

MEETING
STATE OF CALIFORNIA
CULTURAL AND HISTORICAL ENDOWMENT BOARD

STATE CAPITOL
ROOM 112
SACRAMENTO, CALIFORNIA

THURSDAY, OCTOBER 1, 2009
10:10 A.M.

JAMES F. PETERS, CSR, RPR
CERTIFIED SHORTHAND REPORTER
LICENSE NUMBER 10063

APPEARANCES

BOARD MEMBERS

Ms. Stacey Aldrich, Chairperson

Dr. Catherine Campisi

Mr. Mike Chrisman, represented by
Mr. Bryan Cash

Mr. Michael Genest, represented by
Ms. Jeannie Oropeza

Ms. Carmen Martinez

Mr. Bobby McDonald

Mr. James Irvine Swinden

Assemblymember Mike Davis

Senator Christine Kehoe, represented by
Ms. Deanna Spehn

STAFF

Ms. Mimi Morris, Executive Officer

Ms. Marian Moe, Deputy Attorney General

ALSO PRESENT

Ms. Judith Baca, Social and Public Art Resource Center

Mr. Fred Blackwell, San Francisco Redevelopment Agency

Ms. Ellen Calomiris, City of Long Beach

Ms. Celeste DeWald, California Association of Museums

Mr. Mario Diaz, The Mexican Museum

Ms. Katherine Donovan, City of Santa Cruz Redevelopment
Agency

APPEARANCES CONTINUED

ALSO PRESENT

Mr. Joe Felz, City of Fullerton

Mr. Sean Fitzgerald, Townsend Public Affairs

Mr. Victor Marquez, Mexican Museum

Mr. Jim Martin, Navarro-by-the-Sea Center

Mr. Gene Metz, John Marsh Historical Trust

Mr. Ross Ojeda, The Unity Council

Ms. Sarah Sykes, San Francisco Planning and Urban Research

Mr. Tom Tice, Fullerton Historic Theater Foundation

Ms. Nora E. Wagner, The Mexican Museum

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PROCEEDINGS

1
2 CHAIRPERSON ALDRICH: Good morning. I'd like to
3 call to order the meeting of the California Cultural and
4 Historical Endowment Board. My name is Stacey Aldrich.
5 I'm the Acting State Librarian and the Board Chair.

6 I'd like to welcome everybody to the California
7 State Capitol. And thanks, Senator Christine Kehoe, for
8 sponsoring our use of this beautiful historic room for
9 today's meeting.

10 Due to the length of the agenda, we don't expect
11 to complete all the items on the Board agenda before lunch
12 today. We will be breaking for about a 30-minute lunch at
13 noon or thereabouts, depending on where we are in the
14 agenda. We always welcome public comments, but ask that
15 you fill out the speaker cards for yourself for a specific
16 agenda item that you wish to be heard on, or if you'd like
17 to make a general comment. Those will be taken at the end
18 of the meeting, the general comments. The cards should be
19 given to Lynnda Fair, so that we can call on you to speak.
20 And, Linda, she's outside at this point.

21 At this time, I'd like to move on to the next
22 agenda item regarding the approval of the minutes from our
23 last CCHE Board meeting that took place in Santa Ana in
24 May. Do I have a motion to approve?

25 BOARD MEMBER McDONALD: So moved, Madam Chair.

1 CHAIRPERSON ALDRICH: Second?

2 DELEGATE CASH: Second.

3 CHAIRPERSON ALDRICH: All right, thank you.

4 All right. Do we need to do the roll call?

5 EXECUTIVE OFFICER MORRIS: Did you want to vote
6 on the minutes?

7 CHAIRPERSON ALDRICH: Vote. All those in favor?

8 (Ayes.)

9 CHAIRPERSON ALDRICH: Opposed?

10 Okay. Thank you. Do we need to do the roll
11 call?

12 EXECUTIVE OFFICER MORRIS: Yes.

13 RESEARCH PROGRAM SPECIALIST PLANCHON: Madam
14 Chair?

15 CHAIRPERSON ALDRICH: Here.

16 RESEARCH PROGRAM SPECIALIST PLANCHON: Dr.
17 Campisi?

18 BOARD MEMBER CAMPISI: Present.

19 RESEARCH PROGRAM SPECIALIST PLANCHON: Mr. Cash?

20 DELEGATE CASH: Here.

21 RESEARCH PROGRAM SPECIALIST PLANCHON: Ms.
22 Martinez?

23 BOARD MEMBER MARTINEZ: Present.

24 RESEARCH PROGRAM SPECIALIST PLANCHON: Mr.

25 McDonald?

1 BOARD MEMBER McDONALD: Here.

2 RESEARCH PROGRAM SPECIALIST PLANCHON: Mr.
3 Swinden?

4 BOARD MEMBER SWINDEN: Present.

5 RESEARCH PROGRAM SPECIALIST PLANCHON: And I'd
6 also like to recognize the legislative representative for
7 Senator Christine Kehoe, Deanna Spehn.

8 DELEGATE SPEHN: Yes.

9 CHAIRPERSON ALDRICH: Thank you, Tony.

10 Next, let's move on to the Executive Officer's
11 report.

12 Mimi.

13 EXECUTIVE OFFICER MORRIS: Thank you, Stacey.
14 I'd like to start off by identifying the balance of the
15 general grant fund. The figure is included in the CCHE
16 project status report, that will be in the left-hand
17 pocket of your packets. This is our report on the status,
18 terms, and funding particulars for all 149 projects that
19 have an approval of funding and the three projects which
20 have a reservation of funding.

21 Those with the reservation are, from Round 2, the
22 Mexican Museum and from Round 3, Chowchilla and Pasadena
23 Playhouse. We'll talk about their situations in greater
24 detail today.

25 On the last page of the status report, page 20,

1 you can see that our grant total to date is roughly \$118.9
2 million. This changed only slightly from the May report,
3 due to the grantees requested removal of their Round 3
4 reservation of \$150,000 for the Nevada County Land Trust
5 North Star Project.

6 With the addition of funds that went unspent by
7 grantees who have already closed out their projects, we
8 have a general grant fund balance of three million and
9 thirty-two thousand dollars.

10 I've added in some additional changes to
11 reservations and awards that would push the fund over \$4
12 million depending on the Board's actions today.

13 This report shows 57 closed-out projects and 13
14 with close out pending. That places us in the position of
15 being roughly 46 percent done in terms of managing the
16 portfolio of existing projects.

17 I wanted to talk a little bit about the impact of
18 the freeze and the program extension. As we discussed at
19 the last meeting, the remaining projects have faced a
20 tough situation in the first half of this year, due to
21 the State's financial situation.

22 The freeze on interim loans and the corresponding
23 suspension of work financed by the State markedly slowed
24 the progress of our active grantees. In late June, we
25 received approval to process payments. And reimbursements

1 are now again being sent regularly to our grantees, which
2 is a great relief to all of them.

3 The legislature approved a reappropriation of the
4 program's funding, through June 30th, 2011 with all funds
5 required to be expended by June 30th, 2013. We have
6 requested a three-year extension. And so are requesting
7 another reappropriation of two additional years.

8 I had also mentioned at the last meeting that the
9 Proposition 40 subfund for historical and cultural
10 preservation -- cultural resource preservation had a
11 balance 1.9 million. That was my conservative estimate.
12 And we have since been able to confirm that the balance is
13 2.7 million. And we are seeking an appropriation of that
14 entire amount for the production of the comprehensive
15 survey required by the CCHE's enabling legislation, AB
16 716, and for the continuation of CCHE staffing through the
17 extended timeframe that our projects will be in existence,
18 due to the delays resulting from the freeze, and also to
19 use a portion of those funds to supplement the Round 4
20 general grant fund for projects.

21 I want to talk a little bit about CCHE staffing.
22 The CCHE was asked by the State Library to release two
23 vacant positions to help with the Library's '09/'10 share
24 of the State's required position reduction strategy. CCHE
25 has seven positions left, four of which are currently

1 filled. The four that are filled are the Executive
2 Director position, the Office Assistant position, and two
3 Research Program Specialists. We have a half-time retired
4 annuitant, who's also helping us.

5 For the three remaining positions, I will be
6 working with the Library to fill the following positions:
7 A staff's services manager to handle liaison with the
8 Library on all administrative issues, manage the CCHE
9 grant officer staff, and handle all budget and bond
10 drills, which have been frequent and demanding since about
11 February, given the State's changed approach to handling
12 bond cash. Brian can speak more eloquently to those
13 drills. But there's been a real sea-shift in the way that
14 the State gets its funding for bond-funded programs.

15 A research program specialist, basically a grants
16 officer, to replace our departed grants officer Kathleen
17 Cronin. And this position will have responsibility for a
18 portfolio of projects and help us with the upcoming grant
19 making effort following the Round 4 submission of
20 applications.

21 And then finally, a staff services analyst who
22 will help coordinate the survey work over the next few
23 years.

24 All these positions will be limited-term
25 positions, so they will not have any long-term financial

1 impact on the Library, in the event that the CCHE fails to
2 receive any new funding after 2013.

3 I would ask for the Board's support of this
4 staffing plan, so that we have the necessary staff to
5 accomplish the CCHE's remaining obligations.

6 I want to talk a little bit about the CCHE's
7 website. We have plans to enhance our website and began
8 working in late May to secure a contract with an outside
9 firm to begin that effort within an interactive directory
10 for our projects.

11 We are contracting for this assistance, because
12 the Library's Information Technology Bureau does not have
13 the capacity to provide the kind of surgical,
14 user-friendly interface that we think is vital in order to
15 ensure that all Californians can come to our website,
16 search our projects for the historical era, region, or
17 peoples that are of interest to them and easily retrieve
18 that information, so they can visit the projects.

19 This has been something I have been trying to
20 accomplish with the Library's IT unit for the past year.
21 And staff at the Library's IT unit has been very helpful
22 in uploading both PDF director of projects that I shared
23 with the Board at the last meeting, and a complete listing
24 of all of our projects in a format that let's the user
25 browse through the projects.

1 However, the Library is not able to establish a
2 site whereby the user can search through all the projects
3 based on specific criteria. And I should add that our IT
4 unit is down several staff as well, and that they have
5 been very involved with a library-wide integrated library
6 system that has also taken a big chunk of their time,
7 making them not available to help out with this project,
8 which is another reason that we've gone outside.

9 Our contract is only just now moving forward,
10 because the library only recently received Department of
11 Finance approval to spend funds in the current fiscal
12 year.

13 The plan is to use the existing CCHE grantee
14 database that has enabled us to centralize our
15 programmatic and fiscal data for current grantees, and
16 easily generate reports and share information among staff
17 and Board members. A portion of that database, the
18 portion with information of relevance to the public will
19 be used in the new website pages that will connect to our
20 current internally-hosted website. We hope to have this
21 activated by the end of the year.

22 Additionally, we are working on a California
23 history timeline and hope to have something in place that
24 provides at least a basic framework of the major eras and
25 developments in California's history within the next

1 several months.

2 We've been inspired by other websites and also by
3 Mr. Swinden's effort into Look California, which shows a
4 comprehensive history of California.

5 Recent demolitions of historic structures have
6 made us keenly aware of the need for us to help educate
7 city leaders and ordinary Californians about historic
8 preservation. I view this as part of our stewardship
9 obligation, and will work to help increase knowledge and
10 awareness of the importance and economic value inherent in
11 preservation of historic buildings. This is likely to be
12 presented on the website in overview format, with several
13 links to the many existing information rich resources
14 already available on this topic, at State Parks, Office of
15 Historic Preservation, California Historical Society, and
16 the California Preservation Foundation.

17 Our overview is intended to explain the basics
18 and direct people to credible information on the topic.
19 Finally, along the lines of overall communications and
20 branding, we have adopted a new logo for the CCHE, which
21 is a stylized version of the Palace of Fine Arts in San
22 Francisco.

23 The Palace image has been fitted with a hinge and
24 the upper dome is tilted open to reveal sparkles of light
25 coming out. And for those of you who weren't there last

1 night, this is the image. The Palace symbolizes a jewelry
2 box filled with the cultural and historical treasures of
3 California, for which the CCHE has responsibility to keep
4 safe and in tact, and has contributed towards that.

5 One of the reasons for the enhanced website is to
6 help increase attendance at our projects. Many of our
7 projects rely on revenues generated by attendees for their
8 annual operating expenditures. It is my hope that our
9 enhanced website will help with project sustainability by
10 bringing more visitors through their doors.

11 In addition to our website enhancements, however,
12 we want to tap into additional resources that exist to
13 encourage cultural tourism. I have met with Staff at the
14 California Travel and Tourism Commission to see about
15 getting our projects' data up on their very robust
16 VisitCalifornia.com website. They have a section entitled
17 "Things To Do and Must Sees". And their search criteria
18 include the categories arts and culture and history.

19 The CTTC staff is sending us the instructions on
20 how to upload data into the VisitCalifornia.com website.
21 And we will be sharing the information with our grantees
22 as soon as we receive it.

23 Once the CCHE project data is uploaded to
24 VisitCalifornia.com, thousands of potential visitors will
25 be introduced to those projects. Our goal is to make

1 projects we funded more visible and therefore more visited
2 and therefore more financially viable.

3 I want to move on to the survey. I mentioned the
4 survey requirement at the last Board meeting. The survey
5 has eight specific elements, but can be chunked -- these
6 can be chunked into three broad categories. One is a true
7 survey or inventory of the cultural and historical
8 resources that exist currently in California, and an
9 inventory of those stories from California's history that
10 have not been captured and preserved.

11 The second category is a synthesis of the
12 economic impact data regarding historic preservation
13 efforts, and a corresponding request for policy
14 suggestions to encourage additional private and public
15 preservation efforts.

16 Finally, there's the requirement to determine
17 where in State government the responsibility for
18 preserving California's cultural heritage should exist.

19 We have entered into an interagency agreement
20 with the Center for Collaborative Policy at CSU,
21 Sacramento and are coordinating with the Arts Council,
22 Parks and Recreation, and the Secretary of State as
23 required by the enabling legislation.

24 We will also be involved in the broader community
25 of stakeholders, museums, organizations devoted to the

1 humanities and arts, historical societies, et cetera, in
2 the arena of cultural and historical preservation. The
3 first phase of this effort will be an assessment that will
4 identify how to proceed through interviews with
5 stakeholders, workshops, and meetings.

6 The second phase will implement this workplan.
7 The first phase is expected to take three to four months.
8 And I'm hoping we'll have some information to share on
9 this progress by early next year. The second phase should
10 take 12 to 18 months, giving us an estimated completion
11 date of mid-2011.

12 I've also been in touch with some of the folks
13 who have been working on a citywide historic survey that
14 has been in the making in Los Angeles for the last several
15 years. This was underwritten by the Getty Conservation
16 Institute and the City of Los Angeles.

17 These contacts are very interested in helping
18 share their model with other urban areas and as a building
19 block for the statewide survey.

20 I'm also requesting funding from at least one
21 foundation to support that kind of involvement in this
22 effort and hope to have a firm commitment by the beginning
23 of the year.

24 Finally, I wanted to let you know about the
25 following project news. The Old Globe in San Diego is

1 opening in early December. They received a CCHE grant of
2 1.6 million that helped them reach their overall project
3 budget of 21.2 million to update their campus.

4 And in August, the Berkeley Society for the
5 Preservation of Traditional Music, doing business as the
6 Freight and Salvage Coffeehouse, opened up. They received
7 a \$1.1 million CCHE grant to help build a theater in
8 Berkeley's newly city established downtown arts district.

9 And in two weeks, groundbreaking begins at the
10 East Bay Center for the Iron Triangle, the Winters
11 Building restoration in Richmond, California.

12 That is all the information that I have to share
13 with you. And if you have any general questions about any
14 of the projects or other items that I've mentioned in this
15 report, I'm happy to answer them now.

16 Thank you.

17 CHAIRPERSON ALDRICH: Before we continue with any
18 questions, I'd like to welcome the Honorable Assembly
19 Member Mike Davis. Thank you for being here.

20 BOARD MEMBER DAVIS: Thank you for having me.

21 CHAIRPERSON ALDRICH: And Ms. Oropeza, thank you
22 for being here.

23 Are there any questions for Mimi?

24 All right, thank you.

25 With that, we'll move on to the report from the

1 CCHE legal counsel, Marian.

2 DEPUTY ATTORNEY GENERAL MOE: Good morning.
3 Thank you. Marian Moe from the Attorney General's Office.

4 I have two items this morning. The first is I'm
5 very pleased to report that in the Rural Medial Arts and
6 Education Project litigation, the First Appellate District
7 affirmed the trial court's decision denying the motion for
8 attorney's fees. And that will be final in two more days.
9 It would -- I don't expect it to be -- them to petition
10 for Supreme Court review. But I will definitely let you
11 know if anything new develops on that. So that's very
12 good news.

13 And then the second is I'd like to give you a
14 brief update on some changes to the Bagley-Keene Act, the
15 open meeting law. The Act was recently amended through AB
16 1494. And it applies to the Endowment.

17 Previously, the Act prohibited any direct
18 communication or communication from personal
19 intermediaries, which is subsequently called serial
20 meetings, outside of a public meeting to develop a
21 collective concurrence as to action to be taken by the
22 Commission. This recent amendment broadens that
23 prohibition. So it is no longer limited to communications
24 to develop a collective concurrence as to action to be
25 taken, but it now prohibits a majority of the members to

1 use a series of communications of any kind directly or
2 through intermediaries, including technological devices,
3 such as Emails, to discuss, deliberate, take action, on
4 any item of business that is within the subject matter of
5 the Board.

6 So as a result, discussions or deliberations
7 among a majority of the members of the Board on any item
8 of business within the subject matter of the Commission
9 are prohibited. So this includes communications through a
10 series of Emails, phone calls, or separate conversations
11 along a chain of members or separate communications from
12 one member or intermediary from that member to other
13 member, if those discussions reach a majority of the
14 members.

15 The amendment also clarified that an employee or
16 official of a State agency may engage in separate
17 conversations or communications with the Commission
18 members outside of a public meeting to answer questions or
19 to provide information regarding matters within the
20 subject matter jurisdiction of the Commission, so long as
21 that person does not communicate to members the comments
22 or positions of other members.

23 So, for example, the Executive Director or her
24 staff who provide information or answer questions for any
25 of you outside of the meeting, as long as they do not

1 relay the comments or position of another member.

2 And this does not change the existing rules as to
3 allowing purely social meetings, such as a lunch among
4 members, as long as business is not discussed at that
5 meeting.

6 That's the update.

7 Thank you.

8 CHAIRPERSON ALDRICH: Are there any comments or
9 questions?

10 All right. Let's continue on to the next agenda
11 item, which is Item 6.

12 Mimi.

13 EXECUTIVE OFFICER MORRIS: Thank you.

14 At each meeting we like to showcase one of our
15 projects, so that the Board and the public can get a
16 substantive understanding of the nature of the project.
17 Today, we are very fortunate to have the actual project
18 staff here in person to share their project with us.

19 The project is the Great Wall of Los Angeles, a
20 half-mile long mural in the Los Angeles wash, which
21 depicts California's history.

22 I'm not going to say anything more about the
23 project than that. I want to save the comments for the
24 original creator of this incredible piece of public art.
25 The woman behind this mural has been a force for local,

1 state, and even global change, through artistic endeavors
2 for decades, and it is an honor to have her with us today.

3 Judith Baca, founder of the Social and Public Art
4 Resource Center known as SPARC, and also teaches at UCLA.
5 She is joined today by Debra Padilla, SPARC's executive
6 director for the last decade and managing director for
7 some time before that. Welcome to both of you and thank
8 you for sharing this resources with us all.

9 (Thereupon an overhead presentation was
10 Presented as follows.)

11 MS. BACA: Well, I'm delighted to be here today
12 and to have the opportunity to share with you our progress
13 on the Great Wall of Los Angeles. And I thank you for the
14 introduction.

15 In 1974, a younger Judy Baca began this project
16 called the Great Wall of Los Angeles. And actually it's a
17 story of a city essentially. The City of Los Angeles
18 began on the banks of this river.

19 --o0o--

20 MS. BACA: Along side of the river, the Chumash,
21 the Gabrielinos, lived and lived in harmony with the
22 river. They moved in and out as the river expanded and
23 contracted.

24 --o0o--

25 MS. BACA: But in the 1920s, the river flooded

1 its banks in a major flood. And the city of Los Angeles
2 made a determination that it needed to concrete the river.

3 --o0o--

4 MS. BACA: There were many consequences to this
5 concreting. The river stopped overflowing its banks. It
6 was controlled. But part of our problem was that we had
7 concreted the arteries of the land. We had changed
8 substantially the ecology of the city of Los Angeles and
9 many consequences occurred throughout our history,
10 including the pollution of our bay.

11 --o0o--

12 MS. BACA: The Santa Monica Bay. In 1974, the
13 Army Corps of Engineers looked at what they had done and
14 said maybe this is not so good. And they said we have
15 dirt belts on either sides of this river. We have a
16 problem of divided communities. We are interested in
17 perhaps figuring out how we could fix this.

18 At that time, I was the director of the City of
19 Los Angeles' first mural program, organizing
20 neighborhoods, and gang groups, and kids who were in
21 trouble to work together and to create beautiful images
22 throughout the city of L.A.

23 So this is actually the first drawing submitted
24 to the Army Corps of Engineers with a plan that we would
25 develop bike trails --

1 --o0o--

2 MS. BACA: -- and mitigate the dirt along side of
3 the rivers and begin to create spaces in which people
4 could walk along the river and could see a narrative work
5 that would be the history of Los Angeles. This particular
6 site -- and the history of California. This particular
7 site gave us the opportunity for a narrative that was
8 endless, and an opportunity to bring the different
9 neighborhoods of Los Angeles together in one place.

10 --o0o--

11 MS. BACA: And so we began with kids who were
12 coming through the juvenile justice system, with kids on
13 poverty programs, with kids who came from the summer
14 programs for disadvantaged youth, and literally over 400
15 of us worked on the creation of this wall. Myself and my
16 executive director, Debra Padilla, are here today as a
17 kind of representative of the hundreds of people who
18 actually produced this work

19 --o0o--

20 MS. BACA: And over the years, many of these
21 young people have become artists themselves, have become
22 civic leaders, and they are with us in this process today
23 of the restoration of the Great Wall.

24 --o0o--

25 MS. BACA: So on behalf of the children of the

1 Great Wall and the children's children of the Great Wall,
2 we are here to show you a little bit of what we've been
3 able to achieve.

4 We like to talk about the Great Wall as a tattoo
5 on the scar where the river once ran. In a sense, we were
6 healing the river and we healing ourselves. We were
7 beginning to discover our history, the history that was
8 unwritten --

9 --o0o--

10 MS. BACA: -- because if you can disappear a
11 river, how much easier is it to disappear the stories of
12 the people and the originating folks of Los Angeles.

13 So we began what looks something like a military
14 encampment, bringing together young people from different
15 neighborhoods, paying them to work on these projects.
16 These were work projects. They learned very specific
17 skills, driving trucks, learning to measure, learning to
18 read, learning the history of the communities that they
19 were representing of different neighborhoods.

20 --o0o--

21 MS. BACA: And they became ambassadors of the
22 stories of the Great Wall, which were oftentimes stories
23 that were never told in public, stories that were a kind
24 of record of their own families.

25 --o0o--

1 MS. BACA: Actually a number of these young
2 people are on the board of directors of SPARC at the
3 moment as adults. And their children are exactly the age
4 that could be represented in the Great Wall now.

5 You can see the dirt belt on either side. In the
6 very first summer of 1976 as we were preparing what the
7 channel looked like in process.

8 --o0o--

9 MS. BACA: You can see the park now in. This was
10 an award winning park by the Army Corps of Engineers.
11 It's actually very heavily used. And it's a park with
12 very few amenities. It actually has -- it doesn't have
13 waters or toilets -- water fountains or toilets, but it
14 actually is very used by school groups, university groups
15 who come to take the walk of the Great Wall and walk the
16 half a mile that was painted or -- it's 2,740 feet of
17 narrative.

18 --o0o--

19 MS. BACA: This is a section done over one
20 summer. And it represents the post-war Baby Boom. You
21 can see the Baby with the boom box. The kids like to call
22 her the baby that ate Chicago. Quite a large image. But
23 it's actually the first child born of children of the
24 Great Wall. And you can also see people coming home from
25 the war industry sitting at the table, telling the stories

1 as they have come back from World War II.

2 --o0o--

3 MS. BACA: Many of the stories were collected
4 from people who participated in the historical events.
5 This is from a quote from a Japanese World War II veteran
6 who was in the Fighting 442nd, who said "We are the fabric
7 of America." He was recruited out of the internment
8 camps, and he told the story of the kids. And then as we
9 were thinking about the concept, we said, of course, they
10 can be the stripes of the American flag. And you can see
11 the image that was created from listening to the people
12 tell the stories.

13 --o0o--

14 MS. BACA: So the children -- the young people
15 were learning about the history as they were painting it.

16 --o0o--

17 MS. BACA: We also painted about the stories of
18 the building of -- the Chinese building the railroads.
19 And these are the figures coming out in the smoke as many
20 people lost their lives to build the railroads, to cut the
21 tunnels that became our system of the railroad system in
22 California.

23 --o0o--

24 MS. BACA: These are just some examples of the
25 narrative work. This is the forebearers of civil rights.

1 It's the 1950s in this segment. Paul Robeson is in the
2 foreground, Rosa Parks sits along side of him. Gwendolyn
3 Brooks, who was the first Nobel Peace Prize winner. Ralph
4 Bunche, the first Nobel Peace Prize winner. And the
5 first -- of course, the last person on the bus in 1950s is
6 Martin Luther King. The figure on the left is a favorite
7 of mine with the microphone. That's Big Mama Thornton,
8 famous for, "You Ain't Nothing But a Hound Dog".

9 And the figure holding up Watts, which is where I
10 was born, is a figure from Charles White. And this is my
11 original neighborhood. I actually grew up three miles
12 from this site.

13 --o0o--

14 MS. BACA: So this is a story of a person who
15 lived alongside of the river and watched it turn to
16 concrete.

17 This is the division of the barrios. This is
18 Dodger Stadium coming down into the oldest part of the
19 city of Los Angeles in a place called Sonora Town, then
20 later Chavez Ravine. And told to us by the Archega
21 Family, who were the last people to leave this site, as
22 Dodger Stadium descended as a kind of spaceship into that
23 region, and this old part of the town was lost,
24 neighborhoods divided by freeways and so forth.

25 In the 1920s Einstein ran for mayor of Pasadena.

1 This is him holding up his discovery, and the swords are
2 being turned into plowshares. He said, "If I would have
3 known what they would have done with my intention, I would
4 have rather been a farmer." And this is from his quote.

5 Of course, Allen Ginsberg on the left is reading
6 his poetry in the West Beat Cafe of Venice, California.

7 --o0o--

8 MS. BACA: So Rosie the Riveter gets sucked into
9 the TV set by a woman with a vacuum cleaner in the 1950s,
10 and becomes a house wife. And we move from the notion of
11 Katharine Hepburn to Marilyn Monroe. These are just some
12 of the pieces that are within the stories.

13 And the perfect American family made up of two
14 and a half children in the 1950s in the suburban. The
15 half child Howdy Doody a favorite of mine from my era as a
16 child.

17 (Laughter.)

18 --o0o--

19 MS. BACA: This is a photograph from Life
20 Magazine, because as this work was going on, it became
21 very recognized. People became very interested in this
22 phenomena of hundreds of young people who supposedly were
23 from warring racial groups, warring neighborhoods actually
24 working together in a harmonious way. That has been the
25 story of the Great Wall, a giant monument to interracial

1 harmony.

2 --o0o--

3 MS. BACA: And what's interesting is to see how
4 it's affected people over a lifetime. We now have the
5 grace to be able to see this. This young man in the
6 little square at the bottom is 16 in the picture. He is
7 45 in the picture above. And he's one of our greatest
8 advocates on our board of directors, a very well
9 established artists himself, speaking in the Daily News
10 about the need to restore this work. And his impetus
11 along with the impetus of many of the Great Wall kids, has
12 been how we have been able to move this thing along.

13 --o0o--

14 MS. BACA: We are midway in our restoration work.
15 Some of the works now are 33 years old. Nearly half my
16 life has been engaged in this process, along with, as I
17 said, hundreds of other people, a hundred historians, 40
18 artists and so forth. What we have is areas of
19 delamination. What's remarkable is that 33 years of paint
20 are still adhering to the wall. And there is much left to
21 save, so we are working at the first thousand feet. These
22 are areas in which we're looking at the -- conservators
23 looking at the problems that are exemplified at the site.

24 --o0o--

25 MS. BACA: You can see here delamination, some

1 paint loss.

2 --o0o--

3 MS. BACA: The kind of fading that occurs over a
4 20-year period between Paul Robeson here and then what he
5 looks like today.

6 --o0o--

7 MS. BACA: But the good news is that the color
8 can be brought back with a number of treatments, which we
9 are actually leading the field in doing.

10 --o0o--

11 MS. BACA: So what we are doing here will affect
12 dramatically conservation as a whole in the creation of
13 public murals. So you're looking here at Rosie the
14 Riveter.

15 --o0o--

16 MS. BACA: She can be brought back to full color.
17 You can see some bubbling areas that were opening. Here's
18 Einstein as he was in his original condition. Here he is
19 lost. And on the cheek, you'll see a test of our
20 acryloiding system, which is a system of which we are able
21 to bring back at least two-thirds of the color with a
22 simple treatment of resin that actually pulls back up the
23 color and takes back the oxidization out. So along with
24 that and the actual in-painting, we've been able to
25 restore segments of it.

1 So we're in the midst of this process right now.
2 In fact, there are painters here beginning on the -- not
3 beginning, but actually continuing their work in the full
4 of October. So any of you who are in the Los Angeles area
5 and would like to come out on a Tuesday through Saturday,
6 you'll see the people working on the site.

7 This is our team looking at the 400 youth, one
8 wall informational sheet, and people beginning to do this
9 painting.

10 It's a very fine painter, who's doing some very
11 tricky restoration here, with a full repaint.

12 --o0o--

13 MS. BACA: So this is to give you an example of
14 what it started like and there it is now. So we're able
15 to bring it from here, this condition, with the
16 acryloiding, the repainting to this condition.

17 --o0o--

18 MS. BACA: We are looking at before any major
19 retouching again another 50 years.

20 --o0o--

21 MS. BACA: So this is what it looks like in paint
22 loss. Particularly look at the left-hand corner. This
23 has been restored to this condition.

24 --o0o--

25 MS. BACA: So we're getting it back to its

1 original color treatment.

2 It's laborious and it takes hundreds and hundreds
3 of hands, but it's interesting how many people are
4 willing.

5 --o0o--

6 MS. BACA: In addition to this, we're also
7 looking at debris removal. This is because we've had no
8 rain. There's been sedimentation created at the site, so
9 we're getting these kind of grasses that are growing back.
10 Trimming has to be done.

11 --o0o--

12 MS. BACA: We are also making progress on what is
13 a really exciting development. This is the green
14 bridge -- the interpretative green bridge. The site,
15 which was a pedestrian bridge, that could look back over
16 the first thousand feet. It's about midway at the mural
17 site.

18 --o0o--

19 MS. BACA: Over the years, it was allowed to
20 deteriorate by the City of Los Angeles, and became a great
21 hazard. So for nine years it sat closed. And as it was
22 closed, it actually broke off the community, one side of
23 the schools to the neighborhood, so that the only way
24 around the mural was almost a two mile hike to get past
25 the break in the channel to two bridges -- street bridges.

1 So the pedestrian bridge was damaged and lost.

2 --o0o--

3 MS. BACA: We're excited to show you these
4 pictures. The old bridge has come down.

5 --o0o--

6 MS. BACA: Here it is in its movement. We've
7 actually salvaged the material. It's being used in other
8 places, but the bridge was in no state to be repaired.
9 And here it is being taken out. The neighborhoods will be
10 reconnected with the bridge again. And our new bridge has
11 already won a number of awards, including the Los Angeles
12 Cultural Affairs Commission's Architectural Award, and the
13 American Institute of Architects Presidential Honors Award
14 for our design. I'm happy to say that I participated in
15 this designing with Y Architecture, which is a wonderful
16 architectural group that has been working with us to
17 design a passage across the Great Wall.

18 So here is a view of this site where we're
19 actually changing the slant of the bridge so that there's
20 more viewing room. There's over 90 feet now of standing
21 area on the bridge. It will have a top on it, which means
22 that it will not be nearly so hot in that sun. It can be
23 quite hot in the San Fernando Valley.

24 Our interpretive sites on the bridge will make it
25 possible for you to look out at the Great Wall, and also

1 to look below you, to understand the relationship between
2 the river and the people.

3 --o0o--

4 MS. BACA: And one of our exciting aspects of
5 this is that the relationship between the history of the
6 river and the history of people will be made at this site
7 again. So here you get a view in scale of a figure
8 looking down to the giant mural.

9 Our interpretive stations -- Oops, I went a
10 little fast there. You can see our interpretive stations,
11 which will have materials that will explain what you're
12 seeing. There will be five along the river. There will
13 be 15 additional up river to the actual sites where many
14 of these events occurred.

15 Here, you can see the photovoltaic top on the
16 bridge, which is a kind of ribbon, a passage way as it
17 were, talking about the movement across the river.

18 --o0o--

19 MS. BACA: We're composing the river interpretive
20 bridge with debris from the river. And so it is actually
21 also an environmental study. So if you look at this, this
22 is rammed earth. And at the very bottom you're looking at
23 tin cans. The next sediment layer, which will be
24 different types of debris as the river changed, including
25 the shopping carts, which are the most found objects --

1 the greatest found object, rubber balls, shopping carts
2 will be embedded in this site.

3 You see on the top of the bridge the ribbon of
4 the mural itself. The stations are didactic stations, and
5 there's a break in the bottom of the bridge, so that you
6 can see down into the river, and understand the water of
7 the river.

8 --o0o--

9 MS. BACA: So this will become also a site to
10 study the physical environment of the Los Angeles River as
11 it is in recovery in upstream -- there's actually places
12 where the river is going to be opened again. So you can
13 see our little shopping cart rails.

14 --o0o--

15 MS. BACA: You can see what it will be like for
16 people to be coming across it. We are groundbreaking now.
17 The engineering is nearly complete. The soil testing is
18 going on. We are really excited in the selection of our
19 contractors.

20 --o0o--

21 MS. BACA: We believe we're going to be
22 attracting some very wonderful contractors to put this
23 piece up. You can see the narrative notion. This Y
24 Architecture -- or Asian Architectures who believe that a
25 bridge is really a passage into a spiritual enlightenment.

1 So we're hoping this will be spiritually enlightening, so
2 that we will make our kids not only students of history
3 but students of the environment.

4 --o0o--

5 MS. BACA: So we are here to say thank you for
6 the support and the 400 youth one wall will become more
7 than 400, because additional young people are joining us
8 in the restoration of the Great Wall and the creation of
9 its interpretive site.

10 Thank you.

11 (Applause.)

12 CHAIRPERSON ALDRICH: Ms. Baca, can I first say
13 you're fabulous. Your vision and inspiration to connect
14 and enlighten and inspire your community is just fabulous.

15 MS. BACA: Thank you.

16 CHAIRPERSON ALDRICH: What a wonderful project.
17 Thank you.

18 Anybody else would like to say anything from the
19 Board, any comments?

20 BOARD MEMBER DAVIS: Well, being from Los
21 Angeles, I feel compelled to repeat those remarks. And I
22 think that this is truly an outstanding project that
23 brings, not only the artistic integrity to the table in
24 the project, but also the cultural diversity that truly is
25 Los Angeles, has been seen there. And I think that

1 there's a great deal of pride, because one of the things
2 about diversity is it gives each person who wants to be
3 included in a sense of belongingness.

4 And that is what I got as we looked at the many
5 cultures that you did depict in the artistic work. And I
6 think it's a great project for us to support.

7 MS. BACA: One of the things I want to say is
8 that the testimony of the Great Wall is really the people
9 who are still with us 40 -- 33 years later. They're back
10 with their children. And the relationships that were made
11 there, interracially, across class, across color, across
12 neighborhoods are still intact.

13 CHAIRPERSON ALDRICH: Thank you so very much.
14 Thank you, Debra too, for being here.
15 Thank you.

16 CHAIRPERSON ALDRICH: All right. Let's move on
17 to the next agenda item, which is Item 7.1.

18 EXECUTIVE OFFICER MORRIS: Okay. Thank you.
19 This is a local project. This is the California Museum
20 for Women, History and the Arts. That's the applicant's
21 name. The project is actually the California Museum for
22 Women, History and the Arts. And the project was for
23 planning and design. The original grant award was
24 \$375,000. And the action for the Board is to consider a
25 request to return a portion of that 375,000 of the

1 unutilized planning grant funds to the CCHE.

2 The California Museum for Women, History, and the
3 Arts began its life as the Golden State Museum. And this
4 planning grant was to help the organization transform into
5 the new vision that was developed for it, to serve as a
6 museum for women, history, and the arts.

7 The museum was only able to use roughly
8 two-thirds of the funding due to financial issues, and is
9 in the sad position of returning the funds to the general
10 grant fund. You may recall that the same situation
11 occurred with this grantee earlier this year with regard
12 to their Round 3 reservation.

13 The staff recommends that the Board accept the
14 grantee's decision to return these funds.

15 DELEGATE OROPEZA: I move the staff
16 recommendation.

17 DELEGATE CASH: Second.

18 CHAIRPERSON ALDRICH: All those in favor?

19 (Ayes.)

20 CHAIRPERSON ALDRICH: Any opposed?

21 EXECUTIVE OFFICER MORRIS: Item 8.1 is a Round 2
22 project. The applicant is the 18th Street Arts Center and
23 the project is of the same name. The location is in Santa
24 Monica. The original grant award was \$100,000. And we
25 are bringing it before the Board to inform the Board

1 regarding a lack of progress due to insufficient grantee
2 capacity.

3 The is an informational item only regarding this
4 project. The 18th Street Art Center was founded in Santa
5 Monica as a complex of live/work spaces in 1988. It was
6 intended to be and is an intergenerational, intercultural,
7 and multi-disciplinary beehive as diverse as possible.
8 That's a quote. And it is a creative cluster of five
9 buildings of studios, galleries, offices, and public
10 spaces housing some 30 tenants, artists ages 20 to 60 from
11 many different ethnic and national backgrounds working in
12 the visual performance and media arts.

13 This grant was to plan for small arts studios and
14 additional space where free arts programs could be offered
15 to the public. The rough economic terrain has made the
16 Center's Board rethink the renovation plans. And that,
17 combined with the untimely loss of a keyboard member, has
18 slowed them down this year.

19 Since placing the project on the agenda, they've
20 been successful in bringing on a project manager, and have
21 secured support from their contractor for a portion of the
22 cost. They are using their indirect cost allowance to
23 cover the rest of the cost of the project manager and are
24 now very excited about being able to move forward with the
25 project. CCHE staff is also optimistic about their

1 ability to finish the project now.

2 I believe the Center's executive director, Jan
3 Williamson had planned to come up to address the Board.

4 Is Ms. Williamson here?

5 CHAIRPERSON ALDRICH: Is Ms. Williamson here with
6 us today?

7 EXECUTIVE OFFICER MORRIS: It doesn't appear that
8 she made it, but she's very excited about the progress and
9 so are we. So this is just to bring this to the attention
10 of the Board that they have made some good progress and we
11 expect a good conclusion in the next few months.

12 CHAIRPERSON ALDRICH: Are there any comments from
13 the Board on this particular project or the public?

14 Next item.

15 EXECUTIVE OFFICER MORRIS: Okay, the next item is
16 Agenda Item 9.1. This is also a Round 2 project. And
17 this is actually our recent presenters, the Social and
18 Public Art Resource Center on the project of the Great
19 Wall in Los Angeles.

20 This original grant amount was roughly 1.3
21 million to fund the bridge that Judith Baca just showed
22 us. And the item before the Board is to consider a grant
23 agreement project term extension in excess of six months
24 for the restoration of the green wall and the construction
25 of that bridge.

1 They have been impacted negatively by the freeze
2 and need more time to complete their project. And staff
3 recommends an extension of 18 months to June 2030. I'm
4 sorry, June 30th, 2011, excuse me.

5 DELEGATE OROPEZA: I move the staff
6 recommendation.

7 BOARD MEMBER MARTINEZ: Second.

8 CHAIRPERSON ALDRICH: Do we have any public
9 comment?

10 Okay. So we have a motion and we have a second.
11 All those in favor?

12 (Ayes.)

13 CHAIRPERSON ALDRICH: Any opposed?

14 All right, thank you.

15 We'll move on to the next agenda item, please.

16 EXECUTIVE OFFICER MORRIS: The next item is Item
17 9.2. The applicant is the City of Long Beach, and the
18 project is a the Rancho Los Cerritos Visitor Education
19 Center, located in Long Beach.

20 The original grant amount was \$680,000. And the
21 action before the Board is to consider a grant agreement
22 project term extension in excess of six months.

23 Rancho Los Cerritos is a property that tells the
24 rich history of Spanish, Mexican, and American California,
25 and the families who helped transform southern California

1 from its ranching beginnings to a modern, urban society.
2 The site is a registered local, State, and national
3 historic landmark, and includes an adobe, historic
4 gardens, a research library and archives. It is owned by
5 the City of Long Beach, which received a Round 1 CCHE
6 project grant to construct the visitor education center on
7 the property. The visitor education center will be a
8 two-story structure modeled after the 1835 Guillermo Cota
9 Adobe that no longer exists on the site.

10 The work includes site preparation and
11 demolition, construction of the facility, landscaping and
12 irrigation improvements, and parking for the disabled.
13 The visitor education center is a part of a much broader
14 comprehensive master plan for Rancho Los Cerritos that
15 will preserve the historic resource, expand educational
16 programming and enhance the visitor experience.

17 This is another project that has been negatively
18 impacted by the freeze and now needs more time to complete
19 their project. Staff recommends an extension of 13 months
20 to December 31st, 2010.

21 CHAIRPERSON ALDRICH: I believe we have someone
22 here from the project who is going to speak.

23 Are you finished with your report?

24 EXECUTIVE OFFICER MORRIS: Yes, that's all I
25 have.

1 CHAIRPERSON ALDRICH: Sorry.

2 Ellen Calomiris, would you like to say a few
3 words about the project.

4 Would you like to come forward please, just so we
5 can hear you.

6 MS. CALOMIRIS: On behalf of the City of Long
7 Beach, and also the Rancho Los Cerritos Foundation, our
8 funding partner, I want to thank you for considering a
9 request to extend our grant. As reported in the report,
10 we have had some -- it's been a little bit longer process
11 than expected in getting through the planning process with
12 the city. The funding freeze hurt. Our fund raising has
13 slowed with the economy.

14 But I'm really pleased to say that as of 10
15 o'clock today, and I don't know the results yet, we were
16 going to bids on the project. So the City of Long Beach
17 expects to be able to award the construction contract
18 within the next week. And we should be able to break
19 ground by December or early January.

20 So again, we hope you'll agree to extend the
21 request. We're very excited about moving forward on this
22 project finally.

23 CHAIRPERSON ALDRICH: Thank you.

24 Are there any questions or comments from the
25 Board?

1 Ms. Oropeza.

2 DELEGATE OROPEZA: I have a question. So is this
3 funded from the money that you got back in the bond sale
4 in March, April? Do we have the money reserved?

5 EXECUTIVE OFFICER MORRIS: Yes, we have money.
6 I'm forgetting the total dollar amount right now, but I
7 think it was around 46 million that we got -- 41 million
8 that we got. And a portion of that was used to payoff
9 invoices that were received between December and June.
10 And then the remaining, I think that was about 11 million,
11 we matched about 35 million for, what I think is going to
12 last us about 12 months.

13 DELEGATE OROPEZA: Okay.

14 BOARD MEMBER SWINDEN: So moved, Madam Chair.

15 DELEGATE OROPEZA: Second.

16 CHAIRPERSON ALDRICH: All right. All those in
17 favor?

18 (Ayes.)

19 CHAIRPERSON ALDRICH: Opposed?

20 All right, thank you very much.

21 The next agenda item, please.

22 EXECUTIVE OFFICER MORRIS: Next agenda item is
23 9.3. The applicant is the Unity Council, and the project
24 is the Fruitvale Masonic Temple located in Oakland,
25 California. The original grant amount was \$200,000 And

1 the action before the Board is to consider an uncompleted
2 final project task with insufficient contribution of
3 grantee match obligation.

4 This project, the Masonic Temple Cultural and
5 Performing Arts Center in Oakland was built in 1908 just
6 after the San Francisco earthquake. And it was designed
7 as a grand classical revival building with two Egyptian
8 inspired meeting rooms above ground floor store fronts.

9 The building is a locally designated historical
10 landmark. The Unity Council, officially known as the
11 Spanish Speaking Unity Council, a non-profit community
12 development corporation, purchased the temple in 1998 as
13 part of its Fruitvale village revitalization effort for
14 the area.

15 The temple is a single detached structure that
16 contains three floors. The ground floor has two tenants,
17 including a private retail tenant and the Public Market, a
18 non-profit entrepreneur commercial venture.

19 The building was originally built as a commercial
20 retail store front on the ground level and a community
21 use-space upstairs divided into two auditoriums.

22 The unity Council submitted a Round 2 grant
23 request to fund plans to refurbish the former Masonic
24 Temple to provide space for public performances, private
25 family celebrations and creative arts displays celebrating

1 heritage and traditions of the immigrants who came to and
2 built the Fruitvale community.

3 The Board approved funding of \$200,000 for a
4 planning grant in February 2007. The original grant term
5 began in April 2007 with an ending date of January 17th,
6 2008. The grant has been extended five times and has a
7 current end date of February 28th, 2010.

8 Of the original \$200,000 grant, \$200,000 has been
9 expended by the grantee, but the grantee has only been
10 reimbursed \$180,000. The \$20,000 that has not been
11 remitted to the grantee constitutes the 10 percent
12 retention that CCHE imposes upon all CCHE grantees pending
13 project completion.

14 Because the grantee has not fulfilled their
15 requirement for the necessary match, they're actually
16 short about \$39,000. CCHE is recommending that the Board
17 direct -- and they short that \$39,000 because they have
18 not completed their final task. Accordingly, the CCHE
19 staff is recommending that the Board direct the Unity
20 Council to complete the final task by the completion date
21 of February 28th, 2010, which is the current end date of
22 the grant agreement. And if that is not done, staff will
23 recommend that the grant be terminated and that the CCHE
24 retain the \$20,000 that's currently held in retention,
25 pending project completion. And we recommend further that

1 we forego the unmet match.

2 CHAIRPERSON ALDRICH: We do have someone here.
3 Ross Ojeda, are you here?

4 MR. OJEDA: Yes.

5 DELEGATE OROPEZA: Can I ask a question too.
6 Does this require Board action or does a letter from staff
7 suffice and then you come back if they don't complete the
8 task?

9 EXECUTIVE OFFICER MORRIS: I think given the
10 grant agreement that's in place that requires them to
11 complete the task, we can probably just handle it at the
12 staff level.

13 CHAIRPERSON ALDRICH: Okay.

14 MR. OJEDA: Good morning Board members and staff.
15 It's a pleasure to be here. I thank you for the
16 continuing support. As the other groups have already
17 manifested, we are in the same boat. The economy swept us
18 somewhere. Although, that is not the main reason here.

19 We did have some issues with the Pacific, Gas &
20 Electric company deciding how to bring in new electrical
21 service to the building. That took a long time. And that
22 had to be mitigated with the historical landmarks from the
23 advisory board from the City of Oakland. So that took
24 time to decide which was the best way to bring in this new
25 electrical service at a cost effective manner.

1 We have resolved that with the Board and with
2 Pacific, Gas & Electric. And we are ready to begin the
3 final phase of the project. Our intention has always been
4 to complete a full architectural set of construction
5 documents to present to the City of Oakland's Building
6 Department for a permit.

7 And we are at the 50 percent construction
8 document stage. And actually we're a little bit beyond
9 that, but that is the contract documents that I have now.
10 And we are set to complete the remaining 50 percent. Now,
11 50 percent of a huge document doesn't mean that. It mean
12 a lot of details. A lot of it has been already drawn up.

13 I'm here to say that we are committed to the
14 February deadline to complete the project. And we have
15 had again shortfalls in our budget. It's the same story
16 for many of us. A dollar short a day late. But we have
17 other real estate development projects that it seems like
18 every month that's their story to so us, which means that
19 we have to keep a very close eye on our budgets, so that
20 we can continue with our various programs that we have in
21 the City of Oakland, the Fruitvale District.

22 And I think that at the end, by February, we
23 shall have the project completed. And we will, at that
24 time and before then, submit the final report and continue
25 with our fundraising quote possibilities to raise an

1 estimated four to six million dollars to renovate the
2 building. And we will continue that phase to raise the
3 funds to complete the rehab.

4 I can say that the City of Oakland and HUD have
5 supported this project with about \$500,000 for capital
6 improvements. And we will begin with those improvements
7 later this year, beginning with the electrical switch
8 board that took us so long to negotiate with PG&E and the
9 historical advisory board from the City Oakland. We will
10 put that in first, and we will begin to work on some of
11 the facade exteriors. Five hundred thousand is not six
12 million or four million, but it will give us a start. And
13 we will begin piecemeal to complete the project according
14 to the construction documents.

15 And to say that the architects are completely on
16 board with us, they have been patiently waiting, because
17 although we have an obligation to close this contract with
18 CCHE for 37,000, we have a much larger amount of funds to
19 pay them. And they would like to complete the project as
20 well as they put a lot of time and effort and interest
21 into the project. And I think it would benefit many more
22 people than just the Unity Council having another building
23 in that area.

24 So again, I just want to complete this by saying
25 that we will complete absolutely the project by the

1 deadline stipulated in the resolution.

2 CHAIRPERSON ALDRICH: Thank you.

3 Are there any questions from the Board?

4 Do I have a motion

5 EXECUTIVE OFFICER MORRIS: May interject for just
6 a moment. I'd like to make a small edit to the resolution
7 that's included to this to remove the language at the,
8 "Now therefore be it resolved..." paragraph, that says,
9 and the second -- and the very last sentence, "That the
10 Board direct staff to bring a recommendation to the Board
11 to terminate", instead to say, "The Board direct staff to
12 terminate the grant without distributing the 10 percent
13 retention balance of 20,000 if the project is not
14 completed in February," so that we don't have to return to
15 the Board for additional action. We're just asking for
16 permission from the Board to actually not distribute the
17 remaining retention amount if the project is not
18 completed.

19 DEPUTY ATTORNEY GENERAL MOE: And if I may just
20 point out. I think the question that Mimi is asking for
21 clarification from the Board is, are you today wanting to
22 take action to terminate this grant unless they are able
23 to complete it by February 2010, or is it the Board's
24 desire to have a come back to the Board again with a
25 recommendation after the February 2010 date, so that you

1 will know the results? And I don't think it's clear which
2 one the Board is interested in taking right now.

3 DELEGATE OROPEZA: I think my preference would be
4 to have it come back then, since we have granted other
5 extensions for other reasons. I want to give them the
6 opportunity to say what they say they're going to do and
7 then deal with it at that point.

8 CHAIRPERSON ALDRICH: So you'd like to retain the
9 resolution as it stands?

10 BOARD MEMBER MARTINEZ: I had a question.

11 Is the Board looking to City of Oakland for the
12 facade improvements some help? I know, they did
13 improvements all on Fruitvale, International. And I've
14 seen this building. I toured it with a flashlight many,
15 many years ago. It's a gem. It's just a jewel. So
16 unlikely that this building is, you know, in that
17 neighborhood. But I know they've done a lot of facade
18 work in the area and I was just curious.

19 MR. OJEDA: Yes. The City of Oakland has a
20 facade improvement program for the Fruitvale District.
21 And we would be eligible for, the maximum is \$40,000.
22 It's hard, as many people here who have rehabbed old
23 buildings, historical buildings, it's hard to know where
24 you're going to stop in a rehab. Although, you want to
25 complete the original project, there are many impediments

1 that could delay the actual completion of the project
2 being started.

3 This is an old building, very old. We will start
4 with the facade, with about \$300,000 from HUD to repair
5 one corner that is in a very bad state of repair. And
6 that will give us an opportunity to do, what we call, demo
7 an exploratory work to see how the building really looks.
8 Nobody knows how it looks like. Plans don't exist. We'd
9 like to bring light into the building. Currently, there
10 are no windows. But interestingly there are window frames
11 on the facade, but the Historical Board says we can't put
12 windows in.

13 Well, in the exploratory work that we're going to
14 do, we're going to see if there were windows by opening
15 the walls and see if there's a missing piece of stud wall
16 that indicates a window could have been there.

17 So it's a piecemeal approach. And the 40,000
18 from the City will be very helpful, because, like I said,
19 you're opening a big can of worms that any little bit of
20 funds that you have to complete the project will be very
21 helpful.

22 BOARD MEMBER MARTINEZ: Thank you.

23 CHAIRPERSON ALDRICH: Any further comments,
24 questions?

25 Do I have a motion?

1 DELEGATE CASH: I move approval.

2 DELEGATE OROPEZA: Second.

3 CHAIRPERSON ALDRICH: All those in favor?

4 (Ayes.)

5 CHAIRPERSON ALDRICH: Opposed?

6 All right. Thank you very much.

7 MR. OJEDA: Thank you.

8 CHAIRPERSON ALDRICH: All right, the next agenda
9 item is 10.1.

10 EXECUTIVE OFFICER MORRIS: Thank you. This is an
11 information-only item regarding the Fox Fullerton Theater
12 in Orange County.

13 The applicant is the Fullerton Historic Theater
14 Foundation. And the amount of the grant is almost \$2
15 million. And our desire is to inform the Board regarding
16 insufficient progress towards finalizing the grant
17 agreement 14 months after the Board approved project
18 funding.

19 This classic 1925 movie palace is the last of its
20 kind in this county with restorable elements. The grantee
21 and the theater owner, the Fox Fullerton Theater
22 Foundation received approval of funding for this Round 3
23 CCHE theater restoration project in July 2008.

24 The grantee has struggled over the last year to
25 get confirmation of promised City of Fullerton financial

1 support, but received confirmation at the August 4th, 2009
2 city council meeting that they now have a half million
3 dollar grant and a loan of more than \$5 million from the
4 City.

5 The Foundation has been slow in providing the
6 project workplan, budget insurance, foundation Board
7 resolution, and other documents needed prior to finalizing
8 a CCHE grant agreement. Progress has improved in the last
9 month with the grantee moving towards submittal of all
10 necessary documents.

11 However, staff wishes to alert the Board that the
12 grantee has not fulfilled all grant agreement
13 requirements, despite having received an approval of
14 funding 14 months ago. The CCHE Grant Manager has worked
15 closely with the grantee offering checklists and reminders
16 of what is needed. But the small foundation has had
17 difficulty with responsiveness until just recently.

18 Details on matching fund resources, for example,
19 had not yet been submitted. Without documentation of
20 these listed match funds, this applicant will not qualify
21 to enter grant agreement.

22 CCHE staff is bringing this issue to the
23 attention of the Board, but does not recommend that the
24 Board take specific action at this time. Unlike the CCHE
25 requirements for reservations of funding, there is

1 currently no restriction on the amount of time a grantee
2 may take to move from an approval of funding to a
3 finalized grant agreement. Staff proposes coming back to
4 the Board at the next meeting with a policy that
5 establishes a reasonable timeline from the approval of
6 funding to the full execution of a grant agreement.

7 And I believe we have representatives from both
8 the City and the Foundation here.

9 CHAIRPERSON ALDRICH: Mr. Tom Tice, are you Here.
10 I hope it's Tice or Tile. I apologize.

11 MR. TICE: It's Tice.

12 CHAIRPERSON ALDRICH: Tice. Thank you.

13 MR. TICE: Thank you, Madam Chairman, and members
14 of the Committee. My name is Tom Tice, and I'm currently
15 the Board president. I'm a civil engineer and
16 construction project manager by trade.

17 The staff report depicts our condition. We had
18 been diligently working with the City of Fullerton to
19 obtain the funds as indicated. That took a lot of our
20 board time, a lot of our efforts. Now that we've secured
21 that, we are moving very diligently to complete our grant
22 compliance.

23 We've been working with our new grant manager.
24 She's been very helpful. And we're confident that very
25 shortly we will have all of the pieces put together to

1 comply with all the requirements and get the project under
2 way.

3 I'm very happy that the City of Fullerton sent a
4 representative here to reiterate any questions or concerns
5 you had about their support. But we appreciate the
6 Board's support and you'll see a project starting very
7 shortly.

8 CHAIRPERSON ALDRICH: Any questions or comments
9 from the Board?

10 Is there anything anybody else would like to say
11 in regards to this project?

12 All right. Thank you very much. We appreciate
13 your time today.

14 BOARD MEMBER SWINDEN: Madam Chair, I'd like to
15 hear from the City.

16 Would the representative from the City of
17 Fullerton please come forward.

18 Do you have a specific question?

19 MR. FELZ: Madam Chair, members of the Board, Joe
20 Felz representing the City of Fullerton and the
21 Redevelopment Agency.

22 BOARD MEMBER SWINDEN: I'd just like yo to go on
23 record in support of the project and the City is behind
24 it.

25 MR. FELZ: The City is supportive and approved

1 August 4th both the grant amount and the funding totaling
2 approximately \$6 million.

3 BOARD MEMBER SWINDEN: Thank you.

4 MR. FELZ: Thank you.

5 CHAIRPERSON ALDRICH: Thank you.

6 All right. I think we're ready to move on to the
7 next agenda item.

8 EXECUTIVE OFFICER MORRIS: All right. That would
9 be Agenda Item number 11.1. This is Round 3 project. The
10 Applicant is the Autry National Center of the American
11 West. The project was saving the Southwest Museum of the
12 American Indian. This is in Los Angeles.

13 The original grant amount was \$160,000. And the
14 Southwest Museum is actually part of the Autry National
15 Center of the American West. It includes the Autry over
16 in Griffith Park. It holds one of the nation's most
17 important collections related to the American Indian. In
18 August of '07, the CCHE Board reserved Round 3 funding of
19 just over \$160,000 for the Autry to expand its Southwest
20 Museum's elevator.

21 They entered into a grant agreement that began on
22 July 1st, 2008. However, the grantee requested and
23 received a material change to that grant several months
24 later, in November 2008 when the elevator expansion
25 project encountered obstacles. The approved revised

1 project was to water proof and upgrade the electricity in
2 the tunnel of the museum to protect the art work that's
3 installed in that tunnel.

4 No work on the project has been completed to
5 date. And the Autry informed CCHE on July 31st of this
6 year, that it would not be able to proceed with the
7 project due to the economic down turn, and their need to
8 redirect previously raised unrestricted matching funds to
9 support the Autry National Center's general operations.

10 Staff recommends that the CCHE Board accept the
11 grantee's decision to decline the funding and return the
12 money to the CCHE's general grant fund.

13 CHAIRPERSON ALDRICH: Are there any public
14 comments in relation to this project?

15 BOARD MEMBER SWINDEN: So moved.

16 DELEGATE OROPEZA: Second.

17 CHAIRPERSON ALDRICH: All those in favor?

18 (Ayes.)

19 CHAIRPERSON ALDRICH: Opposed?

20 All right. Thank you.

21 Next agenda Item 12.1.

22 EXECUTIVE OFFICER MORRIS: Okay. Going on to
23 Agenda 12. We actually are moving into our pre-projects
24 with reservations needing action from the Board.

25 This first item, 12.1, is the Mexican Museum.

1 And the project is the same name. The location is in San
2 Francisco. The original dollar amount is \$2.4 million.

3 This is from Round 2. The Mexican Museum was
4 founded in San Francisco's Mission District in 1975 to
5 exhibit art work reflective of the Mexican and
6 Mexican-American people in the United States.

7 The museum has been housed at Fort Mason Center
8 since 1982 and has a permanent collection that includes
9 over 12,000 art objects spanning a wide range of
10 Mexican-American history.

11 The museum received a Round 2 funding approval of
12 \$2.4 million in February 2007 to help construct a new
13 permanent home for the collection. The original proposal
14 was a stand-alone three-story museum. The building was
15 designed by noted Mexican architect Ricardo Legorreta and
16 is often referred to as the Legorreta building.

17 The land on which the new museum building is to
18 be built is owned by the San Francisco Redevelopment
19 Agency. And shortly after CCHE's February 2007 approval
20 of funding for the museum, the SFRA decided that the
21 better use of the land would be a multi-story mixed use
22 tower.

23 The SFRA planned to partner with a large
24 international real estate developer, Millenium Partners,
25 on the new concept and committed to securing the square

1 footage, including street-level access needed for the
2 museum within the tower design.

3 This change in the project proposal constituted a
4 material change to the CCHE project requiring Board
5 approval. In their August 21st, 2007 letter requesting
6 approval of the material change, the applicant indicated
7 that the CEQA process for the new project would be
8 completed by March 2009, and that construction would
9 commence in the summer of 2009.

10 The Board approved the material change and
11 reserved the funding of \$2.4 million for the project. And
12 based on the stated timeline set the requirement that the
13 necessary Environmental Impact Report be submitted to CCHE
14 by April 30th, 2009.

15 The museum missed the April 30th, 2009 EIR
16 submission deadline and failed to communicate with CCHE
17 staff regarding the status of the CEQA process until May
18 19th, two days before the May 21st meeting. The museum
19 had a quarterly progress report requirement, but had not
20 submitted a QPR since September 2008, despite repeated
21 staff attempts to encourage submission.

22 At the May 21st, 2009 Board meeting, the museum
23 apologized for the poor communication history, and
24 indicated that plans were returning to the original
25 Legoretta Building design, and that efforts were underway

1 to raise the necessary funds. The Board asked staff to
2 research the current status of Mexican Museum
3 organization, including funding for the project and report
4 back at the next meeting.

5 A complete timeline of project developments is
6 attached to your packets, along with written
7 communications to and from the museum since the May
8 meeting.

9 The museum enjoys the support of many individuals
10 and organizations in the San Francisco community. The
11 SFRA is particularly supportive of the project and has
12 gone to great lengths to assist the museum with capacity
13 building, and even negotiated additional long-term
14 financial support from the project developer in the form
15 of \$5 million endowment for the museum.

16 Despite the strong support of the community, the
17 museum is at risk of losing the CCHE funding reservation
18 because of deficiencies in organizational capacity,
19 communications, and missed deadlines.

20 CCHE staff met with both SFRA staff and museum
21 leadership in late August and was encouraged by the SFRA's
22 involvement in the project, the viability of the mixed-use
23 project concept, and the financial commitment being made
24 by the SFRA that ensures that sufficient matching funds
25 exist for the CCHE funding.

1 And I think what also happened following the
2 Board meeting is that the SFRA indicated that, in fact,
3 the multi-story project is back on. SFRA confirmed that
4 Millenium Partners, the developer building on the museum
5 site, will deliver a "core and shell" for the museum on
6 the first two floors of their mixed-use tower. The museum
7 would use CCHE funds to build out interior spaces within
8 the core and shell. After the meeting, the SFRA provided
9 the preliminary project construction schedule that's in
10 your packet.

11 The schedule shows the museum tenant improvements
12 to be completed by the second quarter of 2013. In the
13 footnote, it also explains that an operating lease would
14 go into effect at the time that the core and shell of the
15 building is completed, which is roughly the first quarter
16 of 2013. This lease would include the necessary evidence
17 of long-term control of the property by the applicant, a
18 current CCHE requirement for the Board's approval of
19 funding.

20 This timeline, with the current liquidation date
21 of CCHE funds of June 30th, 2013, is problematic from a
22 State funding perspective because CCHE needs the Board's
23 approval of funding before it can encumber a project's
24 grant agreement. With the current sunset date for CCHE
25 project funding, CCHE can only encumber a grant agreement

1 through June 30th, 2011, 18 months before the existence of
2 a lease.

3 Additionally, the CEQA compliance is currently
4 projected for completion in the 4th quarter of 2010. Any
5 slippage in that timeline could also affect CCHE's ability
6 to encumber the funds before the current sunset date of
7 June 30th, 2011. These issues could be mitigated if a
8 longer reappropriation of CCHE funds is approved and
9 CCHE's access to those funds is extended.

10 However, under the current appropriation
11 deadline, CCHE funding not encumbered by June 30th, 2011,
12 will be unavailable to both the museum and any other
13 grantee.

14 At the September -- or I'm sorry at the August
15 meeting, the museum spoke to the CCHE concerns regarding
16 financial mismanagement and arts collection mismanagement
17 expressed in the August 18th letter from me to the museum.
18 The museum indicated that their priority is taking care of
19 their arts collection and that they have resolved all
20 lease disputes with Fort Mason, so they are no longer in
21 danger of being evicted from their Fort Mason facility.
22 However, the lease with Fort Mason ended yesterday and is
23 not being extended.

24 This information -- I have new information on
25 this having spoken yesterday or the day before with the

1 director of Cultural Affairs at the San Francisco Arts
2 Commission. He informed me that the museum and Fort Mason
3 are now in mediation and that they are trying to work out
4 some of the issues with nonpayment of the lease -- prior
5 lease obligations and also to try to have the Mexican
6 Museum have some public access hours.

7 Currently, they have no staff and no public
8 access and none of their collection is being shown. And
9 because Fort Mason is a federal facility as part of its
10 lease requirements, its tenants need to have publicly
11 available space, so that they are in mediation right now
12 to try and resolve those issues.

13 Fort Mason was initially not extending the lease
14 due to the museum's failure to make regular payments on
15 outstanding debt of more than \$200,000, for unpaid past
16 rent, and because of this issue of operating a business
17 that is open to the public, a lease requirement for all
18 Fort Mason tenants, which the resume was not following
19 through on.

20 And we have not received any formal communication
21 from the museum with regard to where they will be housing
22 the collection after the 30th. But the capacity building
23 assistance that's coming from the Arts Commission
24 indicates that they're trying to mediate through the
25 issue.

1 At the August meeting, the museum also spoke to
2 the CCHE concerns regarding the museum's organizational
3 capacity, insufficient staff, management, and leadership.
4 The museum indicated that they are trying to hire a
5 day-to-day manager within the next 60 to 90 days.
6 Additionally, they indicated that they have identified a
7 suitable candidate for the position of executive director,
8 but can't afford to bring that person on for several
9 months.

10 Mr. Victor Marquez, Immediate Past Chair of the
11 museum explained that taking on a capital project had
12 taken a toll on their small under-resources organization.
13 But he expressed optimism regarding a \$250,000 capacity
14 building grant being provided by the SFRA and administered
15 by the SF Arts Commission.

16 The grant required the museum to deliver on
17 August 1st, 2009, audited financial statements for the
18 four prior fiscal years, and on September 1st, 2009, a
19 staffing plan to establish organizational stability and
20 pre-development planning.

21 Additional deliverables due within the next six
22 months include increasing the capacity of the Board,
23 completing a five-year operating budget that demonstrates
24 the financial feasibility and sustainability of the new
25 museum facility, a fund raising plan, and a conservation

1 and catalogue plan for the 12,000 item collection.

2 As of the writing of the staff report, we had not
3 received a response from the Arts Commission regarding the
4 status of compliance for the first two deliverables.
5 However, yesterday, Mr. Luis Cancel, the Director of
6 Cultural Affairs from the San Francisco Arts Council, both
7 Emailed and called in response to this reference in the
8 staff report.

9 He indicated that he had never received my
10 voicemail requesting information. He also indicated that
11 progress was being made with regard to that audited
12 financial statements and that he considered those to be of
13 a higher priority than the staffing plan.

14 He also indicated that the costs of producing the
15 audited financial statements was growing, and that it was
16 likely that they would not have -- they would have to
17 reevaluate what they could spend money -- spend a portion
18 of the \$250,000 on, and that the audited financial
19 statements were more important than other components.

20 He indicated that the delivery date for the
21 staffing plans always considered by the Arts Commission
22 more as a quote suggestion than a firm deadline, and was
23 settled upon expecting a more timely completion of the
24 MOU. There was a bit of a lag in the signing of the MOU.

25 Mr. Cancel wanted to express his satisfaction

1 with the progress of the museum and also shared that the
2 museum and Fort Mason would be entering mediation to
3 address their issues. This is a fortuitous development as
4 the cost of moving out and reestablishing the collection
5 in another temporary space would be extremely costly to
6 the museum.

7 The museum's estimated annual operating budget of
8 between \$250,000 and \$350,000 falls within the range for
9 CCHE's Round 2 Division 1 applicants, which needed to
10 demonstrate an operating budget of up to a half million
11 dollars. But the relatively low level of funding for a
12 museum with such an extensive and valuable collection puts
13 the organization at risk on many levels.

14 The size of a non-profit's operating budget is
15 one way of estimating the organization's capacity to
16 perform certain projects. And there are indications that
17 this project may have been overly ambitious for such an
18 under-resourced non-profit organization.

19 The museum provided its federal form 990s, the
20 Return of Organization's Exempt from Income Tax for the
21 years 2005, 2006, and 2007. The documentation shows a
22 declining revenue stream that dropped from over \$750,000
23 in 2005, to \$284,000 in '06, and down to just under
24 \$150,000 in '07.

25 These figures reinforce CCHE's concerns regarding

1 the organizational stability and sustainability of the
2 organization.

3 Staff sees two options available to the Board:

4 Extending the reservation allowing the museum
5 more time; and acting now to terminate the reservation of
6 funding.

7 And I want to add that there have been a flurry
8 of letters of support that have been sent in to us in the
9 last two days: One from Mr. Cancel, which I believe
10 you've received; and then another one from three different
11 legislative representatives; and then another one from
12 four different legislative representatives. So I believe
13 you have all of those letters in your hands.

14 CHAIRPERSON ALDRICH: It looks like we have
15 several people who'd like to add comments.

16 Mr. Fred Blackwell, would you like to come
17 forward?

18 MR. BLACKWELL: Yes.

19 CHAIRPERSON ALDRICH: So we have Mr. Blackwell
20 and Ms. Wagner, Mr. Diaz and then Mr. Marquez.

21 And if you could state your name.

22 MR. DIAZ: Top of the morning to everybody. My
23 name is Mario Diaz. I'm the Co-Chair of the Board of the
24 Mexican Museum.

25 MS. WAGNER: And good morning to everyone here as

1 well. I'm Nora Wagner and I'm Co-Chair of the Mexican
2 Museum as well, Board of Trustees.

3 CHAIRPERSON ALDRICH: If you'd like to take that
4 chair around.

5 MR. DIAZ: Certainly.

6 Do you want to go first?

7 MS. WAGNER: I'll go first, thank you.

8 As you see, sitting here however looking the way
9 I do, it turns out that I am from Mexico City, born and
10 raised there, and a Mexican citizen, along with being now
11 an American citizen, and so have firsthand knowledge of
12 the fantastic and important art and culture of Mexico.
13 And it has certainly impacted my life and my family's
14 life.

15 And so I was also very, very fortunate to be able
16 to work at the Mexican Museum literally two months after
17 it opened in 1975, and was the education director there
18 for 16 years. Again, an enormous privilege to be able to
19 firsthand experience the impact that this institution, its
20 collections and its educational programs have on children
21 and adults alike.

22 For some, that impact was more of deepening one.
23 In other words, learning about the roots of their culture.
24 And for others, it was broadening their experience of a
25 neighboring culture that absolutely impacts every part of

1 California. So I just keep going back to the importance
2 of the Mexican Museum and the importance of the existence
3 of the Mexican Museum.

4 It's already been mentioned that the museum has a
5 very, very valuable and impressive collection of over
6 12,000 objects that literally span thousands of years,
7 from pre-Colombian period to the present. So anyone and
8 everyone can find their interest and niche within that
9 huge collection of the sculptures, paintings, ceramics, et
10 cetera.

11 As again you've heard from the report, we have
12 tremendous support currently for the establishment of the
13 museum at the Yerba Buena Gardens area. We also are very,
14 very fortunate to have the very strong partnership among
15 the Mexican Museum, the redevelopment agency, the San
16 Francisco Art Commission, and Millenium Partners.

17 And so I'm just here to remark and to hopefully
18 make an impact in terms of the importance of institution
19 and with a partnership that we now have in place, and the
20 Board is very strong at this point on many, many counts,
21 that this project can go forward and that we will be at
22 Mission Street at Yerba Buena Center.

23 Thank you.

24 MR. DIAZ: My name is Mario Diaz and I'm a native
25 Californian, second generation. Both my parents come from

1 Mexico -- my grandparents rather. And I've been in the
2 Bay Area since '76, and peripherally involved with the
3 Mexican Museum since 1990.

4 I work for the Wells Fargo Foundation, that's my
5 day job. And we have a former banker who was on the Board
6 at that time, who I supported. Her name was Elisa
7 Arevalo-Boone. I was familiar with that. I attended the
8 groundbreaking for the Legorreta showing the model at that
9 time.

10 And then evolved into becoming on their advisory
11 board in 2002. So this year, I took the major step of
12 becoming a co-chair. First it was board member in May of
13 this year. And then became the co-chair along with Nora
14 on June 1st, succeeding our former past president Victor
15 Marquez, who is here. Victor is our lead liaison for the
16 706 Mission project. So he has all the experience and the
17 knowledge and with all the relationships relevant to this
18 ongoing project of the new mixed-use project.

19 So we're supportive of him being our spokesperson
20 here today to respond to any questions that you all may
21 have. And if I can answer any questions that you have
22 directly for me, I'll be more than happy to try to respond
23 to them at that time.

24 So can I introduce Victor have him come

25 CHAIRPERSON ALDRICH: Well, are there any

1 questions from our Board to the Board of the Mexican
2 museum at this time?

3 All right. Well, then thank you very much for --
4 we appreciate you being here.

5 Come forward, Victor.

6 MR. MARQUEZ: Hello again. Victor Marquez,
7 immediate past board chair.

8 And as you can see by the diversity from just the
9 three of us, I was born in the U.S. Las Cruces New Mexico.
10 I went to live in Guanajuato at the age of six months, and
11 then came back at the age of nine. So we have a very
12 diverse group of folks at the helm at this point in time.
13 And I will take some credit for having recruited both Nora
14 who's an art expert and programmer at the Blackhawk museum
15 and then also Mario, who is in philanthropy.

16 I came into this project as a real estate
17 attorney, recruited then by Mayor Willie Brown, as well as
18 some of the local supervisors to help with the real estate
19 development entitlement project for the Legorreta
20 Building. And so part -- and Mr. Blackwell and I have
21 started to work much, much closely together over the last
22 year and a half, as part of the mixed-use development that
23 is now back on track and on the table, which he's going to
24 be talking about.

25 I do want to highlight and clarify a couple of

1 points. And that is that what this Board has accomplished
2 is basically to complete like 98 percent of the capital
3 campaign for the building through this mixed-use project.
4 We are done with fund raising, except for a small
5 percentage that we will have to raise for the interior
6 FF&E's, the furniture, some of the fixtures and so forth,
7 but otherwise we are done.

8 About three years ago, we made a conscious
9 decision to close a section of the Fort Mason space and
10 give it back to Fort Mason, because the new building at
11 706 that was acquired by our partners they offered us an
12 entire floor to move and exhibit the collection downtown
13 right next to the site.

14 So we intentionally decreased our budget and our
15 operating budget just to preserve the collections, about
16 \$10,000 a month, which would be about 120 a year, which is
17 more reflective of the reduction in closing down some of
18 the programs, while at that point we're thinking of making
19 the move.

20 A lot has happened of course with the economy
21 crashing, with our development partner making some changes
22 to their plans. We don't deny any of that, but we have
23 been working very hard. And I want to highlight that this
24 museum was put in place -- was founded by Peter Rodriguez
25 specifically to collect cultural assets of the Hispanic

1 community Latinos, Mexican-Americans and Mexicans that are
2 in California that somehow ended up in California and that
3 have been here since California was Yerba Buena. Yerba
4 Buena, the original founding name of what is now San
5 Francisco.

6 The history of San Francisco is rich of Mexican
7 art and culture and influence, with streets like Dolores,
8 Ortega, and Vallejo and venues like the Presidio and
9 Mission Dolores which were there before San Francisco was
10 even -- its name.

11 It could not be more fitting for the Mexican
12 Museum than to be built at Yerba Buena Gardens in San
13 Francisco. The Redevelopment Agency has done an amazing
14 excellent job in develop Yerba Buena Gardens, which is a
15 national and international model. Some of the crown
16 jewels at the Yerba Buena Gardens are the Yerba Buena
17 Center for the Arts, the Museum of Modern Art, the Jewish
18 Museum, the Museum of African Diaspora. Rich ethnic and
19 cultural diversity.

20 The last piece that is missing, and the cast has
21 already been set, is the Mexican museum, is the final
22 crown jewel to complete this project.

23 Again, I was brought in as -- actually both a
24 government relations attorney as well as a real estate
25 attorney. And in that spirit, we have also, the

1 leadership, has demonstrated its ability to work, not only
2 with getting unanimous support from the Commission, we
3 got -- redevelopment devoted seven -- the last vote that
4 happened, seven, the full commission is aboard. The Board
5 of Supervisors submitted a letter of support in May. One
6 100 percent support of the Board of Supervisors.

7 The California legislation, Senator Leno and
8 Senator Yee and Assembly Members Ma and Ammiano have all
9 submitted a letter of support. They are fully on board.
10 They're not lukewarm about this project. They understand
11 the demographics of California and how important this is.

12 The letter of support that was signed by
13 Assemblymember Sandre Swanson, Assembly Member Alberto
14 Torricco, and Assembly Member Joe Coto representing the
15 Asian, African-American and Black caucuses, speaks volumes
16 of the kind of support that this project has obtained,
17 along with Mayor Newsom's support, and some of the other
18 support that has been put forth.

19 Together, the city's political family has made
20 this a priority. I stated that in May. I stated it
21 prior. Part of our problem has been not being able to
22 lineup all the ducks at the same time. And for the first
23 time in the 30-something year history of this project, and
24 in the past 16 years, it's the first time where everyone
25 is working together. The collaboration is working. We

1 have done a lot to clear up some of our past mistakes, and
2 that's evidenced by an almost three-hour meeting that we
3 had with Ms. Morris, the executive officer for CCHE, along
4 with other staff, and Senior Project Director, Amy Neches,
5 and Christine Maher, who's also here from redevelopment.
6 We met and addressed each and every concern.

7 And, yes, there are still questions that need to
8 be more further clarified as evidenced by the report. And
9 we're working to do that. We have had numerous meetings
10 at Redevelopment in San Francisco, which staff literally
11 dozens of hours have been spent from May till now to make
12 sure that we are all on the same page as a city. We had
13 meetings with the Board of Supervisors to brief them. The
14 list goes on and on.

15 And so today, we are here to answer any
16 additional questions and to request almost -- on a
17 personal level almost plea to not take these funds away,
18 but to give us an extension through the end of 2010 to
19 make good on our promises and to deliver a project that
20 will give you the CEQA documentation that is required so
21 that we can clear up the lease and go before, if
22 necessary, the Board of Supervisors in San Francisco, so
23 that they can give us the right lease or what have you.
24 That can be worked out. That's an easy thing to do.

25 And then also in particular, I think I can say in

1 public that Assembly Member Coto and Assembly Woman Ma in
2 particular are willing to carry any kind of legislation,
3 as well as Senator Yee that may be helpful in making sure
4 that we meet all the deadlines.

5 They have already, through -- and I know that
6 Assembly Member Coto wanted the extension beyond the new
7 one-year extension -- beyond one year. He wanted to add
8 it for a few years to make sure that all those projects,
9 not just the Mexican museum. So I'm not saying they want
10 to do it specifically for us, but they want to make sure
11 that all the work that staff has done and that this Board
12 has done, and some additional work that needs to be done
13 the timeline be extended. I can't speak for them, but I
14 can say that they are in support of that proposition.

15 In closing, I do want to introduce Mr. Fred
16 Blackwell who obviously demonstrates the City's
17 commitment. We requested someone from the Mayor's Office
18 as well as from the Arts Commission. He was the designee
19 to represent our great City and County of San Francisco.
20 And I say that ultimately keep your eyes as Commissioners
21 on the prize. The prize is preserving the over 12,000
22 amazing pieces of art work that Ms. Wagner has described.
23 That is what we want to do. That's what we want to do for
24 Californios, from San Diego to Eureka to the Oregon border
25 and everywhere in between.

1 So thank you so much.

2 CHAIRPERSON ALDRICH: Mr. Blackwell, would you
3 like to make a few comments?

4 MR. BLACKWELL: Good morning, Madam Chair and
5 members of the Board. My name is Fred Blackwell, and I'm
6 the Executive Director at San Francisco's Redevelopment
7 Agency.

8 I'm afraid that my credentials come up a little
9 bit short this morning, because I'm the only person who's
10 going to be talking to you about this item that doesn't
11 have some type of connection to Mexico.

12 MR. MARQUEZ: You're an honorary member now.

13 MR. BLACKWELL: In any event, I actually am here,
14 not only representing the agency, as Mr. Marquez said, but
15 the entire City and County family of San Francisco, in
16 expressing our support for the museum, and asking for the
17 extension of the funding reservation for the museum.

18 I just wanted to touch on a couple of items that
19 I want to commend your staff for a very thorough report.
20 And I don't want to reiterate a whole lot of the stuff
21 that's there, but I do want to address a couple of issues
22 that were raised.

23 One is, we are demonstrating our support for the
24 museum, both in an organizational way, and in terms of the
25 actual creation of a facility to show the museum's

1 collection.

2 From an organizational point of view, as Mr.
3 Marquez said, in July of this year or August, our
4 Commission unanimously approved a \$250,000 pre-development
5 grant to the museum. And the pre-development grant not
6 only is intended to kind of set the pathway for the work
7 that needs to get done to do the work to establish the
8 core and shell, but it also creates the funding that we
9 thought was necessary to bring on staff and do the kind of
10 capacity building that we think is going to be critical.
11 And I think the museum would agree towards them being in
12 that building as a strong entity, ready to take on the
13 role that we will all need them to take on as the partner
14 in this project.

15 Part of that, in the way that we put it together,
16 was in a way that just didn't have the redevelopment
17 agency as a supporter, but we thought it was important to
18 put our strongest arts and cultural organization in the
19 mix with regard to this, by having the Arts Commission
20 provide technical assistance to the museum, and also house
21 the \$250,000. And so that they could be kind of a partner
22 with us and with the museum, in terms of really building
23 the capacity of the museum. Clearly, we are bricks and
24 mortar in nature. We know how to build stuff. We thought
25 that our partner at the Arts Commission would be much

1 better positioned to provide the kind of arts background
2 that we thought was going to be key in this project.

3 The other thing that I think is really important
4 to note. I just want to kind of remind everybody, and
5 kind of talk a little bit about the 706 Mission Project,
6 and why we moved from kind of one approach to this to
7 another and where we are right now, because I think that's
8 an important part of your deliberation.

9 We, as you probably know by now, worked for many
10 years on a stand-alone approach to the development of the
11 Mexican Museum facility. And for a variety of reasons,
12 that never came around. And one of the reasons is that
13 the fund-raising responsibility, associated with the
14 stand-alone site really was quite expensive. We were
15 talking about something that was back then, you know, tens
16 of millions. Now, if we were to do this today would be
17 40, possibly \$50 million to do what was designed.

18 We thought it was a much more financially
19 feasible approach to partner with a group like Millenium
20 and actually make this part of a mixed-use project. The
21 way that it's currently structured, Millenium would
22 provide, through the construction of this mixed-use
23 project, a core and shell for the Mexican museum at 35,000
24 square feet, and they would commit \$5 million towards an
25 endowment for the museum, which I think partially

1 addresses some of the concerns that I think staff has
2 appropriately raised with you all, about the museum's kind
3 of financial capacity and wherewithal. I think that that
4 is one of the ways that we're addressing it.

5 And we also anticipate after this \$250,000 grant
6 is complete, if the benchmarks are met, that the
7 Redevelopment Agency will stand poised to support the
8 museum in the future, as we go on on the pre-development
9 path on this front.

10 I, as the director of the agency, realize the
11 position that you all are in, where you've got a situation
12 where if these monies aren't spent, you have forgone other
13 opportunities. In the times that we're in, that is not
14 lost on me.

15 So I just want to conclude by saying that we
16 are -- while we're under a very aggressive and tight
17 timeline with regard to the development of the mixed-used
18 project at 706 Mission and the EIR, we are committed, as a
19 city, to meeting those timelines.

20 We also feel like our partner, in Millenium is
21 committed. We've worked with Millenium on a number of
22 other city projects. And they are known for delivering on
23 time. And so, while it's tight, we think that we can make
24 the timeframes that have been set out.

25 And so, I just wanted to be here and speak in

1 support and answer any questions that you had. And I'll
2 just stop there.

3 CHAIRPERSON ALDRICH: Thank you.

4 Are there any questions or comments from the
5 Board?

6 CHAIRPERSON ALDRICH: Mr. Cash.

7 DELEGATE CASH: I was just curious, where -- I
8 have a few questions. But I'll start with, where is the
9 agreement with -- where are we with the agreement with
10 Millenium and the museum? Has that been signed? Do we
11 know we're for sure going to have a specific type of
12 building?

13 MR. MARQUEZ: Yes.

14 DELEGATE CASH: Can you fill us in on that?

15 MR. MARQUEZ: Sure. A couple of things. One of
16 our, again, requests initially with Millenium was that
17 they hire someone with some level of experience with the
18 Mexican community. They actually hired Arquitectos Diez,
19 which is Enrique Norten, who's actually building the
20 Guggenheim Museum in Guadalajara, Mexico. And he's got a
21 great portfolio.

22 So, as part of that discussion, what went into
23 the exclusive negotiating agreement, which is a public
24 binding document that was approved by the Redevelopment
25 Agency in July of last year 2008. That is legal document

1 that has, as a beneficiary, to receive the buildout, the
2 core and shell, which I don't know what the value is, but
3 it certainly must be in upwards of \$15 million or
4 thereabouts. And then as part of that also a \$5 million
5 endowment.

6 In order for them to get the City to give them
7 the height, they have to go before the San Francisco Board
8 of Supervisors. So there is a safety mechanism there,
9 from our perspective, as the beneficiary, to ensure that
10 the Board of Supervisors holds them to that deal. And we
11 have absolutely no reason to believe that they would not
12 perform on that deal. So all the public documentation and
13 contracts are in place.

14 MR. BLACKWELL: The only thing I would add is a
15 couple of things. One, is that when our commission
16 approved the MOU last year with the Arts Commission for
17 the \$250,000 for pre-development support, they also
18 approved an exclusive negotiations agreement with
19 Millenium for our property.

20 And included in that E&A are the provisions that
21 I've laid out, in terms of the building of the core and
22 the shell, as well as the endowment among other community
23 benefits.

24 One thing I want the Board to know that I think
25 is very important, is that the way that this project moves

1 forward is on two parcels. One parcel is owned by
2 Millenium and the other parcel is owned by the agency.

3 The parcel that is owned by the agency is
4 unequivocally set aside for the development of this
5 museum. So without the museum, the other parcel will not
6 be sold or conveyed to Millenium, and the project will not
7 move forward. And so I just want the Board to understand
8 that we're the owners of that property. And as far as
9 we're concerned, the only reason that this property is in
10 the deal is to deliver the core and shell for the museum.

11 MR. MARQUEZ: And on top of that, if I may also
12 add, I know it's in the report, but the agency has -- the
13 Board of Supervisors approved an additional \$4 million
14 recently for the issuance of bonds. And those bonds were
15 actually sold. And so we have a total of \$11 million
16 worth of bonds that have actually been issued and sold
17 with the Redevelopment Agency, specifically for the -- at
18 this point in time, it looks like that money will be used
19 for the interior development along with the CCHE funds.

20 CHAIRPERSON ALDRICH: Any further questions?

21 BOARD MEMBER McDONALD: I have a question.

22 CHAIRPERSON ALDRICH: Mr. McDonald.

23 BOARD MEMBER McDONALD: Madam Chair, thank you.

24 The mediation that you're going to be with with
25 Fort Mason, usually in a mediation one party -- what makes

1 you think you might win the mediation?

2 MR. MARQUEZ: Well, again, I think the mediation
3 calls for both sides to compromise at some level. We have
4 made the original rent arrears. When I took over as
5 president of the Board, there had been about \$300,000 in
6 accumulated debt over a long time. We chipped away at
7 that. Some of the debt that remained was with the rent
8 arrears to Fort Mason. They gave us a very generous
9 timeline.

10 We have, over the past year, paid over \$50,000
11 towards those rent arrears. We then negotiated a new
12 lease. We have paid every single month on time. It's now
13 been a whole year of timely payments. The reason that we
14 think we will succeed in the mediation is because Fort
15 Mason is also undergoing a capital campaign. We want to
16 honor our debt to them, and we've demonstrated that over
17 the past year. And we think that will go a long way with
18 the mediator being able to say to Fort Mason, look,
19 they've been paying their monthly rent. They just
20 launched the biggest exhibit that we've had in a long time
21 on September 25th. We had over 300 people participate.
22 Judith Baca, who was here in the presentation, is a strong
23 supporter as well.

24 So the artist community is ready to come in and
25 start exhibiting. That's what they want us to do as well.

1 We have a team of volunteer pro bono carpenters and
2 architects who are going to come in and redesign the space
3 for free. It's not going to cost us a dime, not even for
4 material. And that's something that they want to hear.

5 If they give us a green light to do that, we
6 think that by the end of the year, early at the beginning
7 of the year we'll be open with a space to exhibit some of
8 the art. So I think those are all winning things that
9 will hopefully -- and aside from that, we were planning to
10 walk in with some money as well towards the -- either
11 towards the arrear or towards future rents, one or the
12 other, whatever they would prefer to see us do. So we're
13 not going in empty handed.

14 BOARD MEMBER McDONALD: But if you're looking at
15 mediation, then you're also looking at resolution.

16 MR. MARQUEZ: Yes.

17 BOARD MEMBER McDONALD: And what happens --
18 you've given the picture, if you are successful. What
19 happens if you aren't successful, where does the project
20 go from there?

21 MR. MARQUEZ: The worst case scenario is
22 two-fold. One, by all accounts, including advice from
23 John Buchanan's staff at the San Francisco Museum of Fine
24 Arts, it will take about six months to move the
25 collection, to properly move it, at an expensive of about

1 close to \$500,000. We're working very closely with Mr.
2 Cancel to do two things.

3 One, to identify a site within the city, where we
4 could move and store the collection. We're working with
5 Millenium to also give us a space where we can exhibit the
6 collection. Our preference would be to use those funds to
7 pay Fort Mason and make Fort Mason whole.

8 If they would not accept those payments, then
9 what we would basically have to do is expedite the process
10 with the city and get the city more actively involved to
11 help us move to another location.

12 There is a site at the San Francisco Airport
13 where the de Young housed its collection while they built
14 their new facility. So that's certainly an option, but
15 it's an option that's also going to cost money. So it's a
16 matter of doing a cost-benefit analysis. And the city is
17 also on board through the agency, through the Arts
18 Commission, through the board of supervisors, to make sure
19 that Fort Mason is made whole. And so we're all being
20 held accountable.

21 So to answer your question, if they do not accept
22 our proposal, then the worst case scenario is that they
23 would give us six to nine months to move out, but not be
24 evicted overnight. Nobody wants that.

25 BOARD MEMBER McDONALD: Thank you.

1 CHAIRPERSON ALDRICH: Ms. Martinez.

2 BOARD MEMBER MARTINEZ: As I read the staff
3 report, I had some concerns about your own infrastructure,
4 operations, et cetera. So I was just curious, have you
5 been able to hire a day-to-day manager?

6 MR. MARQUEZ: We have some prospects. Part of
7 the focus since May and since we signed the MOU has been
8 to complete our 990s, to get the audits in place. We've
9 been successful in doing that. Mr. Diaz has a better
10 sense on the timing of the last 990. I believe that is
11 ready. And then we do have three quotes. We will have an
12 auditor in place. And I think Mr. Diaz can also answer
13 that more specifically.

14 Then the next step, as Mr. Cancel communicated to
15 Ms. Morris, is that we would then do an RF -- a Request
16 For Proposals for the staff. We do have a consultant, Ms.
17 Denise Brantley who is dedicated to work with us on a
18 day-to-day basis.

19 And she is being paid out of her grant from the
20 redevelopment agency to work with us on a day-to-day. So
21 that's our initial -- and she's being very, very
22 effective. And again, Mr. Diaz, if you could step up and
23 answer.

24 BOARD MEMBER MARTINEZ: That's okay, I
25 understand. So you haven't.

1 MR. MARQUEZ: Yet.

2 BOARD MEMBER MARTINEZ: Yet. But you're working
3 on it.

4 MR. MARQUEZ: Yet.

5 BOARD MEMBER MARTINEZ: And what about the
6 position of executive director?

7 MR. MARQUEZ: As I mentioned before, and I did
8 get his approval in the past to make this public
9 statement, Gregorio Luke is very interested in being our
10 executive director. He is a, I would say, a front-runner
11 by all accounts. And he's highly -- he would be highly
12 ideal for the position, because he did see the MOLAA,
13 museum in Long Beach, through from its inception to
14 construction and so forth.

15 Again, the decision that the Board has made is
16 that we need a day-to-day manager to help get cement, the
17 audit and so forth before we can actually bring in an
18 executive director.

19 BOARD MEMBER MARTINEZ: And lastly, I'm just -- I
20 just don't understand how you can get your fundraising
21 plan, your strategic plan, your operating plan, get them
22 going, so to speak, without these two key positions. And
23 so I'm a manager and that called out to me. You know, the
24 administrative infrastructure just seemed to be very weak.
25 And, you know, who's going to do all the work if you can't

1 get those two positions in place. It's a lot of work.

2 MR. DIAZ: It is. And we're a hundred percent
3 volunteer organization. And people are coming up,
4 individuals, professionals that are doing pro bono work,
5 and we actually have a woman, Maria Alvarez, who is
6 investing her time as pro bono manager. So we're actually
7 going to be able to use some of the monies that were
8 dedicated for staff from the recent 250,000 for something
9 else.

10 So we're trying to be creative, but also, you
11 know, intelligent and manage these dollars to the
12 best -- and also fund raise. So we have a Renacimiento
13 campaign that's going to change our website and really
14 focus on the collection. We're taking, what was the focus
15 on -- if you were going there now, you'd see the building.
16 We're removing the building. It's going to focus on the
17 collection. We're going to have on on-line capability for
18 anybody who wants to make a donation, they can do it on
19 line. We didn't have that before.

20 So we're really upgrading the whole website so
21 it's more people friendly, and engage people that are not
22 just based in California, that are aware of the Mexican
23 Museum, but internationally and throughout the United
24 States. This is key to the success. But as a Board of
25 Trustee, it's also on us to fund raise independent of the

1 monies that are being granted. That is something that we
2 have to have jump-start.

3 So this money is great. The 2.4 million would be
4 wonderful for the buildup for the 706 Mission Project, but
5 we also have a job on our hands to fund raise. And
6 develop and reengage our corporate donors. My own bank is
7 actually a help, but it's baby steps. So I just want to
8 reiterate that it is a baby-step motion, until we can get
9 staff, so that they can focus on the day-to-day
10 operations, and I can be of service in my volunteer
11 capacity as well.

12 BOARD MEMBER MARTINEZ: Thank you.

13 CHAIRPERSON ALDRICH: Mr. Swinden.

14 BOARD MEMBER SWINDEN: Yeah, Madam chair. I
15 think everybody on the Board understands the significance
16 of your collection. And I, for one, have always been very
17 supportive of this project. I have very grave concerns
18 whether this project is going to get finished. And it
19 comes from two points. One was the staff mentioned that
20 you'd be 18 months behind even before you had your lease
21 agreement in place. However, you're documents say now
22 you'll be able to meet that, is that true?

23 MR. BLACKWELL: Yeah. One of the things that we
24 are considering, and I think that we will pursue, is
25 pursuing a lease with the museum prior to the completion

1 of the core and the shell. What we would like to do is
2 actually enter into a lease disposition agreement once the
3 entitlements are complete, which we estimate to be kind of
4 second half of 2010. And so we're hopeful that by doing
5 that, we can come up with other ways as well.

6 We can secure, I think, your requirement for the
7 20 year kind of commitment and lease before that
8 expiration date, by not waiting until the core and shell
9 are completed.

10 BOARD MEMBER SWINDEN: Mimi, that would suffice
11 if that was done?

12 EXECUTIVE OFFICER MORRIS: I'm sorry, I got
13 distracted.

14 BOARD MEMBER SWINDEN: Would that suffice your
15 requirements as far as the lease is concerned, being done
16 in that timeframe?

17 EXECUTIVE OFFICER MORRIS: This is a good
18 opportunity for me to talk about the origin of the lease
19 requirement. Marian Moe, Deputy Attorney General to the
20 CCHE and myself and staff actually went back and tried to
21 research the origin of the three items that are required
22 to move from a reservation of funding to an approval of
23 funding.

24 And the three items are the CEQA compliance, the
25 evidence of match, and then the long-term control. And it

1 does appear that the long-term control requirement of 20
2 years was a staff discretion decision. There is a
3 reference to long-term control in the bond, but it does
4 appear that the 20-year requirement that that be in place
5 prior to the approval was something that was decided at
6 the staff level.

7 So it's something that the Board, you know, could
8 waive in order to proceed with an approval without a lease
9 in place. And that, I think, places the CEQA compliance
10 as the bigger hurdle for us with regard to getting both an
11 approval and a grant agreement before the deadline.

12 BOARD MEMBER SWINDEN: But even if we do that,
13 the project doesn't seem that it's going to be completed
14 within the time that we have to have the project completed
15 to satisfy our position with the State.

16 EXECUTIVE OFFICER MORRIS: Are you talking about
17 the expiration of the funds?

18 BOARD MEMBER SWINDEN: Yes.

19 EXECUTIVE OFFICER MORRIS: Yes, that's true. And
20 it's encouraging to hear that there's some legislative
21 support towards a reappropriation that would extend the
22 life of the monies. And then you just have the issue of
23 any potential slippage in the construction timeline. And
24 the potential that if we weren't able to encumber the
25 funds, then we might be in a position of having those

1 funds not really go towards any project in California.

2 BOARD MEMBER SWINDEN: And that becomes our
3 dilemma as far as our responsibility to the State and the
4 people of California.

5 I guess my thought is that because we're asking
6 for our grant applications being in February, we're almost
7 going to forfeit the opportunity to use that money if this
8 deal doesn't go through, unless there's some mechanism by
9 which that money could be reincorporated and distributed
10 over the projects that we award at that time on some sort
11 of prorational basis across the Board.

12 My concern is losing the money and not having it
13 used. And I would hope that -- I would suggest that the
14 applicant report back to us on a monthly basis to the
15 staff and keep us informed as to the progress. I would
16 certainly want to know by February where we're at, whether
17 we're going to be use this money for you and take the
18 chance you're going to complete this project or we're
19 going to use it for somebody else and make it available
20 for the State.

21 But right now, it seems to me that it seems
22 fairly unlikely this is going to go forward in the
23 timeframe that we have and the restrictions we have on us.
24 So I would encourage you to be forthcoming with the staff
25 and really keep us informed.

1 I'm also very concerned as to your collection and
2 what alternative plans you've made to be able to preserve
3 this collection, if all of a sudden you find yourself out
4 of, you know, a place to keep this, not just being able to
5 show it, but also to be able to preserve it. You have a
6 responsibility not only to yourselves, but I think to
7 everybody in this room to preserve that collection.

8 And so I would like to see some sort of -- if
9 this is not going forward, I'd like to at least know what
10 you're going to do to preserve this collection for the
11 people of California and for the nation as a whole.

12 Thank you.

13 MS. WAGNER: I possibly could make some remarks
14 in that regard.

15 BOARD MEMBER SWINDEN: If you'd come forward
16 then, please.

17 MS. WAGNER: The plans are in place, and we have
18 been working, as both Mr. Marquez and Mr. Blackwell have
19 mentioned. We do have to have alternative plans in case
20 the Fort Mason situation is not resolved in our favor to
21 stay.

22 Toward that end, we are in the process and we'll
23 have by next week bids from three storage -- art storage
24 handlers, whereby this collection would be packed,
25 transported, and stored at first-rate collection storage

1 facilities.

2 One of them is Ship Art. That's a facility that
3 the de Young Museum has used for many years for parts of
4 their collection. So we're very cognizant of the fact
5 that this collection has to be not only shown but also
6 preserved and cared for and it will take money obviously
7 to make this move possible.

8 The packing and transporting would be done
9 according to art -- you know, the guidelines of art
10 handling, the top art handling. So those objects would
11 not be in jeopardy.

12 In terms of exhibiting the parts of the
13 collection -- it's not possible to exhibit all of it, and
14 it's not -- generally, not museum practice to show
15 everything that one has. It's a rotating basis.

16 We now have 150 objects -- and I hope you have
17 the opportunity to go to see this -- a magnificent
18 exhibition at the Palo Alto Arts Center. And literally it
19 covers pre-Columbia to the present. That partnership has
20 been extremely effective, and we've had tremendous
21 feedback from the exhibition. Although, it only opened
22 last Friday.

23 We are fortunate in our timing. Next year is the
24 200th anniversary of the Mexican Revolution. And as the
25 consequence of that, we've already been approached by

1 several institutions in the San Francisco area, and in the
2 Bay Area, to have parts of our collection on exhibition to
3 celebrate that very, very important event.

4 So the possibility of exhibiting the collection
5 will be there, as I say, in various institutions. We're
6 going to be working very, very closely with the Mexican
7 consulate as well, who is extremely desirous of the
8 collection being shown, not only in one place at any one
9 time, but to have parts of the collection shown in a
10 variety of places simultaneously.

11 So the exposure to the museum will be very high,
12 which in terms of fundraising will also increase the
13 numbers of dollars coming into the museum.

14 I don't know if this answers to some degree parts
15 of your concerns.

16 BOARD MEMBER SWINDEN: Thank you for that. I
17 wish you well.

18 CHAIRPERSON ALDRICH: Mr. Cash.

19 DELEGATE CASH: Yeah. If I understand what you
20 said earlier, you have 98 percent of the funding available
21 for this project, is that --

22 MR. MARQUEZ: Correct. In combination --
23 including the 2.4 million reservation. We don't have an
24 exact amount for the FF&Es for the interior for the tenant
25 improvements. But senior project manager Amy Neches

1 approximates that it will be about 14 million or so. So
2 the 11 million plus the 2.4 would be the difference we
3 would bring in.

4 And we do have some donors. One donor in
5 particular who has a \$250,000 pledge that she would then
6 release once construction begins. And we have a lot of
7 folks out there who are willing to give money once they
8 know that construction has begun, so that's how we plan to
9 make up the difference.

10 And then the core and shell, that's the other big
11 part of the equation. So our main focus, if we can get to
12 the 14, 15 million, we're completely done. The building
13 itself is being delivered through the NA agreement.

14 DELEGATE CASH: I agree with what was said
15 earlier, I don't think it's a question of whether or not
16 it's a valuable project. I'm just having difficulty
17 seeing that it's going to get done within the timeframes.

18 And to have 2.4 million sitting out there that
19 could go somewhere else, I think that's, as you mentioned,
20 quite a dilemma for us.

21 CHAIRPERSON ALDRICH: Mr. McDonald.

22 BOARD MEMBER McDONALD: Yeah. At our last
23 meeting in May, and you made a very, very compelling
24 argument and statements. And we came up with a decision
25 to make sure that -- well, let's put it this way, I'll

1 read it from our minutes.

2 It said, "The Board unanimously tabled the
3 matter until the fall meeting and strongly urged
4 the applicant to submit a modification of its
5 application and have that fully approved by staff
6 prior to the fall meeting in its form and in its
7 content, so that there is no further argument or
8 discussion over those items. And at the fall
9 meeting that concrete evidence be presented from
10 various entities involved showing that they are
11 all on board on this project. Finally, if
12 communications regarding the project is missed
13 again, the project is dead."

14 My question to me Mimi now, Mimi Morris, is were
15 all the information that was needed from modification of
16 this application given to you?

17 EXECUTIVE OFFICER MORRIS: I believe we received
18 everything that we requested. The plan is -- at that time
19 in May, from what you're reading from, there was the
20 thought that the project was returning to the Legorreta
21 Building concept. And we learned subsequently that, in
22 fact, the idea of the multi-tower mixed-use building was
23 still intact, so they didn't need to come back to us with
24 a modification plan. And they've been very responsive in
25 providing all of the information that we requested over

1 the summer.

2 I don't believe there's anything outstanding that
3 we haven't been received -- I'm sorry that we haven't
4 evidence.

5 BOARD MEMBER McDONALD: Okay.

6 CHAIRPERSON ALDRICH: Ms. Spehn.

7 DELEGATE SPEHN: Right now, when is our next
8 meeting scheduled?

9 EXECUTIVE OFFICER MORRIS: We don't have a
10 meeting on the books, but we're hoping for January, early
11 February.

12 DELEGATE SPEHN: And then we wouldn't take
13 action. I think your proposed date for taking action on
14 expending -- making the final expenditures of the grant
15 money until April 13 and 14th, is that right?

16 EXECUTIVE OFFICER MORRIS: That's correct.

17 DELEGATE SPEHN: That's the tentative date.

18 So if we could meet in January and you were
19 further along on your project -- and I'd like to see
20 something from Millenium in writing.

21 EXECUTIVE OFFICER MORRIS: And actually we did
22 receive a communication from Millenium late yesterday.
23 And I don't think it duplicated and distributed, so that's
24 my fault, because of yesterday's business.

25 DELEGATE SPEHN: Can you characterize what it

1 said?

2 EXECUTIVE OFFICER MORRIS: It was a general
3 letter of support for the project.

4 DELEGATE SPEHN: And a commitment by them to move
5 forward?

6 EXECUTIVE OFFICER MORRIS: Yes, there's no doubt
7 about the Millenium Development company's commitment.
8 It's just a concern about the when, because I think as
9 we -- as I stated, the original request for the project
10 modification back in August of '07, had the involvement of
11 the Millenium Partners and projected a timeline that would
12 have had construction begin, I think, in last summer, in
13 the summer of '09. And that clearly did not happen. And
14 that did not happen largely because of the economic
15 earthquake that's faced -- you know, that's hit all of us.
16 And so now, you know, there's a new plan to start, but of
17 course, that's contingent upon sort of a correction to the
18 economy. So that's, I think, the great unknown here.

19 DELEGATE SPEHN: Okay.

20 CHAIRPERSON ALDRICH: Assembly Member Davis.

21 BOARD MEMBER DAVIS: Yeah. I wanted to ask a
22 point of clarification. I, for the first time, received a
23 letter from the legislative delegation from San Francisco.
24 And I wanted to know, in fact, if the Mayor's Office is
25 involved, in terms of support for this project? And if

1 so, has he written a letter or is it inappropriate for him
2 to do so? I've not seen anything in writing from him.

3 MR. BLACKWELL: Actually, I believe that the
4 Mayor did write a letter for the last hearing. And we
5 could actually get one from the Mayor.

6 The involvement in the Mayor's Office has
7 actually been pretty intense. And I hope I'm not getting
8 too far into the woods on this. But our land-use
9 jurisdiction, as the Redevelopment Agency, ends in Yerba
10 Buena in December. And the reason why that's significant
11 is because if we were to continue our land-use
12 jurisdiction, we would be the entitlement entity for the
13 706 Mission project.

14 Because we are clear that the expiration will
15 occur before then, we have actually handed off the kind of
16 shepherding of the entitlement processes, which the EIR
17 includes, we've handed that over to the Mayor's Office in
18 partnership with the Planning Department.

19 So, the Mayor has assigned staff to work with the
20 Planning Department to move this through and to give it
21 high priority to make sure that it meets the timeframes
22 that we've laid out for you today. And actually the Mayor
23 just yesterday called and asked me what he needed to do in
24 order to support this. And so if that's a letter, I'm
25 sure he'd be happy to provide one.

1 BOARD MEMBER DAVIS: When did he call you again?

2 MR. BLACKWELL: Yesterday.

3 MR. MARQUEZ: If I may add, Madam Chair, to that.
4 The Mayor did, at the time of our original application,
5 submit a letter of support. And I think, at that point in
6 time, there was two other San Francisco projects that were
7 also applying. Since then, he did submit a letter.

8 And the other more significant thing, of course,
9 that he did in partnership with Mr. Blackwell is to
10 approve adding \$4 million for issuance of bonds, which the
11 Board of Supervisors unanimously supported. And that just
12 happened in July of this year.

13 CHAIRPERSON ALDRICH: Mr. Diaz, would you like to
14 add something to this?

15 MR. DIAZ: Yes. The Mayor of San Francisco in
16 May had a trip to Mexico City. And during that trip it
17 was a delegation to compare Mexico City and San Francisco.
18 He invited me to go as a representative of the Mexican
19 Museum. So that, in itself, was an endorsement to share
20 with Mexico City representatives the Mayor and the
21 President, who he both met with, that there are
22 similarities. There are programs in San Francisco that
23 reflect the Mexican influence, culture, and history in the
24 state of California. So I thought that was really
25 important for you all to know that.

1 We were there for 36 hours. It was the Mayor's
2 agenda, but it was relevant to what we have in San
3 Francisco that reflects the cultural experience that
4 Mexico has to offer in California.

5 CHAIRPERSON ALDRICH: Thank you.

6 Ms. Oropeza.

7 DELEGATE OROPEZA: I'm willing to support Mr.
8 Irvine's, if it was a motion or a suggestion on the
9 monthly reporting, and that we make our final decision
10 when we're going to apportion the last funds and give you
11 an opportunity to continue to work with staff, address all
12 their concerns, and give us time to figure out whether or
13 not there's any leeway with the timeframe that we do have
14 to abide by, at this point, because that is what's in the
15 law.

16 So I don't know if it was a motion or --

17 BOARD MEMBER SWINDEN: It was just a suggestion
18 that we revisit this in January or February whenever we
19 have the meeting. But at that time, we need to make a
20 decision one way or the other. And we would highly
21 encourage you to have all the different people that
22 supported you, in terms of supporting in this project in a
23 supportive way.

24 We need to have more concrete evidence that this
25 project is going to go forward, as opposed to just the

1 good wishes of everybody. Everybody wishes the project
2 would go forward, but that's not going to get it done. We
3 need to have some concrete evidence that you're not going
4 to have your CEQA documents thrown back out at you, and
5 we're going to be out the \$2.4 million for some other
6 projects.

7 CHAIRPERSON ALDRICH: Ms. Campisi.

8 BOARD MEMBER CAMPISI: I believe you added -- I
9 think my concern is -- I like the monthly reports to
10 staff, but I would like us to be clear about when we're
11 going to make a decision, because I think it's only fair
12 to all of you, which is a very worthy project, but also to
13 make sure that those funds can be used in another way.
14 And what I'm most concerned about is sort of going forward
15 a little at a time without having a clear benchmark of
16 when we are going to make that decision, which I think is
17 what you're getting at.

18 DELEGATE SPEHN: Yes.

19 BOARD MEMBER SWINDEN: I think we have to make it
20 at the next meeting.

21 BOARD MEMBER CAMPISI: Then I think we need to be
22 clear about that.

23 CHAIRPERSON ALDRICH: So we want monthly reports
24 and then make a final decision at the next meeting in
25 January.

1 Okay, that's the motion.

2 Do we have to make a motion?

3 BOARD MEMBER SWINDEN: I don't think we have to
4 do a motion.

5 EXECUTIVE OFFICER MORRIS: Can I ask for some
6 clarification regarding what kind of information you'd
7 like to have included in the monthly reports. From my
8 perspective, I think the suggestion that it's the CEQA
9 compliance that's the big unknown, and then followed by
10 the economic conditions.

11 DELEGATE CASH: Status of hiring staff.

12 DEPUTY ATTORNEY GENERAL MOE: If I can just add
13 that CEQA compliance --

14 DELEGATE CASH: Status of hiring staff too.

15 DEPUTY ATTORNEY GENERAL MOE: CEQA compliance is
16 not going to be sufficient. You will need to have the
17 entitlements in hand before the Board would want to make a
18 decision. You'd need to have either the -- whoever's
19 authority it is to make a decision, and it's not clear yet
20 from our conversations, whether it would be the
21 Redevelopment Agency or the City. We've gotten mixed
22 responses to those questions.

23 But anyway, whoever's responsibility it is to
24 approve the final project together with their final
25 Environmental Impact Report will need to have them before

1 we would bring this to the Board for approval.

2 BOARD MEMBER CAMP ISI: And the staff status. I
3 think we need that too.

4 EXECUTIVE OFFICER MORRIS: Okay. And then I'd
5 also like to add that we have had two resolutions prepared
6 for this, A and B. Actually, 2009.14A and 2009.14B. And
7 14A actually recommends the continuation of the
8 reservation.

9 And so I would recommend that we adapt that to
10 include the monthly reporting and the Board's decision
11 that a decision will be made at that meeting in either
12 January or February of next year.

13 BOARD MEMBER SWINDEN: So moved.

14 DELEGATE CASH: Second.

15 CHAIRPERSON ALDRICH: All those in favor?

16 (Ayes.)

17 CHAIRPERSON ALDRICH: Opposed?

18 BOARD MEMBER McDONALD: I oppose.

19 CHAIRPERSON ALDRICH: One opposition.

20 MR. MARQUEZ: Thank you so much.

21 MR. BLACKWELL: Thank you.

22 CHAIRPERSON ALDRICH: At this time, I'd like to
23 take a break. So we'll start again at 1 o'clock.

24 And thank you.

25 (Thereupon a lunch break was taken.)

1 AFTERNOON SESSION

2 CHAIRPERSON ALDRICH: Good afternoon. Welcome
3 back. We're going to reconvene our Cultural and
4 Historical Endowment meeting.

5 And we are now on Item 12.2.

6 Mimi.

7 EXECUTIVE OFFICER MORRIS: This is the Chowchilla
8 Heritage Welcome Center, which has been planned since
9 2000, when the City of Chowchilla, which is the applicant,
10 purchased the Dodge Brothers Garage Building.

11 The building was originally built in 1912. And
12 CCHE reserved funding for the City of Chowchilla on August
13 23rd, 2007 in the amount of 698,000 plus dollars. And
14 this was for the creation of a welcome center that would
15 involve both the deconstruction or demolition of the
16 building and a reconstruction that would utilize bricks
17 salvaged from the deconstruction to replicate the exterior
18 facade of the building.

19 The City, pursuant to Appendix 1, CCHE
20 requirements for grant applications: Release of CCHE
21 funds reserved, had one year from the reservation date to
22 resolve all issues related to the project, including CEQA
23 compliance.

24 At the first Board meeting following the one-year
25 deadline in November of 2008, the applicant did not have

1 final CEQA compliance. The Board tabled the item pending
2 more information regarding:

3 One, whether the Dodge Brothers' Garage Building
4 had been given adequate due in terms of being preserved in
5 the original condition;

6 And two, that the building's designation as a
7 historical structure;

8 And three, the final location of the building.

9 Shortly after the November board meeting, the
10 Board received a copy of a detailed letter from the State
11 Historic Preservation Officer commenting on the draft
12 Environmental Impact Report for the project.

13 The comment letter raised several concerns
14 regarding the project, including the fact that
15 reconstruction is not an allowable treatment under the
16 Secretary of the Interior's standards for the treatment of
17 historic properties on an extant building.

18 Additionally, because the draft EIR did not
19 evaluate the possibility of rehabilitation in place, the
20 SHPO noted that project segmentation was occurring. The
21 SHPO noted that the project segmentation is specifically
22 prohibited by CEQA. CEQA mandates that environmental
23 considerations not become submerged by chopping a large
24 project into many little ones, each with a minimal
25 potential impact on the environment, which cumulatively

1 may have disastrous consequences.

2 At the February 2009 Board meeting, the Board
3 again tabled the item requesting more information from the
4 applicant regarding the consistency of the project, with
5 the Secretary of the Interior's Standards for the
6 Treatment of Historic Properties.

7 The City of Chowchilla responded on April 3rd,
8 2009 indicating that the City had decided to not act on
9 the Chowchilla Heritage Preservation Commission's
10 recommendation that the building be included on the local
11 historic register, because it was not economically
12 feasible.

13 The City also indicated that the original
14 application had always included demolition of the building
15 at the City's cost of just under \$85,000 and that the
16 application of the standards was accordingly
17 inappropriate.

18 Finally, the City claimed that the standards were
19 not applicable to the project, because there was no
20 funding coming to the project from the National Historic
21 Preservation Fund.

22 The CCHE is obligated to hold projects to the
23 standards, not because of the existence of funding from
24 the NHPF, but because the enabling legislation of the
25 Endowment, AB 716, codified in the California Education

1 Codes commencing with Section 20050 states specifically
2 that, "The Endowment shall require grant recipients to
3 follow the Secretary of the Interior's standards for the
4 treatment of historic properties where appropriate to
5 ensure the historical integrity of the project."

6 This CCHE hired a CEQA and historic preservation
7 consultant, Page and Turnbull of San Francisco in April of
8 2009, to assess both the historic significance of the
9 building and to determine if reconstruction, as originally
10 conceived, was an allowable treatment under the standards.

11 P&T concluded that the building had enough
12 historic integrity to merit registration at both the local
13 and State level and that the property is an historic
14 resource for purposes of CEQA, despite the City's decision
15 to not accept the Chowchilla Heritage Preservation
16 Commission's recommendation that the building be included
17 on the local historical register.

18 P&T based their assessment of the property as an
19 historic resource on CEQA guidelines Section
20 15064.5(a)(2), which states that, "Historical resources
21 identified in historical resource surveys are presumed to
22 be historically significant under CEQA, unless the
23 preponderance of the evidence demonstrates that the
24 resource is not historically or culturally significant."

25 P&T also concluded that the only standard to

1 apply for the project would be rehabilitation, given that
2 the building was physically intact.

3 Additionally, P&T pointed out that the EIR is
4 flawed because the lead agency does not make an explicit
5 determination regarding the historical significance of the
6 buildings.

7 At the May 21st Board meeting of this year, the
8 Board passed a motion directing CCHE staff to come back
9 with information regarding any leeway available to the
10 Board to go forward with a project that is not consistent
11 with the standards, if the structure is in a state of
12 great disrepair.

13 The same motion also required that the City of
14 Chowchilla look at the option of preserving the building
15 in place, given the economy now and how construction costs
16 may have declined.

17 CCHE staff met with the City of Chowchilla staff
18 in Sacramento on Friday, June 5th and discussed the
19 Board's motion. Less than two months later on July 28th,
20 the City had the building bulldozed.

21 I have some photographs that I'd like to
22 circulate that show you the original building. And these
23 original-state ones are very blurry, because they're from
24 a smaller resolution. And then also photographs of the
25 demolition. I'm just going to pass these to you.

1 You can see through the photographs of the
2 bulldozing, that the City did not follow a careful process
3 of deconstructing with all parts marked and stored for
4 reconstruction.

5 None of the character-defining and interesting
6 features were preserved. The photos show that the
7 building was simply knocked over and the bricks were
8 salvaged. The entire demolition took just a few hours.

9 Subsequent to the demolition, I learned that
10 Ellen Bitter had assumed all project responsibilities and
11 Emailed Ms. Bitter on July 31st requesting a formal
12 response regarding Chowchilla's decision to disregard the
13 Board's directive from May 21st.

14 Ms. Bitter responded immediately confirming that
15 the City had proceeded with their initial plan of action,
16 and that a formal response regarding the decision to
17 disregard the Board's directive would be forthcoming.

18 As of September 22nd, and despite sending
19 Chowchilla one more reminder Email in early September,
20 there had been no normal response from Chowchilla.
21 However, yesterday, the police chief for the City of
22 Chowchilla, Jay Varney, who had received a copy of all my
23 requests and the staff report sent on September 24, sent
24 an Email, which has been inserted into your packets
25 indicating continued interest in receiving CCHE funds to

1 replace the building with a structure that includes
2 materials salvaged during the reconstruction.

3 He further indicated that the City Council had,
4 after considering the quote May 2009 recommendation of the
5 CCHE Board unquote, had determined that the building posed
6 an ongoing threat to the health and safety of the
7 community and proceeded with the deconstruction of the
8 building as proposed in the original grant application.

9 Staff recommends that the Board remove the
10 reservation of funding for this applicant for the
11 following reasons:

12 CCHE is required, by virtue of its enabling
13 legislation, to require grant recipients to follow the
14 Secretary of the Interior's standards for the treatment of
15 Historic Properties, and CCHE's consultant has documented
16 why the project does not comply with the Secretary's
17 standards.

18 Two, the CCHE is restricted from making an award
19 of funding to any project that violates the Endowment's Do
20 Not Harm policy; and

21 Three, the applicant did not follow the Board
22 directive laid out on May 21st 2009, to address the option
23 of rehabilitating the building in compliance with the
24 Secretary's standards.

25 Staff also respectfully requests that the Board

1 make specific findings regarding the reasons why it is
2 removing the reservation of funding, and those findings
3 are included in the proposed resolution that's in your
4 packets.

5 CHAIRPERSON ALDRICH: Is there anyone here
6 representing this project?

7 EXECUTIVE OFFICER MORRIS: Mr. Varney indicated
8 in his later that furloughs and work reductions at the
9 City level precluded them from sending anyone to this
10 meeting.

11 CHAIRPERSON ALDRICH: Thank you.
12 Any questions or comments?

13 BOARD MEMBER SWINDEN: Madam Chair.

14 CHAIRPERSON ALDRICH: Mr. Swinden.

15 BOARD MEMBER SWINDEN: I just had a question of
16 staff. It seems to me that given the actions by the
17 applicant, we can just proceed with the resolution. I
18 don't know if we necessarily have to pinpoint anything at
19 issue at this point.

20 EXECUTIVE OFFICER MORRIS: Pinpoint anything
21 what?

22 BOARD MEMBER SWINDEN: You were asking for us to
23 put into the resolution certain factual requirements.

24 DELEGATE CASH: They're already there.

25 EXECUTIVE OFFICER MORRIS: They're in. They're

1 included in the resolution. And they were actually
2 included at the recommendation of our Deputy Attorney
3 General.

4 DEPUTY ATTORNEY GENERAL MOE: I would request
5 that you do so. I think that you can -- it strengthens, I
6 think, the Board's action.

7 BOARD MEMBER SWINDEN: Excuse me?

8 DEPUTY ATTORNEY GENERAL MOE: It strengthens the
9 Board's action to also --

10 BOARD MEMBER SWINDEN: I understand, but I don't
11 see them here though.

12 DEPUTY ATTORNEY GENERAL MOE: Yes.

13 DELEGATE SPEHN: I think you just need to read it
14 into the record.

15 DEPUTY ATTORNEY GENERAL MOE: I think they're
16 generic -- not generic, but I mean they're specific to the
17 failure to comply with the Secretary of State

18 BOARD MEMBER SWINDEN: I understand that, but do
19 you have something that you're going to read into the
20 resolution or what?

21 EXECUTIVE OFFICER MORRIS: Can you push your
22 button. I don't know that your microphone is on.

23 BOARD MEMBER SWINDEN: Do you have something you
24 can read into the resolution that you're talking about?

25 EXECUTIVE OFFICER MORRIS: You mean something

1 more specific than what's included in this?

2 BOARD MEMBER SWINDEN: Well, I thought you were
3 asking for something more than is already in the
4 resolution.

5 EXECUTIVE OFFICER MORRIS: No, no. Just what's
6 in there. Sorry.

7 BOARD MEMBER SWINDEN: Yeah, I misunderstood.

8 BOARD MEMBER CAMP ISI: May I ask a question.

9 And again I apologize for being new and asking
10 questions that probably everybody else knows the answer
11 to.

12 But it seems -- the only question I have is the
13 original award to them was for demolition, is that what I
14 understand?

15 EXECUTIVE OFFICER MORRIS: The original workplan
16 included a demolition that was to be paid for with their
17 own funds. And then our funds were to be used to
18 reconstruct.

19 BOARD MEMBER CAMP ISI: Okay, but then subsequent
20 to that, we, they, found out that demolition without
21 seeing if the property could be restored do not meet the
22 CEQA standards, is that right?

23 EXECUTIVE OFFICER MORRIS: Did not meet the
24 standards of the Secretary for the Interior. And we found
25 that out -- I'd say that there were initial communications

1 about the idea not being in compliance with the standards
2 as early as December of '07. And then about a year later
3 when the CEQA report came out and then, at that point, it
4 reached the radar of the Office of Historic Preservation.
5 And the State Historic Preservation Officer at that point
6 responded to the EIR, and indicated that the approach was
7 not consistent with the standards. That was in December.

8 DEPUTY ATTORNEY GENERAL MOE: If I could just
9 add, Madam Chair, when the project's -- the funding for
10 the project is initially reserved, it's during a very
11 broad brush process. The Board has only -- and the staff
12 only have limited information about the project.

13 So after the money is initially reserved, a lot
14 more information gathering takes place. And I think
15 that's one of the -- part of the way this unraveled is
16 that there -- as the staff became more aware of both the
17 project and the Secretary's standards, it was more
18 challenging to be able to meet the requirements.

19 BOARD MEMBER CAMP ISI: And we were clear with
20 them all along, so that we're not going to be in a
21 vulnerable position having them -- giving them money which
22 originally looked like it was going to be destruction and
23 then building a new building.

24 DEPUTY ATTORNEY GENERAL MOE: The reservation of
25 funding is simply setting aside the money to be available

1 if the applicant is able later to meet all the necessary
2 requirements. It's not the same level of approval as when
3 the Board actually approves the funding. So the Board
4 never approved funding for this project.

5 BOARD MEMBER SWINDEN: This would also be a
6 different situation, if did take the building down in an
7 appropriate manner, correct?

8 EXECUTIVE OFFICER MORRIS: This would --

9 BOARD MEMBER SWINDEN: Be a different situation
10 if they'd taken the building down in an appropriate
11 manner.

12 EXECUTIVE OFFICER MORRIS: Right, that would
13 increase or sense of their good-faith effort to the
14 historic renovation process. But, yeah, the manner in
15 which the building was taken down does not increase our
16 confidence in their desire or commitment to preserve the
17 historic structures in that community.

18 DEPUTY ATTORNEY GENERAL MOE: And if I may also
19 add, Madam Chair, the Secretary's standards from the
20 opinion that we received from Page and Turnbull and from
21 the research that we've done, do not allow the standards
22 for rehabilitation to be applied to the existing building,
23 the time of the approval and also the initial reservation
24 of funding. The building was still standing, so that it
25 would not have complied with the Secretary's standards,

1 regardless of how it was demolished.

2 EXECUTIVE OFFICER MORRIS: You're talking
3 about --

4 DEPUTY ATTORNEY GENERAL MOE: Rehabilitation.

5 EXECUTIVE OFFICER MORRIS: Rehabilitation would
6 apply, it's the deconstruction reconstruction that would
7 not apply, right.

8 DEPUTY ATTORNEY GENERAL MOE: No, rehabilitation
9 would not either in my reading of it for an existing
10 building.

11 BOARD MEMBER SWINDEN: Madam Chair, I move that
12 we pass the resolution.

13 DELEGATE CASH: I second.

14 CHAIRPERSON ALDRICH: All those in favor?

15 (Ayes.)

16 CHAIRPERSON ALDRICH: Against?

17 All right, thank you.

18 All right, the next Agenda Item is 12.3

19 EXECUTIVE OFFICER MORRIS: Thank you. The
20 applicant here is the Pasadena Playhouse State Theater of
21 California, Inc. The project is the purchase of the
22 Pasadena Playhouse. This structure in Los Angeles county
23 is one of the most recognized cultural and historic
24 landmarks in California.

25 The Spanish revival theater is considered to be

1 one of the master works of noted architect Elmer Gray.
2 The facility is 80 years old and in great need of
3 restoration and modernization.

4 The applicant, the Pasadena Playhouse State
5 Theater of California submitted a Round 3 application for
6 funding to assist in the purchase of the facility. The
7 original funding reservation for this applicant was made
8 in August of 2007. And pursuant to the same Appendix 1,
9 CCHE requirements for grant applications release of CCHE
10 funds reserved, the applicant had one year to resolve all
11 issues related to their project.

12 At the first Board meeting following the one-year
13 deadline in November 2008, the applicant requested an
14 extension in order to complete the negotiation process for
15 purchase of the property and to create a viable plan for
16 addressing building deficiencies noted in the Department
17 of General Services' appraisal review of their -- I'm
18 sorry I'm blanking on the word. What they had anyone --

19 DELEGATE CASH: Appraisal.

20 EXECUTIVE OFFICER MORRIS: Appraisal, thank
21 you -- dated December 10, 2008. Negotiations are still
22 underway between Pasadena Playhouse State Theater and the
23 property owner to purchase the theater complex for a total
24 \$6.4 million, the appraised value.

25 The value has been adequately supported. And it

1 includes an allowance for the repairs. That is, the
2 building would be worth \$7 million if the improvements
3 were already made. PPST is fully aware of the building's
4 deficiencies and is planning to address them.

5 The real property underlying the Pasadena
6 playhouse is owned by the Varon Living Trust. The
7 historic theater portion consists of half of the property
8 and is leased at no cost to the PPST in perpetuity through
9 the City of Pasadena.

10 PPST believes that ownership of the playhouse
11 complex will provide more space and save money for the
12 organization overall. The Pasadena Playhouse facilities
13 will be purchased with the assistance of CCHE funds. They
14 have raised funds to meet the required match of 967,500.
15 The remainder of the funds necessary to complete the
16 purchase are contingent upon acceptance of the purchase
17 offered by the seller.

18 The Board, as a result of BL 08-33, the budget
19 letter that was released in December of '08, is not
20 currently authorized to approve funding for new projects.
21 And it is not known when the freeze on new project funding
22 will be lifted. It is possible that the freeze could
23 continue for many more months.

24 And this morning in the LA Times, the Pasadena
25 Playhouse was actually written up. I seem to have

1 misplaced the article. But they were having significant
2 issues with their operating expense budget and had to
3 close a show early. And they're short about a million
4 dollars. We did not know about this situation prior to
5 write-up of the staff report.

6 And we still recommend that the Board extend
7 reservation until the next Board meeting. But we would
8 like to explore the situation with their current funding,
9 during the time between the next meeting. There has been
10 a change of staff at the playhouse. And the new executive
11 director sent us a letter indicating his commitment to
12 working with us and working on the project. And that's
13 included in your packet. But he made no mention of the
14 long-term debt and the financial issues that we're facing
15 them currently.

16 But we aren't in a position to be able to approve
17 the money at this point anyway. So staff's recommendation
18 is to continue the reservation and allow us to explore the
19 situation a little bit more with Pasadena.

20 CHAIRPERSON ALDRICH: Any questions from the
21 Board?

22 Do I have a motion?

23 BOARD MEMBER McDONALD: So moved.

24 BOARD MEMBER MARTINEZ: Second.

25 CHAIRPERSON ALDRICH: All those in favor?

1 (Ayes.)

2 CHAIRPERSON ALDRICH: Opposed?

3 All right, thank you.

4 EXECUTIVE OFFICER MORRIS: Okay. Moving on to
5 Agenda Item 13. This is the review and finalization of
6 the application guidance, forms, timelines, and process
7 for the residual funds, also known as Round 4.

8 In your packets, you should have a very dense
9 document. I'm hoping you all had a chance go through it,
10 but I will walk you through it briefly just to help
11 structure your review.

12 The first document is the request for
13 applications or RFA. This includes all the narrative
14 explanation regarding local, State, and federal historic
15 reservation efforts; the Origin of the CCHE; general grant
16 information; general grant terms and requirements; and the
17 review process and selection criteria.

18 I want to point out that there have been a few
19 clean-ups to the document from what you were originally
20 Emailed. These are minor, but important to demonstrate
21 consistency with regard to the matching requirement.

22 On page 14, the language regarding percentage of
23 match secured. At the time the written application was
24 changed to reflect the requirement on page 12, that all
25 match resources be available at the time of application

1 submission. I've also removed the reference to
2 over-matching.

3 The second document in this packet is a companion
4 document, the RFA. It's the forms and specific
5 instructions for the applicant.

6 There are seven appendices. And they may look a
7 little familiar. Appendix 1 is an update on the CCHE
8 requirements that have always been a part of the past
9 RFAs. Appendix 2 is an update on the definitions.
10 Appendix 3 is a sample resolution to be submitted by
11 applicants. Appendix 4 is the Excel-based workplan form
12 and a sample of that.

13 Appendix 5 is a sample grant agreement, but we
14 have not included that in the packet, as there is not much
15 room for Board review and editing. But I think we may
16 have a recommendation for that as well later.

17 Appendix 6 is a listing of the 183 applicants who
18 are eligible to apply for this final round of funding,
19 pursuant to the decisions made at the May Board meeting.
20 And Appendix 6 -- sorry 7 is a form for recording in-kind
21 contributions to the project.

22 Our timeline on page 16 of the RFA shows that we
23 hope to load this document on our website by October 20th
24 of this year, and are recommended that applications be
25 returned on February 10th, 2010 by 5 p.m.

1 The entire timeline includes the staff compliance
2 check and staff scoring, a peer-review process, and Board
3 meeting presentations and Board decision making. The
4 timeline is tentative and subject to change given
5 scheduling conflicts.

6 We still need to prepare a scoring rubric for the
7 RFA. And that will be produced prior to the uploading
8 date, so that applicants can see what the expectations are
9 for the various components.

10 I also want to add an additional suggestion and
11 possible requirement or at least an encouragement to
12 applicants. I want to inform the Board about an effort
13 underway in California that is also occurring in six other
14 states in the nation. The effort is called the Cultural
15 Data Project. And it first originated in Philadelphia,
16 and is supported, in part, by the Pew Charitable Trust.

17 The project is a comprehensive data collection
18 process on ongoing grant applications. It is a way of
19 streamlining reporting requirements for non-profit
20 cultural organizations, because they only need to input
21 their programmatic and budget information once a year, and
22 all potential funders can access that information.

23 This system also enables the production of
24 aggregated reports that can then be used to demonstrate
25 the economic impact of these organizations to their

1 communities. For example in Philadelphia, the data
2 revealed that the cultural field was the city's second
3 largest employment sector. And sadly, it was also the
4 second lowest paid sector. And that was revealed through
5 the information.

6 In California, there is a California cultural
7 data project that's part of this Pew Charitable Trust
8 project. And it is run by a five-member working group
9 that includes the California Arts Council, the James
10 Irvine Foundation, The Hewlett Foundation, the Getty
11 Foundation in Los Angeles and the Los Angeles County Arts
12 Commission.

13 There are roughly 4,400 cultural organizations in
14 California, and 2,300 of those are already registered with
15 the California CDP. Our 183 potential applicants won't
16 bring the usage to 100 percent, but it helps the project
17 with outreach and helps our projects and applicants get
18 connected to a system that should save them time and
19 effort.

20 So with the Board's approval, I'd like to include
21 language regarding the California CDP in the RFA and
22 encourage applicants to register with the project. I
23 think that's all my comments regarding this RFA and
24 selection process.

25 CHAIRPERSON ALDRICH: We do have two people who

1 would like to speak from the public. Jim Martin, are you
2 here?

3 MR. MARTIN: Yes.

4 CHAIRPERSON ALDRICH: Would you like to come
5 forward.

6 MR. METZ: I'm sorry, you did call for Gene Metz,
7 is that correct?

8 CHAIRPERSON ALDRICH: Yeah, that's fine. We'll
9 put you next.

10 MR. MARTIN: I thought maybe there were two Jim
11 Martins.

12 CHAIRPERSON ALDRICH: It's all right.

13 MR. METZ: Well, thank you for that.

14 CHAIRPERSON ALDRICH: So if you could just state
15 your name.

16 MR. METZ: I'm Gene Metz, and I'm president of
17 the John Marsh Historic Trust. We are recipients of one
18 of your planning grants Round 2, which we completed on
19 time and on budget. Also, I don't speak for the city of
20 Brentwood. The City of Brentwood is also a recipient of a
21 Round 1 grant. And that is now ongoing, after a major
22 delay of about two years to actually do the stabilization
23 of the John Marsh House.

24 John Marsh House is an 1856 beautiful stone
25 structure with undeniable history covering the 1830s, 40s

1 and 50s.

2 What's going on now is a good story, and one that
3 has some problems. And I greatly appreciate what -- you,
4 quite frankly, have helped us save the house. Without
5 your help, it's quite possible that the house would be in
6 unrepairable demolition at this point. And so thank you
7 very much for that. It's greatly appreciated.

8 We would be applying for a Round 4 grant for a
9 couple of reasons. The City of Brentwood received a grant
10 to do stabilization, that is temporary structures, to keep
11 the building from collapsing, given not only a mild
12 earthquake, but even a severe storm might have this
13 building in collapse.

14 They received a very wonderful grant. The
15 contract for that grant will be going out in about one
16 month's time. Actual construction on the temporary
17 structural stabilization will begin probably the first of
18 the year.

19 Unfortunately, the original stabilization funds
20 are now seen as inadequate. Due to the architectural and
21 structural engineering investigation of our grant for the
22 documents to restore the house and the research to go into
23 the techniques of stabilizing it, it's been discovered
24 that the peripheral brick wall peripheral brick wall three
25 stories high are unstable and unsafe.

1 Unlike, initially planned, those brick cannot be
2 reinforced and reused. They will have to be removed and
3 replaced three stories all the way on the periphery
4 around, with a more conventional structural system.

5 The stabilization funds that were received
6 originally, thanks to you, are no longer adequate to do
7 all of this work. So we will be applying for a grant to
8 supplement that stabilization.

9 You very appropriately have asked for
10 shovel-ready projects. And this is a project that's
11 undeniable in its being shovel ready. In fact, it's so
12 urgent, it brings up the last couple of comments that I
13 will have you consider, and that is one of flexibility.

14 And flexibility in terms of expenditure of
15 matching funds and flexibility in terms of time. If I can
16 explain this quickly in just a few words. Keep in mind
17 now, stabilization under Grant 1 will be out to bid in
18 late this month or early November. Construction will
19 start very soon after the first of the year and be in
20 temporary stabilization construction.

21 Round 4 grants will be received, I believe, early
22 February. I'm not quite sure when they will be approved.
23 But we're talking about a shovel ready project to extend
24 the stabilization of it that will have to fit into the
25 ongoing construction.

1 So we have a timing issue and, at this point, we
2 don't know exactly the cost of this extended stabilization
3 funding that's needed.

4 I'm not predicting this, but it's quite possible,
5 for instance, that we might have to expend our shared
6 money, our grant matching, money prior to approval of our
7 grant. We're willing to do that, quite frankly, whether
8 we receive a grant or not. My question to you or comment
9 to you is, have your staff consider the fact that we might
10 expend funds before we receive a grant, that those funds
11 could still be considered as matching funds for the grant.
12 So that's one flexibility that we would have you consider.

13 The other flexibility is timing. If we are
14 supplementing an ongoing stabilization construction, we're
15 not absolutely certain when our work must step in to fit
16 into the ongoing work. So this is a question of timing
17 and scheduling. It's quite possible that the work
18 required in our grant might have to be done before the
19 schedule that we predict in making the application to you.

20 This sounds very complicated and I don't think
21 I'm explaining it very well. But the request is really
22 just to suggest to the staff, permit the staff, to be as
23 flexible as possible with the funding and the timing and
24 the administration of the grant that we are hopeful to
25 receive in Round 4.

1 So thank you very much for your consideration and
2 allowing me to thank you and express my appreciation, and
3 explaining some of the difficulties that we will be
4 undergoing as we go forth for a Round 4 grant.

5 Thank you again. Appreciate it.

6 CHAIRPERSON ALDRICH: Thank you.

7 Are there any questions from the Board, comments?

8 All right, thank you.

9 EXECUTIVE OFFICER MORRIS: If I could comment,
10 Stacey, I just want to explain to the Board that match is
11 normally allowable as part of the match requirement from
12 the time that the Board approves the reservation of
13 funding. I'm sorry approves the award.

14 DEPUTY ATTORNEY GENERAL MOE: No. I think match
15 isn't used from the time -- the match is expended before
16 the reservation of funding, but -- after the reservation
17 but before the approval has been counted.

18 EXECUTIVE OFFICER MORRIS: So, I'm sorry, it is
19 from the point that the funds are reserved, the applicant
20 may have expenditures to be counted towards the matching
21 funds requirement. So your request is that there be an
22 even earlier time point. And are you thinking --

23 MR. METZ: Possibly.

24 EXECUTIVE OFFICER MORRIS: -- perhaps maybe with
25 the submission of the application, is that a potential

1 suggestion?

2 MR. METZ: It could be that early, possibly.

3 EXECUTIVE OFFICER MORRIS: So I think the idea
4 here is that there are some expenditures that a grantee
5 might need to be making with their own funds and they'd
6 like to have those expenditures be -- they'd like to
7 receive credit for those, even though their funding
8 approval -- you know, the funding reservation process is
9 going to take a lot longer down the road. So I think the
10 suggestion could be possibly to include any expenditures
11 following the submission on February 10th of the
12 application. So that could be a potential.

13 MR. METZ: Thank you. She explains it much
14 better than I.

15 CHAIRPERSON ALDRICH: Thank you.

16 Thank you very much.

17 Mr. Martin.

18 MR. MARTIN: Hi. I'm Jim Martin with
19 Navarro-by-the-Sea Center. I'm the president of the
20 all-volunteer efforts to try to save the historic Captain
21 Fletcher's Inn and the Mill Superintendent's house at
22 Navarro River Redwood State Park.

23 And we're grateful recipients of a Round 2
24 planning grant, which we're continuing to move forward
25 with. There have been challenges with the project. Rare

1 bats were found in the Inn; challenges when we had the
2 State budget freeze. But the architect has finally
3 finished the construction drawings. We're moving forward
4 with the Mitigated Negative Declaration. We're actually
5 hoping to come in under budget.

6 And so we have a couple issues to raise to the
7 Board with regard to the Round 4 application, which I
8 quickly reviewed while we were sitting through the other
9 agenda items.

10 And I think that it's pretty clear, you know, the
11 expectations. And I think staff laid out the application
12 really well. One request that I would have is regarding
13 the CEQA documentation and the permits. And right now,
14 the application is very clear that all CEQA-related work
15 needs to be completed by the time the applications are
16 submitted.

17 We're completing the Mitigated Negative
18 Declaration on this stabilization now. So I don't see a
19 complication there. But we found out with demolition of a
20 1960's era motel building that will allow us to get
21 underneath the Inn and lift it up, that we need to get a
22 Coastal Development permit now.

23 And my concern -- I'm sure we will secure that
24 within six to eight months. But if we're required to have
25 that in place by February, it may jeopardize our

1 eligibility. So I'm hoping that the Board will consider
2 an exception, so that from the time of the application, if
3 there is a complication, as long as the documentation is
4 in place by the time you reserve funding, that an
5 applicant can continue to submit and still be eligible for
6 the Round 4 funds.

7 You know, it may jeopardize this project. Our
8 architect carrying company has made it very clear, if we
9 don't get in and stabilize this building, we're going to
10 lose it within five years, the historic end. We got
11 through the National Register nomination. We finished the
12 specific plan. We have the construction drawings. We
13 appreciate the support CCHE has given us. We wouldn't be
14 able to save this building without your support. And
15 we've struggled to find the matching funds. We appreciate
16 that there is an exception in the Round 4 application,
17 where we don't have to do the full 60 percent match,
18 because we don't think we're going to get there. We
19 really are out on the sticks.

20 And so we're hoping there's also an exception
21 there, that if we don't have the permit in hand by
22 February 10th, that there's an allowance that as long as
23 you have it in hand by the time you reserve funds and make
24 that decision, that we still be eligible. And again we
25 really appreciate your support.

1 CHAIRPERSON ALDRICH: Thank you. Any questions
2 or comments?

3 We have one more person. Katherine Donovan.

4 MS. DONOVAN: Hello. I'm Katherine Donovan with
5 the City of Santa Cruz Redevelopment Agency. And we are
6 the recipients of both a Round 1 planning grant and a
7 Round 2 construction grant.

8 When we originally applied, we were working with
9 a -- with assistance for the Tannery Arts Center, which is
10 the rehabilitation and new construction on an eight-acre
11 historic site where the oldest tannery west of the
12 Mississippi existed up until 2003.

13 It closed in 2003, and the redevelopment agency
14 almost immediately began negotiations with this non-profit
15 partner to develop an arts center on the site, which
16 included 100 units of affordable housing for artists, the
17 rehabilitation of the existing historic buildings to be
18 used for artist studios, and Phase 3 of the project, which
19 is to build a new theater, classrooms, and commercial
20 space.

21 We have finished the Phase 1, the residential
22 portion. We have the existing Round 2 grant for the
23 construction, the rehabilitation of the existing
24 buildings. The financing from our non-profit partner, of
25 course, in this market, fell through, but we were able to

1 apply for and have just last week received absolute word
2 that we will be getting significant funding through the
3 Recovery Act.

4 And the combined funding of our Round 2 grant
5 from CCHE and the Recovery Act will -- we are pretty sure
6 that it will cover our construction costs.

7 However, as you know, when you are working with
8 historic buildings, there are a lot of unknowns. And they
9 generally end up costing money. And so we are
10 anticipating that we are going to need, what's been
11 referred to as, a slush fund to cover the unanticipated
12 costs that are going to come up during construction.

13 And we are very appreciative that this Round 4
14 has come into fruition, and that there will be more money
15 available that we -- that we'll be eligible to apply for.
16 What we are concerned about is that we will be in
17 construction when we submit the applications. And our
18 exact needs are going to be anticipated, but unknown,
19 because while you're doing rehabilitation of historic
20 buildings, things happen, things come up. You open the
21 walls and "Oh, my God. What was that?"

22 And so a lot of what we're looking at right now,
23 we're not -- we're anticipating that we will have costs
24 that are not covered, but we don't have the exact
25 documentation. And so we're hoping that there will be

1 some flexibility in the exact structure of the financial
2 documents.

3 CHAIRPERSON ALDRICH: Thank you. Any questions
4 or comments from the Board?

5 BOARD MEMBER SWINDEN: Is that all the comments
6 on this section?

7 CHAIRPERSON ALDRICH: We have one more.

8 BOARD MEMBER SWINDEN: Why don't we hear the last
9 one.

10 CHAIRPERSON ALDRICH: Mr. Fitzgerald.

11 MR. FITZGERALD: Good afternoon, Madam Chair and
12 Members. Thank you for the opportunity to address you. I
13 just had a quick, sort of, a question, I think, on -- it's
14 on page 17 of the RFA. And it's under the scoring
15 process. And it's the section entitled Grant Manager
16 Evaluation.

17 And I wanted to make sure, A, that I'm reading it
18 right, and if so, that may lead to a Suggestion I might
19 have, which is that there is -- in this Grant Manager
20 Evaluation portion, there's an opportunity during the
21 staff review for those applicants -- for those projects, I
22 guess, that have moved into grant agreement with CCHE,
23 that the staff, who manage that particular project, would
24 make an evaluation of that project based on timeliness of
25 reports and how well the project moved along, with the

1 opportunity that that project could be marked down for
2 having not been as compliant as they should have been with
3 CCHE process.

4 And if that's how I'm reading it, if that is
5 correct, that that doesn't allow for projects that have
6 been -- in other words, the best anyone could do if there
7 were the model CCHE project, is to not have their score
8 changed. And so the suggestion that I might have is that
9 an excellent project have an opportunity, an excellent
10 prior project have an opportunity to score perhaps better
11 in that staff manage -- or the Grant Manager Evaluation,
12 and not only have the opportunity to be marked down.

13 So I just -- I want to, first of all, make sure
14 I'm reading that correctly. And if so, make that
15 suggestion.

16 CHAIRPERSON ALDRICH: Mimi.

17 EXECUTIVE OFFICER MORRIS: Thank you. I can
18 address that. You are reading that correctly, Sean.

19 And we struggled with this, because of the
20 inclusion in the eligible pool of applicants who both are
21 in grant agreement and who have a working relationship
22 with and folks who never have, you know, gotten to that
23 point.

24 And so this was perceived as being the most
25 equitable way of not disadvantaging those who didn't make

1 it into a grant agreement, who weren't given a grant
2 initially. So that's why we're doing it as a mark down.

3 MR. FITZGERALD: Okay, thanks.

4 CHAIRPERSON ALDRICH: Thank you.

5 Okay. Do we have any comments from the Board?

6 Mr. Swinden.

7 BOARD MEMBER SWINDEN: I have a couple of
8 comments on the questions that have been raised or
9 suggestions that have been put forth.

10 I think one of the reasons for the structure of
11 the application and the way it's been done this time is
12 because of the time constraints we're faced with in terms
13 of completing these projects.

14 And so not to have a very precise clear idea of
15 what that project is, and how it's going to be fulfilled
16 would be detrimental to us and also to the funding of that
17 project, if everything isn't ready at the very beginning.

18 And so I would suggest that applicants who may be
19 looking at projects that they're involved with now,
20 perhaps that they structure their applications to
21 specifically address certain needs that they know and they
22 know they can get don't at that time, as opposed to
23 putting in an application that might be kind of fuzzy on
24 those ideas because that's going to get marked down.

25 The gentleman who raised the question about the

1 CEQA. My question to the staff is that if we were to
2 allow a later date on the CEQA. And it certainly would
3 not be after the date that the application coming before
4 the Board to be approved, how much time would you need to
5 be able to fill the Board in, if somebody were to say --
6 let's say they had April 1st to have their CEQA completed,
7 as opposed to the date of the application, would that be
8 too much of a burden on the staff to be able to go through
9 all those applications and see that those things are
10 fulfilled, because we're only talking about six weeks
11 here?

12 EXECUTIVE OFFICER MORRIS: Yeah. I would think
13 that many of the applicants would have the CEQA
14 documentation in place already. And so I wouldn't think
15 it would be too burdensome. Of the 183, that I don't
16 think that we'd have maybe more than 50 percent that would
17 have to wait until that date.

18 But I think you might have some comments as well
19 on the gentleman's comments about the CEQA.

20 DEPUTY ATTORNEY GENERAL MOE: Well, my
21 understanding was that he actually felt they would have
22 the CEQA documentation in place. But regardless, I think
23 Mimi's -- I agree with Mimi that if you -- were you
24 suggesting possibly making it -- having it in place at the
25 time of the Board meeting?

1 BOARD MEMBER SWINDEN: No, not at the time of the
2 Board meeting. We set it time certain.

3 And it has to be before the Board meeting. We
4 have to know when they come in that they're ready to go.
5 I mean, if they need an extra six weeks and we're just
6 sitting on the application, then I don't have a problem
7 with that, as long as the staff can let us know that
8 they've actually fulfilled their requirement.

9 And if the Board wanted to say, all CEQA had to
10 be completed by April 1, which would then give you time to
11 tell us that it's been done, then I don't have a problem
12 with that. It gives them an extra six weeks to get it
13 taken care of. I just want to make sure the staff can
14 handle that.

15 EXECUTIVE OFFICER MORRIS: And I think we can.

16 BOARD MEMBER SWINDEN: Okay. Well, then I would
17 recommend that we make a change in the application that
18 CEQA needs to be completed by April 1.

19 DEPUTY ATTORNEY GENERAL MOE: And that would be
20 CEQA completed and the lead agency taking action.

21 BOARD MEMBER SWINDEN: Yes. And everything you
22 have in the original application, as far as -- as opposed
23 to being when it's presented, it has to be at the April 1
24 date.

25 EXECUTIVE OFFICER MORRIS: And just given Bobby's

1 remarks about April 1st, at the reception last night, I'd
2 like to suggest April 2nd.

3 (Laughter.)

4 BOARD MEMBER SWINDEN: Make it a week day.

5 BOARD MEMBER McDONALD: A very weak day.

6 DEPUTY ATTORNEY GENERAL MOE: The gentleman's
7 other comment was really, I think, to the concerns about
8 whether he has permits in place from other agencies, for
9 example, the Coastal Commission. And Mimi and I just did
10 a quick look, and we don't see that requirement here. We
11 can follow up with him. As it is what we want to do is
12 have approvals -- the application asked who you need to
13 get approvals from and when they will be in place, which
14 is -- some of these are permits that they have less
15 control over, especially the ones that are not cities.

16 So I think to the extent that that requirement
17 doesn't currently require it to be done by the time of the
18 application, if it stays the same way, it gives you some
19 flexibility about looking at it on a case-by-case basis.

20 CHAIRPERSON ALDRICH: Mr. Cash.

21 DELEGATE CASH: I was glad to see on page 11 at
22 the bottom the blurb on funding. And then I'd like to
23 make sure that that's posted or something similar to that
24 language is posted on the website, where we actually post
25 the applications, just so folks know that this is all

1 contingent on life becoming normal again in the bond
2 world. And we're hoping that it will become somewhat
3 normal in the next couple months.

4 EXECUTIVE OFFICER MORRIS: And I believe Board
5 Member Oropeza wanted to include this language in the
6 grant agreement as well, as yet another cautionary
7 statement about the nature of the funding.

8 CHAIRPERSON ALDRICH: Ms. Spehn.

9 DELEGATE SPEHN: I just wanted to commend staff.
10 I think it's a good application. It's thoughtful. It
11 reflects all the lessons learned in the previous rounds.
12 And I'm looking forward to some good responses.

13 CHAIRPERSON ALDRICH: Mr. Swinden.

14 BOARD MEMBER SWINDEN: No. I was just going to
15 actually say the same thing. I think that the staff did a
16 wonderful job. Congratulations.

17 EXECUTIVE OFFICER MORRIS: Thank you.

18 CHAIRPERSON ALDRICH: Are there any other
19 comments about the matching being more flexible, that they
20 had already started the project. I know that was one of
21 the comments that they're already in motion getting --

22 EXECUTIVE OFFICER MORRIS: Mr. Metz talked about
23 that.

24 DELEGATE CASH: I think as long as it's before
25 the -- or it's after the application has been submitted,

1 that that should be fine.

2 EXECUTIVE OFFICER MORRIS: So would there be any
3 objection to changing the application to reflect that
4 match can be counted from the submission requirement date
5 of February 10th, 2010?

6 BOARD MEMBER SWINDEN: That's fine.

7 CHAIRPERSON ALDRICH: Okay.

8 EXECUTIVE OFFICER MORRIS: Okay.

9 DELEGATE SPEHN: If I could comment on process at
10 our January meeting. We've had occasions in the past
11 where applicants have come forward at a meeting
12 immediately before the time that the applications are
13 submitted, and in public comment or different times during
14 the meeting described their projects.

15 And, you know, we're limiting -- under the
16 application, we're limiting it to five minutes per project
17 that's been deemed complete by staff. And so we really
18 are giving the people who come to another meeting extra
19 time to talk about their project in advance. And so from
20 a fairness perspective, I'd like to figure out someday
21 that we can properly notice that on the agenda or
22 whatever, that, you know, they should be speaking to the
23 topic rather than --

24 DELEGATE CASH: January is not the time to do it.

25 DELEGATE SPEHN: January is not when we should be

1 hearing about the projects.

2 DEPUTY ATTORNEY GENERAL MOE: Although, I know
3 you're well aware that there's also a requirement that we
4 allow the public to speak on items not on the agenda, but
5 it can be a very brief comment.

6 DELEGATE SPEHN: In which case then, the Chair
7 would have to, you know, determine how much time is per
8 subject. But then it gets to who can afford to fly or
9 drive to whatever the site is for that January hearing,
10 and who can't, and, you know, in terms of how you're going
11 to sell your project.

12 CHAIRPERSON ALDRICH: So do we need a motion to
13 approve the application with the changes that have been
14 made?

15 DEPUTY ATTORNEY GENERAL MOE: Between Mimi and I,
16 we just request that we summarize the changes that the
17 Board has requested.

18 EXECUTIVE OFFICER MORRIS: Okay. I have that we
19 will change the flexibility with regard to the match,
20 allowing matching funds to have been spent from the date
21 of the application of February 10th, 2010 to be counted
22 into the matching funds requirements.

23 DEPUTY ATTORNEY GENERAL MOE: And a second change
24 was to allow an application -- for an applicant to provide
25 their CEQA documentation, if it's a Negative Declaration

1 or an EIR, by April 1st, so that --

2 BOARD MEMBER SWINDEN: April 2nd.

3 DEPUTY ATTORNEY GENERAL MOE: April 2nd, that
4 magic date -- together with the approval of the lead
5 agency, unless it's a project deemed to be exempt and the
6 Endowment can act as the lead agency for the exemption.

7 And the third is that we were going to confirm
8 that there is not currently a requirement that all permits
9 be in place at the time of the application and leave that
10 in terms of a case-by-case basis of readiness to go,
11 depending on what the requirements are.

12 EXECUTIVE OFFICER MORRIS: Then the final piece
13 would be the inclusion of the language on page 11 in the
14 grant agreement and posting that on our website, so that
15 it's clear what the State's capacity is.

16 CHAIRPERSON ALDRICH: Do I have a motion?

17 BOARD MEMBER SWINDEN: I so move, Madam Chair.

18 BOARD MEMBER McDONALD: I'll second.

19 CHAIRPERSON ALDRICH: All those in favor?

20 (Ayes.)

21 CHAIRPERSON ALDRICH: Opposed?

22 All right, thank you.

23 So we're now to Item 14, which is public
24 comments. And we'd like to start with Ms. Sarah Sykes.

25 MS. SYKES: Hi. I'm Sarah Sykes. I'm

1 representing the SPUR, San Francisco Planning and Urban
2 Research Association. I'm here on behalf of Diane
3 Filippi, who unfortunately could not be here and sends her
4 regrets.

5 I just simply want to say thank you to the Board
6 and to the staff for our grant that we received in Round
7 3. In great part to this grant, I'm pleased to announce
8 that the SPUR Urban Center opened to the public in May of
9 this year. And we were also able to open our first
10 exhibit, which was entitled "Agents of Change Civic
11 Idealism and the Making of San Francisco".

12 This exhibit examines the history of city making
13 in San Francisco, and challenges visitors to consider
14 today's urban issues in light of their own values. The
15 story is told through the lens of history and organized
16 into six overlapping generations: The city builders, the
17 progressive and classicists, the regionalists, the
18 moderns, the contextualists and the eco-urbanists, which
19 is a mouthful. And I invite you all to please come and
20 see it. It really is quite fabulous.

21 Two of the major roles for SPUR at the start of
22 this project was outreach and education, making our
23 resources available to a wider audience, including school
24 children and those traditionally underserved. And I'm
25 pleased to report to you today that that has been a wild

1 success. And I can't tell you how wonderful it is to come
2 downstairs to the gallery and find it full of school
3 students, discussing and exploring the exhibit or
4 approaching the building on the way to work in the morning
5 or coming back from lunch and finding a group of passers
6 by who are studying the exhibit in the window. It's
7 really very gratifying knowing that these are exactly the
8 people that would not have found SPUR in our prior
9 location, which was in offices on the 4th and 5th floors
10 of a dreary and non-descript office building.

11 Needless to say, we are thrilled to have this
12 amazing new space and to welcome this much more diverse
13 audience. We like, all of the other projects here today,
14 faced difficulties in fundraising and we struggled along
15 through the process. We did make it. But along the way,
16 we ended up value engineering a lot of details, some of
17 them quite crucial, out of the building. We're operating,
18 and it's fabulous, but there are still a few things that
19 can make it more complete. And for that, we're looking
20 forward to applying through Round 4 for some of the things
21 that will help complete this great new resource.

22 So again thank you.

23 CHAIRPERSON ALDRICH: Thank you. Thank you for
24 stopping by and telling us more about what you've been
25 doing.

1 MS. SYKES: Please come.

2 CHAIRPERSON ALDRICH: Thank you.

3 Celeste DeWald come on down.

4 MS. DeWALD: Is this The Price is Right?

5 Good afternoon. I'm Celeste DeWald, executive
6 director of the California Association of Museums.

7 And I really just wanted to say thank you for
8 everything that you're putting into this, and for that
9 beautiful reception last night and inviting us to be a
10 partner. It was very enlightening and exciting to see all
11 those projects completed that were highlighted. And I
12 felt a lot of excitement in the room. It was nice.

13 Especially for those of us who were in this --
14 not this room, but the other room five years ago with that
15 marathon first round, 3 o'clock in the morning, was it?

16 So it was really inspiring last night to see all
17 the completed projects. So thank you.

18 And one last thing, I'm really excited to hear
19 Ms. Morris mention the California Cultural Endowment
20 Project and having some encouraging participants, grantees
21 to participate in that, because those of us who are really
22 trying to gather information and publishing surveys about
23 the field, that goes a long way. So we've been really
24 promoting that through our channels as well. And it's
25 exciting to hear about that connection.

1 I look forward to working on the survey with
2 staff and being apart of that.

3 So thank very much.

4 CHAIRPERSON ALDRICH: Thank you.

5 Any further comments from the public?

6 Okay, thank you.

7 EXECUTIVE OFFICER MORRIS: And before we proceed
8 to Board comments, may I interject here. I just wanted to
9 make a public note of thanks to Bobby McDonald for being
10 our incredible master of ceremonies last night at the
11 reception. And, of course, a thank you to Townsend and
12 Associates who's here. They helped fund the lovely party
13 last night.

14 And then finally, if you'll indulge me, one of
15 our other big funders for the event was the California
16 Council for the Humanities. And because people were
17 getting tired after standing for almost 45 minutes to an
18 hour and listening to many, many speakers, including the
19 always entertaining Huell Howser, we decided not to share
20 Ralph Lewin's message to the group, but I'd like to read
21 it now.

22 This is a message from Ralph Lewin, the executive
23 director of the California Council for the Humanities.

24 And he writes, "We, at the California Council
25 for the Humanities, are in awe of all that you

1 and the California Cultural and Historical
2 Endowment have achieved, and I am sorry to not be
3 with you tonight.

4 "As I think about what makes California a
5 better place to live, it is certainly the
6 historic and cultural riches of our State. What
7 a shame it would be to lose that wealth today and
8 for future generations. In our fast-paced lives
9 let us not forget where we have come from. You
10 at the California Cultural and Historical
11 Endowment remind us.

12 "I encourage you to continue to support this
13 vision of preserving culture, for it is our most
14 vital inheritance.

15 "Again, I am sorry to not be with you today,
16 but the California Council for the Humanities is
17 proud to stand with you in support..." -- I'm
18 sorry, "...to stand with you to support and
19 celebrate this important work.

20 Ralph Lewin."

21 Thank you

22 CHAIRPERSON ALDRICH: All right. We're now on to
23 the next agenda item, which are Board Member comments.

24 Does anybody have anything they'd like to share?

25 DELEGATE CASH: Yes. I just wanted to give an

1 update on the status of bonds and bond sales.

2 Getting cash. We are going to have a bond sale
3 next week, so that is the good news. And depending on how
4 that goes, and if there's a subsequent sale this fall,
5 then we'll know a little more about where we are, and if
6 there will be funding for new projects moving forward.

7 We know that -- we anticipate that there will be
8 enough in this sale to keep all the ongoing projects
9 going. So that's the good news. And then, as far as new
10 projects go, we'll see so. But it looks good so far. I
11 mean, the rain sale that happened, I believe it was, last
12 week was very good.

13 CHAIRPERSON ALDRICH: Thank you. Anybody else?
14 Bobby.

15 BOARD MEMBER McDONALD: Yeah, I'd like to make a
16 comment about last night. I thought that it was warm in
17 the room. It was energetic. It was spiritual. People
18 enjoyed it. Again, the opportunity to see some of the
19 projects on the board, to see results being made after
20 five years, again after the 3 o'clock -- what was it, the
21 3 o'clock meeting when we opened it up and had general
22 comments, and public comments, I guess, but to see it come
23 this far.

24 It was nice to have the different groups and
25 different factions in the area to be there, especially the

1 California State Parks and all the other people that
2 participated. I want to thank staff and members of the
3 staff for really working, and, Mimi and your crew, to put
4 this thing together. It was very, very nicely and well
5 done.

6 I'm glad that we got in there before the meeting
7 started at 9:30 in the morning. So we did a halfway
8 decent job there getting that done.

9 But I just thought it was a wonderful cultural
10 and historical event to get all the different people
11 together and see the projects and stuff. We might want to
12 consider doing this again down the road.

13 But thank you for letting me be part of it.

14 EXECUTIVE OFFICER MORRIS: You're welcome.

15 CHAIRPERSON ALDRICH: Other comments?

16 I too would like to thank CCHE and Mimi and the
17 staff for a wonderful event last night, and Mr. McDonald
18 for MC'g. It was a lovely event.

19 And our next meeting will be in January in San
20 Diego, somewhere south?

21 EXECUTIVE OFFICER MORRIS: Yes, San Diego.
22 Actually the Old Globe is very interested in having us
23 have our meeting at their facility, which was renovated
24 with CCHE funds. And it's supposed to quite spectacular.

25 DELEGATE SPEHN: It is quite spectacular.

1 EXECUTIVE OFFICER MORRIS: And actually, I have a
2 flier for their fundraising event, which is in early
3 December. It's called "Some Enchanted Evening". And it's
4 a reception and a performance and a formal dinner. And
5 there's about a \$2,500 per couple price tag. But it looks
6 like a really lovely event. So I'll circulate this and
7 you can take a peak at it, and see if you can get down
8 there in December for that.

9 BOARD MEMBER McDONALD: More bond issues. We
10 need more bonding for us to go to that.

11 CHAIRPERSON ALDRICH: Before I ask for a motion
12 to adjourn, I would like to recognize that today is Mr.
13 Martinez's birthday. Having shared it in the Capitol
14 today with you, we have a small little token to remember
15 your day in the Capitol.

16 BOARD MEMBER MARTINEZ: Me and Jimmy Carter.

17 (Laughter.)

18 BOARD MEMBER MARTINEZ: He turns 85. And I'm not
19 going to tell you how old I am.

20 Thank you very much.

21 CHAIRPERSON ALDRICH: Happy Birthday.

22 May I request a motion to adjourn?

23 BOARD MEMBER SWINDEN: So moved.

24 BOARD MEMBER McDONALD: So moved, Madam Chair.

25 CHAIRPERSON ALDRICH: Second.

1 BOARD MEMBER McDONALD: Madam Chair, you don't
2 need a second.

3 CHAIRPERSON ALDRICH: Thank you.

4 (Thereupon the California Cultural and
5 Historical Endowment Board meeting adjourned
6 at 2:20 p.m.)

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1 CERTIFICATE OF REPORTER

2 I, JAMES F. PETERS, a Certified Shorthand
3 Reporter of the State of California, and Registered
4 Professional Reporter, do hereby certify:

5 That I am a disinterested person herein; that the
6 foregoing California Cultural and Historical Endowment
7 Board meeting was reported in shorthand by me, James F.
8 Peters, a Certified Shorthand Reporter of the State of
9 California;

10 That the said proceedings was taken before me, in
11 shorthand writing, and was thereafter transcribed, under
12 my direction, by computer-assisted transcription.

13 I further certify that I am not of counsel or
14 attorney for any of the parties to said hearing nor in any
15 way interested in the outcome of said hearing.

16 IN WITNESS WHEREOF, I have hereunto set my hand
17 this 19th day of October, 2009.

18
19
20
21 _____
22 JAMES F. PETERS, CSR, RPR
23 Certified Shorthand Reporter
24 License No. 10063
25