict the Board's ability to consider anything else that happens in the interim period of time. Mr. McDonald accepted the friendly amendment.

The motion died for lack of a second.

Mr. Swinden moved to table this item until the next meeting, at which time the City should come forward with what it will be doing with the building and it should address some of the concerns that have been brought forth, seconded by Mr. Cash. The motion was approved unanimously.

Chair Hildreth encouraged the City to have information about the designation of the building by the next Board meeting which will be held in February or early March. Ms. Moe said she will work with the City representatives to get this information.

## **7. Review of Round One Projects (Informational only)**

### **7.1 Breed Street Shul Project, Inc. in the City of Los Angeles for \$235,000**

Ms. Morris said this is a Round One project grant application which is brought before the Board for information purposes only. This project has stalled in its progress, now work has begun on the project. Last week the grantee submitted a revised scope of work focusing solely on the back building classroom structure and a reiteration of a 12-31-09 completion date. Staff is encouraged by the documentation that was presented.

Mr. Swinden asked if the grantee is committed to this project. Ms. Morris said they are very committed and the project manager on this project believes that it was their lack of funding for their match component that was restraining them from progressing during the last six months. Mr. Ramirez said the grantee has been doing capital fund raising and have obtained some key grants which will help them go forward.

Upon motion by Board Member Vein, seconded by Board Member Imura, a vote of all Board Members was taken. The motion carried unanimously.

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

### **8.1 Go for Broke Educational Foundation in the City of Los Angeles for \$1,000,000 (Resolution No. 08-A-165)**

Ms. Morris said this is a Round One project grant applicant requesting a grant project term extension for the creation of an interpretive center. This is under the auspices of the April 23, 2008 policy passed by the Board wherein the Board approved extensions to project terms beyond six months.

Ms. Diane Tanaka, project director for the Go For Broke National Education Center said she is attending the meeting in support of this project. The project is moving forward and the project will be complete in the given timeline that she has provided to the Board. She said she is available for any questions the members may have of this project.

Chair Hildreth asked how long the fabrication will take after the exhibit design. Ms. Tanaka said the fabrication is six months. During that time the project will be in the construction of the building phase. By early 2011 the project will be in what is called clean; and that is when they can come in and install.

Chair Hildreth asked if the Endowment is financing all of the design. Ms. Tanaka confirmed that their request was for funds for exhibit design with partial architectural. Chair Hildreth asked Ms. Tanaka if both the final design phase for the exhibit and architectural drawings will be complete by March 2010. Ms. Tanaka said the architectural design should be complete by the end of 2009.

Upon motion by Board Member Vein, seconded by Board member Imura, a vote of all Board Members was taken. Resolution No. 08-A-165 was approved unanimously.

### **8.2 San Francisco Museum and Historical Society in the City of San Francisco for \$2,887,500 (No. 08-A-205)**

Ms. Morris said this is a Round One project grant applicant requesting a grant project term extension for the rehabilitation of the San Francisco Mint to house the San Francisco Museum. Unfortunately, the project manager is ill and was not able to attend today's meeting. She noted that they have requested a substantial extension prior to this request for extension and they are asking for a one-year extension. Allowing them an extension to 2009 will give the Endowment at least six months to re-encumber any funds into another project.

Upon motion by Board Member Swinden, seconded by Board member Vein, a vote of all Board Members was taken. Resolution No. 08-A-205 was approved unanimously with language that "the Board will not be entertaining any further extensions to this project".

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

### **9.1 Rosie the Riveter Trust in the City of Richmond for \$2,000,000 (Resolution No. 8-B 1-32)**

Ms. Morris said this is a Round Two project requesting an extension to their project terms and in excess of six months for the rehabilitation of the Maritime Historical Center into an Interpretive Center.

Mr. Tom Butt, a member of the Richmond City Council, said this project is making good progress. This project is part of a larger project that has a lot of partners and is quite complicated. Getting everyone aligned in their part of the project has slowed down the initial part of the project but it is now moving more quickly. This project will be into final construction documents just after the new year and it is hoped it will be under construction by late spring/early summer. He believes, with this extension, the project will meet the deadlines.

Chair Hildreth said the staff report mentions that there may be a college prep charter school related to the maritime center. Mr. Butt said there are actually two charter schools on site now, one temporary and one permanent. Part of the building may be used for both preschool and lower grade elementary school classrooms for the charter school. Chair Hildreth asked if the involvement of the charter school will require the project to have to go the Department of the State Architect to get it approved for school. Mr. Butt said it would not because charter schools do not have to go through DSA.

Ms. Imura said she heard that Contra Costa may close four schools and asked if the charter schools will be impacted by this. Mr. Butt said probably not because the schools that would be the highest priority for not closing are those where construction is either completed or funded through a bond program.

Upon motion by Board Member Cash, seconded by Board Member Martinez, a vote of all Board Members was taken. Resolution No. 08-B 1-32 was approved.

### **9.2 18<sup>th</sup> Street Arts Center in the City of Santa Monica for \$100,000 (Resolution No. 08-BP 2-9)**

Ms. Morris said this project is requesting an extension, a second extension in excess of six months to June 30, 2010.

Chair Hildreth said she is concerned that this project is trying to make this a community process which is a fabulous idea, but it will slow the project down and cause the timeline not to be met. Jan Williamson, Project Manager and Executive Director of the 18<sup>th</sup> Street Arts Center said what slowed the project down in this process was that the organization went through strategic planning that was informing the culture facility part of the project. This process is complete now and she will have directives from the strategic plan to give to the architecture firm to start their design concept. She does not view the community involvement as an obstacle; it was internal challenges that slowed the process down.

Upon motion by Board Member McDonald, seconded by Delegate Oropeza, a vote of all Board Members was taken. Resolution No. 08-BP 2-9 was approved.

**9.3 Naval Training Center Foundation in the City of San Diego for \$100,000 (Resolution No. 08-BP 2-10)**

Ms. Morris said this is a Round Two project, known as the NTC Foundation, and it is the rehabilitation of the NTC Officers' quarters and gardens. This project has requested an extension of more than six months.

Mr. Alan Ziter, with the NTC Foundation, said in addition to doing the planning and the vision on the quarters and gardens, seven buildings have been renovated. Unfortunately, there was a problem with one of the contractors. The grant was to do a historic structure report on the homes, which is now completed, but this is where the project incurred problems. Part one of a four-part garden master plan has been completed. Mr. Ziter emphasized that this project will not come back to the Board for another extension.

Upon motion by Board Member McDonald, seconded by Board Member Imura, a vote of all Board Members was taken. Resolution No. 08-BP 2-10 was approved.

**9.4 County of San Diego, Department of Parks and Recreation in the City of Spring Valley for \$35,000 (Resolution No. 08-BP 1-2)**

Ms. Morris this is a Round Two planning grant. This project has requested a Grant Agreement Project Term extension in excess of six months for the development of historical structures report and construction drawing for Bancroft Rock House project. The extension will go through May 1, 2009.

Upon motion by Board Member Cash, seconded by Delegate Oropeza, a vote of all Board Members was taken. Resolution No. 08-BP 1-2 was approved.

**10. Review of Round Three Projects (Action)**

**10.1 Autry National Center of the American West in the City of Los Angeles for \$160,121 (Resolution No. 08-C 3-15)**

Ms. Morris said this is a Round Three project grant applicant. This applicant had originally been funded for an elevator project to provide elevator access to all floors of the building. The applicant has requested an alternative project, which would be a material change, waterproofing and electrical upgrade to the museum entrance tunnel.

The staff recommendations is that the Board consider allowing the alternative project for the Autry National Center to proceed because this process is in keeping with the policy adopted at the April 26, 2007 Board meeting regarding material changes to projects.

David Burton, Director of Government Affairs at the Autry National Center, introduced Luke Swetland, Chief Operating Officer and Pam Hannah, Director of Operations at the Southwest Museum of the American Indian. Mr. Burton provided handouts illustrating the nature of the tunnel project.

Ms. Hannah said the original project that came before the Board was to extend the elevator to the top level. As the engineers were on site to make the final measurements they discovered that it was a few inches shy on the width and depth of the elevator shaft itself. It was determined that even the minimal size elevator would not fit within the elevator shaft that was in place. Other alternatives were looked at but it was discovered that because of other structural issues that came into play this project could not be accomplished with the budget.

Ms. Hannah said they are proposing to the Board another scope of work which is to waterproof the tunnel. There has been chronic leaking in the tunnel over the past few decades and it has compromised 20 historic dioramas. She showed photographs of damage.

Mr. Swinden asked if they were still going to move ahead on the elevator project. Ms. Hannah said they will but at a later date (within the next 3-5 years).

Chair Hildreth asked if there is disabled access to the facility. Ms. Hannah said there is no disabled accessibility between the first and second floors of the building. It will be incorporated into the master plan for the site in the next few years. She noted that none of the exhibits are on view at this time. There have been collections resting on the shelves for decades and staff is doing all this work, so they are taking themselves offline for a few years. They will make all these repairs, renovations, and work on the collections and bring themselves back online in four to five years as the Southwest Museum Educational and Cultural Center.

Mr. Swinden asked if the dioramas will be preserved. Ms. Hannah said they will be but it is not part of this project.

Upon motion by Board Member Imura, seconded by Board Member Martinez, a vote of all Board Members was taken. Resolution No. 08-C 3-15 was approved.

## **10.2 Parks and Community Services Department in the City of San Ramon for \$253,225 (Resolution No. 08-C 4-2)**

Ms. Morris said this project is to consider a Grant Agreement Project Term extension in excess of six months due to the postponement of matching financial support from the City of San Ramon for the project. The project is the rehabilitation of the walnut shed at Forest Home Farms into an education center.

Chair Hildreth noted that the Board is not going into the grant agreement because this project is not able to provide their match. So in lieu of that, they are providing a resolution and stipulating that they will have the money in '09-10.

Teri Mountford, program manager with the City of San Ramon Parks and Community Services Department, said she is representing the City to let this Board know that the City is fully committed to this program for '09-10. The City Council passed a resolution to fund this program beginning July 2009.

Ms. Oropeza asked if there was any likelihood between now and July that the City could take away the funding. Ms. Mountford said she did not believe this would happen. These funds are coming from the general fund

Chair Hildreth asked when the City budget will be approved. Ms. Mountford said the City's budgets are approved well in advance of the July 1 date.

Mr. Cash said he would not feel comfortable moving this item for approval until the City budget has passed. Chair Hildreth suggested tabling this item and ask the City to appear at the next meeting to see if there might be a way to put in their match for '08-09.

Upon motion by Delegate Oropeza, seconded by Board Member McDonald, a vote of all Board Members was taken to table this item and have the City come back at the next meeting to provide a commitment of funds in 08-09. The motion carried unanimously.

Board Liason Davis said he will be leaving and when the Board returns from lunch they will be discussing future allocations of consideration of funds. He mentioned two projects that have come to his attention : the Oakland Zoo East Bay Zoological Society and the Oakland School of the Arts Fox Theater. He asked for the Board's consideration for both of these projects.

Ms. Morris noted, for the record, that the general grant fund balance is \$940,000. Chair Hildreth said over the next six months it is anticipated there may be an additional amount from other projects that come back for reallocation. However, at this point there is less than one million dollars for reallocation. Board Member Davis said that the two requests he mentioned are at \$650,000.

#### **11. The Board met in closed session with legal counsel.**

Upon reconvening Ms. Moe noted that the Board met in closed session on the matter of Rural Media Arts and Education Project v. Hildreth. It was reported that the Endowment was successful in its opposition to a motion for attorney's fees, and a motion for attorney's fees was denied by the San Francisco Superior Court. The Board also provided direction to counsel.

In addition, the Board heard a recommendation from the Chair regarding the appointment of an Executive Officer for the Endowment.

## **12. The Board will consider the Chair's recommendation of an Executive Officer for the Endowment (Action).**

Chair Hildreth said in closed session she recommended to the Board to have Mimi Morris, who has been serving as the interim Executive Officer, be appointed as the Executive Officer. She will also continue to perform all of her Library duties which gives her recognition as managing the Endowment and also an increase in salary.

Upon motion by Board Member Cash, seconded by Board Member Swinden, a vote of all Board Members was taken. Motion carried unanimously to have Mimi Morris appointed as the Executive Officer for the Endowment.

## **13. Options for Residual CCHE Funds**

Ms. Morris noted that there are many documents for the Boards consideration with regard to this agenda item. She reviewed all documents with the Board members present explaining all options.

Appendix One is a document that was created for the April Board meeting and it has a CEQA element to it that all applicants must provide documentation indicating that they can use existing CEQA documentation to utilize the CCHE funds. In consultation with counsel, it is believed that this would dramatically constrain the number of applicants that are able to actually be considered. Ms. Moe said there are ways to structure this so that there will not be a big lag time for CEQA reasons.

Chair Hildreth said Option 1 and Option 2 goes back to projects that have already been funded; going back and seeing if the Board can add additional funds to projects that have already been funded. Options 1A, 1B, 2A, and 2B goes back to projects that have had a certain level of vetting and wouldn't create as much staff work because it looks at projects that have not been funded. She asked if the Board wants to try to spread the little amount of money that is left a bit further or should it focus on projects that are already in the pipeline.

Public Comment:

Jean Pasco, Director of the Orange County Archives said she is here to ask the Board to consider restoring funding for projects that already were vetted in the CCHE process and approved for grants but were unable to proceed. In May 2006, as a result of Round Two, her project was reserved \$150,000 planning grant to expand the Orange County Archives at the old county courthouse in Santa Ana. As the project moved ahead it became clear that the courthouse was not the optimal location for the archives expansion and they needed to find another site.

Since the planning grant approval was tied to the courthouse discussions were held with CCHE staff that they were not able to proceed with the grant. The next 18 months were spent researching other locations and in March of 2008 they bought a building one block away from the courthouse which will become the home to a new and expanded Orange County Archives. The expansion project, however, remains the same. Three years later



they are ready to put the \$150,000 planning grant to use. It is her hope that the planning grant can be considered for restoration when the Board is looking at what to do with the residual funds.

Chair Hildreth noted that there is not an option before the Board that includes planning grants that were not funded.

B.J. Mitchell from Tehachapi (Kern County) is here to ask the Board to consider having a second look at her application. The application was submitted three times and scored low each time and the explanations given for why that happened were nonsensical. She feels her project was treated unfairly because the reasons given for scoring the application low were not valid reasons. As a historically underserved project she requested that an appeal process be initiated to see if the Board agrees with her that they were treated unfairly. If she has the opportunity she will ask for a planning grant.

George Newell, Executive Director for the Tannery Arts Center said he is here to urge the Board to consider Option 1 as its sole option. The first phase of his project has been completed which created one hundred units of affordable housing. This was a \$35 million project and did not involve funds from the Endowment. The planning monies that were received from CCHE were used to put together and design a project for the second phase of the project, which is the working studios, which will uniquely represent Santa Cruz in the state as having a place where people can go and visit tanning industry and at the same time see a new industry that is emerging which is the cultural tourism and arts industry. He urged the Board to move forward with allocating these funds.

Mr. Swinden said in fairness to projects that already have the money, he would lean towards Option 2A with the provision that it include planning grants to fall in that classification as well. Ms. Oropeza asked if there would be a way to add that the Board can determine whether these projects have the ability to encumber the funds given the lateness of the allocation.

Chair Hildreth said if the Board decides on this option it might be a good idea to check back with all the projects before they make a presentation to the Board to see (1) is it still a viable project; (2) do they have their match; and (3) CEQA issues. Ms. Moe said she could come back at the next meeting with more precise options on the CEQA issues.

Ms. Oropeza asked if the projects are going to be narrowed down can the Board also decide to go to Round One applicants and hear from them. Chair Hildreth said Round One was conducted in a fairly significantly different manner than Rounds Two and Three. Ms. Moe said in the first round there was a lot of interest in facilitating that round and getting the money out the door quickly so the criteria was not as developed in order to judge the projects. Therefore the Board would not have much information that would be the same categories as rounds Two and Three.

Chair Hildreth said she heard the suggestion also of the concept of going back to the ones that are already in progress and seeing if funds could be added. So if Option 3 is selected go back and include all the projects that have been previously funded. Chair Hildreth asked Ms. Moe if the Board looked at just the ones that received funding would it somehow be discriminating by not offering it to everyone. Ms. Moe said the Board may want to keep it open to anyone who has received funding including the projects that are closed out.

Chair Hildreth said it is really either focusing on the projects that have already been funded and the Board knows there is going to be a built-in constituency, or trying to spread the wealth somewhat by going back to Rounds Two and Three that have been vetted.

After further discussion it was the consensus of the Board to go with Option 2 and 2A with the addition of planning for each.

Mr. Swinden said the Board needs to look at the projects' readiness, and perhaps they should have matching funds in order to apply. Ms. Morris drew the Board's attention to Appendix One. At the April Board meeting it was decided to make a less than one-to-one match requirement for these funds. Chair Hildreth said the question is can they come in and change what they asked for in terms of match; would they be allowed to submit a lesser match? Mr. Morris said the last sentence of Appendix One states that the CCE Board can decide on a project-by-project basis whether to waive the one-to-one cap matching requirement for nonprofit organizations. So if the Board adopts this requirement this would be how it was planned. Ms. Imura asked if that is fair to the applicants who were required to come up with the full match.

Chair Hildreth said it would be useful to try and craft some further criteria in Appendix One. She asked Ms Moe how the Board might address the issue of CEQA eligibility. Ms. Moe said many of these projects are coming from nonprofits that may have no other public agency discretionary approval. For these projects, the only CEQA documentation they would ever be required to have would be from the Endowment as the Lead Agency. Staff can make the determination in a relatively short time.

Where it is a project that is not exempt it will have to be looked at more closely. Ms. Moe said she believes staff can structure the language in a way that is an objective cut-off under CEQA procedures that would prevent it from being a time-consuming process.

Due to technical difficulties the remaining proceedings were not reported NO action items were undertaken or discussed.

## **10. Adjournment**

The meeting was adjourned at 2:08 p.m.